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September 28, 1943
9:43 a.m.

HMJr: Good morning, Bob.

Robert
Doughton: This is Bob. How are you?

HMJr: Oh, I'm fine.

D: How's your bond drive?

HMJr: It's coming along nicely, thank you.

D: Good. We little fellows coming up pretty good or are you having to get it all from the big fish?

HMJr: No, the little fellows are coming along steadily better.

D: That's good.

HMJr: But it's like all of those things. They kind of wait until the last minute, but we'll make our fifteen billion and I hope that we'll make our quota on the little fellows.

D: I think you'll make over your fifteen. Well, let me ask you -- I got a kind of an intimation yesterday afternoon....

HMJr: Yeah.

D:that perhaps you and I will be expected to attend a conference this morning....

HMJr: Yeah.

D:on -- did you know of that?

HMJr: Yeah.

D: If it was, I wanted to be ready. I hadn't been notified what hour but....

HMJr: Well....

D:she said she wanted me to know about it and I supposed that I'd be notified later. I just -- our committee is meeting but I can get away from the committee all right.

HMJr: Well, my guess is that they were going to want to see us sometime around 11:00 o'clock.

D: Will you phone -- somebody phone me back.

HMJr: Sure. I haven't yet definitely been notified but very much off-the-record there's....

D: That's what I understand. It's all off-the-record.

HMJr:that there was to be a meeting and -- again, you know, to see if we've made any progress.

D: I see.

HMJr: But I wouldn't say anything because he may not have it.

D: Well, I won't say a word. No.

HMJr: But that's why we thought it was best to not to have a meeting yesterday afternoon and see where we got this morning.

D: Well, would that take -- probably take the place of this afternoon meeting?

HMJr: No.

D: That wouldn't change that?

HMJr: No. I think your idea of a meeting in the afternoon is good.

D: Well, I thought it couldn't do any harm and might be helpful.

HMJr: Well, I'd like to have the one this afternoon.

D: Well, I've got everything -- I've got everything staged for that but nobody doesn't know anything about it only the parties that's going.

HMJr: Good.

D: Yeah.

HMJr: Good.

D: Well, you can let me know if there's anything this morning.

HMJr: I'll let you know as soon as I know.

D: Thank you. Good bye.

September 28, 1943
9:45 a.m.

HMJr:: Your friend, Mr. Doughton, just called me up to say that he had intimations that there was to be a meeting at the White House this morning and when was there going to be one, so I told him that I hadn't heard yet but I'd let him know later on, so you just -- I thought I'd tell you that.

Randolph
Paul:

Intimations? Well, I -- maybe I -- my cal -- although I ducked out of the conversation. I asked him if he was going to adjourn this meeting and then it was pretty hard to retreat from that but I....

HMJr: You must have let it slip but it's -- I don't see it's done any harm.

P: Well, you see, I thought he knew it because I knew he was supposed to be there.

HMJr: Well, anyway, as soon as I know I'll let you know.

P: All right.

HMJr: Thank you.

P: Okay.

September 28, 1943
12:35 p.m.

TAXES

Present: Mr. Bell
Mr. Paul
Mr. Sullivan
Mr. White
Mr. Smith
Mr. Blough
Mrs. Klotz

MR. PAUL: This is just a rough first memo. I am going to write a longer memo later.

Early in the conference at the President's office today I said that it was difficult, if not impossible, to have an alternative program in the sense of combining Social Security and compulsory savings. The insurance or annuity plan of the President's was really an adjunct of the compulsory saving feature.

At the end of the conference it was necessary to reach a final decision. The Secretary reminded the President that he had said he would decide, and he said, "Yes."

I then showed the President the memorandum made at a previous conference in the President's handwriting, and it was explained to him that there were really only two alternatives. The President thereupon decided to take the compulsory saving alternative with his insurance annuity gadget thrown in.

The President then said that we could end the statement - the Secretary's statement - with a general plea on behalf of Social Security, saying that he favored it and hoped the Congress would soon enact it.

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H.M.JR: You make it stronger. At the end the President said, "You can make a statement for additional revenue for Social Security." He didn't say anything - what he said at the end was that we could make a plea - he said a general plea - for additional revenue for Social Security.

MR. PAUL: I didn't hear him say "additional revenue."

H.M.JR: Let me see if I understand the thing. We will forget about the rates and everything else. We propose a tax with a refund, and in that refund you have the option of taking on insurance.

MR. PAUL: That is right.

H.M.JR: And if you don't take it, you are going to get seventy-five percent back. And then he said at the end - I am repeating myself - that I could make the plea for increased Social Security revenue.

MR. PAUL: The word "revenue" wasn't important in his mind; it was the political idea of Social Security.

And then at the end I specifically asked him whether he wanted any details in the statement as to integration, and he said, "No, a general statement."

H.M.JR: Well, you have this dinner, so you go and I will tell the people, and Blough can pick it up.

MR. PAUL: I can tell Roy right after lunch.

(Mr. Paul left the conference.)

H.M.JR: Jimmy Byrnes was in to see the President for ten minutes before I went in - whatever happened in there - and when Doughton and George sat down, the President opened the conference by saying to these men, "You don't want, I am sure, to have anybody come up and present a Social Security program at this time." He said, "I know you don't want it." That is the way he

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started the conference. Of course they were - George, in a sort of flabbergasted manner, said, "Mr. President, I thought you were going to send up a message on Social Security."

The President just brushed that aside. He just kept pounding away all the time to make sure that these people didn't want it, so I had one chance there, and I spoke up. I knew I would get backed down, but I wanted to do it anyway. I said, "Supposing I came up with a program integrated, and with three thousand dollars