BOX 171.

4. L LOGISTICS, General: June, 1942 - April, 1945.

Regraded Unclassified

April 30, 1945.

MEMORANDUM FOR:

ADMIRAL LAND.

I acknowledge with thanks receipt of your interesting memorandum of 27 April in reference to the disposition of vessels. As President Roosevelt was so interested in this subject, I shall have your memorandum filed with the Roosevelt papers for eventual deposit at the Hyde Park Library.

WILSON BROWN,
Vice Admiral, U.S.Navy,
Naval Aide to the President.

Regraded Unclassified

WAR SHIPPING ADMINISTRATION
WASHINGTON

ADMINISTRATOR

APR 27 1945

MEMORANDUM FOR ADMIRAL BROWN

I send you herewith a copy of my letter dated April 10, 1945 addressed to the Surplus Property Board, together with illustrative graphs relating to the disposition of vessels of 1000 gross tons, or less, which were requisitioned or purchased.

It would appear that the recovery of the cost of these vessels is exceeding what was expected - particularly in view of the operation of Public Law 305.

Every effort is made to obtain the best dissemination of information concerning vessels offered at public sale and to this end a mailing list of 8000 interested persons has been compiled.

The return for yachts in reasonably good operating condition has been very satisfactory. I have been informed by reliable authorities that the prices offered and accepted have been from ten to fifteen per cent more than the estimated "as is" value of the craft.

In disposing of requisitioned or purchased commercial small craft, or small vessels capable of conversion to commercial activity, offerings are affected adversely by the prospect of newly constructed equipment which purchasers feel will be offered as surplus in the future.

E. S. Land

E. S. Land

This memo merely to complete the White House files on this subject.

Jerry Land

Regraded Unclassified

WAR SHIPPING ADMINISTRATION

Washington

C
O
P
Y

April 10, 1945

Mr. Alfred E. Howse
Administrator
Surplus Property Board
Washington 25, D. C.

Dear Mr. Howse:

Mr. Mason Britton, as Administrator for the Surplus Property Board, wrote the Director, Contract Settlement and Surplus Materials Division of the Maritime Commission under the date of March 23, 1945 calling attention to the requirement of the Surplus Property Board to submit to the Congress a quarterly progress report in accordance with Section 24 of the Surplus Property Act of 1944.

The Surplus Property Act of 1944, Public Law 457, 78th Congress, in Section 10 (b) provides that the "United States Maritime Commission shall be the sole disposal agency for surplus vessels which the Commission determines to be merchant vessels or capable of conversion to merchant use and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act of 1936, amended, and other laws authorizing the sale of such vessels."

Section 34 (a) of the Surplus Property Act of 1944 provides that "this Act shall not impair or affect any authority for the disposition of property under any law, except that the Board may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition weremade under this Act, whenever it deems such action necessary to effectuate the objectives and policies of this Act."

The Administrator, War Shipping Administration, under the provisions of Public Law 305, 78th Congress, approved May 12, 1944 is authorized by Congress to dispose of vessels of 1,000 gross tons, or less. It has been construed that the Surplus Property Act of 1944, Public Law 457, approved October 3, 1944 did not repeal, or supercede provisions of Public Law 305 and that the Administrator, War Shipping Administration is presently authorized to proceed to dispose of vessels of 1,000 gross tons or less.

Pursuant to the provisions of Section 34 (a) of the Surplus Property Act the War Shipping Administration is construed to be the disposal agency and the reporting agency for vessels of one thousand gross tons or less. Accordingly, the War Shipping Administration will report to you quarterly on such disposals for your purposes in reporting to Congress pursuant to Section 24 of the Surplus Property Act.

Regraded Unclassified

There is attached, in triplicate, a report relating to the disposal of such vessels as have been declared surplus for disposal under Public Law 305. It will be noted that the Administrator is required to return to former owners such vessels as were purchased or requisitioned upon the repayment to the United States of the compensation paid therefor less such allowances as the Administrator may deem reasonable (1) to cover the cost of such reconditioning as the Administrator, after consulting with the former owner, deems necessary to restore the vessel to the condition and utility at least as good as when acquired by the United States, less ordinary wear and tear, and (2) to compensate such owner for the use of the vessel by the United States and on compliance with such other terms and conditions as the Administrator may prescribe. The determination of such allowances by the Administrator shall be final notwithstanding any other provision of the law. In the event a former owner, whose vessel has been declared surplus, shall fail, within a reasonable time after notice, to make arrangements satisfactory to the Administrator for such return of the vessel or shall expressly waive right thereto, the Administrator may advertise the vessel for sale upon competitive sealed bids.

There are attached eight graphs which illustrate the result of the operation of Public Law #305, 78th Congress. It will be noted that the disposal of vessels under this law produces a return of the acquisition cost of each vessel when consideration is given to the allowance for restoration and compensation for use as required under the Statute.

Inventory is indicated by the number of surplus vessels as well as by their value at the time of acquisition when requisitioned or purchased. The disposal sales prices naturally are greatly affected by the cost of restoration and the duration of their use when vessels are acquired by their former owners. It will be further noted that vessels sold publicly under the terms of Public Law 305 bring a somewhat higher return. Due to the wide range of values in vessels of 1,000 gross tons or less it is believed that the progress of disposal is more effectively demonstrated in referring to the numbers of vessels rather than to their dollar value.

Acting upon the authority conferred by Public Law 305 the Administrator has returned to former owners, and disposed of otherwise, during the first quarter of 1945, vessels of 1,000 gross tons or less, in accordance with the attached statements submitted in triplicate.

Sincerely yours,

(Sgd) E. S. Land
E. S. Land
Administrator

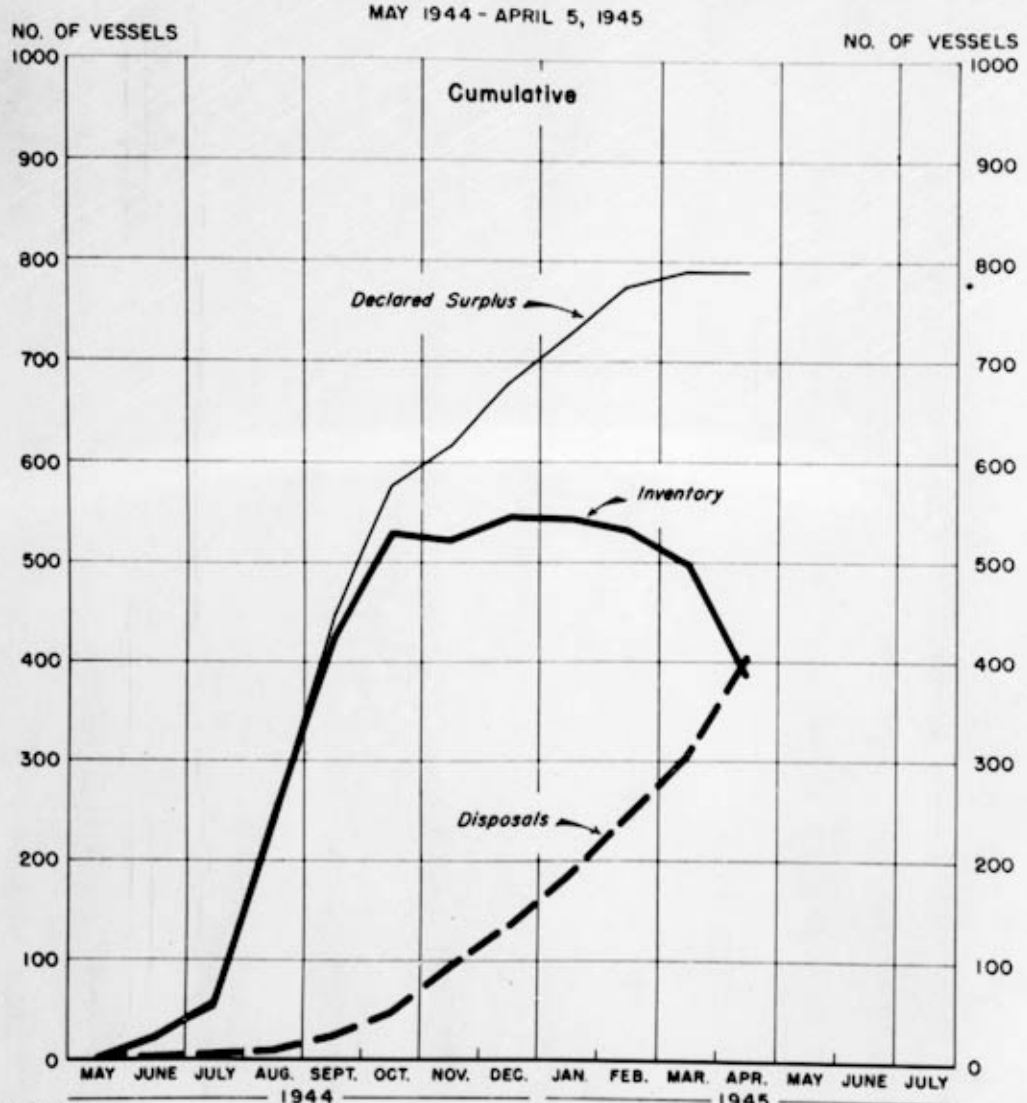
Attachments

Regraded Unclassified

Surplus Vessels of Less Than 1,000 Gross Tons

TURNED BACK TO, DISPOSED OF BY, AND ON HAND WITH W.S.A.

MAY 1944 - APRIL 5, 1945



CUMULATIVE												
Declared Surplus	0	22	56	250	448	578	618	680	728	775	791	791
Disposals	0	0	4	9	22	47	94	134	184	241	303	404 *
Inventory	0	22	52	241	426	531	524	546	544	533	488	387

* Includes vessels sold in April not yet delivered.

SOURCE: Division of Small Vessels Procurement and Disposal.

WAR SHIPPING ADMINISTRATION
DIVISION OF STATISTICS AND RESEARCH
WSA-SR
APRIL 7, 1945

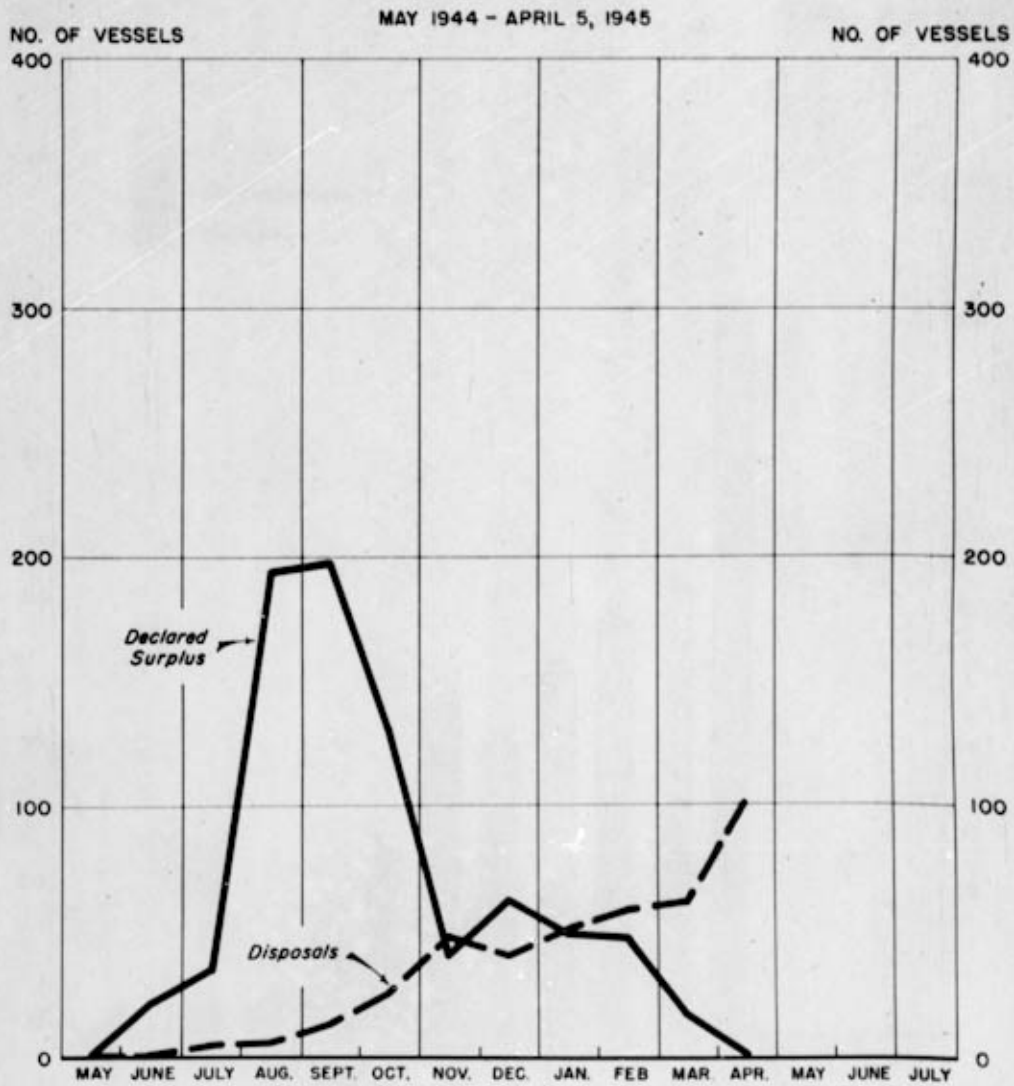
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CHART 2

Surplus Vessels of Less Than 1,000 Gross Tons

TURNED BACK TO, AND DISPOSED OF BY, W.S.A.

MAY 1944 – APRIL 5, 1945



MONTHLY	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB	MAR	APR.
Declared Surplus	0	22	34	194	198	130	40	62	48	47	16	0
Disposals	0	0	4	5	13	25	47	40	50	57	62	101 *

* Sold not yet delivered

SOURCE: Division of Small Vessels Procurement and Disposal

WAR SHIPPING ADMINISTRATION
DIVISION OF STATISTICS AND RESEARCH
WSA-SR APRIL 7, 1945

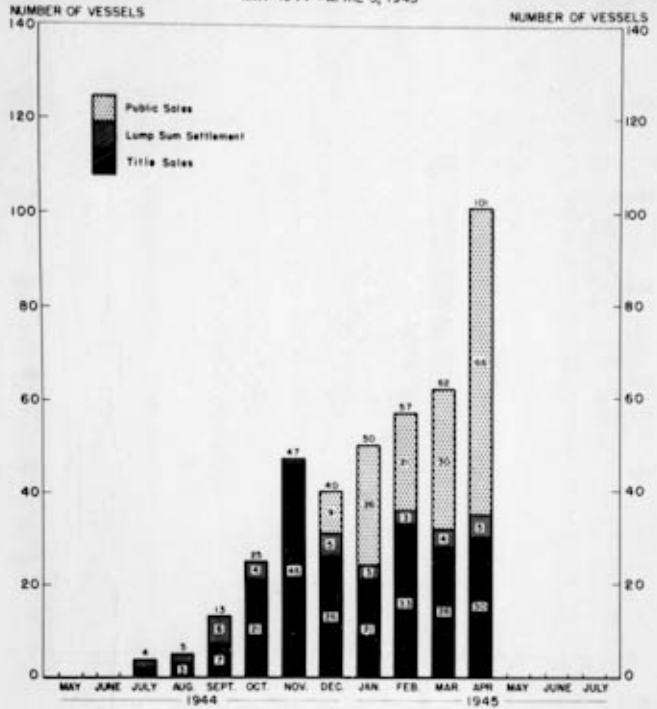
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CHART 3

Surplus Vessels of Less Than 1,000 Gross Tons

NUMBER OF VESSELS DISPOSED OF, BY CATEGORY

MAY 1944 – APRIL 5, 1945



	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	TOTAL
Total	0	0	4	5	13	25	47	40	50	57	62	101				404
Public Sales	0	0	0	0	0	0	0	9	26	21	30	66				152
Lump Sum Settlement	0	0	2	2	5	4	1	5	3	3	4	5				35
Title Sales	0	0	2	3	7	21	46	26	21	53	28	30				217

SOURCE: Division of Small Vessels Procurement and Disposal

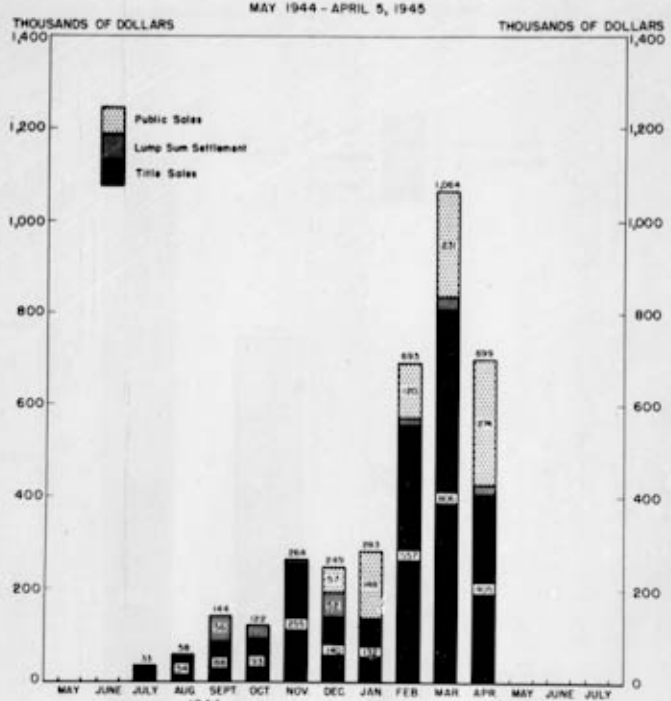
WAR SHIPPING ADMINISTRATION
DIVISION OF STATISTICS AND RESEARCH
WSA-50
APRIL 7, 1945

CHART 4

Surplus Vessels of Less Than 1,000 Gross Tons

SALES OF VESSELS, BY CATEGORY

MAY 1944 – APRIL 5, 1945



	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	TOTAL
Total	0	0	33	58	144	122	264	245	293	693	1,064	699				3,609
Public Sales	0	0	0	0	0	0	0	57	148	120	231	274				830
Lump Sum Settlement	0	0	5	4	56	29	9	52	3	16	27	20				221
Title Sales	0	0	28	54	88	93	255	140	132	557	806	405				2,558

SOURCE: Division of Small Vessels Procurement and Disposal

WAR SHIPPING ADMINISTRATION
DIVISION OF STATISTICS AND RESEARCH
WSA-50

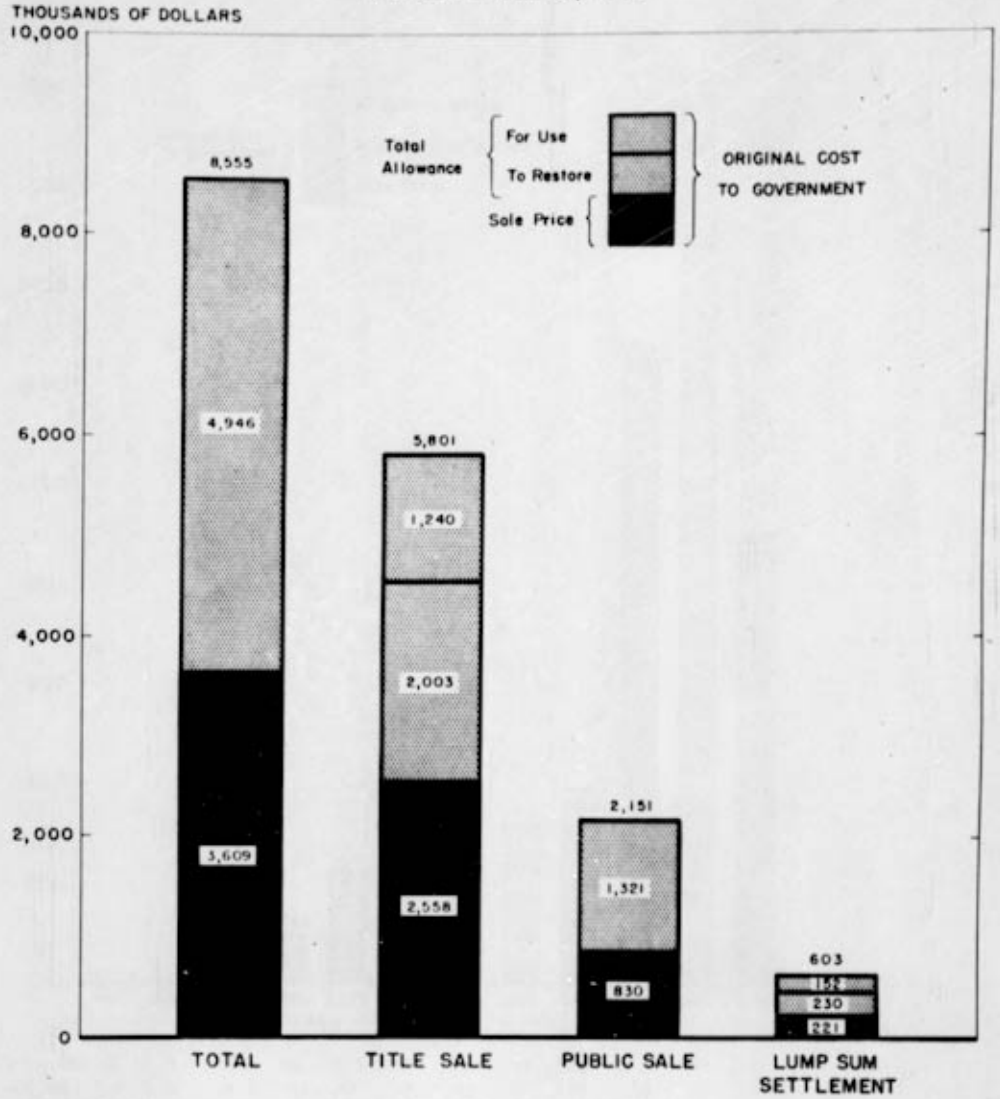
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CHART 5

Surplus Vessels of Less Than 1,000 Gross Tons
TOTAL SALES

Original Cost to Government, Allowance to Restore and for Use, Sale Price

MAY 1944 - APRIL 5, 1945



		TOTAL	TITLE SALE	PUBLIC SALE	LUMP SUM SETTLEMENT
ORIGINAL COST TO GOV'T		8,555	5,801	2,151	603
Total Allowance	For Use	4,946	1,240	1,321	152
	To Restore		2,003		230
Sale Price		3,609	2,558	830	221
NUMBER OF VESSELS		404	217	152	35

SOURCE: Division of Small Vessels Procurement and Disposal

WAR SHIPPING ADMINISTRATION
DIVISION OF STATISTICS AND RESEARCH
WSA-SR
APRIL 7, 1945

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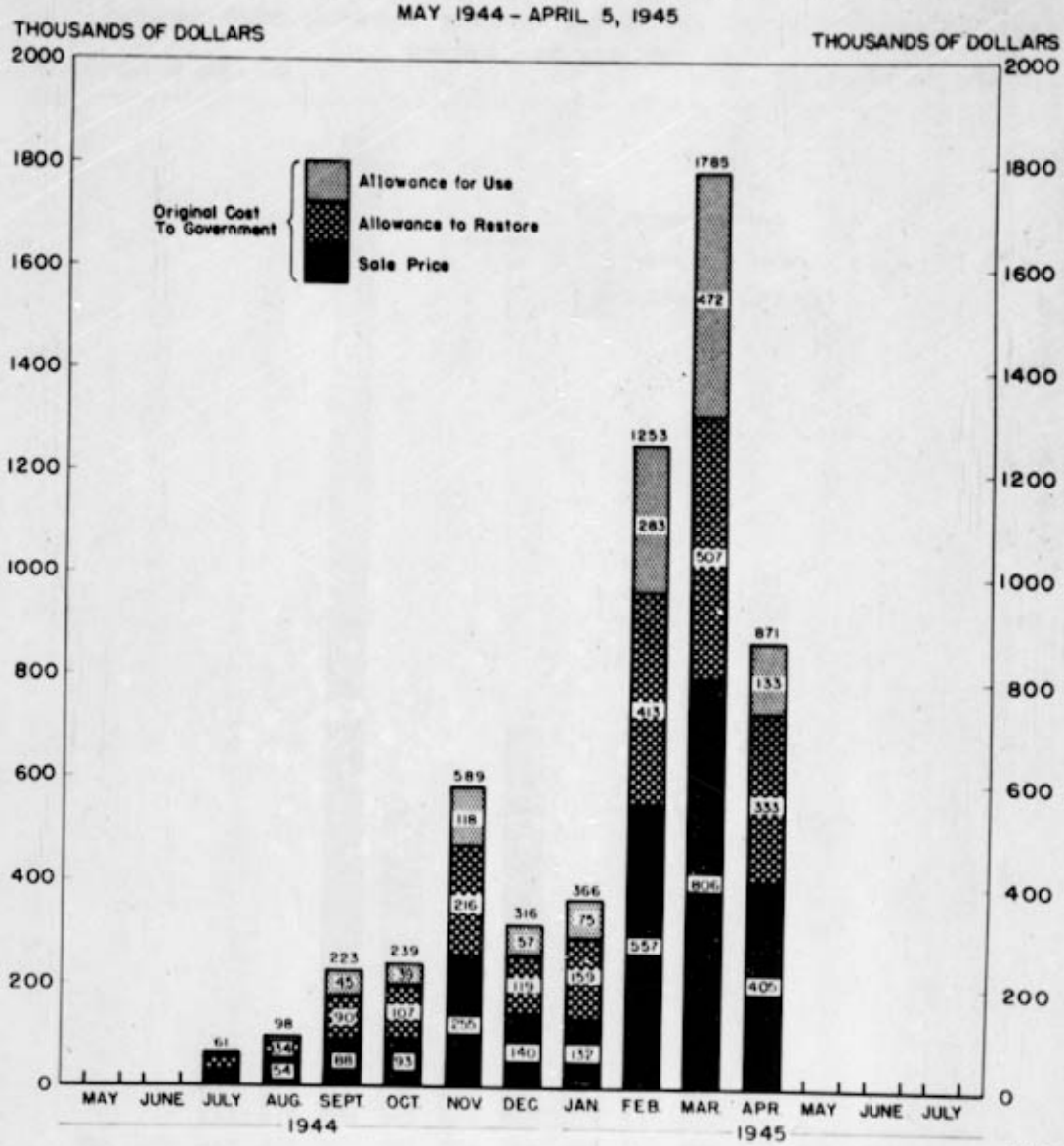
CHART 6

Surplus Vessels of Less Than 1,000 Gross Tons

VESSELS REQUISITIONED FOR TITLE

Original Cost to Government, Allowance to Restore and for Use, Sale Price

MAY 1944 – APRIL 5, 1945



	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	TOTAL
Original Cost to Govt	0	0	61	98	223	239	589	316	366	1253	1785	871	5801
Allowance for Use	0	0	8	10	45	39	118	57	75	283	472	133	1240
Allowance to Restore	0	0	25	34	90	107	216	119	159	413	507	333	2003
Sale Price	0	0	28	54	88	93	255	140	132	557	806	405	2558
NO. OF VESSELS	0	0	2	3	7	21	46	26	21	53	28	50	217

SOURCE: Division of Small Vessels Procurement and Disposal

WAR SHIPPING ADMINISTRATION
DIVISION OF STATISTICS AND RESEARCH
WSA-SR
APRIL 7, 1945

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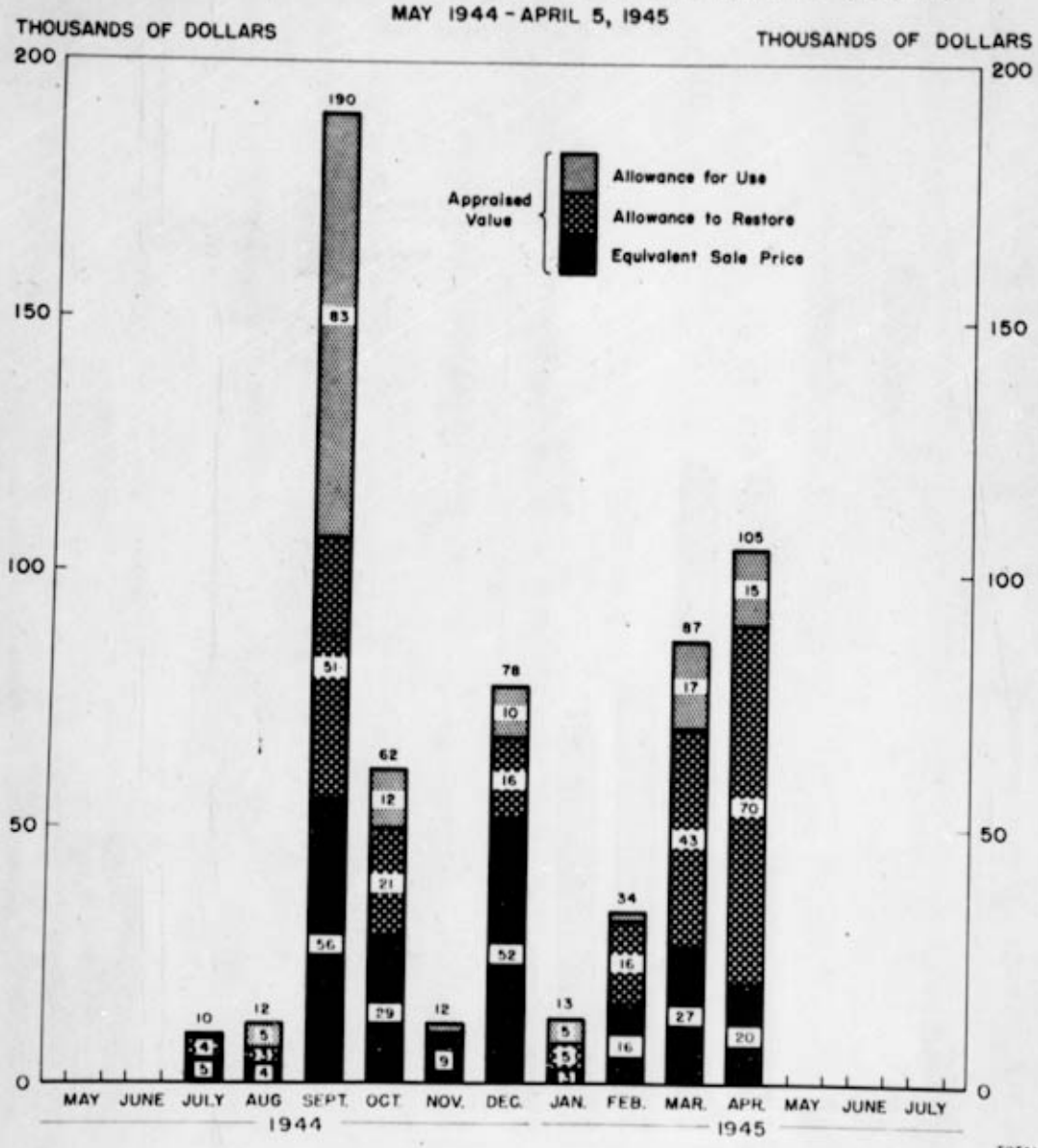
CHART 7

Surplus Vessels of Less Than 1,000 Gross Tons

LUMP SUM SETTLEMENTS

Appraised Value, Allowance to Restore and for Use, Equivalent Sale Price

MAY 1944 - APRIL 5, 1945



	MAY	JUNE	JULY	AUG	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	TOTAL
Appraised Value	0	0	10	12	190	62	12	78	13	34	87	105	603
Allowance for Use	0	0	1	5	83	12	2	10	5	2	17	15	152
Allowance to Restore	0	0	4	3	51	21	1	16	5	16	43	70	230
Equivalent Sale Price	0	0	5	4	56	29	9	52	3	16	27	20	221
NO. OF VESSELS	0	0	2	2	6	4	1	5	3	3	4	5	35

SOURCE: Division of Small Vessels Procurement and Disposal.

WAR SHIPPING ADMINISTRATION
DIVISION OF STATISTICS AND RESEARCH
WSA-SR

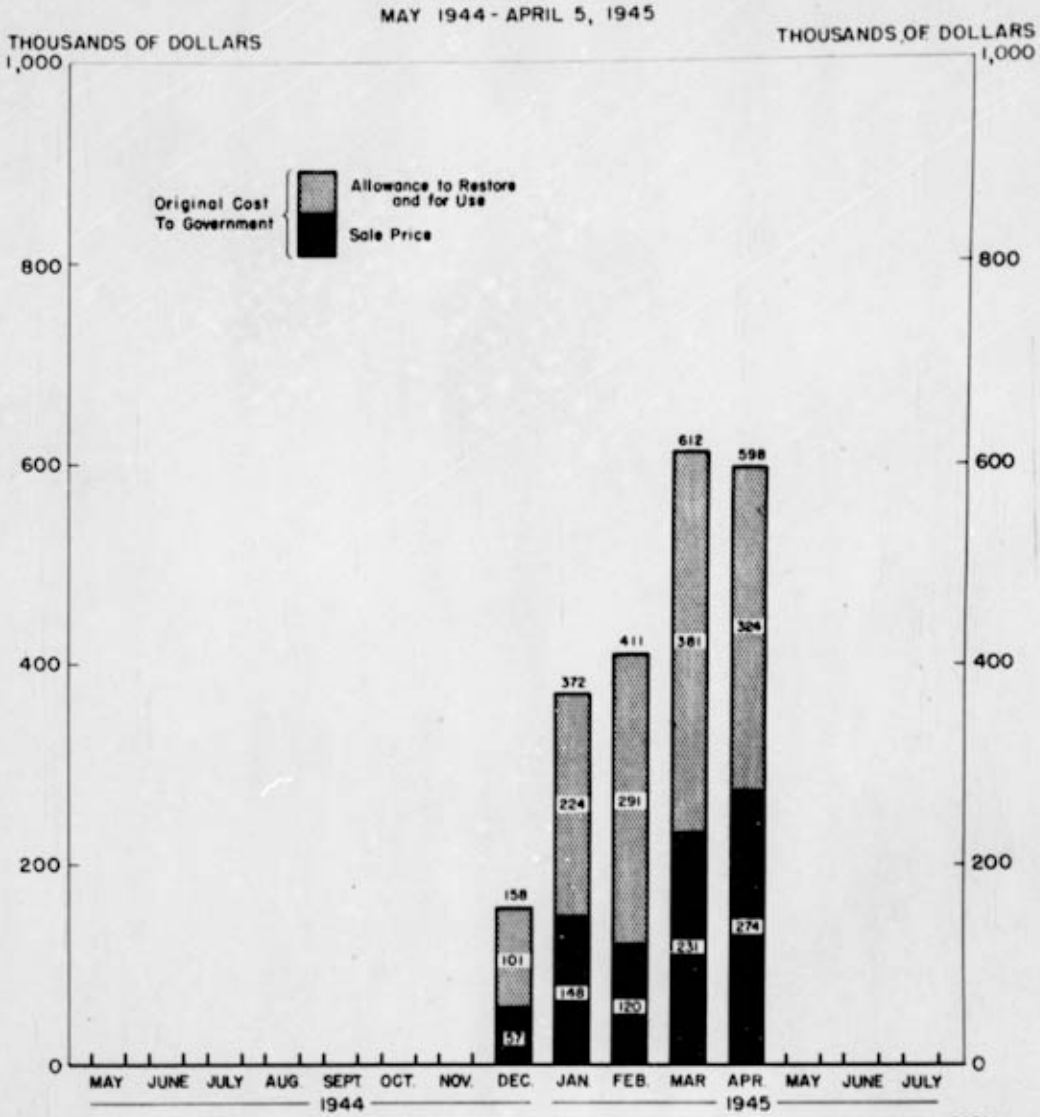
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CHART 8

Surplus Vessels of Less Than 1,000 Gross Tons
PUBLIC SALES

Original Cost to Government, Allowance to Restore and for Use, Sale Price

MAY 1944 - APRIL 5, 1945



	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
Original Cost to Gov't	0	0	0	0	0	0	0	158	372	411	612	598	2,151
Allowance to Restore and for Use	0	0	0	0	0	0	0	101	224	291	381	324	1,321
Sale Price	0	0	0	0	0	0	0	57	148	120	231	274	830
NO. OF VESSELS	0	0	0	0	0	0	0	9	26	21	30	66	152

SOURCE: Division of Small Vessels Procurement and Disposal

WAR SHIPPING ADMINISTRATION
DIVISION OF STATISTICS AND RESEARCH
WSA-SR
APRIL 7, 1945

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WAR SHIPPING ADMINISTRATION

Washington

APR 27 1945

MEMORANDUM FOR ADMIRAL BROWN

I send you herewith a copy of my letter dated April 10, 1945 addressed to the Surplus Property Board, together with illustrative graphs relating to the disposition of vessels of 1000 gross tons, or less, which were requisitioned or purchased.

It would appear that the recovery of the cost of these vessels is exceeding what was expected - particularly in view of the operation of Public Law 305.

Every effort is made to obtain the best dissemination of information concerning vessels offered at public sale and to this end a mailing list of 8000 interested persons has been compiled.

The return for yachts in reasonably good operating condition has been very satisfactory. I have been informed by reliable authorities that the prices offered and accepted have been from ten to fifteen per cent more than the estimated "as is" value of the craft.

In disposing of requisitioned or purchased commercial small craft, or small vessels capable of conversion to commercial activity, offerings are affected adversely by the prospect of newly constructed equipment which purchasers feel will be offered as surplus in the future.

Signed: E. S. Land

E. S. Land

Regraded Unclassified

THE WHITE HOUSE

WASHINGTON

March 10, 1945.

MEMORANDUM FOR:

Mr. Charles E. Bohlen,
Special Assistant to the
Secretary of State.

I have informed the President of your telephone call to Lieutenant Rigdon on March 4th asking whether the President will approve additional gifts for Emperor Haile Selassie in view of the discrepancy in cost between the gifts made to him and those made to Kings Ibn Saud and Farouk. The President does not wish to reopen the question of gifts at this time and thinks we should make no further presents to Emperor Haile Selassie now.

WILSON BROWN,
Vice Admiral, USN.,
Naval Aide to the President.

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THE WHITE HOUSE

WASHINGTON

W. B.

March 5, 1945.

MEMORANDUM FOR ADMIRAL BROWN:

Mr. Bohlen (State Department) called to say that Ministers Tuck and Caldwell have recommended that Emperor Haile Selassie's gifts be increased by two passenger cars (one Cadillac and another luxury passenger car) because of the wide discrepancy between gifts presented to the three visiting dignitaries. He pointed out that King Farouk and King Ibn Saud were presented airplanes while Selassie was given two command cars and two jeeps. They think that when Selassie learns of the very great difference in the gifts it might lead to hurt feelings.

Mr. Bohlen suggests that inasmuch as Admiral Brown has had the lead in the matter of these gifts that he endeavor to learn the President's reaction to the proposal outlined above. If the President approves, the State Department will arrange with the War Department to have the two passenger cars delivered to Emperor Haile Selassie.

Respectfully,

W. M. Rigdon.

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THE WHITE HOUSE

WASHINGTON

March 8, 1945.

Mr. Bohlen reports that the cost of a C-47 aircraft of the type to be presented to King Farouk and King Ibn Saud (deluxe passenger type) will run close to $150,000.00.

The cost of the two command cars and the two jeeps to be presented to Emperor Haile Selassie will total approximately $5,200.00. The cost of the additional passenger automobiles proposed for Emperor Haile Selassie will be approximately as follows:

Cadillac	$5,000.00
Other car	3,000.00.

If the two passenger cars are obtained for Emperor Haile Selassie, the total cost of his gifts would approximate $13,200.00 as against the $150,000,00, for the other two.

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W/Pres

SECRET

February 26, 1945.

MEMORANDUM FOR:

The Secretary of War.

I have noted with interest General Eisenhower's despatch to the War Department of 14 February 1945 (Nr S 79113 SCAF 210) in reference to the urgent need to maintain food supplies to Belgium and Holland as a necessary measure for the prosecution of the war. I also note that General Eisenhower urgently requests that 100,000 tons of food from the United Kingdom stocks be made available immediately to offset the lag in shipping.

Will you please let me know what action has been taken, and, if you think it advisable for me to communicate directly with the Prime Minister on the subject, will you have a despatch prepared for my approval?

/s/ Franklin D. Roosevelt.

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FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

CS 2873
File WD.

THE JOINT CHIEFS OF STAFF
WASHINGTON 25, D. C.

SECRET

23 February 1945.

MEMORANDUM FOR THE PRESIDENT:

Subject: Shipping for the Repatriation of Russian Nationals.

The Joint Chiefs of Staff have considered the President's request in a White House memorandum dated 16 January 1945 that consideration be given to the use of captured Italian warships for the transfer of Russians captured on the Western Front.

The matter of the repatriation of Russian nationals recently has been under consideration in the Combined Chiefs of Staff, and an agreement has been reached whereby arrangements for the provision of shipping for this purpose will be undertaken by the British Chiefs of Staff. A message to this effect has been dispatched to General Eisenhower by the Combined Chiefs of Staff in reply to his cable requesting the allocation of two vessels.

It is believed that this agreement affords at this time a satisfactory solution of this shipping problem. The Joint Chiefs of Staff, therefore, are of the opinion that no further action need be taken unless they are approached by the British Chiefs of Staff or unless General Eisenhower requests assistance on a U.S. level.

For the Joint Chiefs of Staff:

Chief of Staff, U.S. Army.

SECRET

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W/Pres

MEMORANDUM ON ARTICLE VII

(Prepared by Ambassador Winant with the assistance of Mr. Hawkins and Mr. Penrose.)

1) The period between the wars was one of international trade warfare. Each country, by raising tariffs, imposing quota restrictions, negotiating preferential arrangements, utilizing restrictive and discriminatory exchange controls, and by subsidizing exports tried to take care of its own producers at the expense of those in other countries. In consequence international trade was in large part destroyed. Since all countries are in varying degree dependent upon it for their prosperity, all suffered. The international economic policy of nations became a struggle for a shrinking world trade, and the very policies whereby each sought to save itself caused world trade to shrink still further.

2) The economic strength of the United States is greater than that of any other country. Its production and consumption is a large part of the production and consumption of the entire world. It is the greatest creditor nation. The policies it pursues and advocates will be decisive in determining whether mutual impoverishment or mutual prosperity will characterize economic policies in the postwar world.

3) The opportunity to do something about this is unparalleled but fleeting. When the war is over production and trade will be disorganized. Production in the United Nations must be converted from wartime to peacetime purposes. We speak of reconversion but it would be a tragic mistake if we and other countries merely went back to what we had before the war; if each country again sought to produce what it consumes without regard to the fact that it might more economically import more of its requirements from other countries and thus benefit itself and the countries from which it buys. The trade policies which nations adopt when the war is over will determine to a large extent the pattern of production which will develope throughout the world as production for war gives way to production for peace. Tragic and costly as this war has been it has for the time being destroyed much that is bad. The fact that the world economy is in a state of flux gives us the opportunity to create a new and better pattern. But it is an opportunity which we will have only for a relatively brief time. If things are allowed to drift, production and trade will tend to revert to what they were and will solidify into the prewar pattern that Secretary Hull and the present Administration sought so persistently but found so difficult to change because of the resistance of vested interests.

4) We should seek now international agreement on a code of rules to govern trade relations. The code should outlaw high pre-war tariffs; prohibit quota systems; rule out discriminatory trade arrangements; forbid subsidies whereby Governments throw their financial strength behind their own producers to crush the competition of those in other countries; prevent private interests through cartel arrangements from frustrating the efforts of

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governments to stimulate international trade. At the same time agreement should be sought on the principles to govern arrangements for stabilizing the position of primary producers who have suffered so seriously from the wide swings and erratic behavior of staple commodity prices and at the same time permit customer needs to be efficiently served. An international trade organization should be established to harmonize trade policies of nations and to study the technique whereby trade policies can be made mutually helpful rather than mutually destructive, and to formulate and supervise the operation of intergovernmental arrangements having these ends in view.

5) We have had extensive discussions of an exploratory sort with British officials on these questions and find a large measure of agreement on what needs to be done. They recognize that a solution of the problems of trade relations is essential; that the mutually destructive rivalry of the past created friction and ill-feeling and that if this continues in the future, it will do much to destroy the spirit of cooperation on which success in organizing a peaceful world must rest. But the difficulty of the problems presented is also recognized; these problems have defied solution in the past.

6) The following steps are suggested for consideration:

(a) Complete our discussions with the British with a view to reaching agreement in detail on the principles that should govern postwar international trade relations; the kind of measures which nations should adopt and the commitments they should make to implement those principles; and the kind of world trade organization that should be set up to foster the application of these principles and the acceptance of these commitments.

(b) Message by the President to Congress advocating the adoption of the foregoing as the policy the U.S. should seek to implement. The fact of agreement having been reached with the British should not be stated although reference might be made to the fact that extensive exploratory discussions with them and other countries indicates the possibility that there is good prospect of wide acceptance of what we advocate.

(c) The U.S. should then put forward to other countries a <u>statement of principles</u> on commercial policy to serve as the basis for a United Nations conference the aim of which would be,

(i) to secure general adoption of a fairly detailed set of principles on commercial policy;

(ii) to establish at once an International Trade Organization, or at least an Interim Trade Organization which would soon be replaced by a permanent organization;

(iii) to direct the Trade Organization to translate these principles into a detailed multilateral convention to which all United and

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Associated Nations would be invited to adhere.

7) If the President of the United States should take the lead in advocating well thought out policies and concrete proposals in the field of international trade policy, public opinion throughout the world might well fall in behind him, and plans for reconversion to peacetime production might in large measure be made in the light of the principles and policies enunciated by him.

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L/Pres

Sebastopol,
13 February, 1945.

My dear Franklin,

1. I have to thank you for your letter of February 10 about Article VII of the Lease-Lend Agreement. I cabled this home to the Cabinet and have now had a full reply from them. It appears that during the past six weeks there has been a regular series of discussions in London between a group of high British officials and three American officials led by Hawkins, who was head of the division in the State Department which deals with Commercial Policy and is now attached to the American Embassy. You may remember that discussions took place in this form at the suggestion of the State Department and were designed to ascertain informally, without of course committing either Government, where both countries now stood as a result of consideration since the talks in Washington rather more than a year ago. Although Commercial Policy was the main subject, the talks covered the whole range of Article VII and seemed to our people to have let light into many obscure corners.

2. Mr. Hawkins went back a week ago to Washington to report and is due to return to London at the beginning of next month to tell us the Washington reaction to the talks. We shall then be able to consider with all practicable speed whether such differences as may be found to remain between the United States and the United Kingdom can be bridged and if so, what should be lines of procedure for consideration of policy by other United Nations.

3. The War Cabinet do not wish to commit themselves at this stage of the war to sending a high-powered delegation to Washington. This must involve bringing other countries into the discussions, notably France, at an early stage and of course the present mood of the Dominions must be ascertained before we go further on general policy.

4. In view of the above, would it not be better to wait tell we have both returned home and have been able to review the progress made in the informal discussions? I shall be very glad to talk this over with you when we meet.

Yours sincerely,

/s/ Winston S. Churchill.

The President
of the United States of America.

(C O P Y)

Regraded Unclassified

CONFIDENTIAL Profile

Cairo, February 9, 1945

QUESTIONS AFFECTING AMERICAN-EGYPTIAN ECONOMIC RELATIONS

Air Traffic Egypt should be cognizant of the prospect of increased American travel to and through Egypt as a result of advancement in air transportation and establishment of American routes through this area. Egypt should be receptive to such opportunity and place no undue restriction upon travelers and tourists.

Landing Rights Negotiations are anticipated between the U.S. and Egyptian Governments with the view to our obtaining landing rights for American planes. Such rights would be usable only by American lines certified by the Civil Aeronautics Board. British are endeavoring to tighten their hold on the Almaza Field, and the BOAC Chairman is to visit Cairo shortly.

Payne Field The U. S. Army has spent more than three million dollars on its Payne Field, 15 miles from Cairo. The land belongs to the Heliopolis Oases Company. The British Government arranged with the Egyptians for its lease and use as a British airfield early in the war, under the terms of the Anglo-Egyptian Treaty of Alliance. The British subsequently allowed the U. S. Army to use the field and the latter has converted it from a small desert landing ground to its present state. The Air Officer Commanding-in-Chief, R.A.F., Middle East, in permitting its use by the Americans, reserved to himself the right to resume control should he consider such a step justified by "military necessity". Negotiation for the retention of American rights to use Payne Field would have to be undertaken with the British in the first instance, but the Egyptian Government should know of our interest in retaining the Field for utilization by the American airlines which we hope will serve Egypt.

Natural Resources Three American companies are now prospecting and drilling for oil in various parts of Egypt. The finding of oil in quantity could change Egypt's whole economy and free the country from economic and financial dependence on London. It is hoped that American concerns may similarly be welcomed by the Egyptians in the workings of iron ore and other mineral deposits, construction of irrigation dams and hydro-electric power projects, and surface transportation. We have our Government experts in Cairo available to Egypt for advice on agricultural subjects.

Trade and Exchange We should like to continue and augment our sale of American products to Egypt and offer a favorable market in turn to Egyptian exports. We have taken much of her splendid cotton during the war. A mutually advantageous trade is hindered under the wartime controls which restrict the movements of commodities and limit the amount of dollar exchange available to Egypt. We strive toward the lifting of trade restrictions and the removal of controls upon exchange facilities.

Banking The financing of Egyptian-American trade and of Egyptian development could be aided by the entrance of American financial institutions into this country. It is understood that one American bank is now studying the opportunity for opening branches in Cairo and Alexandria. It would be difficult for American concerns to enter Egypt and operate here under any conditions less favorable than those granted other foreign concerns.

Lend-Lease The United States Government has been pleased to make certain goods available to Egypt under lend-lease. For two years the Legation has sought the signature of Egypt to our standard lend-lease agreement, which other countries have accepted. The early clearing up of this matter, and the opening of the way for trade through normal channels is desirable.

Regraded Unclassified

N22/Pres

WAR DEPARTMENT
THE CHIEF OF STAFF
WASHINGTON, D. C.

5 February 1945

MEMORANDUM FOR THE PRESIDENT:

General Arnold had prepared for this conference two most interesting volumes of aerial photographs, one on strategic bombing in Germany entitled "Target Germany" and the other on strategic bombing in Japan entitled "Target Japan".

Two copies of "Target Germany" - one in Russian and the other in English - are handed you herewith. It is suggested that the copy with Russian text be presented to Marshal Stalin with the hope that it will stimulate his interest in the operation of our strategic bombers and fighters from Soviet bases and will aid staff discussions along such lines.

When the course of our discussions with the Soviets indicates the time to be propitious, I propose to forward to you English and Russian versions of the volume entitled "Target Japan" with the hope that you will present the Russian version to Marshal Stalin.

Chief of Staff

Regraded Unclassified

February 8, 1945.

MEMORANDUM FOR MARSHAL STALIN:

Forwarded herewith is a volume of aerial photographs entitled "Target Germany" illustrating results of our strategic bombing against certain targets in Germany.

I think this will be of interest to you as indicating not only the success which has been achieved with this weapon in our unremitting aerial warfare against Germany, but also as indicating the possibilities in similar attacks from bases in territory controlled by the Soviets.

/s/ Franklin D. Roosevelt

Presented to Marshal Stalin 2-10-45

Regraded Unclassified

H/Pres

TOP SECRET 5 February 1945.

MEMORANDUM FOR MARSHAL STALIN:

The following are two basic military questions to which the United States Chiefs of Staff would appreciate an early answer at this conference:

(a) Once war breaks out between Russia and Japan, is it essential to you that a supply line be kept open across the Pacific to Eastern Siberia?

(b) Will you assure us that the United States air forces will be permitted to base in the KOMSOMOLSK-NIKOLAEVSK or some more suitable area providing developments show that these air forces can be operated and supplied without jeopardizing Russian operations?

F. D. R.

Regraded Unclassified

In reply refer to Initials and No.
Serial 07313
(SC)L22

w/Pres

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON 25, D. C.

Held in P File

P

CONFIDENTIAL

29 JAN 1945

President considers no action by him necessary.

MEMORANDUM FOR NAVAL AIDE TO THE PRESIDENT

Subj: Gift of $666.35 by Korean Civilian Residents of Tinian for American National Defense.

1. The Korean male residents of the island of Tinian have made a collection amounting to $666.35 and have addressed a letter, copy of the English translation of which is attached, to the President, offering this money for the use of the United States Navy, as a token of the sincerity of their desire to assist in every way possible in the furtherance of the objectives of the United States in the war.

2. The money is at present in the custody of the Finance Officer of the Civil Affairs Section of the Headquarters, Island Command, Tinian, Marianas Islands, for safekeeping, until such time as arrangements can be made for its acceptance for the United States by the Secretary of the Treasury under the Second War Powers Act.

3. The Chief of Naval Operations is directing the Commander in Chief, Pacific Ocean Areas, to convey to the representative of the donors the thanks of the Secretary of the Navy, expressed in behalf of the President, for their generous gift and cordial sentiments and is further directing the Commander in Chief, Pacific Ocean Areas, to send a check or draft for the sum collected to the Judge Advocate General for forwarding to the Secretary of the Treasury.

L. A. Davidson

cc: OOR

Regraded Unclassified

COPY

From the Korean people of Camp Churo, Tinian, to His Excellency, Franklin D. Roosevelt, President of the United States and Commander-in-Chief of the American Navy: Greetings -

Since the landing of Your Excellency's forces on this island, we Korean people have been dedicating our lives to your cause and, though weak in ability to further the various aspects of your aims, have joined our efforts with yours in every possible way.

Nevertheless, we 2400 Koreans have, in our hearts, felt strongly dissatisfied with merely this fact. Upon thinking it over and considering how best to show our sincerity, we have decided in conference that the most appropriate thing we could do would be to make a monetary contribution to American national defense. We have forthwith taken up a collection amounting to $666.35, which we humbly present to Your Excellency. It is not much money, but because it is the crystallized salt of the daily sweat of the 2400 Koreans living on Tinian, and because it represents a unanimous spirit, please accept it and use it for American Naval expenditures.

Every day, morning and evening, we join our hands in a great prayer that the objectives of this holy war may swiftly be accomplished.

RI SHUN SAI
As representative of 2400 Koreans living on Tinian.

Thanksgiving Day
23 November 1944.

Regraded Unclassified

Amphoreus Ship
Ben Cohn Scout

1.3.2

Regraded Unclassified



Regraded Unclassified



Regraded Unclassified



Regraded Unclassified

JEWELLERS BY SPECIAL WARRANTS

IMPORTERS OF PEARLS

Cartier, Inc.
Fifth Avenue and 52nd Street
New York 22, N.Y.

Cartier, Ltd.
13 Rue de la Paix, Paris

Cartier, Ltd.
175-176 New Bond St. London, W

LHH:mn

Cable Address
MOICARTIER-NEW YORK

TELEPHONE PLAZA 3-0111

Please address all correspondence to Cartier, Inc.

New York January 11, 1945

Mr. Stanley Woodward,
3005 O Street, N. W.,
Washington, D. C.

Dear Sir:

We take pleasure in enclosing two photographs of the 14kt gold cigarette boxes you saw in our shop recently.

The prices including the Federal Tax are:

#1 - $1,185.
#2 - 900.

If you so desire we will be glad to send the boxes to you on approval.

Awaiting your pleasure in the matter and assuring you of our best attention at all times, we remain,

Very truly yours,
Cartier, Inc.



Regraded Unclassified

Regraded Unclassified

Regraded Unclassified

W22/Pres

SECRET

File
WR

MEMORANDUM FOR JUDGE ROSENMAN:

The President has issued instructions to have four (4) gold Inaugural Medallions mounted in specially designed leather cases to be prepared as presents from him to Stalin, Churchill, Molotov and Eden at the next conference.

Will you be good enough to let me have your judgment as to an appropriate inscription to be engraved on a gold plate on the outside of the leather case? As something to work on I suggest consideration of the following:

"To Winston S. Churchill,
(Anthony Eden,)
(Josef Stalin,)
(Molotov,)

from Franklin Delano Roosevelt in commemoration of our meeting during February, 1945, ~~designed~~ to cement the future ~~welfare and cooperation of our people~~ and to help to establish a good neighbor policy throughout the world."

Approved by the President on 9 Jan as indicated above
WR.

1/16/45

Regraded Unclassified

Pres. file

THE SECRETARY OF THE NAVY

WASHINGTON

5 December 1944

MEMORANDUM FOR THE PRESIDENT

In order to emphasize the necessity of labor staying on the job, particularly in critical labor areas, we propose to have General Marshall and Admiral King, and possibly Krug, address the Members of Congress in the Hall of the Library of Congress shortly after the beginning of the new session; that is, of course, provided you and the leaders of Congress do not interpose an objection.

You may recall that General Marshall did this some time ago with beneficial results and we believe that it can be equally productive of good now.

Respectfully,

James Forrestal

James Forrestal

Regraded Unclassified

THE JOINT CHIEFS OF STAFF
WASHINGTON 25, D. C.

TOP SECRET

10 December 1944.

MEMORANDUM FOR THE PRESIDENT:

The Joint Chiefs of Staff have reviewed the U.S. shipping position for the next few months after taking into account the effect of the actions directed in your memorandum of 20 November.

A considerable improvement is noted in the shipping now estimated to be available to meet operational demands. Congestion in Atlantic theaters will be eliminated by January, and positive action has been taken to reduce congestion in other areas.

In arriving at the January shipping position allowance has been made for the provision of 20 additional ships from Atlantic services for Russian account in that month and for successful negotiation for transfer of 40 sailings per month from the United Kingdom stockpile account. It is noted that, to date, the War Shipping Administration has not secured British concurrence in such a transfer and therefore is continuing to carry 40 sailings per month as a commitment to the British.

Serious deficits will still exist. The importance of the Russian program, however, justifies the allocation of up to 20 ships in January to be taken from Atlantic services, with such adjustments as are necessary being made in other programs. Such favorable action can be taken only on the supposition that Admiral Land's negotiations with the British to transfer 40 sailings per month from the United Kingdom stockpile account are successful in full. Should such negotiations fail, the number of ships made available to the Russians must be correspondingly reduced.

The War Shipping Administration therefore is being requested to press vigorously with the British negotiations

Note. This does not include consideration of shipping requirements for urgent war relief

Regraded Unclassified

for the transfer of 40 sailings from the United Kingdom stockpile account so that the necessary additional vessels can be made available for the Russian account.

The Navy Department will reduce the Mediterranean convoy cycle from 10 to 5 days beginning January 3, 1945, assuming no adverse change in the submarine situation. It is anticipated that this action will result in substantial savings in ship turnaround in subsequent months.

The Joint Chiefs of Staff note that relief for the manpower shortage in shipyards will tend to accelerate deliveries and counteract in subsequent months the slippage heretofore experienced in the Maritime Commission shipbuilding program. In consonance with your memorandum to Admiral Land, Joint Chiefs of Staff agencies have been directed to study, in collaboration with the Maritime Commission, the additional ship construction that may be accomplished to provide further aid to the war effort.

For the Joint Chiefs of Staff:

William D. Leahy

WILLIAM D. LEAHY,
Admiral, U.S. Navy,
Chief of Staff to the
Commander in Chief of the Army and Navy.

Regraded Unclassified

SEP 13 1944

TOP SECRET

MEMORANDUM FOR THE PRESIDENT

Additional Observations Relative to
British-Argentine Meat Negotiations

I must again refer to the matter of the British meat contract about which I sent you my memorandum of September 12th.

Our Embassy in Buenos Aires reports that the British Ministry of Food has informed the Argentine government that the British are disposed to sign a new contract for two years at the same prices as the current contract. The contract would be on the same basis as that recently concluded with New Zealand and Australia so that Britain would buy the entire exportable surplus for four years with prices subject to re-examination at the end of two years. The Embassy adds that this word from London came as a great relief to the Colonels.

I regret to say that it has become increasingly clear that the British continue to treat the Argentine Fascist threat as a matter of minor and relatively unimportant policy. To us it is a matter of major policy. If we fail in the implementation of that policy, the Nazis will have a powerful center to renew their fight in this Hemisphere economically, politically and eventually in a military way. This would mean inevitably the destruction of all that we have been trying to build since 1933.

In view of our enormous aid to the British on supply matters, it is certainly not asking too much to request that they forego the petty commercial advantages of a long term bargain with a Fascist government. It is hard

to believe

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to believe that they will permit the Argentines to succeed in the "divide and conquer" tactics they are so obviously employing in the matter of the meat contract. As I have said time and again, the political implications of these meat negotiations are really tremendous. If they are concluded, as the Argentines hope they will be, their position will be greatly fortified and our own position correspondingly weakened throughout the Hemisphere.

C H

RPA:CBS:AVH
9-13-44

Regraded Unclassified

SECRET

CREDITS FOR GREAT BRITAIN: COMMERCIAL POLICY

There are growing indications that the British Government contemplates approaching us concerning the seriousness of their financial situation. At one time they contemplated sending Sir John Anderson, Chancellor of the Exchequer, to Washington for this purpose. It is understood, however, that they have decided to defer Anderson's visit for several months. The Prime Minister may possibly raise this question with you at your forthcoming meeting.

It seems to me that it is in the interests of the people of the United States that we extend such credits and other financial assistance to the United Kingdom as may be necessary to reconstitute and restore what has traditionally been the largest market for American goods.

At the same time it is of fundamental importance to the interests of the United States and to the establishment of the kind of economic conditions which we hope to see prevail in the post-war world that we not blindly grant credits to the United Kingdom without taking into consideration the kind of commercial policy and trade practices which it may adopt.

The British may seek to take the position that unless wholly satisfactory financial arrangements are made for assisting them in meeting their admittedly serious balance-of-payments problems, they cannot pursue the liberal, multilateral trade policies we have advocated. That position would not be sound and we should not accept it.

Our position should be that whatever the British balance-of payments problems may be and to whatever extent they may receive our help in meeting them, those problems will in our view be less difficult in a world in which the United States and Britain take the leadership in bringing about the greatest possible expansion of international trade on a multilateral nondiscriminatory basis; that balance-of-payments problems will be more difficult to meet if bilateralistic practices on the German pattern, high tariffs, quotas and discriminations result in a scramble among nations for a diminishing volume of world trade.

In

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In brief, in dealing with the British in regard to financial and other economic problems, I believe our basic position should be that the trade policies we advocate are not something the British should do for us in return for our financial help, but that, irrespective of such help, liberal trade policies designed to bring about an expanding world trade are in Britain's own interest.

Obviously, therefore, we should not offer to extend generous credits to Great Britain at a low rate of interest in return for commitments regarding commercial policy and imperial preference (which we already have, in preliminary form, in the Basic Lend-Lease Agreement). The field for bargaining about these matters should be the narrow one of respective tariff concessions. It seems to me, however, that we may properly bear in mind that the United Kingdom will not be a good credit risk unless she embarks on a sound commercial policy.

The discussion of trade policies which may take place with the British in the near future will be more fruitful from our standpoint, if there can be complete understanding on the above point before those discussions are undertaken.

Regraded Unclassified

THE WHITE HOUSE
WASHINGTON

September 8, 1944

MEMORANDUM FOR THE PRESIDENT

Dear Mr. President:

I think it is important, in Quebec, that you tell the Prime Minister how strongly you feel about knocking down some of the trade barriers to get somewhere in terms of world trade.

I have a feeling that the Prime Minister thinks that that is a pet hobby of Secretary Hull's and that you may not think it of great importance.

I think it is essential to our future bargaining with Great Britain that you disabuse the Prime Minister's mind of this.

I rather think that he thinks that the genesis of this program in America lies with Secretary Hull, while the truth of the matter is that it is a program that, from the beginning, has been pushed by you.

H.L.H.

Regraded Unclassified

(2250) — Signed original of this letter returned to Adm Brown for forwarding. 8/21/44

Tues N22 Pres

B.B.-1

8848

August 19, 1944.

TOP SECRET

From: The Commander in Chief.
To : Captain D. V. Gallery, U.S.N.,
Commander Task Group 22.3 and
Commanding Officer, U.S.S. GUADALCANAL.
Via : The Commander in Chief, U.S. Fleet.

Subject: Book Taken from the Captain's Bunk in the German Submarine U-505.

x198-A

1. I have received the book forwarded by your letter of June 15, 1944, and I have noted with great interest its remarkable history. It will be added to the Library at Hyde Park and will serve as a lasting testimonial of the enterprise, valor and determination of you and your fine task group.

x PP75720

2. Please extend to all of your command my thanks for your fine service to our country and for your thought of me.

FRANKLIN D. ROOSEVELT

/s/ FRANKLIN D. ROOSEVELT.

x PP79-B
x PP79-B
x PP7139
x PP76677

See pencil notation from Mrs. Ehrn 11

TOP SECRET

Regraded Unclassified

CVE60 U.S.S. GUADALCANAL

TOP SECRET

August 19, 1944.

From: The Commander in Chief.
To : Captain D. V. Gallery, U.S.N.,
Commander Task Group 22.3 and
Commanding Officer, U.S.S. GUADALCANAL.
Via : The Commander in Chief, U.S. Fleet.

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FRANKLIN D. ROOSEVELT

/s/ FRANKLIN D. ROOSEVELT.

COPY

TOP SECRET

Regraded Unclassified

CVE60 U.S.S. GUADALCANAL

TOP SECRET

A t Sea,
June 15, 1944.

This book was taken from the captain's bunk in the German submarine U-505 which was brought to the surface by depth charges, shelled, strafed, boarded and captured by Task Group 22.3 about 1127 on 4 June 1944, 135 miles bearing 287° from Cape Blanco, French West Africa.

The Task Group takes pleasure in presenting this book to the principal character in the book - our Commander in Chief - the President.

/s/ D. V. GALLERY,
Captain, U.S.N.
Commander T.G. 22.3,
C.O., U.S.S. Guadalcanal.

TASK GROUP 22.3

U.S.S. GUADALCANAL (CVE 60) Flagship.
VC Squadron 8 (Lieutenant N. D. Hodson, U.S.N.)Embarked.

SCREEN: COMCORTDIV FOUR (Commander F. S. Hall, U.S.N.
U.S.S. Pillsbury DE 133 (Lieut. G. W. Casseleman, U.S.N.R.)
U.S.S. Pope DE 134 (Lieut. Comdr. E. H. Headland, U.S.N.)
U.S.S. Flaherty DE 135 (Lieut.Comdr. M. Johnson, U.S.N.)
U.S.S. Chatelain DE 149 (Lieut.Comdr. D. S. Knox, U.S.N.)

above four ships are in CortDiv Four).

U.S.S. Jenks DE 665 (Lieut. Comdr. J. F. Way, U.S.N.)

C O P Y

x18-Mar.

TOP SECRET

Regraded Unclassified

THE WHITE HOUSE

WASHINGTON

August 19, 1944.

MEMORANDUM FOR:

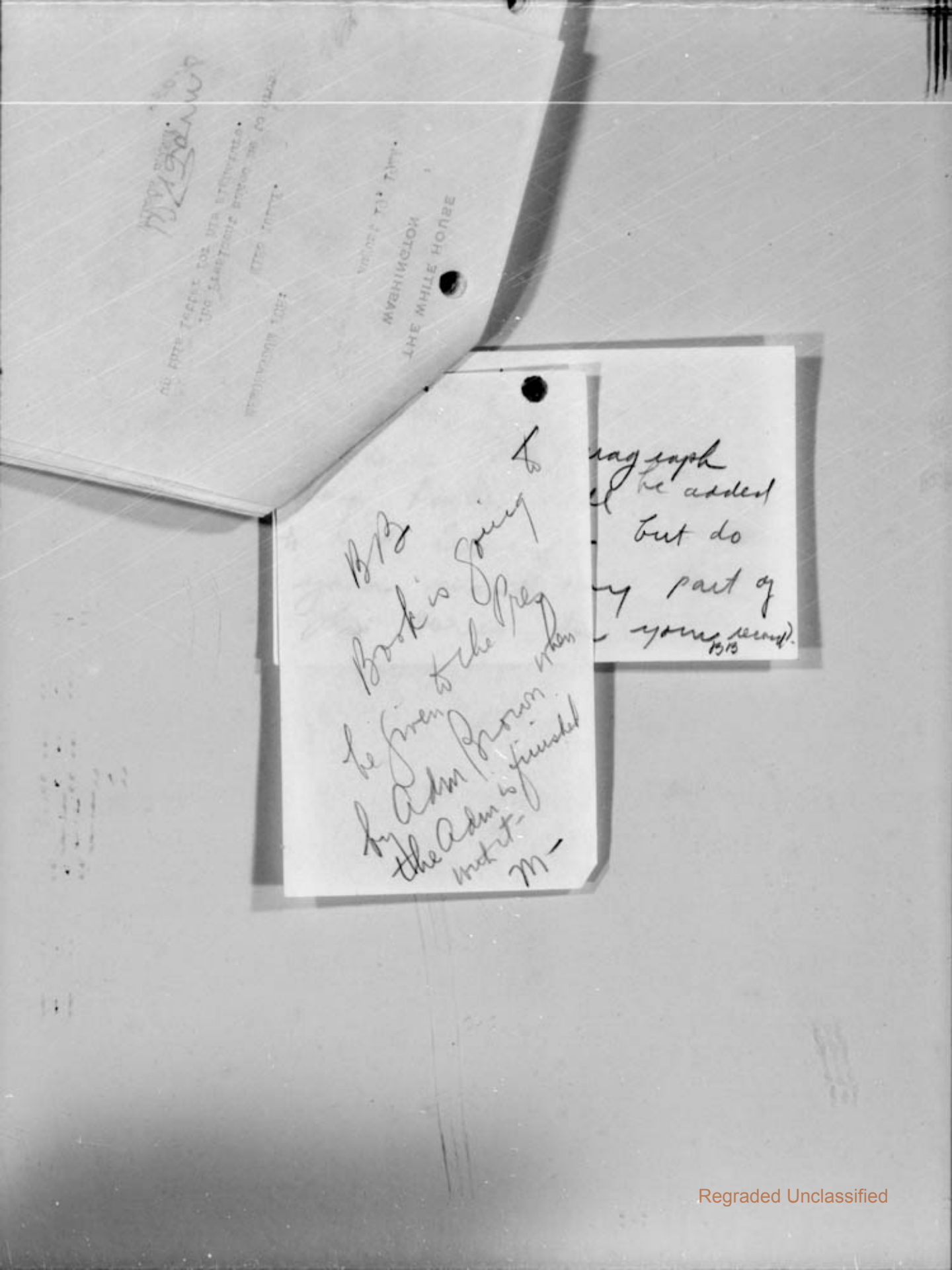
MISS TULLY.

The President asked me to draw up this letter for his signature.

WILSON BROWN.

x50-10

Regraded Unclassified



Regraded Unclassified

Mrs. E. Lew:

Mary: - 1st paragraph says books will be added to H. S. Library - but do you want any part of this comes. for young people.

Regraded Unclassified

/

(Water Transport Division)

SECRET

Cairo, Egypt.
20 November 1943.

Honorable Franklin D. Roosevelt,
President of the United States,
The White House,
Washington, D. C.

Dear Mr. President:

I have reported previously to you, both verbally and in writing, on some of the economic and political issues within the sphere of British and American relations. These issues are of varying importance and in most cases are incident to immediate wartime collaboration between the two nations. I feel, however, that there are three broad categories, primarily in the economic field, which are of far-reaching importance in the postwar relationship between Britain and America.

These three subjects of fundamental concern are oil, air and water. It should be determined (1) to what degree Britain and America shall jointly or separately share in worldwide control of these three major economic factors and (2) what is to be the policy of the United States towards other nations in regard to oil, air and water.

OIL

You have a Commission now entering the Middle East to make a study of the oil resources of this area and of their development. In any eventual

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understanding between Britain and America on the development of oil resources of this area I believe it is vital that the rights of the inhabitants of the area where the oil is produced should be equitably safeguarded.

Inasmuch as the development of oil resources by American interests in foreign territory must necessarily increase rapidly because of the depletion of that resource within the territorial limits of the United States, I recommend that there be set up in our State Department a Petroleum Division, headed by an Assistant Secretary of State.

AIR

Commercial air transportation will have a dominant place in postwar world economics and politics., The United States is in a position to become the leader in world wide air transportation but its place will be challenged by other nations, principally Britain.

I recommend that there be set up in the State Department an Air Division headed by an Assistant Secretary of State.

It should be the duty of this division to formulate policies and provide guidance for American world wide aviation operations, and to assist in the protection of American enterprise in this world field.

WATER

At the close of the war, with the merchant shipping then being operated by the United States and with the return of the shipping lend leased to other nations for war purposes, the United States will dominate the water borne traffic of the world. Water transportation has in the past constituted the greatest single factor in the economy of Great Britain. If the United States should deprive or attempt to deprive Britain completely of her position as a water carrier it would work great hardships on Great Britain and, no doubt,

Regraded Unclassified

would engender unsatisfactory relations between the two countries.

In consequence, I believe that for long time policy guidance in the field of water transport there should be set up within the State Department a Water Transport Division, headed by an Assistant Secretary of State.

Meanwhile, for survey purposes, I recommend the immediate appointment of a water transport commission similar to that about to take up oil problems.

Respectfully yours,

PATRICK J. HURLEY,
Brigadier General, U. S. A.

Regraded Unclassified

PETROLEUM ADMINISTRATION FOR WAR

WASHINGTON

APR 22 1943

File WR

My dear Mr. President:

I think that you may be interested in the charts attached showing tanker losses and gains since Pearl Harbor. You will note that one covers "U. S. Owned or Controlled Tankers"; the other, the total "Tanker Tonnage of the United Nations".

It is at least pleasing to see that the U. S. tanker tonnage has now returned to the original figure, new construction having finally overtaken sinkings. The United Nations record, however, is not so satisfying.

Sincerely yours,

Harold L. Ickes

Petroleum Administrator for War.

The President,

The White House.

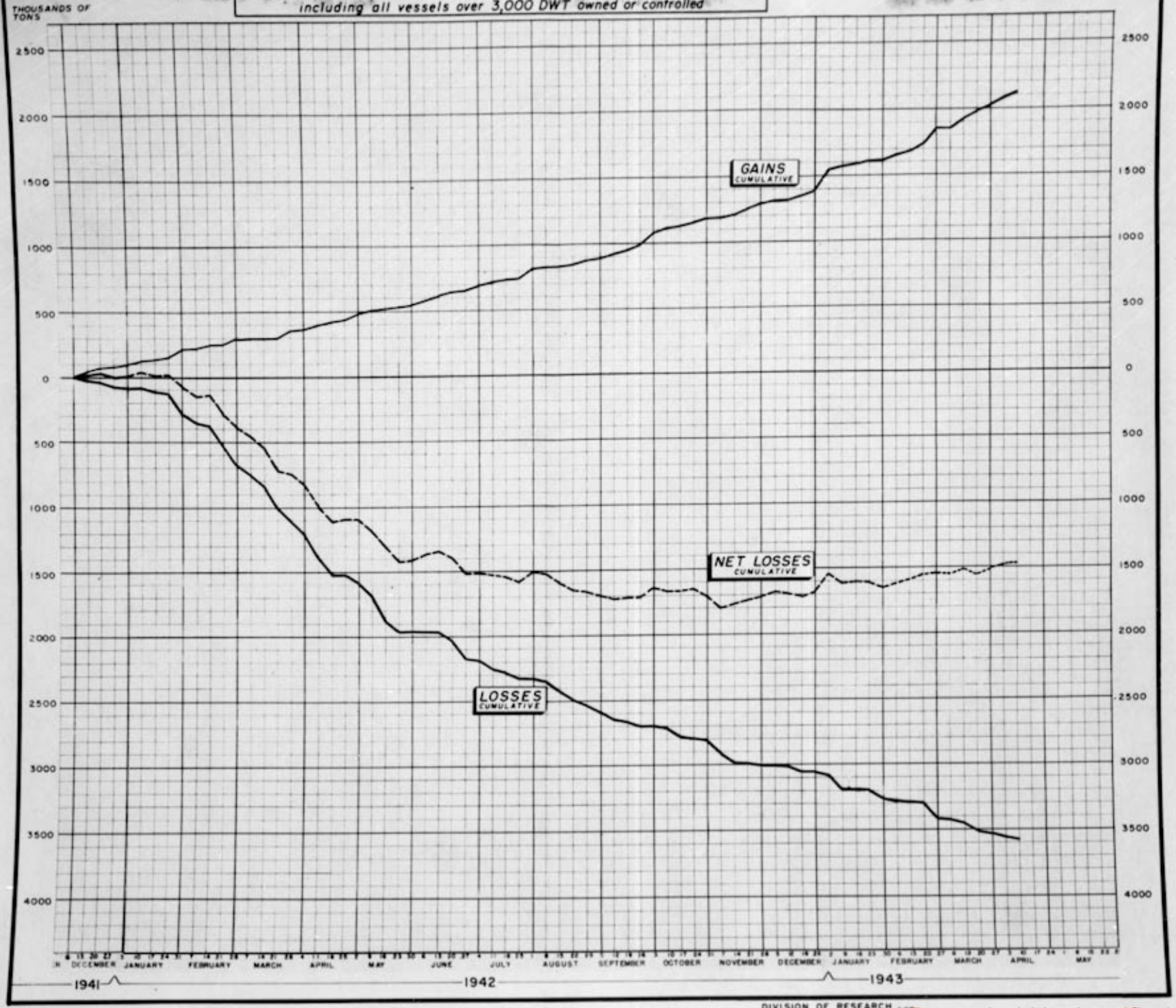
Enclosure.

SECRET

Regraded Unclassified

SECRET

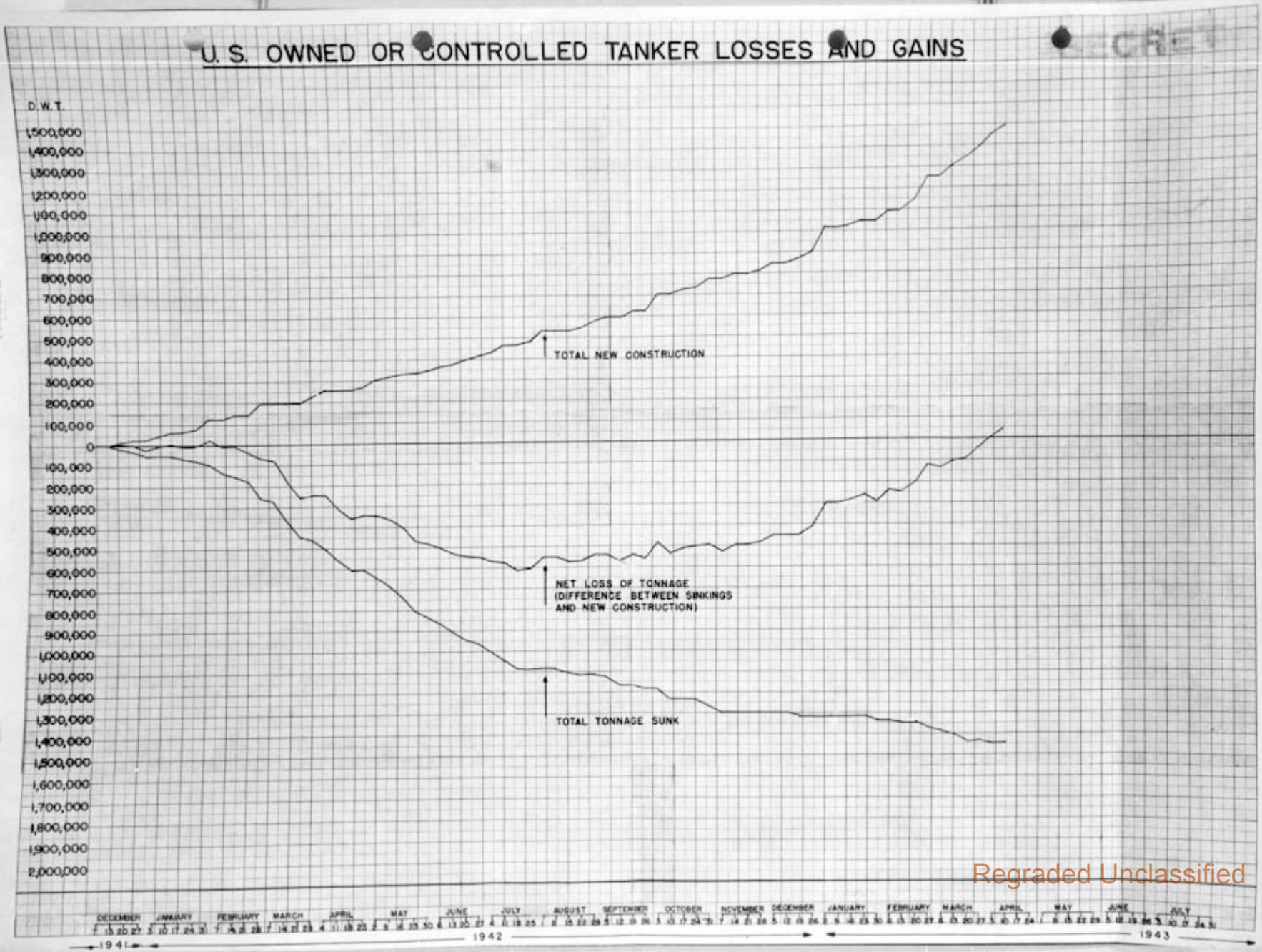
UNITED NATIONS
TANKER TONNAGE GAINS AND LOSSES
including all vessels over 3,000 DWT owned or controlled



DIVISION OF RESEARCH
PETROLEUM ADMINISTRATION FOR WAR

Regraded Unclassified

U. S. OWNED OR CONTROLLED TANKER LOSSES AND GAINS



Regraded Unclassified

DEPARTMENT OF STATE

INCOMING TELEGRAM

DIVISION OF COMMUNICATIONS AND RECORDS

LC - 101
This telegram must be closely paraphrased before being communicated to anyone. (CONFIDENTIAL)

Moscow

Dated June 13, 1944

Rec'd 2:30 a.m., 14th

Secretary of State,

Washington.

2104, June 13, 5 p.m.

SECRET FOR THE PRESIDENT AND THE SECRETARY.

I told Molotov today the substance of my conversation with the four delegates from the Polish National Council (Embassy's 2107, June 12, midnight) and asked him for his views on the group. Molotov said that in his opinion they were real representatives of the people in Poland and that he had no doubt as to their sincerity but of course he had no way of confirming everything they said.

We discussed briefly the advisability and possibility of sending supplies to Poland. Molotov said the Soviet Government was studying the question of the feasibility of getting supplies through and maintained that the sending of supplies from the United States and Great Britain as well as the Soviet Union would

Regraded Unclassified

Union would have a great morale effect on the Polish people and would tend to unite them. I have no doubt that the Soviets not only have the morale effect in mind but also the political considerations. I asked whether, in the event my government should decide it wished to send supplies, the Soviet Government would cooperate in any feasible way in forwarding them. Molotov replied that, "we can easily come to an agreement on that question". I explained that as he already knew the President might feel it was not opportune to take any steps at the present time.

With respect to the sending of a military observer, Molotov said that the Polish delegates had suggested that a Soviet military mission be attached to the Polish National Council. He said that the Soviet Government was studying the question of whether it would be physically practicable to send such a mission. I said I would appreciate being kept informed as to any decision the Soviet Government might reach on the question and he indicated that he would do so.

HARRIMAN

NPL-REP

Regraded Unclassified

W/

1. The Joint Chiefs of Staff say it is of vital importance that the export of ball bearings from Sweden to Germany be stopped.

2. The FEA representative in Stockholm has succeeded in having the export stopped during the negotiations. (This is very secret).

3. The only effective weapon at our disposal is Swedish fear of Allied retaliation, particularly for the post war period. They have to balance the consequences of German displeasure at the moment against the consequences of Allied displeasure in the future.

4. Any sign of weakening on our or Britain's part would result in a renewed export of bearings.

5. Therefore, we should decide now what we will do if the negotiations fail, and the Swedes should get a reliable indication of the proposed action before they finally decide.

6. FEA proposes that we be prepared

(a) to blacklist SKF and other Swedish firms
(b) to stop the flow of supplies to Sweden from the Atlantic
(c) to take over supervision of SKF Philadelphia
(d) to impose financial sanctions

7. State has agreed to (a) and (b). FEA believes that (c) and (d) are practically necessary if (a) and (b) are adopted. The British are opposed to retaliatory action.

8. The Administration should adopt a firm position now to prevent the FEA negotiations from failing. The threat of blacklisting alone will not be sufficient. Many violations of Trade Agreement can be cited to justify suspension of shipments to Sweden.

Regraded Unclassified

copy TRANSLATION

2/

SECRET AND PERSONAL
FROM
PREMIER J. V. STALIN
TO PRESIDENT F. D. ROOSEVELT

I have received your message on the question of post-war economic collaboration. Undoubtedly, the questions touched upon in Mr. Hull's note regarding international collaboration in the sphere of economics are of great importance and demand attention. I consider as quite expedient the establishment at the present time of a United Nations apparatus for the working out of these questions and also for the establishment of conditions and order of consideration of various problems of the international economic collaboration in accordance with the decisions of the Moscow and Teheran Conferences.

March 10, 1944

Regraded Unclassified

In reply address not the signer of this letter, but the Bureau of Supplies and Accounts and Refer to No.

L10-5/0S(FC)

NAVY DEPARTMENT
BUREAU OF SUPPLIES AND ACCOUNTS
WASHINGTON, D. C.

23 February 1944

SECRET

To: The Vice Chief of Naval Operations.

Subj: Special Purpose Fund of F. J. Horne/Wm. S. Farber.

Ref: Letter of 8 July 1943 from F. F. Fallis to the Vice Chief of Naval Operations.

Encl: (A) Corrected Closing Statement of Financial Condition.

1. This is to report a refund of money in the amount of $8,260.89 previously shown as expended against the above special fund in above reference. The sum has this date been deposited with the Treasurer of the United States for credit to "Emergency Fund for the President, National Defense 1942-43, Allocation No. 42/3-1 of 2/17/42."

2. A Corrected Closing Statement of Financial Condition as of 30 June 1943 is submitted herewith as enclosure (A).

3. All fiscal records, schedules, statements, ledgers, and files used by the undersigned of above reference in connection with the maintenance of subject fund and subsidiary accounts, have been placed in a sealed package, marked:

"SECRET - Property of Vice Chief of Naval Operations - (HORNE/FARBER)."

and personally delivered by me to the Officer-in-Charge, Secret/Confidential File Section, Bureau of Supplies and Accounts, for appropriate storage and safe-keeping.

Respectfully,

E. D. SCHUNKE
Lt. Comdr. (SC) USNR.

CC: Comdr. W.W.Honaker (SC)USN
Master Accounts Division

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SECRET

CORRECTED STATEMENT OF FINANCIAL CONDITION ON 30 JUNE 1943

ORIGINAL HORNE/FARBER PRINCIPAL FUND — $500,000.00

Expended from Principal Fund:

		Expended	
MISC. PROJECTS -		$ 30.89	
BIG HORN PROJECT			
Original Advance	$ 15,000.00		
Refunded	8,260.89	6,739.11	
EAGLE FISHING COMPANY			
Original Advance	$ 50,000.00		
Refunded	43,675.71	6,324.29	
ATIK SHIPPING COMPANY			
Original Advance	$100,000.00		
Refunded	63,567.39	36,432.61	
ASTERION SHIPPING COMPANY			
TOTAL ADVANCES	$150,000.00		
Refunded	65,114.38	84,885.62	
Total Expenditures:		134,412.52	$134,412.52

Net Remaining Blance of Principal deposited with the Treasurer of the United States for credit to "Emergency Fund for the President, National Defense 1942-43, Allocation No. 42/3-1 of 2/17/42" on:

28 June 1943	$357,326.59
23 Feb 1944	8,260.89
TOTAL	$365,587.48

- - - - - - - -

SUMMARY OF TOTAL EXPENDITURES FROM PRINCIPAL FUND:

Miscellaneous Projects -	30.89
Big Horn Project -	6,739.11
Eagle Fishing Company Project -	6,324.29
Atik Shipping Company Project -	36,432.61
Asterion Shipping Company Project -	84,885.62
Total Expenditures	$134,412.52

CERTIFIED TRUE AND CORRECT
23 February 1944

E. D. SCHUNKE
Lieut. Comdr.(SC) USNR
Bureau of Supplies and Accounts

Regraded Unclassified

WH

President has seen.

THE WHITE HOUSE
WASHINGTON

January 20, 1944.

MEMORANDUM FOR:

The President.

Subject: Disposal of Surplus Material by the Navy.

1. On 24 November, 1943 there was created the office of "The Assistant Chief of Procurement and Material for Industrial Readjustment" under O.P. & M. (Vice Admiral Robinson). Captain Strauss, U.S.N.R., was given the assignment.

2. The office is functioning along the following lines:

(a) It promulgates to the entire Naval Establishment all policies and procedures relative to both the termination of contracts and the disposition of property.

(b) Each of the Bureaus and other procurement agencies are given the responsibility of determining what is surplus material in so far as they are concerned and taking such steps as necessary to transfer surplus material to other agencies of the Government who may require it.

(c) Material not required by the Government is placed on sale through the Bureau of Supplies and Accounts which maintains regional offices for advertising the material on sale and carrying out the various steps of actual disposition. Thus, the "bureau system" of procurement is used in a reverse manner for disposition.

(d) The current directives provide for handling virtually all types of surplus material along the lines indicated above. Through liaison with the central agency each Bureau is currently disposing of surplus material and at the same time carrying out future planning in so far as is practicable.

3. I understand that representatives of the Navy Department have been working very closely with the "Hancock Committee" and that Naval officers are members of each of the seven sub-committees.

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THE WHITE HOUSE
WASHINGTON

January 20, 1944.

Subject: Disposal of Surplus Material by the Navy.

4. I gathered the impression that at least some of the Navy people involved are very much in favor of having the actual selling of surplus material carried on by some agency other than the Navy. With such a set-up, the Navy would turn over surplus material at book value and thereafter be freed from the actual mechanics of disposition. It is pointed out that the difference between cost price and selling price can probably be better explained by some agency other than the purchasing agency.

5. My general impression based on an admittedly hurried investigation is that the Navy Department is well prepared to follow directives from higher authority as regards future planning and is currently disposing of surplus material with maximum economy.

6. Copies of two pertinent directives bearing on the foregoing are attached.

Very respectfully,

Chester C. Wood,
Captain, U.S.Navy,
Assistant Naval Aide to the President.

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CONFIDENTIAL

January 18, 1944.

MEMORANDUM FOR:

The President.

In accordance with your direction, Admiral Brown enquired of the Maritime Commission and the Navy Department as to the feasibility of converting landing craft to commercial use at the end of the war. Memoranda received on the subject are herewith attached.

A summary of the views expressed is as follows:

(a) It seems highly probable that a relatively large number of landing craft will be available for disposal. Certain modifications will be essential in virtually all classes but, given a relatively low initial cost, these can be made and still have a reasonably low cost of overhead for the future owner.

(b) In general, the larger the craft the more diverse are its possible uses. This is particularly true in the case of the LST which might be well used for inter-island trade, as small oil carriers, for carrying bulk commodities on the St. Lawrence, and as car ferries.

(c) The Landing Ship, Dock (LSD) should be very useful if refitted for "sea train service". There will be very few of this type available.

(d) The smaller craft, with refitting, could be used for river service and for short ferry routes.

Both the Maritime Commission and the Navy Department feel that the most practicable way of solving the over-all problem is to have all craft available for sale turned over to the Maritime Commission as the agency best fitted to place the maximum number of these craft in the various available world services.

Very respectfully,

CHESTER C. WOOD.

Regraded Unclassified

UNITED STATES MARITIME COMMISSION

Washington 25, D.C.

January 15, 1944

MEMORANDUM FOR THE PRESIDENT:

Reference: Admiral Brown's confidential memorandum, dated December 20, 1943.

Subject: Post-war Commercial Use of Landing Craft.

The Maritime Commission is familiar with only one type of landing craft in so far as details are concerned. This is the LST of which we built 75 for the Navy. The other types have been constructed by the Navy and we have only general data with regard to these other types.

Our preliminary investigations relative to reference (a) may be summarized, as follows:

(a) It is our belief that landing craft have already proven their adaptability for a wide range of purposes.

(b) It is apparent that the larger craft have been built with good sea-going qualities and, at a relatively small expenditure, can be fitted for the transportation of dry or liquid bulk commodities in the coastwise, Great Lakes and Caribbean trades.

(c) It appears probable that for the transportation of anthracite and bituminous coal in New York Harbor and its tributary waters landing craft can be made suitable. It is believed that the smaller vessels can be fitted for the movement of sand and gravel from Long Island Sound points for the building trades in New York City and the Metropolitan district. They might make good boats for handling bagged cement, brick, trap rock and similar cargoes out of the Hudson River.

(d) It has been the custom to carry building material and coal on wooden scows and barges. Transportation in this manner, involving the use of tugs, has proven expensive and out of line with what the cost of the product, delivered at the site of its use, should be. The construction of harbor craft has, of necessity, in recent years been curtailed. Thus, it appears that there should be a ready market for the smaller type landing craft.

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(e) In many of the large cities on the East Coast waste materials, such as copper slag and refuse of all kinds, are disposed of at points requiring transportation by water. In Boston, Philadelphia and New York, for example, a large percentage of household refuse, cinders and the like, is moved to disposal areas on islands in the bays. These materials are moved by scow or barge. Landing craft may well be a desirable substitute.

(f) Landing craft might be converted to transport motor trucks, trailers, new motor vehicles crated or on wheels. As an example, it is not difficult to conceive of the handling of Chevrolets, during the open season of navigation, from Tarrytown, New York to the export or domestic trade through New York Harbor. The same possibilities are, of course, obvious in respect of the large manufacturing centers on the Great Lakes.

(g) A number of the larger motor truck lines have considered the possibility and advisability of moving their vehicles by water for a portion of their overall routes in order to avoid congested areas, bad road conditions and for other reasons. To be specific, it has been felt that considerable economy would result in truck transportation from, say, Jersey City to Boston if the vehicles could be floated for a part of the distance, possibly from a Jersey City pier to New London, Providence or Fall River. The same situation has been discussed with regard to trucking between New York City, Albany and points north and west.

(h) Larger landing craft because of their draft might not be satisfactory on the Mississippi, its tributaries, the New York State Barge Canal system and its tributaries, or the Intra-Coastal waterways. However, if the draft were found suitable, a practicable use might well be found for some of the types of landing craft that have been constructed. Where draft conditions permit, the larger craft have possible uses on these waters.

(i) In discussing the use of landing craft generally, it should be considered that those vessels, if any, which are fitted with gasoline engines would have to be converted to diesel drive or an equally economical means of propulsion in order to warrant their use in the trades suggested.

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The foregoing suggestions are submitted with special reference to use by the United States. If utilization is considered by foreign countries under the United Nations flag, China would probably be able to use a great many of the types of landing craft constructed by the United States. It is believed that this is particularly true with regard to her river and harbor traffic.

Signed. E. S. Land

E. S. Land

Regraded Unclassified

JWP:emt

(SC)A4-1(11)/LC
Serial 01200A

CONFIDENTIAL

13 JAN 1944

TO: Rear Admiral Wilson Brown, USN,
Naval Aide to the President.

SUBJECT: Use of Landing Craft after the War.

On the 20th of December you informed me that the President directed consideration be given now to the question of what commercial use, if any, can be made of the various types of landing craft when the war is over.

There is attached hereto a report answering the President's inquiry. The commercial utility of landing craft is limited by the strictly military characteristics primarily determining their design. Any surplus of the largest type, the LSDs, will find useful service in private operation when the war is over. A reasonable number of the next largest type, the LSTs, can be converted for various purposes. A few of the LSMs will fill special requirements. The LCI(L)s or LCTs(5)&(6) will only be commercially salable in a very limited field. Of the types 50' or less in length of which many thousands will be built, only a negligible proportion will be commercially useful.

The attached report suggests the advisability of turning over the surplus vessels for sale by the Maritime Commission in conjunction with its task of disposing of surplus units of the merchant fleet. This recommendation is submitted for the President's consideration.

FRANK KNOX

Encl.

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CONFIDENTIAL

12 January 1944

TO: The Secretary of the Navy

SUBJECT: Commercial Market for Landing Craft.

Your memorandum of December 22, 1943, directed me to report on possible commercial uses for the various types of landing craft when the war is over.

GENERAL

The characteristics of the five principal types of these vessels are tabulated in enclosure (A) and duplicate photographs of the LSD, LST, LCI(L) and LCT(6) are attached hereto. In considering their utility in commerce it must be borne in mind that these vessels were designed to meet highly specialized military needs. They are excellent boats for amphibious operations, each in its own particular field. This very excellence, however, militates against their commercial usefulness. They are, of necessity, costly. Except for the Landing Ships (Dock) known as LSDs, their main propulsion units are high speed diesel engines; they carry many auxiliaries; they are not economical in respect to personnel, or fuel consumption or maintenance and repairs. As an example, the Landing Ships(Tank) known as LST, with deadweight of less than 2600 tons, cost approximately $2,000,000 while the Maritime Commission 2800-ton deadweight cargo vessels cost about $1,000,000.

It is, of course, impossible to estimate at this time the number of these vessels that will survive the amphibian operations of the war. To date the losses have been surprisingly small--probably at a rate too favorable to maintain in future landing campaigns.

Few harbors that are in condition to handle normal traffic will fall into the hands of the Allies. Landings in Western Europe will find all channels blocked, and piers, warehouses and handling facilities will be demolished as the attack develops. The shortage of port facilities in the British Isles and the necessity of using Landing Craft for supplying our armed forces and the civilian population on the European Continent is a factor that will throw an added load on these special means of transportation for a

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considerable period after the first invasion. The similar employment of these craft in the Pacific Area for some time after the immediate military operations are ended will result in reducing the number available for other employment.

LANDING SHIPS DOCK (LSD)

No.	Overall Dimensions	Speed Loaded	Approx. DW Cap.	Approx. Cost
15	L-458' x B-72' x D-14'	17 Kts.	2500 tons	$4,000,000

It is probable that the Navy will wish to hold in reserve a number of the LSD type. Any surplus vessels could be utilized for many commercial services. At reasonable expense they could be refitted for "Seatrain" service, to transport railroad cars in tiers over considerable distances. They would be useful as automobile ferries over open sea or bay routes, as from Cape Charles to Norfolk, Virginia, or from Key West to Havana. At a price that would permit profitable commercial operation there is little doubt that a market is available for vessels of this type.

LANDING SHIP TANK (LST)

No.	Overall Dimensions	Speed Loaded	Approx. DW Cap.	Approx. Cost
927	L-328' x B-50' x D-14'4"	8 Kts.	2600 tons	$2,000,000

The LSTs, of which there may be several hundred for disposal at the close of hostilities, cost about $2,000,000. These vessels have a number of definite limitations. They do not maneuver very well; they have insufficient backing power; they are extremely stiff, with a metacentric height of over 35' in the light load condition and a period of roll of 4 or 5 seconds. They are not rugged vessels. Even when stripped of all military equipment they carry no more pay load than the Maritime Commission 2800-ton deadweight freighter which costs half as much as the LST and has a maintained sea speed of 10½ knots in the loaded condition against 8 knots for the LST.

However, the light draft of these vessels, their long, high, wide, central compartment, will be useful in a number of services, after design changes to meet varying commercial requirements.

A number of these vessels with minor changes in their ventilation are adaptable for transporting fruit, such as bananas, pineapples, etc., between small ports in the Caribbean Sea and in the West Indies interisland trade and in other similar routes.

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Fitted with oiltight cofferdams and bulkheads and pumping equipment, the LST can be converted into small oil carriers. Oil and gasoline delivered in bulk in New York could be transshipped on these vessels to points on Long Island Sound and the New England Coast where the oil demands are too small or the harbor facilities inadequate to permit the use of larger tankers. Similar service could be undertaken in a number of other areas.

For carrying bulk commodities, such as pulpwood or newsprint on the St. Lawrence River or sugar in bags from Cuba to the United States, the light draft for shallow harbors and the ability to run up on a shelving beach for loading directly from the shore offers a possibility for the utilization of a number of these vessels.

They are not suitable for the Ohio and Mississippi Rivers, where a maximum draft of 9' is maintained for navigation purposes, as the LST minimum draft of 7½' light leaves insufficient margin for a reasonable pay-load. Their poor maneuverability and backing and slow speed render them impracticable in rivers with swift currents.

A number of these vessels have been fitted out for repairing naval ships. These would be salable as floating repair shops for use in the larger ports of the world.

In spite of the limitations of this class, it is probable that a considerable number of them will be commercially salable after the war.

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LANDING SHIPS (MECHANIZED) (LSM)

No.	Overall Dimensions	Speed Loaded	Approx. DW Cap.	Approx. Cost
353	L-203'xB-34'xD-5'6"	13 knots	400 tons	$1,100,000

The LSM is a 203' vessel of 13 knots speed when full loaded, with a deadweight carrying capacity of 400 tons (or about 500 tons when stripped of her war equipment). These vessels are open-well ships, with a bow ramp to give access to the shore and to close the well deck at sea.

The most obvious employment for a number of these vessels would be for automobile ferry service or automobile transportation, which might require them to be rebuilt with an open stern. They might be adapted for transporting automobiles from Detroit to Eastern points through the Erie Canal and for other similar services.

A small number might be useful for transporting loaded trucks over short water routes or for package freight that could be loaded directly on automobile chassis and discharged at destination on similar chassis.

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CONFIDENTIAL

There are undoubtedly other uses for which these vessels will qualify, but it does not appear likely that many of them will be put to commercial use.

LANDING CRAFT INFANTRY (LCI(L)) and
LANDING CRAFT TANK (LCT(5) and (6))

	No.	Overall Dimensions	Speed Loaded	Approx.DW Cap.	Approx.Cost
LCI(L)	1061	L158'xB23'3"xD5'8"	12 Kts.	200 tons	$550,000
LCT(5) & (6)	1330	L120'xB32' xD3'9"	6 Kts.	200 tons	$180,000. 200,000

The 1061 LCI(L)s and 1330 LCTs(5)&(6) are scheduled for completion by the end of this year. The small size and high cost of operation of these types offer little chance for profitable utilization.

They are not heavy enough for use in deep-sea fishing, and in fact would require complete rebuilding, with finally unsatisfactory results.

It is possible that half a dozen of one or the other of the LCIs and LCTs might find service as houseboats or yachts for smooth-water use, but their cost of operation in those services is nearly prohibitive.

SMALLER LANDING CRAFT

50' and under

Of the smaller craft, of which many thousand will be built, a few may find service as pleasure fishing boats. Some of the tracked landing vehicles will serve a very useful purpose in river and lake areas subject to flood-water conditions, for rescue and transportation work in time of emergency (the primary purpose for which they were originally designed).

Some of these craft may be useful for lifesaving operations by the Coast Guard or for minor salvage operations where regular equipment is not available.

It is probable, however, that not more than a small percentage will pass into commercial use and the balance of them not maintained in a war reserve should be written off as in the case of other purely military supplies.

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CONCLUSION:

In preparing this brief study I have consulted a considerable number of prominent shipowners and others experienced in the possible markets for these vessels, as well as various personnel of the Bureau of Ships. The above suggestions are a cross section of my own and of the other opinions and suggestions that came to light in these discussions.

While the commercial utility of various types of landing craft decreases with the size of the vessels, careful study will find various trades in which a not inconsiderable number will fill a useful place in the post-war economy.

In connection with the disposition of surplus property, when the Navy has set aside such of these craft as are selected for active operation or for reserve, any balance available for sale should be turned over to the Maritime Commission. That Commission will be faced with the problem of disposing of a huge tonnage of merchant ships in the world market when the war is over and of all of the Government agencies they are the best fitted to dispose of surplus landing craft to the advantage of our national maritime future well-being, and to place the maximum number of these craft in various available world services.

J. W. Powell

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CONFIDENTIAL

12 January 1944

DATA RELATIVE TO FIVE PRINCIPAL TYPES OF LANDING CRAFT

	LSD	LST	LSM	LCI(L)	LCT(5)&(6)
Number completed and on hand 12/31/43	7	400	0	458	641
To be completed and on hand 12/31/44 (12 additional under contract to be scheduled)	15	927	353	1061	1330
Length overall	458'	328'	203'	158'	120'
Beam	72'	50'	34'	23'-3"	32'
Draft (mean)	14'	14'-4"	5'-6"	5'-8"	3'-9"
Speed (smooth water in landing condition)	—	10 knots	15 knots(-)	15 knots	8 knots
Full load speed(smooth water)	17 knots	8 knots	13 knots	12 knots	6 knots
Light Displacement, Tons	4080	1490	486	199	LCT(5) - 123 LCT(6) - 143
Full Load Displ., Tons	7498	4080	885	387	LCT(5) - 283 Landing LCT(6) - 310 Landing
Power LSD 1-8	Reciprocating Steam Engines 7000 I.H.P.	2 - 900 HP High Speed Diesel	2 - 1800 HP High Speed Diesel, Fairbanks-Morse; General Motors	8 - 225 BHP Gen'l Motors High Speed Diesel	High Speed Diesel 3-225 BHP
LSD 9-27	Geared Turbines 7000 S.H.P.				

ENCLOSURE "A"

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DATA RELATIVE TO FIVE PRINCIPAL TYPES OF LANDING CRAFT (cont'd)

	LSD	LST	LSM	LCI(L)	LCT(5) & (6)
No. of Propellers	Two	Two	Two	Twin	Triple
No. of Rudders	Two	Two	Two	Two	Two (LCT(5)) Three(LCT(6))
Metacentric Height in Light Condition	9.48'	35.44'	22.1'	5.04'	51.91' (LCT(5)) 44.23' (LCT(6))
Metacentric Height in Loaded Condition	11.57'	10.80'	10.80'	2.92'	20.40' Landing (LCT(5)) 17.50' " (LCT(6))
Cost, approximate	$4,000,000	$2,000,000	$1,100,000	$550,000	$180,000 (LCT(5)) 200,000 (LCT(6))

The great metacentric heights of all classes of Landing Craft, except the LCIs, make these vessels very stiff.

The High Speed Diesel Engines will be costly to maintain and operate.

ENCLOSURE "A"

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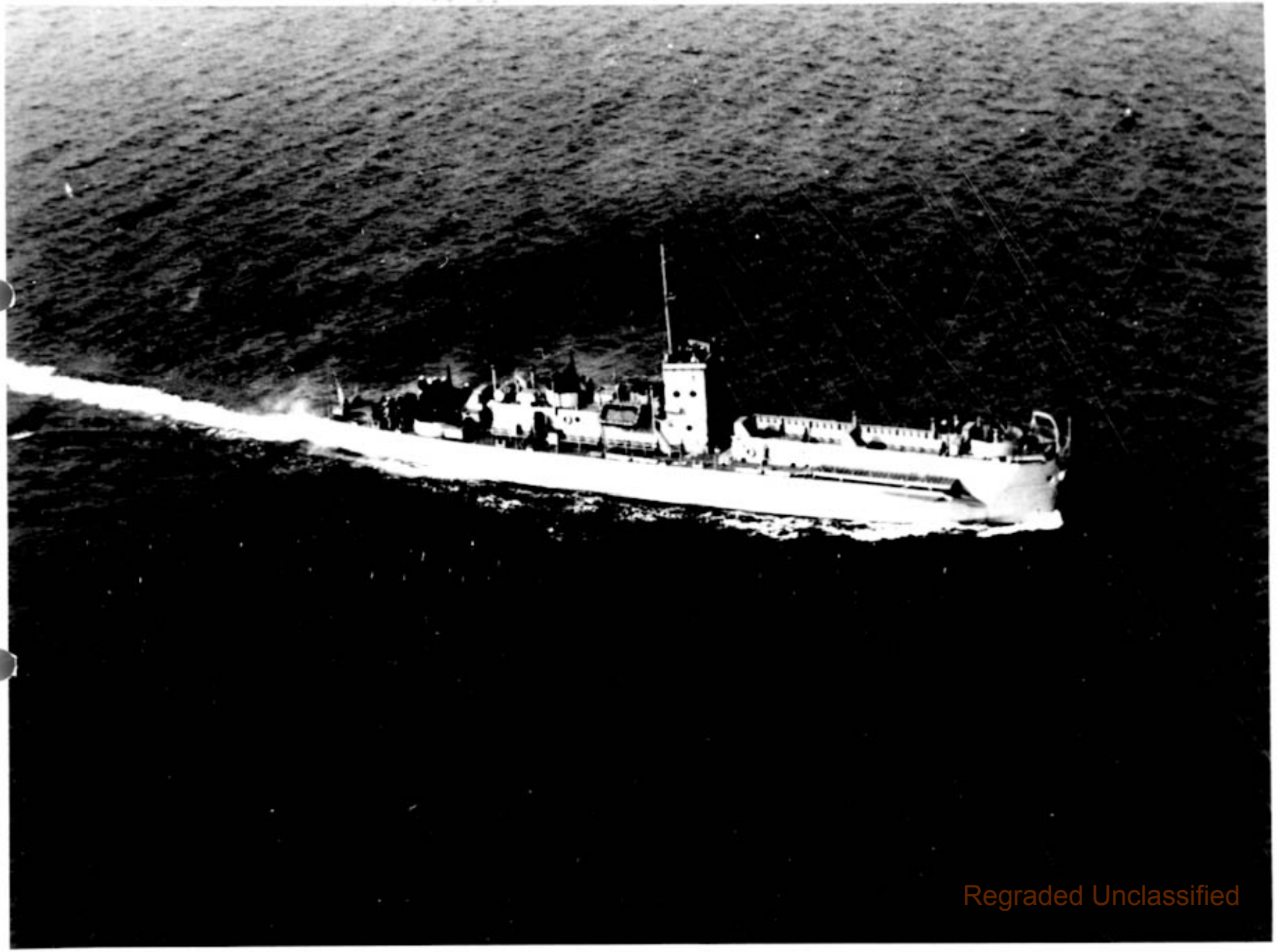
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COPY

THE JOINT CHIEFS OF STAFF
Washington

SECRET

1 January 1944.

MEMORANDUM FOR THE PRESIDENT:

Subject: Philippine bases, subsequent to granting independence.

The Joint Chiefs of Staff have been advised that in the course of discussions regarding the pending Joint Resolutions advancing the date of Philippine Independence, President Quezon has expressed the opinion that the United States should now stipulate what basis will be required in the Philippine Islands after their independence has been granted.

We have given careful consideration to the practicability of specifying at this time the various base facilities that will be required for the full and mutual protection of the Philippine Islands and of the United States. We find that while sites for certain installations could now be selected with some assurance, it is quite impracticable to compile at this time any definitive list in final form. Indeed we feel that we must provide for continuing review and adjustment of our military and naval requirements in the Philippines in the light of the changing strategic situation and the development of the means of waging war in the future. We believe the wording of the pending Joint Resolutions vests discretionary authority in the President of the United States to withhold or acquire and to retain such bases, necessary appurtenances to such bases and the rights incident thereto as he may deem necessary.

For the Joint Chiefs of Staff:

WILLIAM D. LEAHY,
Admiral, U.S. Navy,
Chief of Staff to the
Commander in Chief of the Army and Navy.

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N24

December 29, 1943

My dear Mr. President:

Attached are the recommendations of the Special Committee on Shipping relating to surrender terms for Germany and to the principles which should govern the handling of surrendered tonnage. It is also recommended that the same terms be applied to other European enemy countries.

This document is based, in principle, upon the surrender terms recommended for Italy which were transmitted by the Combined Chiefs of Staff to General Eisenhower last September. However, the conditions to be applied to German shipping are more severe than those recommended for Italy.

This document has been transmitted to Admiral Leahy for consideration by the Joint Chiefs of Staff and is being sent to you for your information.

Faithfully yours,

CORDELL HULL

Attachment:
Shipping D 4

The President,
The White House.

For original and enclosures see File A16/Germany

Regraded Unclassified

S/

20 December, 1943.

CONFIDENTIAL

From: The Naval Aide to the President.
To : The Secretary of the Navy.

Subject: Use of Landing Craft After the War.

1. The President directs that consideration be given now to the question of what commercial use, if any, can be made of our various types of landing craft when the war is over.

2. He will appreciate any suggestions.

WILSON BROWN.

Copy to:
Cominch
Vice Chief of Naval Operations
Commandant of the Coast Guard
Chairman, Maritime Commission
Director, Naval Transportation Service

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THE WHITE HOUSE

WASHINGTON

7 October, 1943.

SECRET

MEMORANDUM FOR:

Admiral Leahy.

The President directed that this should be referred to you with the statement that he, the President, is not so much interested in the financial aspect of the Dakar Mission as he is with the all-important question of making up our minds now what areas in West Africa we should seek to control as air and naval bases after the war. The President wishes to be informed what progress the Joint Chiefs of Staff have made in their study of this subject.

W. Wilson Brown,
Rear Admiral, U.S.N.,
Naval Aide to the President.

I have sent the original to Admiral Leahy. File WB.

SECRET

Regraded Unclassified

THE AMERICAN MISSION
DAKAR, F. W. A.

September 28, 1943.

S E C R E T

SECRET

Dear Mr. President:

I wish to give you the picture as I see it of our situation in French West Africa as it has developed during the three and one-half months since the establishment of the American Mission, Dakar.

I am ever mindful of what you told me, in June 1943, was my "objective" as your Representative in French West Africa.

The degree with which a normal and logical attainment of this politico-strategic objective will be accomplished is measured, in my opinion, by American prestige in the A.O.F., which, in turn, I need hardly emphasize to you, is very largely dependent upon American economic interest in these colonies.

It is becoming increasingly evident to the French that we have little or no interest in the use or purchase of the products of French West Africa. On the other hand, the British are vitally interested. They are in the market for practically all the major

...products...

The President,

The White House.

Regraded Unclassified

products of the A.O.F. and are most active in developing, improving, increasing and purchasing crops. Thus the British naturally stand well with the French from the purchase point of view, while we appear to be somewhat ineffectual and disinterested. Furthermore, the change from the Boisson Government, which was disposed to look most favorably upon us, to the present regime, has not favored us. The Cournarie Government looks more readily to the British than did the old order.

So far as French West Africa is concerned, the British purchase all the surplus edible oil products. This is by far the most important industry. American exclusive interest, such as it is, is confined to the lesser products, sisal and mohagony. The U.K. is predominant as a purchaser of A.O.F. products as compared to the U.S. in the approximate proportion to date of one hundred to one.

Very briefly, the position of the U. S. up to the present, with respect to A.O.F. products, namely, sisal, mohagony and cocoa, in regard to which we have been indicated to the French as possible purchasers, is as follows. Our vacillation, consistent delay and over-all attitude of uncertainty have not been lost upon the French by any means. Our position has suffered while that of the British, whose economic relations with the French here have been marked by effective and timely decision based on a definite purchasing policy,

...has correspondingly...

Regraded Unclassified

has correspondingly improved.

1. SISAL: We have persistently repeated to the French the urgency of our need for sisal and therefore the desirability of increased production. At no time have we been unaware that A.O.F. production costs were materially out of line (higher) with world sisal prices. For a period during the Boisson administration we could, perhaps, have concluded a long-term contract on a satisfactory price basis because of that administration's policy of subsidising production for export. We missed that opportunity through the failure of Washington to act promptly, and are now confronted with a situation in which our offering price is well below the minimum price that the Government seems willing to accept in view of the desire of the new regime to get away from subsidies and its contention that the high cost of Allied supplies to A.O.F. should be an important factor in the export price structure. The probable result is that we shall not lift from A.O.F. more sisal than the 400 tons we negotiated for under the former regime; also, that equipment and replacement parts needed to increase production will not be forthcoming from us.

2. MAHOGANY: Since last January we have led the producers and the Government to believe that we would stimulate production through the supply of special trucks and other essential equipment and purchase up to from twenty to twenty-five thousand tons during the ensuing eighteen months. Washington has now decided after all these months of encouragement to cancel this program for the development of mahogany production. Even the purchase of 2,000 tons now available, purchase negotiations for which were authorized some time ago, now seems most unlikely in view of last minute insistance by Washington on new and unusual shipping conditions.

3. COCOA: While Washington has been most anxious to share with the British in buying up the whole of the 1943-44 A.O.F. crop, it has failed to issue instructions which would permit members of the American Economic group here to go ahead with their British colleagues in firm discussion with the French. The British received such instructions six weeks ago and finally, the other day, were unable to wait longer for us and proceeded alone to discuss with the French conditions agreed to between Washington and London in talks at Washington. At no time has this Mission been consulted or kept currently informed in connection with those discussions. The result is that while we shall probably share on an equal footing with the British in the cost of purchase (also in the utilization of the cocoa) it is the British who have appeared thus far in French eyes to have carried the ball.

...It is my...

Regraded Unclassified

It is my impression that our economic agencies in Washington have directed our purchasing policy with respect to the A.O.F. largely from the point of view of the intrinsic value to us of the products in question, without giving consideration to the political aspects or implications of such action. The desire to be joint purchaser with the British of the cocoa crop is the one notable exception. But even this move on our part has not been pressed vigorously. On the contrary we have not been yet instructed with regard to joint purchase with the British of the cocoa crop, in spite of repeated requests. The result has been that the British could wait for us no longer and have gone ahead on their own with the French and have completed satisfactorily all details, including price, for the purchase of the entire cocoa crop if necessary. The French would have welcomed our participation and are at a loss to understand why we hold back now and even cause thereby a delay in French-British negotiations which could no longer be deferred.

Thus I wish to emphasize that if we are to look forward to any natural success here it will be necessary to bring our action in the economic field into line with our political requirements in these French colonies. It may be that this is being done at present, but at least I can assure you our present economic relations with

...the A.O.F...

Regraded Unclassified

the A.O.F. are not such as to contribute to the creation of the politico-strategic structure you told me in June you wished built here.

In the meantime the French appear to like us as Americans and would wish to lean on us. I feel certain they would more than welcome justification in increased reliance on us, based on knowledge that our economic policy, whatever it might be, was substantial and clear cut.

With every good wish, I am,

Sincerely yours,

William Glassford

WILLIAM GLASSFORD.

Regraded Unclassified

THE JOINT CHIEFS OF STAFF
WASHINGTON

CS16250

18 August 1943.

FDR WB

SECRET

MEMORANDUM FOR THE PRESIDENT:

Subject: U. S. Shipping Position.

Enclosure: J.C.S. 453/1, Copy No. 53.

At a meeting with the Joint Chiefs of Staff at the White House on 11 August you directed that a study be made regarding the U. S. shipping position with particular reference to the availability of personnel and cargo shipping.

The study has now been completed and is summed up on page 3 of the paper attached hereto.

For the Joint Chiefs of Staff:

William D. Leahy

WILLIAM D. LEAHY,
Admiral, U.S. Navy,
Chief of Staff to the
Commander in Chief of the Army and Navy.



SECRET

Regraded Unclassified

S E C R E T

615-5
(J.C.S. 453/1)
16 August 1943
Pages 2-3 incl.

COPY NO. 53

615

(1) JCS 453
(2) JMT 32/D
(3) JMT 32/1
(4) JMT 32/D (rev)

JOINT CHIEFS OF STAFF

U.S. SHIPPING POSITION

Note by the Secretaries

In accordance with the directive contained in J.C.S. 453, the Joint Military Transportation Committee submits the enclosed report to the Joint Chiefs of Staff.

J. R. DEANE,
F. B. ROYAL,
Joint Secretariat.

Regraded Unclassified

SECRET

ENCLOSURE

1. The U.S. position as regards personnel ships, cargo ships and tankers on certain future dates has been calculated based upon:

a. U.S. Maritime Commission construction report No. 21 dated 15 August 1943.

b. Latest agreed loss rates as indicated in CMT 35/4 applied to mean inventories.

c. Conversion program outlined in JMT 28/1, supplemented by other scheduled or planned Army and Navy conversions and acquisitions. It should be noted that the present program includes fewer conversions in 1944 than in 1943.

d. Deductions made from dry cargo inventory because of the following transfers to foreign registry before 30 June 1944, as advised by War Shipping Administration 14 August 1943:

	Last Half 1943 DWT	First Half 1944 DWT
To British registry	1,170,000	1,050,000
To Chinese registry	19,600	--
To Dutch registry	19,800	--
To Greek registry	21,000	--

e. Actual 1 July 1943 inventories as reported by Combined Shipping Adjustment Board.

f. Naval fleet and Army auxiliaries, such as hospital ships, ammunition, and repair vessels, amounting to 583,000 DWT on 1 July 1943, not included in the inventories shown.

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2. The following are the semi-annual inventories as computed:

	As of 1 July 1943 (Actual)	As of 1 Jan 1944 (Est.)	As of 1 July 1944 (Est.)	As of 1 Jan 1945 (Est.)
Personnel ships excluding combat loaders and base troopships Spaces (000)	253	359	422	488
Combat Loaders and base troopships Spaces (000)	74	89	96	95
Total Personnel ships Spaces (000)	327	448	518	583
Dry Cargo vessels except Combat loaded cargo vessels and fleet storeships* DWT (000)	16,660	20,380	24,820	29,920
Combat loaded cargo vessels and fleet storeships DWT (000)	240	320	350	370
Total Dry Cargo vessels DWT (000)	16,900	20,700	25,170	30,290
Tankers DWT (000)	6,740	9,170	11,140	13,570

* Tonnage includes dry cargo vessels retained for inter-island transportation in the South and Southwest Pacific and operated by theater commanders.

Regraded Unclassified

August 16, 1943

MEMORANDUM

1. Clearing up of manner of dealing with political situation in Italy.

It is necessary to set up some machinery for clearing information and questions arising from the development of the Italian situation, whether this is to be done through the Civil Affairs Committee of the Combined Chiefs of Staff, by correspondence between the State Department and the Foreign Office, or whether it is to be dealt with by direct communication between the President and Mr. Churchill.

2. Question of whether "Conditions of Surrender" in the case of Italy are going to be divided into

(a) Military terms, and
(b) Political and economic terms,

or whether all the terms, military and other, are to be combined in one comprehensive document as desired by the British.

3. Clearing up of manner of relationship with French Committee of National Liberation.

Decision on this question should also include, if the decision is in the affirmative, the character and designation of the representation of the two Governments near the French Committee at Algiers.

4. Decision as to whether a joint statement by the President and Mr. Churchill should be made with respect to the German situation similar to the joint statement made by them with regard to the Italian situation a few weeks ago.

PA/D:JCD:ACK

Regraded Unclassified

THE WHITE HOUSE

WASHINGTON

August 15, 1943.

MEMO FOR GENERAL WATSON:

Please let me have this when I see the Secretary of State for luncheon tomorrow,

F.D.R.

C.H. & Take up with P.M. & Pres.

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DEPARTMENT OF STATE

THE SECRETARY

August 5, 1943

MEMORANDUM FOR THE PRESIDENT

The British Ambassador called yesterday afternoon and left with me the attached aide-memoire. This is a matter of the utmost importance and I shall talk to you about it at some convenient time after you return.

CH

Regraded Unclassified

SECRET AND CONFIDENTIAL.

A I D E - M E M O I R E

In November 1942 the United States Government informed His Majesty's Government through the United States Ambassador in London that they looked forward to informal and exploratory talks with representatives of Great Britain and other powers in accordance with Article VII of the Mutual Aid Agreement, and invited His Majesty's Government either to send a delegate for the purpose or to nominate some member of the British Embassy in Washington to represent them. His Majesty's Government at the time nominated Sir Frederick Phillips and Mr. Opie for this purpose but did not otherwise pursue the United States suggestion as discussions of some parts of the ground covered by Article VII viz. monetary policy, were already in progress while other parts were felt by His Majesty's Government to require some preliminary study on their part.

Having now been able to carry further their examination of the various topics, His Majesty's Government feel that the moment has come to initiate with the United States Government informal and exploratory talks on the whole field covered by Article VII and that it is important for these talks to start without delay. They are strengthened in this view by the repeated requests made by some of the Allied Governments in exile for a lead by the United States and United Kingdom. They see great advantage in handling the essentially inter-related matters covered by Article VII as a coherent whole. In pursuance therefore of the United States suggestion mentioned in the preceding paragraph, they intend, if the United States Government see no objection, to send to Washington not later than the first half of September a delegation of senior officials, led by a Parliamentary Under-Secretary of State, which would be capable of dealing with all these subjects and in particular monetary policy, international investment, the regulation of primary products and commercial policy. His Majesty's Government suggest that the first object of such talks should be to obtain broad United States-United Kingdom agreement on an orderly agenda for the discussion of Article VII. His Majesty's Government continue as in the past to regard as of the greatest importance the attainment of prior agreement on such matters between the United States and United Kingdom Governments before they are discussed in a wide international field. The proposed delegation would also be in a position to push further the talks on

monetary

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monetary policy which have already begun so as to pave the way for a general monetary conference which might be followed by further international conferences on other postwar monetary and economic problems which call for solution.

His Majesty's Government would be glad to know whether this suggestion would be open to any objection on the part of the United States Government. If not, they would proceed to nominate their delegation forthwith.

Washington, D.C.
August 4th, 1943

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DIRECTOR OF FOREIGN RELIEF AND
REHABILITATION OPERATIONS
DEPARTMENT OF STATE
WASHINGTON

Relief

August 6, 1943

My dear Mr. President:

I have your memorandum of July thirtieth enclosing an unofficial suggestion from the Dutch Minister of Foreign Affairs relative to the possibility of getting dried milk into the Netherlands for Dutch children.

Limited trans-blockade relief shipments for certain restricted classes of the population in some of the occupied countries of Europe has always seemed to me a desirable possibility which we should make every effort to translate into reality. As you know, various plans for various countries have been suggested but, as I understand it, have never got very far because of the opposition of the British.

You will recall that in a note to me of June eleventh you said that you discussed this matter with Mr. Churchill and that you thought "for the time being we should continue with our present policy of not trying to mitigate the blockade."

While I feel that our present rigid policy probably injures our friends quite as much as, if not more than, it hurts our enemies, I am

of the

The President,

The White House.

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of the opinion that the British are right to this extent: no single one of the occupied countries should be picked out for special treatment. In other words, if we are going to make an attempt to mitigate the blockade for the benefit of certain groups (such as children and pregnant and nursing mothers) this should only be done on the basis of a carefully worked-out plan applicable to all the occupied countries. Whatever we attempt to do for one we should at least try to do for the others.

On the other hand, German refusal in the case of certain countries (Poland and occupied Russia, for example) ought not to eliminate the plans for other countries. What I believe we should do is to work out a plan applicable to all, submit it to the Germans and put it into effect in as many countries - if any - as the Germans will agree to. We could not then be accused of playing favorites as between occupied countries. The onus, if it were refused, would be on the Germans - where it belongs.

I should be only too glad to explore the possibilities along these lines. Such an exploration should be worked out jointly with the British, however, since we are committed to a common policy on blockade matters. To date the British have been unwilling to seriously consider the matter, however, because of their opposition to any trans-blockade relief scheme. This position of opposition has been taken by Mr. Churchill, who has discussed the matter with you, and you agreed to his position when he last visited this country.

I therefore

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I therefore believe that any modification of the present policy or any agreement to jointly explore the possibilities can be obtained only through your direct intervention or that of the Secretary of State.

Will you please advise me of your further wishes in the matter?

Very sincerely yours,

Herbert H. Lehman

Regraded Unclassified

In reply address not the signer of this letter, but the Bureau of Supplies and Accounts and
Refer to No.

NAVY DEPARTMENT
BUREAU OF SUPPLIES AND ACCOUNTS
WASHINGTON, D. C.

8 July 1943

SECRET

To: The Vice Chief of Naval Operations

Subject: Special Purpose Fund of F.J. Horne/ Wm. S. Farber

Enclosure: (A) Closing Statement of Financial Condition

1. This is to report that the unexpended balance of $357,326.59 remaining in the Special Purpose Fund of F.J. Horne/ Wm. S. Farber, has been refunded to the Treasurer of the United States, for credit to "Emergency Fund for the President, National Defense 1942-43, Allocation No. 42/3-1 of 2/17/42".

2. Closing Statement of Financial Condition as of 30 June 1943, reflecting final disposition of subject Special Purpose Fund and subsidiary accounts thereof, is submitted herewith as enclosure (A).

3. All fiscal records, schedules, statements, ledgers, and files used by the undersigned in connection with the maintenance of subject fund and subsidiary accounts, have been placed in a sealed package, marked:

"SECRET - Property of Vice Chief of Naval Operations - (HORNE/FARBER)."

and personally delivered by me to the Officer-in-Charge, Secret/ Confidential File Section, Bureau of Supplies and Accounts, for appropriate storage and safe-keeping.

Respectfully,

F. F. FALLIS
Lieut.Comdr.(SC) USNR

cc: Comdr. W.W. Honaker (SC)USN.
Master Accounts Division

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SECRET

STATEMENT OF FINANCIAL CONDITION ON 30 JUNE 1943

ORIGINAL HORNE/FARNER PRINCIPAL FUND			$500,000.00
Expended from Principal Fund:		Expended	
MISC. PROJECTS -		$30.89	
BIG HORN PROJECT -		15,000.00	
EAGLE FISHING COMPANY			
Original Advance	$50,000.00		
Refunded	43,675.71	6,324.29	
ATIK SHIPPING COMPANY			
Original Advance	100,000.00		
Refunded	63,567.39	36,432.61	
ASTERION SHIPPING COMPANY			
Total Advances	150,000.00		
Refunded	65,114.38	84,885.62	
Total Expenditures:		142,673.41	$142,673.41
Net Remaining Balance of Principal Fund deposited with Treasurer United States on 28 June 1943 for credit to "Emergency Fund for the President, National Defense 1942-43, Allocation No. 42/3-1 of 2/17/42".			$357,326.59

- - - - -

SUMMARY OF TOTAL EXPENDITURES FROM PRINCIPAL FUND:

Miscellaneous Projects	-	$30.89
Big Horn Project	-	15,000.00
Eagle Fishing Company Project	-	6,324.29
Atik Shipping Company Project	-	36,432.61
Asterion Shipping Company Project	-	84,885.62
Total Expenditures		$142,673.41

CERTIFIED TRUE AND CORRECT
1 July 1943

F. F. FALLIS
Lieut.Comdr.(SC) USNR
Bureau of Supplies and Accounts

Declassified

SECRET

By authority A. C. of S., G-2

WAR DEPARTMENT
MILITARY INTELLIGENCE SERVICE
WASHINGTON

Date JUN 17 1943 (JSS)

17 June 1943.

MEMORANDUM FOR COLONEL BRATTON:

Subject: Status of Lend-Lease Shipping in the Pacific.

1. Current Situation. By the seizure of two ex-United States vessels (Ingul and Kamenets Podolsk, which presumably are still being held) the Japanese have succeeded in slowing down U.S.S.R.--United States ship traffic in the Pacific just at the beginning of the season of heaviest traffic.

a. Decrease in Departures from Siberian Ports and Increase in Departures from U. S. Pacific Ports.

(1) Departures from Siberian ports for the United States dropped sharply in May, with only 23 vessels clearing port as compared to 42 in April. Virtual immobilization of 10 ex-U.S. vessels existed; these ships have been held up in Vladivostok for periods over 30 days.

(2) In contrast, departures from United States Pacific ports to Siberia have increased, totaling 43 in May as compared to 31 in April.

(a) Should the obvious discrepancy between U.S. west coast and Siberian east coast departures continue in June, a forced reorganization of schedules of shipments and ports of delivery will be necessary.

(3) Furthermore, during May there appeared to be an increasing congestion of ships enroute to Vladivostok but held up at Petropavlovsk; it seems obvious that these ships are being held here as a result of the Japanese seizures in the La Perouse Straits.

2. Numbers of Cargo Vessels and Tankers Engaged in the Pacific Traffic.

a. At the end of May there were 51 ex-United States ships

FOR VICTORY BUY UNITED STATES SAVINGS BONDS AND STAMPS

SECRET

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in the Soviet Pacific service, excluding the Ingul and Kamenets Podolsk; 43 of the total are cargo vessels and 8 are tankers.

b. There were approximately 100 Soviet vessels on the Pacific run at the end of May; the 100 are engaged regularly in the Pacific traffic. In addition, there are some 40 Soviet vessels which have made infrequent and non-scheduled runs to the U.S. west coast and return. It has been reported that 9 Soviet vessels departed in May from the United Kingdom and Iceland, bound for the United States east coast and thence via the Panama Canal to Soviet Pacific ports.

c. In view of the above, it may be concluded that there are 150 + vessels, including 8 tankers, scheduled to regular runs between the Soviet Pacific ports and the U.S. west coast.

d. Eight more U.S. vessels (6 freighters and 2 tankers) are scheduled for transfer to Soviet registry. These additions will bring the total of ex-U.S. vessels to 59 and the combined total of ex-U.S.--Soviet vessels to 159.

3. Shipping Plan for the Pacific under the Third Protocol (July 1, 1943 to June 30, 1944).

a. It is planned to ship 2,700,000 S/T of supplies during the one year period or an average of 225,000 S/T per month. To accomplish this, some 600,000 D/W tons of shipping will be required, assuming a 75 day turnaround. The U.S. ships which have been transferred to Soviet registry, or have been allocated for transfer, together with Soviet owned vessels presently employed, are considered to be sufficient for the program. However, this assumption will not prove valid if further Japanese seizures occur; for already the threat of additional seizures has presumably forced the immobilization of shipping in Siberian harbors. Should further seizures occur, with the consequent immobilization, the schedule for peak traffic movement in the summer of 1944 will be disrupted seriously.

4. Movement of Lend-Lease Supply from Vladivostok; Capacity and Performance of the Trans-Siberian Railway.

a. During the winter, supplies accumulated at Vladivostok because of the adverse affect of frost which normally, in the Soviet, reduces rail capacities by more than 20%. At present, strenuous efforts are being made to reduce accumulated stores, and it is reported that approximately 200,000 tons of imported cargo are being moved west monthly via the Trans-Siberian. However, about 200,000 tons of D/W tonnage arrived in Vladivostok during April, and, therefore, it seems probable that during that month only slight progress was made in reducing stocks of previously accumulated cargo.

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b. Normally, the Trans-Siberian Railway has a yearly average capacity of about 10,000 tons per day each way, or around 300,000 tons per month. During the non-frost season, however, the daily and monthly capacities may be increased substantially. Therefore, after allowing for the westward shipment of an estimated 100,000 tons per month of non lend-lease supply, etc., it may be assumed that it will be possible to move from Vladivostok west well over 200,000 tons per month of lend-lease supply.

5. Capacity of Vladivostok and Other Soviet Pacific Ports.

a. It is reported that Vladivostok and adjacent ports can handle 300,000 tons of cargo per month during the summer of 1943, and that the capacity will decrease to 230,000 tons during the winter of 1943-1944. At present, approximately 200,000 tons per month are being taken by these ports--principally Vladivostok. Vladivostok has a maximum depth of water of 35 feet alongside the docks and a minimum depth of 25 feet.

b. A recent reliable report estimates the capacity of Nikolayevsk and Petropavlovsk at 50,000 tons per month, and that of Nagayevo at 75,000 tons in the period between 15 May and 15 December. Cranes are needed badly at all these ports.

Ivan D. Yeaton

IVAN D. YEATON,
Colonel (F.A.), G.S.C.,
Chief, Eastern European Branch,
Eur-African Unit.

Regraded Unclassified

A16 File WB

file OPD

WAR DEPARTMENT
WASHINGTON

11 June 1943

Dear Mr. President:

I have your letter of June third enclosing a "Plan for Coordinating the Economic Activities of U. S. Civilian Agencies in Liberated Areas."

I have examined this plan, and officers of my Department have been in consultation with those of the Bureau of the Budget and the State Department working out the necessary arrangements for carrying the plan into effect. You can be sure that it will be the purpose of the Civil Affairs Division of the War Department to do all that it can to make the plan effective and in this connection, of course, will seek the closest assistance and cooperation of the civilian agencies.

I feel that the government of an occupied area should initially be entirely military and that there is real unwisdom, if not danger, in moving too promptly from military to civil authority in a sensitive area. However, I can assure you that there will be the greatest disposition to call on the civilian agencies for all the help they can render as promptly as possible.

In connection with some of our most immediate operations the Civil Affair Division has been working closely with the officials of the State Department and the Treasury Department as well as with the British, and I have the feeling that the preparations are well in hand for those operations. Without disclosing the nature of the operations, the general character of the discussions that we have been conducting with the British have been conveyed to certain officials of the Bureau of the Budget, and I believe that there is now a clear understanding all round as to the manner in which these matters will be dealt with in the future.

Sincerely,

Henry L. Stimson

Secretary of War

The President

The White House

Regraded Unclassified

Willard Hotel,
Washington, D.C.,

March 24, 1943.

Dear Mr. Secretary,

H.M. Government have given further consideration to the question of the Fighting French exchange rate, and as a result I am instructed to put to you their conclusions in the light of the present position, and to ascertain your views.

When the exchange rate of 200 francs to the pound (50 francs to the dollar) was fixed for North and West Africa, H.M. Government pressed the French National Committee very strongly to adopt this rate in their territories also, in place of the existing rate of 176 francs to the pound (43.30 to the dollar). In spite of repeated argument H.M. Government have failed to convince the Committee of the desirability of changing the rate at the present time. They state that the rate of 176 works well in their territories and that there is no technical reason for changing it; while any change would shake popular confidence in the franc in those territories by making people believe that it is not firmly linked with sterling but is at the mercy of political events.

The National Committee admit that it is inconvenient to have two different rates in French territory and state that the commission which they are about to send to Algiers for discussion will make every effort to reach a solution to this question as soon as possible in collaboration with the French North African authorities.

H.M. Government regret that they have been unable to achieve by persuasion our common aim - the establishment of a uniform rate of exchange in all French territories. As they see it, they now have two alternatives; to wait and give the French National Committee time to agree with General Giraud upon a uniform rate for all French territories, or to try to coerce the Committee now by threatening financial sanctions. This would mean a major dispute on a matter where our own agreement with the Committee leaves H.M. Government on doubtful ground.

The conclusion of the Cabinet, in which I am instructed to ask for your concurrence, is that we should wait the outcome of the forthcoming discussions in Algiers. H.M. Government would ask Mr. Macmillan, the Minister Resident in Algiers, to do all he can to secure that agreement is reached.

There is one point which I am asked particularly to put to you. Apart from the arguments mentioned above, H.M. Government feel that on a long view it would be disadvantageous to threaten

The Honourable
Henry Morgenthau, Jr.,
Secretary,
United States Treasury,
Washington, D.C.

Regraded Unclassified

sanctions if the National Committee do not meet our wishes on the matter of the exchange rate, since they believe that we should support the general principle that rates of exchange should be settled by agreement in the spirit of collaboration established by the Tripartite Currency Agreement of 1936; in the interests of future international cooperation on questions of this kind, they feel that our two Governments ought to do what they can to preserve this principle, even where its application proves temporarily inconvenient to us.

I shall be glad to know your views on the foregoing questions.

Yours sincerely,

F Phillips

(F. Phillips)

Regraded Unclassified

w/

March 23rd, 1943.

SECRET

Memorandum for the President:

At Cabinet last Friday you asked for a reconciliation of the planes produced in the United States and the planes on hand. I am attaching a statement given me by Bob Lovett, covering the period from July 1, 1940 to February 28, 1943.

The total military planes produced in the United States were 81,349. If we subtract the 32,425 training planes, we have a production of 48,924 tactical planes. Of this production of tactical planes, the Army's share was 23,730. (The balance went to the Navy and to Lend-Lease). So the Army has 23,730 tactical planes to account for.

The Army has lost, from all causes, 5,175 tactical planes. The rest, 18,555, are on hand, — 6,068 overseas, 9,928 in Army units in this country, and 2,559 at modification centers for special equipment.

There is another breakdown of the 18,555 tactical planes on hand, showing which ones are modern combat planes, which are transport planes, which are special purpose planes and which are obsolescent planes.

Robert P. Patterson,
Under Secretary of War.

rpp:lm
Enc.

For original see file

A1

SECRET

Regraded Unclassified

Shown to Harry Hopkins & discussed 1700-24 Feb

File WLS.

COMINCH FILE

UNITED STATES FLEET

HEADQUARTERS OF THE COMMANDER IN CHIEF
NAVY DEPARTMENT, WASHINGTON, D. C.

FF1/A14-1

Serial:

S E C R E T

MEMORANDUM for Aide to President.

1. With reference to the attached copy of a memorandum from the President,

(a) All Commands concerned have been directed to accept 80 ships in North Atlantic convoys from now on.

(b) The convoy leaving today departed New York with 9 ships less than those the British desired to sail. These 9 dropped out because they had not finished loading. They would not have left under any circumstances.

(c) The statement in paragraph (2) of Mr. Harriman's despatch is not correct. There were no 80-ship convoys in 1942.

(d) The statement in paragraph (3):- "Stating merchant seamen would refuse to accept added risk," is not correct. The reason given by Admiral King for not concurring in the proposal to increase the size of the convoys to 80 ships was:- "Because of the repercussions that would follow if a large number of United States merchant seamen were to be lost in a convoy of excessive size with inadequate escort."

(e) With reference to paragraph (5), the 20 ships now at Halifax will be included in the convoy.

(f) With reference to paragraph (8) and the note by the President, we cannot provide additional escort ships for the North Atlantic route because of added requirements for the Mediterranean. Efforts are being made to supply 2 British or Canadian destroyers from forces now in Newfoundland waters, which is the Admiralty suggestion.

2. I think it my duty to express the opinion that 80-ship convoys are an unwarranted risk because of the submarine situation and the shortage of escorts.

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COMINCH FILE

UNITED STATES FLEET

HEADQUARTERS OF THE COMMANDER IN CHIEF
NAVY DEPARTMENT, WASHINGTON, D. C.

FF1/A14-1

Serial:

SECRET

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3. The agenda of the forthcoming convoy conference with the British (to meet 1 March) includes consideration of a plan to meet British import requirements by decreasing the interval between convoys.

R. S. EDWARDS,
Vice Admiral, U.S. Navy,
Chief of Staff.

Regraded Unclassified

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LCR 5
filed 23/1625Z

From: London.
To : The President of the United States.

Unnumbered February 23, 1943.

Personal and secret for Hopkins from Harriman.

Leathers comes to me from War Cabinet meeting with request I cable you asking as follows:

1. British and United States Navies had agreed without consultation shipping authorities here to limit North Atlantic convoys to 60 vessels.

2. British Civilian Ministries involved have presented disastrous effect on imports to War Cabinet and Admiralty now agree limit should be expanded to 80 ships which was the accepted limit during last year as late as October.

3. United States Navy has been advised but cables expressing unwillingness to accept increase in size of convoy stating merchant seamen would refuse to accept added risk.

4. Admiral Pound is personally cabling Washington urging this position be reversed and that the 80 vessel limit be accepted but is fearful of delay because of Admiral Kings absence from Washington.

5. If this decision is not reversed 20 ships now at Halifax will be cut out of convoy sailing tonight which will lead to not only delay to these ships but unmanageable accumulation for subsequent convoys.

6. On account of illness of the Prime Minister who probably otherwise would be cabling the President, War Cabinet asks that I place matters before you with hope that expeditious action can be taken today in Washington to allow 80 ships sail with this convoy scheduled to leave tonight.

7. I personally have sat in with the War Cabinet at discussions of the size of convoys. All concerned here are not in agreement that based on past experience evidence is conclusive that the larger convoy necessarily involves greater proportional risk. In fact some believe experience shows less proportional risk assuming the proportional increase of escort vessels is available, in this case I believe 2 additional. (Sgd. Harriman)

8. If these escort vessels cannot be provided on the American side the Admiralty is offering to rush additional ships over to meet convoy in mid-Atlantic danger area.

FOR PRIME
(Sgd Harriman)

Acting Cominch
At this moment because of emergency for additional tonnage to N.Africa, it is necessary to take the additional risk in N. Atlantic. 80 ship convoys are a part of the necessity. Try to add 2 escort ships. If not possible let British add escort as best they can.

F.D.R.

Regraded Unclassified

OPERATIONS

Naval Aide to the President

for your info.

SECRET

February 27, 1943

son Officer, Department of State.

h your memorandum of February 26, 1943 with

of a 173 foot patrol craft to the Greek

House has requested that this matter be kept

y it. Inasmuch as your memorandum was not

taking the liberty of marking it "Secret".

e to do the same with your records on the

A.D. Struble
Captain, U.S.N.

Regraded Unclassified

Op13-B/hjm
Serial No. 018513

SECRET

February 27, 1943

MEMORANDUM FOR: Liaison Officer, Department of State.

In connection with your memorandum of February 26, 1943 with regard to the transfer of a 173 foot patrol craft to the Greek Government, the White House has requested that this matter be kept secret until released by it. Inasmuch as your memorandum was not marked classified, I am taking the liberty of marking it "Secret". No doubt you will desire to do the same with your records on the subject.

A.D. Struble
Captain, U.S.N.

Regraded Unclassified

In reply refer to
U-L

Date: February 26, 1943.

SECRET

MEMORANDUM

TO: Captain Arthur D. Struble,
Director, Central Division,
Navy Department.

FROM: Liaison Officer.

SUBJECT: Gift to the Greek Government of a 173-foot Patrol Craft.

I enclose for the information of the Navy Department a copy of a note dated February 19 from the Greek Embassy in Washington on the subject of the gift by the United States to Greece of a 173-foot patrol craft. You will observe that the Naval Attaché at the Greek Embassy will communicate with you as soon as certain instructions have been received from the Greek Government in London.

Orme Wilson
Liaison Officer

Enclosure:

Copy of a note dated
February 19, 1943 from
the Greek Embassy.

Regraded Unclassified

(COPY:U-L:BJL)

ROYAL GREEK EMBASSY

Washington, D.C.

February 19, 1943

No. 353

SECRET

Your Excellency:

With reference to the State Department's Aide-Memoire of February 18, 1943 regarding the Navy Department's generous gift to the Greek Government of a 173-foot patrol craft, I have the honor to accept this vessel with thanks on behalf of my Government. The Greek people will ever remember with gratitude in their hearts this symbol of renewed generosity and perpetual friendship which America has so constantly manifested toward Greece.

I have cabled to the Greek Government regarding the other matters contained in the communication from the Secretary of the Navy, and as soon as instructions have been received Captain A. Leondopoulos, Naval Attache of this Embassy, will communicate with Captain Arthur D. Struble.

I also fully agree with the President of the United States that a ceremony should be held upon the significant occasion of the re-commission of this vessel.

Accept, Excellency, the renewed assurance of my highest consideration.

(signed) C. DIAMANTOPOULOS

His Excellency
Mr. Cordell Hull, Secretary of State
United States Department of State
Washington, D.C.

Regraded Unclassified

THE WHITE HOUSE

WASHINGTON

Confidential

February 26, 1943.

MEMORANDUM FOR

THE SECRETARY OF THE NAVY.

Subject: Patrol Boat for Greece.

Reference: (a) Your Confidential Memorandum, Serial No. 051713, (SC) LL1-7/ EF31, dated 2-22-43.

1. The President has noted and approved the procedure outlined in reference (a) for the presentation sometime after April 15th of a P.C. Boat to the Greek Navy.

2. He is very pleased to know that the Greek Naval Attache is so enthusiastic about the contemplated gift.

Very respectfully,

Wilson Brown,
Rear Admiral, U.S.Navy,
Naval Aide to the President.

Regraded Unclassified

Feb.23, 1943
Op13-B-1/hjm
Serial No. 015513
(SC)L20-1/EF31

~~CONFIDENTIAL~~

SECRET

SECRET

FEB 26 1943

Sir:

Under instructions from the President, arrangements are being made to turn over to the Greek Government in Exile a 173 foot P.C. boat similar to the two vessels turned over some months ago to the Norwegian and Netherland Governments. The President has expressed the wish that the ceremony in connection with the transfer of this P.C. boat to the Greek Government be held as soon as possible.

The Naval Attache of the Greek Embassy in Washington, Captain Leondopoulos, has informed the Navy Department that the 54 members of the Greek crew for this P.C. boat are being collected in Alexandria, Egypt, and has requested that assistance be given in getting them to the United States. Since they will have to undergo four weeks of special training at Miami prior to taking over the vessel, they should leave Alexandria for the United States as soon as possible by the fastest means of transportation available.

In the case of certain of the Dutch and Norwegian personnel for the P.C. boats transferred to the Netherlands and Norway, passage by plane was furnished from England.

The Navy Department understands that planes under control of the War Department make regular flights from Egypt to the United States via West Africa and Brazil.

It is requested that, if possible, arrangements be made by the War Department for the transportation of the 54 Greek personnel to the United States by means of the aforementioned planes at the earliest possible date. In the event that such transportation is arranged, the appropriate United States naval officers in Egypt will be instructed to assist in the matter in any way they can.

Respectfully,

Frank Knox

The Honorable,

The Secretary of War.

cc: Naval Aide

Regraded Unclassified

100979

ADDRESS REPLY TO
THE SECRETARY OF THE NAVY
AND REFER TO INITIALS
AND NO.

NAVY DEPARTMENT
WASHINGTON

Serial No. C51713
(C) L11-7/EF31

FEB 22 1943

CONFIDENTIAL

MEMORANDUM FOR: The Naval Aide to the President.

Subject: Patrol Boat for Greece.

1. Mr. Berle, Assistant Secretary of State, conferred with the Greek Ambassador to the United States on February 18 and communicated to him the offer of the President to turn over a 173-foot P. C. boat.

2. On February 20, the Greek Naval Attache called upon Captain Struble and expressed the thanks and gratitude of the Greek Navy. He obtained details regarding the boat and personnel.

3. The Greek Naval Attache expressed the belief that it would be necessary to bring all of the officers and men to the United States from Alexandria, Egypt.

4. From the conversation with the Greek Naval Attache, it is estimated that the Greek crew probably will not arrive in the United States prior to March 15, and that with four weeks training at the school in Miami for the officers and crew, the transfer could take place some time after April 15.

5. In order not to immobilize an active P. C. Boat until the Greeks are ready, approval is requested of the arrangement for turnover sometime after April 15.

FK

Frank Knox

Frank Knox

OK

FDR



Regraded Unclassified

SECRET

WAR DEPARTMENT
OFFICE OF THE CHIEF OF STAFF
WASHINGTON

February 21, 1943

MEMORANDUM FOR THE PRESIDENT:

Subject: Destruction of Water Supply of Tunis.

On February 17th in response to the transmission of your desire, the following message was received from General Eisenhower:

> "Three-fifths of water supply of Tunis comes from Oued Kebir reservoir about ten miles southwest of Pont Du Fahs, remainder comes from various sources north of Zaghouan.
>
> "We do not control the area in which the reservoir is located. Moreover, at this time of year, water is plentiful in Northern Tunisia and even the loss of the reservoir would be unlikely to prove a severe embarrassment to the enemy.

As this reply apparently referred to sabotage possibilities rather than bombing, another message was sent to which the following reply was received this morning:

> "Oued Kebir reservoir is vulnerable to precision bombing and its destruction would reduce, but not destroy, Tunisian water supply. Part of this supply is drawn from other sources which are not particularly vulnerable. Most of the native population obtains water from local wells.
>
> "We have so far refrained from attacking water supply of areas in which there are large mixed populations of French and natives because of effect on morale of French troops who have relatives and families within enemy lines. Recently there were more than 150 desertions in one day from a French battalion whose personnel is drawn from the Tunisian area.
>
> "We will retain possibility of attack on Tunisian water supply as a live project to be undertaken if and when conditions warrant."



Shown to the President at 1830 Feb 21-1943 C.M.

Chief of Staff

SECRET

Regraded Unclassified

98733

(SC)L16-4/EF-28
Serial No. 013413
Op-13/wlh
2-15-43

SECRET

FEB 16 1943

My dear Admiral Fenard:

In connection with our conversation concerning funds to pay the officers and the crews of North African men-of-war undergoing repairs in the United States, we have now received from North Africa a message in which General Giraud and Vice Admiral Michelier express their appreciation of the original offer on this subject and which they rejected. They also appreciate Admiral Glassford's proposal which they consider most desirable in view of exchange and transfer difficulties. They requested that arrangements be made for necessary advances which are to be repaid from French resources.

The State Department has been informed of the reply from General Giraud and Vice Admiral Michelier, and you may expect to hear further in the matter from either the State Department or such other Department as may make the necessary arrangements.

Sincerely yours,

FRANK KNOX

Vice Admiral Fenard,
North African French Naval Mission,
Room 3544 Munitions Building,
Washington, D. C.

cc: Naval Aide
State
Cominch

Regraded Unclassified

SECRET

(SC)L16-4/NF-28
Serial No. 013313
Op-13/wlh
2-15-43

FEB 16 1943

Sir:

Reference is made to your memorandum to the President concerning pay for the officers and men of North African French men-of-war undergoing repairs in the United States.

In accordance with instructions received from the President on the evening of February 10, the Navy Department communicated with Admiral Hall of the United States Navy that "the President has indicated he understood that the French Naval authorities wish to defray all their expenses of this character out of their own funds, and therefore desires that Admiral Hall should discuss the matter with Admiral Michelier and report back."

The Navy Department has now received information that Rear Admiral Hall and Vice Admiral Michelier conferred with General Giraud on the subject of advancing funds to pay officers and crews of French men-of-war now undergoing repairs in the United States. General Giraud and Vice Admiral Michelier expressed their deep appreciation of the original offer which they rejected, and of Admiral Glassford's proposal which they consider most desirable in view of exchange and transfer difficulties. They request that arrangements be made for necessary advances which would be repaid from French resources.

In view of the above, it is requested that appropriate steps be taken by the State and any other Departments involved to make the necessary advances which are to be repaid from French resources. In this connection it would appear desirable that further communications to North Africa on this subject should be sent through General Eisenhower, and I feel sure that the War Department will be glad to make their communication facilities available for this purpose to both the State and the Treasury Departments as may be necessary.

The Navy Department will undertake to inform Vice Admiral Fenard of the North African Naval Mission in Washington of the reply that has been made by General Giraud and Vice Admiral Micheler.

Respectfully,

Frank Knox

The Honorable,

The Secretary of State.

cc: Cominch
Naval Aide
War Dept.

Regraded Unclassified

A1

File W5.

Serial No. 013513
Op-13B-ec
2/16/43
(SC)L11-7/EF31

SECRET

FEB 16 1943

Sir:

The President has informed the Navy Department he proposes, as a friendly gesture, that one of our 173 foot patrol craft be given by Lend-Lease to Greece on an acceptable date after March 1. He suggests that the command of one of these vessels which has just gone into commission be transferred to a Greek crew, that she be given an appropriate name, and that she be recommissioned under the Greek flag. The President feels that a bit of a ceremony should be made out of the occasion.

It is understood that this patrol boat will operate with other United Nations vessels under British direction, probably in the Mediterranean.

Because this type of vessel contains much complicated machinery and equipment it has been found necessary to give special training to the officers and at least a part of the crew assigned to each vessel. For that reason it is considered desirable to afford such training to the officers and a part of the Greek crew which would take over the vessel upon being recommissioned under the Greek flag.

It is requested that the Department of State make appropriate representations to the Greek Government and inform the Navy Department as soon as practicable as to whether or not this proposal is acceptable. It is suggested that if the proposal is accepted the Ambassador be informed that the arrangements for further details be arranged with the Central Division of Naval Operations, Navy Department.

It is requested that representations be made to the Greek Government by the most expeditious means and that a reply be sought as soon as possible.

Respectfully,

Frank Knox

The Honorable,

The Secretary of State.

CC: COMINCH
NAV AIDE
ASST. CNO, ADM. FARBER
CAPT PARRISH

Regraded Unclassified

SECRET

WAR DEPARTMENT

OFFICE OF THE CHIEF OF TRANSPORTATION

WASHINGTON, D. C.

SECRET
Auth. Ch/Trans.
Initials C E W
Date 2-12-43

SPTTC/569.14 STARR KING February 12, 1943

MEMORANDUM FOR GENERAL SOMERVELL

Subject: The STARR KING Torpedoed and Sunk

1. The Navy reports the STARR KING, a U.S. Liberty Ship, allocated to the Army, was torpedoed and sunk 9 February at 34 S - 154 E (near Sydney, Australia).

2. The STARR KING sailed Sydney 8 February for Noumea and when sunk was engaged in the transshipment of 7,000 tons of U.S. Army Cargo within a theater of operations. After being torpedoed a futile attempt was made to tow her to port. It is reported that there were no casualties.

For the Chief of Transportation:

LUKE W. FINLAY
Major, T. C.
Chief, Control Division

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Ch. Mvmts Div., OCT
Ex. Water Div., OCT
File



SECRET

Regraded Unclassified

SECRET

<u>S E C R E T</u>

February 11, 1943.

From: The President.
To : The Secretary of the Navy.

Subject: Transfer of P.C. Boat 622 to Greece.

Enclosure: (A) Memorandum of Vice Chief of Naval Operations to Naval Aide to the President, Serial 07113, dated January 29, 1943.

1. Enclosure (A) has been noted with interest.

2. Please proceed with arrangements for the presentation of P.C. Boat 622 on or about 1 March, 1943.

FRANKLIN D. ROOSEVELT.

Copy to:
Cominch

Regraded Unclassified

SECRET

SECRET	
Auth.	Ch/Trans
Initials	
Date	2/10/43

W21

SPTTC/565.2

February 11, 1943

MEMORANDUM FOR GENERAL SOMERVELL

SUBJECT: Troop and Cargo Summary - Convoy UGF-5 and UGS-5

1. The following summary is submitted on Convoys UGF-5 and UGS-5:

UGF-5 sailed New York 8 February - estimated time of arrival 20 February.

		Loaded Troops		Loaded Cargo
		Officers	Enlisted Men	M/T
Outside				
	ARGENTINA	254	3,997	5,970
	BRAZIL	319	4,182	6,411
	URUGUAY	293	4,083	6,377
	ATHLONE CASTLE	212	4,148	-
	HAWAIIAN SHIPPER	145	1,883	4,735
	JAMES PARKER	116	2,032	1,608
	SEATRAIN TEXAS	14	142	7,923
	SIBONEY	64	1,095	599
	THOMAS BARRY	252	2,859	649
	Total Outside	1,669	24,421	34,272
Inside				
	AGADIR	76	999	32
	THURSTON	71	1,067	4,408
	LAKEHURST	26	229	6,961
	H. F. ALEXANDER	188	1,731	162
	SLOTERDIJK	152	1,804	2,742
	LYONS	120	1,922	3,744
	FLORENCE NIGHTINGALE	155	1,962	3,296
	STANTON	153	2,001	4,499
	SUSAN B. ANTHONY	269	2,249	2,694
	Total Inside	1,210	13,964	28,538
	TOTALS	2,879 *	38,385	62,810

* Includes 263 ANC
63 WO

Convoy UGF-5 carried 141 Civilians
574 Navy Personnel

and Troop

DOROTHEA DIX, US Cargo/6736 G/T, originally scheduled for this sailing returned to New York.

Tankers for Outside

SALAMONIE
COLINA
ESSO PHILADELPHIA
OKLAHOMA

SECRET

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SECRET

SPTTC/565.2 (cont'd) February 11, 1943

UGS-5 sailed New York 7 February - estimated time of arrival 25 February

(Outside) West Africa	Loaded Cargo M/T	(Inside) Mediterranean	Loaded Cargo M/T
CHRISTOPHER GADSEN	12,468	DANIEL HIESTER	10,492
ESEX HOPKINS	8,348	BENJAMIN RUSH	11,405
JAMES PETTIGREW	12,008	GEORGE VANCOUVER	11,382
JAMES WOODROW	2,437	JAMES CALDWELL	10,815
LIBERTY GLOW	7,632	JOHN MITCHELL	11,058
PETER CARNWRIGHT	10,894	WILLIAM HAWKINS	11,183
THOMAS NELSON	8,605	T. J. JACKSON	10,512
OCEAN VALOUR	10,294	WILLIAM MACCLAY	11,110
DANIEL H. HILL	8,883	WOLVERINE	6,881
ALCOA MASTER	7,703	WILLIAM DAVIS	10,687
ANN BRADSTREET	10,086	JOSEPH STANTON	12,273
AUGUSTINE HURD	10,691	JOSIAH BARTLETT	10,845
BENJ. HAWKINS	11,064	THOMAS MCDONOUGH	10,957
CAPULIN	7,651	THOMAS PAYNE	10,673
FLOMAR	8,005	WASHINGTON IRVING	11,766
WILLIAM TRAVIS	10,333		
JOHN M. FORBES	11,409	Total Inside	162,039 M/T
MICHAEL J. STONE	11,248		
MOUNT EVANS	8,490		
SAMUEL LIVERMORE	11,948		
TIVIVES	1,389		
Total Outside	191,586 M/T		

Tankers

USS MERRIMACK - West Africa
SUN - Unknown
EMPIRE GOLD - Unknown
SAN CIRILO - Mediterranean
SEMINOLE - Unknown
LUMINETTA - Unknown
SANDANGER - Mediterranean
LOT - West Africa

The following ships were originally scheduled to sail with this Convoy:

PAN ROYAL - sunk
EVITA - repairs
NORBRIS - collision - repairs
GEORGE DAVIS - damaged
NORTH BRITTON - too slow, dropped out of Convoy.

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File

LUKE W. FINLAY
Major, T C
Chief, Contrl Division

SECRET

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Cobra

Planes from Duckham

reduced from

21 to 12.

Planes 1/2 filled

with metals.

Carry out provisos

PARAPHRASE OF TELEGRAM SENT TO:

American Embassy, London,

No. 797,

Dated - February 5, 7 p.m.

FOR MATTHEWS

The President desires that, as early as practicable upon the return of the Prime Minister, the following message be delivered to him:

"The pound and the dollar rates of exchange in French North and West Africa have, in accordance with our conversations, been reduced from 75 to 50 francs to the dollar, and equivalently in terms of pounds. I earnestly request that, by raising the rate from 43 to 50 francs to the dollar and by a corresponding change in the pound-franc rate, the exchange rate in the territories under the control of the Fighting French be brought into conformity with these rates established in North and West Africa. I request that action in view of our common undertakings in the French situation and in the assurance that you will recognize the importance of immediate action."

HULL

rec'd to map Room 4/11/43 for file.

(EA/C:EGC:MJC)

Regraded Unclassified

REMINDER TO TAKE UP WITH THE SECRETARY OF STATE AND THE SECRETARY OF THE TREASURY AFTER CABINET TODAY.

Regraded Unclassified

Cabinet meeting

THE SECRETARY OF THE TREASURY
WASHINGTON

March 25, 1943

Dear Grace:

I am sending herewith a copy of the memorandum handed to me by Sir Frederick Phillips yesterday. This is the memorandum that I would like to discuss with the President and Secretary Hull after Cabinet.

Sincerely yours,

Henry

Miss Grace Tully,
Secretary to the President,
The White House,
Washington, D.C.

Regraded Unclassified

A16/

Serial No. 03613
Op-13-wlh
2-4-43
(SC)L11-7/EF26

SECRET

FEB 4 1943

Sir:

The Navy Department has been requested by the North African French Naval Establishment to provide funds to handle the North African French Mission in Washington, and for the pay of officers and men of French men-of-war and the incidental ship expenses of such vessels soon to reach the United States for repairs. They have asked for an initial advance of $1,000,000 to be credited through lend-lease for this purpose. That sum has been estimated as sufficient for a two-month's period.

Attached herewith is a memorandum from the Vice Chief of Naval Operations to the Naval Aide to the President on this problem, and the Naval Aide's reply in which the President states that these papers should go to the State Department, looking toward paying the crews out of French gold now in this country. The originals of this correspondence are attached herewith.

Vice Admiral Fenard and the officers of the French Naval Mission have arrived in Washington, one naval tanker is already in New York, and other North African French men-of-war are expected very shortly.

In view of the urgency of this situation, it is requested that this matter be given prompt attention and the Navy Department advised in the matter as soon as practicable.

Members of the North African French Naval Mission in Washington have been informed that we are giving this problem immediate consideration.

Respectfully,

Frank Knox

SECRET

The Honorable,

The Secretary of State.

cc: Cominch
Naval Aide ✓
Op-11A
Op-11B
Op-12
Op-23
Busanda
Op-16

Regraded Unclassified

Navy Department
Serial No. 07113 Office of the Chief of Naval Operations
Washington

SECRET

Jan 29 1943

MEMORANDUM FOR: The Naval Aide to the President.

Subject: Transfer of P.C. Boat 622 to Greece.

Reference: (a) State Dept. memo of conversation with Greek Minister of Sept. 4, 1942.
(b) Memo of Mr. Berle to the President of Sept. 5, 1942.
(c) Memo of President to Capt. McCrea of Sept. 12, 1942.
(d) Memo of Capt. McCrea to SecNav of Sept. 12, 1942.
(e) Memo of SecNav to VCNO of Sept. 14, 1942.

returned to VCNO

1. Cominch has indicated that P.C.-622 should complete her shakedown and be ready to proceed to a Navy Yard for transfer to Greek authorities about March 1, 1943. We can be prepared to carry out the President's wishes at any time after that date.

2. It is recommended that the Greek crew be in the U.S. about six weeks before the date scheduled for the transfer as it is considered desirable that they be given a month's training at the Sub Chaser School at Miami.

3. The normal complement is 55 including 4 officers.

4. It is requested that the Vice Chief of Naval Operations be informed of the date and place of the proposed transfer as far in advance as possible. No future action by this office is contemplated pending further instructions, and no communication has been established with the Greek authorities.

/s/ F. J. Horne.

cc: Cominch (F-32)
Asst. Chief Naval Operations (Adm. Farber)
Captain C. J. Parrish

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MEMORANDUM FOR

THE PRESIDENT

Both Admiral Leady and Harry Hopkins think you should not sign this Executive Order.

G. C. T.

Regraded Unclassified

THE WHITE HOUSE
WASHINGTON

SECRET

January 9, 1943.

MEMORANDUM FOR

THE PRESIDENT:

The attached draft of an executive order designed to establish an Inspection Service for all seaborne shipping was prepared by the War and Navy Departments in consultation.

A copy has today been delivered to Rear Admiral Land.

William D. Leahy

Regraded Unclassified

SECRET

EXECUTIVE ORDER

Establishing an Inspection Committee to insure maximum use of available shipping in the prosecution of the War.

In order to provide for the maximum and most economic use of available shipping in the successful prosecution of the war, and by virtue of the authority vested in me by the Constitution, by the First War Powers Act, 1941, and as President of the United States and Commander in Chief of the Army and Navy, it is hereby ordered as follows:

1. There is hereby established an agency known as the War Shipping Inspection Committee which will be directly responsible and answerable to me in performance of the duties enumerated herein.

2. At the head of the War Shipping Inspection Committee shall be a Chairman appointed by the President and the members shall include one representative each from the War and Navy Departments and the War Shipping Administration, all of whom will be appointed by the President. The Committee shall perform its functions and duties under the direction and supervision of the President. It may exercise its powers and authorities and duties through such officials or agencies and in such manner as the Committee may determine.

3. It shall be the duties of the War Shipping Inspection Committee to inspect the use of United States Shipping throughout the world with particular reference to economical loading, delays at ports, congestion in ports, cooperation between using services, manning and operation of ships, and conservation of time by effective routings.

4. When deficiencies are noted in the use of shipping by the War Shipping Inspection Committee, it shall be their duty to inform the agency whom they consider to be responsible for such deficiency. If corrective action is taken promptly, the deficiency need not be the subject of report to the President. In all other cases the report will be

Regraded Unclassified

submitted to the President and such report will include a statement of the deficiency noted together with the views of the responsible agency as to why corrective action was not or could not be taken.

5. In carrying out their duties it must be recognized by the War Shipping Inspection Committee that the Army and Navy are responsible for the supply of their forces overseas.

6. Within the limits of such funds as may be made available to the War Shipping Inspection Committee, it is empowered to employ the necessary personnel and undertake the necessary travel in the performance of the functions and duties enumerated above.

7. All previous orders and instructions which are in conflict with the provisions of this Executive Order are hereby revoked.

The White House

January , 1943

Regraded Unclassified

WAR SHIPPING ADMINISTRATION
WASHINGTON

January 9, 1943

MEMORANDUM FOR THE PRESIDENT.

There has been handed to us this morning a copy of the proposed Executive Order entitled "Executive Order Establishing an Inspection Committee to insure maximum use of available shipping in the prosecution of the War." This has come to us through the Joint Chiefs of Staff and is, so we understand, submitted to you for your signature.

May we make the following observations:

First: We would welcome inspection of the utilization of shipping space, but we suggest that any inspection undertaken by the agencies that are using the ships is in effect an inspection of their own performance. Such an inspection to be effective should be carried out by an agency that is not itself engaged in operating ships, loading, discharging, etc. It should be an agency that has no interest of any sort or character and that therefore is free to make its observations and its criticisms without prejudice.

Second: The proposed Executive Order raises the question as to what agency is to be responsible for conducting negotiations with foreign governments. A large American-controlled tonnage discharges in foreign ports, ports that are under the control of a foreign government. Many of the operating factors that have to do with the discharging and loading of vessels in these ports are factors that have to be dealt with by the United States Government, through its appropriate agency, with the foreign government, through its appropriate agency.

Third: Paragraph 5 of the proposed Executive Order reads as follows:

> "5. In carrying out their duties it must be recognized by the War Shipping Inspection Committee that the Army and Navy are responsible for the supply of their forces overseas."

This can be interpreted as meaning that the Army and Navy, as users of ships, are exempted from inspection for the reason that they are responsible for the supply of their forces overseas and that they are to be sole judges of the way in which they shall use ships for this purpose.

Beyond this, paragraph 5 is a clear nullification of the provisions of the Executive Order creating the War Shipping Administration in regard to its control of operations, etc. Since the Army and the Navy

Regraded Unclassified

are the largest users of American-controlled tonnage, the effect of paragraph 5 is to remove the largest part of the American fleet from effective inspection of utilization of shipping space. This interpretation of the proposed Executive Order is emphasized by the last paragraph, which specifically revokes all previous orders and instructions that are in conflict with the proposed language.

One final point: The Bureau of the Budget makes inspections and investigations for you now. It is a wholly independent agency without prejudice or bias or interest. It might well be an appropriate agency to conduct this sort of an inspection. It would increase the effective utilization of ships. Whether it now has the personnel to conduct this sort of an inspection, we do not know. But if it does not have the personnel, it would be a very simple matter for it to bring them into its organization. We would welcome such an inspection.

Respectfully submitted,

L. W. Douglas,
Deputy Administrator.
(in the absence of Admiral Land)

Regraded Unclassified

SECRET

THE JOINT CHIEFS OF STAFF
WASHINGTON
January 5, 1943

MEMORANDUM FOR THE PRESIDENT:

The Secretaries of War and Navy have given the Joint Chiefs of Staff a copy of a directive issued by you to Admiral Land under date of December 18, 1942.

The Joint Chiefs of Staff did not have an opportunity to comment on this directive before it was submitted to you for signature, but they feel that compliance with its provisions will have serious effects on the supply of munitions to active theaters of operations.

The Chiefs of Staff are responsible to you for the success of military operations. In carrying out this responsibility, efficient administration of the lines of supply upon which the success of military operations depends is essential. It is their considered opinion that for effective administration they must retain full control over the loading of their supplies.

The Chiefs of Staff consider it essential to the successful prosecution of the war that you substitute the following for your directive of December 18th:

> "In view of the necessity for my holding the Army and the Navy responsible for the supply of their forces overseas, and because it is impractical to determine when initial movements terminate and maintenance begins, I have decided it best for the War Shipping Administration to allocate the necessary ships to the Army and the Navy for their supplies and for the Army and Navy to load their personnel, equipment and supplies in these ships.
>
> "The Army and the Navy will place any space available for extra cargo



SECRET

Regraded Unclassified

in ships allocated them at the disposition of the War Shipping Administration for loading with Lend-Lease or civilian cargo and vice versa. Such arrangements should be made as far in advance as practicable."

For the Joint Chiefs of Staff:

William D. Leahy

WILLIAM D. LEAHY
Admiral, U. S. Navy
Chief of Staff to the
Commander in Chief of the Army and Navy

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CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

December 28, 1942.

MEMORANDUM FOR THE PRESIDENT:

Subject: Port Facilities at Sirte, Libya.

1. In response to your question of last evening, I have obtained from the War Department the following information with reference to the harbor facilities at Sirte:

2. DESCRIPTION OF PORT. Sirte is situated on the Gulf of Sirte mid way between Tripoli and Benghazi. There is an open anchorage and a small harbor.

a. ANCHORAGES: Anchorage is available 3/4 miles offshore in 7 fathoms of water. Small craft can anchor 600 yards offshore in 5 fathoms of water. The bottom is sandy. Tidal range is from 10 to 12 inches. During the winter months (October to March) bad weather with occasional gales from the northwest and west may be expected to hamper use of these anchorages.

b. HARBOR: The small harbor, formed by the remnants of the ancient moles which are still above water, is filled with sand and only affords shelter to small boats. A pier, 200 feet long, extends northward from the town with a depth alongside of from 4 to 5 feet. There are no cranes available. A road connects the pier with the town, which is served by the hard-surfaced coastal road.

c. CAPACITY: The only practicable method of discharge is by lighters from vessels anchored about 3/4 miles offshore. There is no accurate information on the number of harborcraft available since lighters in this region shift from point to point. In view of these facts, it is estimated that maximum capacity is not more than 150 to 200 tons daily.

3. POSSIBLE BRITISH USE OF SIRTE. It is believed that no attempt will be made by the British to use the facilities of this port unless they find that they must use all anchorages along the whole shore line of the Gulf of Sirte. Even this would not provide any substantial tonnage since it must be assumed that all lighters except small native craft have either been destroyed or moved westward by the Axis.

Very respectfully,

Chas Hammond

CHESTER HAMMOND
Lt. Colonel, General Staff

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CONFIDENTIAL

WAR DEPARTMENT
MILITARY INTELLIGENCE SERVICE
WASHINGTON

December 28, 1942.

Informal Note for Colonel Hammond.

Subject: Port Facilities at Sirte, Libya.

1. Description of port. Sirte is situated on the Gulf of Sirte mid way between Tripoli and Benghazi. There is an open anchorage and a small harbor.

a. Anchorages: Anchorage is available 3/4 miles offshore in 7 fathoms of water. Small craft can anchor 600 yards offshore in 5 fathoms of water. The bottom is sandy. Tidal range is from 10 to 12 inches. During the winter months (October to March) bad weather with occasional gales from the northwest and west may be expected to hamper use of these anchorages.

b. Harbor: The small harbor, formed by the remnants of the ancient moles which are still above water, is filled with sand and only affords shelter to small boats. A pier, 200 feet long, extends northward from the town with a depth alongside of from 4 to 5 feet. There are no cranes available. A road connects the pier with the town, which is served by the hard-surfaced coastal road.

c. Capacity: The only practicable method of discharge is by lighters from vessels anchored about 3/4 miles offshore. There is no accurate information on the number of harborcraft available since lighters in this region shift from point to point. In view of these facts, it is estimated that maximum capacity is not more than 150 to 200 tons daily.

2. Possible British use of Sirte. It is believed that no attempt will be made by the British to use the facilities of this port unless they find that they must use all anchorages along the whole shore line of the Gulf of Sirte. Even this would not provide any substantial tonnage since it must be assumed that all lighters except small native craft have either been destroyed or moved westward by the Axis.

H. E. MAGUIRE,
Colonel, G.S.C.,
Chief, Eur-African Group, MIS.

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

CONFIDENTIAL

Regraded Unclassified

CONFIDENTIAL

WAR DEPARTMENT
MILITARY INTELLIGENCE SERVICE
WASHINGTON

January 2, 1943.

MEMORANDUM FOR THE MAP ROOM, WHITE HOUSE:

Subject: Port of Akyab.

1. Akyab with a population of 40,000 is one of the lesser ports of Burma. Prior to its becoming a stop on the Calcutta-Rangoon air route, traffic was mostly confined to native river boats.

2. The harbor is situated immediately within the entrance to the Kaladan River. It has a depth at its outer bar of 24 feet and at its inner bar of 17 feet. The main wharf is an iron pier with a 324' "T" head at which vessels of a 19 foot draft can come alongside. Prior to Japanese occupation 4 cranes of from 1½ to 7 ton lifting capacity, all situated at the main wharf, were in use. There was also a small patent slip with a lifting power of 130 tons that could take vessels 95 feet by 26 feet by 6 feet. During normal times Akyab was visited by coastwise steamers of about 4,000 tons on the Rangoon-Chittagong run. Occasionally, tramp steamers in the rice trade entered the harbor. Rice was the principal export, and imports from overseas were of minor importance.

3. A cargo vessel of approximately 1700 tons, 260 feet long, is lying at right angles to the southern corner of the seaward side of the jetty, with the tip of the bows beneath the edge of the jetty. The bridge, funnel, and stern are above water. This ship was sunk by R.A.F. attack on September 9, 1942. This obstruction limits the usefulness of the iron pier which is the only jetty that can accommodate sea-going ships. The Japanese damaged the wharf before taking the city last spring. Later reconnaissance, however, indicated it had been repaired and was serviceable. During the R.A.F. air attacks in December, 1942, the radio station, airdrome, and warehouses were damaged, and a small ship and a 100 foot steamer were hit.

4. Prior to Japanese occupation supplies were either loaded from lighters or alongside the wharf. Since the Japanese requisitioned the sampans and small boats in this area at the time of their occupation it is not believed that many are now available. Coal, obtainable from Bengal, was loaded alongside the wharf at a rate of 250 tons in 24 hours. Water was supplied by hose alongside the main wharf, or by water boats, if available, at a rate of 2,000 - 4,000 gallons per hour. Fresh provisions were avail-



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able, except during the southwest monsoon (May-October) when the rainfall averages 200 inches, over an inch a day (in July it is nearly 2 inches a day).

5. Akyab was connected with the main telegraphic system of India.

Dean Rusk

DEAN RUSK,
Lt. Colonel, G. S. C.,
Chief, Southern Asia Branch,
Military Intelligence Service.

Regraded Unclassified

N11

COMINCH FILE
FF1/A4-3
Serial: 02906

UNITED STATES FLEET
HEADQUARTERS OF THE COMMANDER IN CHIEF
NAVY DEPARTMENT, WASHINGTON, D. C.

CONFIDENTIAL

NOV 22 1942

CONFIDENTIAL

MEMORANDUM TO THE VICE CHIEF OF NAVAL OPERATIONS:

Subject: Transfer of Subchasers to Brazil.

Reference: Cominch conf. despatch 041900 November.

1. The reference makes the following subchasers as they come into service available at Subchaser Training Center, Miami, Florida, for assignment to Brazil.

SC 762	SC 766
SC 763	SC 767
SC 764	SC 1288
SC 765	SC 1289

2. It is directed that the ships listed be transferred to Brazil as indicated below:

One in November
Two in December
Two in January
Two in February
One in March

P. N. L. BELLINGER,
Deputy Chief of Staff.

Copy to:
BuPers
BuShips
BuOrd
BuSandA
NavAide

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L.20

SECRET

November 4, 1942.

MEMORANDUM FOR GENERAL MARSHALL

"Madame Chiang Kai-Shek is seriously ill and wants to come to the United States immediately for treatment. Anxious to have plane placed at her disposal from Chengtu on November 12th. If this is inconvenient would like one from Karachi around November 15th. In the latter case the Chinese will make their own arrangements for plane to Karachi.

"I have talked to the President about this and he wants this done if possible.

HOPKINS"

The above message received from Mr. Harry Hopkins at 12:15, EWT, November 4, 1942.

Very respectfully,

JOHN L. McCREA
Captain, U. S. Navy
Naval Aide to the President

Regraded Unclassified

THE WHITE HOUSE

WASHINGTON

SECRET

October 30, 1942.

MEMORANDUM FOR: ADMIRAL KING
VICE ADMIRAL HORNE

The attached is self-explanatory.

Very respectfully,

JOHN L. McCREA
Captain, U. S. Navy
Naval Aide to the President

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(Signed) E. S. LAND

E. S. Land

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THE WHITE HOUSE
WASHINGTON

SECRET October 29, 1942.

MEMORANDUM FOR

CAPTAIN McCREA

Will you tell Admiral King and Admiral Hornethat I hope they will go ahead with this very fast?

F. D. R.

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(Signed) E. S. LAND

E. S. Land

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UNITED STATES MARITIME COMMISSION

Washington

SECRET

October 24, 1942

MEMORANDUM FOR THE PRESIDENT:

Referring to our discussion at the conference in your office on October 21st relative to havaing available for emergency purposes a small number of submarines for cargo-carrying purposes, you are advised that I took this matter up with the Secretary of the Navy, Admiral King and Vice Admiral Horne.

The Navy Department has directed that three "V" submarines, BONITA, BASS and BARRACUDA, are to be converted for cargo-carrying purposes.

It is my understanding that two of the engines will be removed and that most of the military equipment will also be removed from these vessels. The necessary alterations have been ordered and it is understood that they will be available in the near future. It is further understood that after conversion they will be capable of carrying from 600 to 700 tons of cargo.

The foregoing appears to me to be a very satisfactory procedure and one which meets with your general desires on the subject.

The three submarines mentioned above are the old V-1, V-2 and V-3 of about 2000-ton displacement; commissioned in 1924, 1925 and 1926 and therefore overage in 1937, 1938 and 1939, respectively.

(Signed) E. S. LAND

E. S. Land

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(2)

October 23, 1942

CONFIDENTIAL

CONFIDENTIAL

(SC)P8-1
(047100A)

My dear Mr. President:

Your suggestion at this morning's conference that some of the men needed by Don Nelson for work in the woods be supplied by the Engineering Corps of the Army and the Construction battalions of the Navy is my warrant for this letter. I have talked with you enough about this subject to know that you feel as I do that we ought to avoid, if possible, any compulsory industrial service act ~~as-has~~. It seems to me there are several things we should do before we seriously contemplate a labor draft act.

First of all, I entirely agree with you that we should have a registration of all women between the ages of eighteen and sixty. This will supply information that will be invaluable in any event in handling the manpower question.

Second, we should determine just what the real bottleneck is in production. I am thoroughly convinced that it is materials far more than it is manpower and all of the members of the War Production Board with whom I have talked, agree with me. If this is true, that a material shortage will show itself long before a manpower shortage, then what is actually needed at the moment is some method to take care of special situations like those which have developed in copper mining and in lumbering. I believe such situations can be met by the creation of a volunteer industrial army made up chiefly, if not exclusively, of men in higher age brackets and men with minor physical deficiencies, but all of them men who, in private life, have the skills and the crafts that are needed to meet special situations, the men who enlist in this industrial section of the Army to be paid exactly the same pay and allowances and their families receive the same care that men do who enlist in the Army itself.

I know this can be done because I have done it in the Navy. The sole question to be tested is how large a reservoir of manpower we could secure in this way and whether that would be big enough eventually to take care of the special situations that arise where there is an acute shortage of skilled manpower. If this plan should be tried, I most earnestly

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CONFIDENTIAL

recommend that all of these men be given three or four months indoctrination and infantry drill, be uniformed and armed as a part of our armed forces, and give them in every way the prestige and standing of enlisted men in the armed services. As far as possible, I would classify them in regiments by their crafts or skills. For instance, certain regiments of men competent to work in the woods, other regiments of miners, battalions of machine tool makers, and so forth. Then from such organizations, we could fill the needs for workers in certain situations where wage attraction alone is not sufficient to provide the requisite number from civil life.

I feel very strongly on this subject because of the amazing experience we have had in the Navy with the Seabees, which is our name for the construction battalions. Prior to their organization, we had, as you know, the greatest possible difficulty in getting civilian workers to build our bases in many of the remote places overseas where we had to build them. We went to the length of actually doubling the wages paid here at home and still we got nowhere. Now we have no embarrassment of this sort whatever. These construction battalions of the Navy feel themselves part of the Navy and they go willingly and enthusiastically to the most remote and difficult places, endure all the hardships of the enlisted man cheerfully and regard themselves as an important part of the military forces of these outposts which they are engaged in building.

It is this latter phase that ought to be emphasized if we are to attempt this. Men will volunteer for this sort of thing only from patriotic reasons and because they want to be a part of the armed forces in this war. I firmly believe that this appeal is sufficient to provide us with the necessary reservoir to take care of bottlenecks in manpower and certainly postpone, if it does not entirely avoid, resort to the draft for labor.

I trust you will pardon this rather lengthy discussion of this subject. The seriousness of the decision which confronts you must be my excuse for its length.

Yours sincerely,

The President

The White House

Regraded Unclassified

COMINCH FILE

UNITED STATES FLEET

HEADQUARTERS OF THE COMMANDER IN CHIEF

NAVY DEPARTMENT, WASHINGTON, D. C.

October 4, 1942

SECRET

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MEMORANDUM FOR THE PRESIDENT.

Subject: The Stockholm Line.

I have carefully considered the matter of evacuation of Norwegians from Sweden by means available to the United States Navy.

Analysis of evacuation by means of submarines shows that method to be entirely unfeasible and the advantages to be gained incommensurate with probable loss. The extreme hazards of a voyage through waters controlled almost entirely by Germany, with particular reference to surface and air patrols and probable existence of minefields, and the probability that German espionage in a Swedish port would result in the loss of the vessel on return voyage, make the venture too dangerous to risk submarines so badly needed in other theaters.

The U.S. Navy does not possess aircraft, either transport or combatant, suitable for the mission.

I recommend that the King of Norway be advised that the United States is at this time unable to undertake the mission.

Admiral, U.S. Navy.

~~This copy is for Admiral King's file.~~

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COMINCH FILE

file Confidential

UNITED STATES FLEET

HEADQUARTERS OF THE COMMANDER IN CHIEF

NAVY DEPARTMENT, WASHINGTON, D. C.

SECRET

September 16, 1942.

SECRET

MEMORANDUM FOR THE PRESIDENT.

Via : Admiral Leahy.

Subject: Conversion of shipping into combat-loaded transports and combat cargo carriers.

1. Your memorandum of September 14, 1942, and its enclosed memorandum from Rear Admiral Land and Mr. Douglas, were considered in connection with the basic project, by the Joint Chiefs of Staff, Tuesday afternoon, September 15.

2. It is intended that the ships will be completed as combat-loaded transports or combat-loaded cargo vessels manned with naval crews and will be continuously employed for war service under the control of the Joint Chiefs of Staff.

3. Of the thirty ships to be obtained under the project, completions and deliveries will extend over a period of from six to eight months. During this time we must expect combat losses, which some of these ships are intended to replace. Such replacements, plus the existing and increasing demand for this type of vessel - which we so far have been unable to meet - will mean that all of them will be continuously in use; there will never be a "pool" of idle ships.

E. J. King

E. J. KING.

W.D.L.

Regraded Unclassified

SECRET

WAR DEPARTMENT
THE CHIEF OF STAFF
WASHINGTON

September 7, 1942.

File Secret 707

MEMORANDUM FOR THE PRESIDENT:

With reference to your question as to what had been done about the transportation of men on cargo vessels, the following is submitted.

Army controlled cargo vessels (80) have transported small groups totaling slightly under 4,000. The accommodations for these troops were hastily constructed while vessels were loading in ports. A complication was involved in this matter due to the Navy limitation that unescorted vessels of less than 15 knots would not carry passengers. This limitation was later modified to permit passengers on all unescorted vessels of over 10 knots.

The War Shipping Administration did not think it advisable to attempt the construction of troop accommodations on cargo ships while they were building, because they felt it would slow up construction out of proportion to the advantage to be gained. Completed vessels are now having these accommodations added.

Chief of Staff.

SECRET

Regraded Unclassified

L21

August 12, 1942.

TRACER SHEET

(Sealed Secret)

Long despatch from Harriman and Douglas on Mobilization of Shipping - President directed Captain McCrea "Show to Mr. Hopkins then file." Delivered to Miss Berney this date for delivery to Mr. Hopkins and return to our files.

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2

ALG 37 (Losses US Vessels)

THE WHITE HOUSE
WASHINGTON

June 24, 1942

MEMORANDUM FOR MISS TULLY:

THE PRESIDENT MAY BE
INTERESTED IN SEEING THIS.

H.LH.

CONFIDENTIAL

ed: 6/23/42, 5 p.m.
'd: 6/23/42, 5:50 p.m.

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aboard.

STANDLEY

SA/E:DCB:HJG
6/24/42
Copies to: Mr. Hopkins (2); Mr. McCabe (1) via Stettinius;
Mr. Stettinius (1)

Regraded Unclassified

DEPARTMENT OF STATE

PARAPHRASE

CONFIDENTIAL

Telegram no. 205 Dated: 6/23/42, 5 p.m.

From: Moscow Rec'd: 6/23/42, 5:50 p.m.

SECRET FROM FAYMONVILLE TO MCCABE.

An internal explosion sank the ALCOA CADET in port under circumstances closely resembling the sinking of the STEEL WORKER, the Commissar for Foreign Trade reports. Sabotage from operations of enemy agents is suspected by him, agents who either boarded the ship after arrival in port representing themselves to be crew members or were in the crew. The following requests are made by the Commissar: First, that directions be given to ships' captains to cooperate with the investigation board now sitting and also for crew members to supply full information. Second, that upon the arrival in the United States of the crews of STEEL WORKER and ALCOA CADET, investigation of possible sabotage be undertaken there. Third, that special precautions be taken in the future to inform all crews arriving in European ports of the necessity of exercising extreme vigilance to prevent agents smuggling themselves aboard as crew members and of the extreme danger from bringing visitors aboard.

STANDLEY

SA/E:DCB:HJG
6/24/42

Copies to: Mr. Hopkins (2); Mr. McCabe (1) via Stettinius; Mr. Stettinius (1)

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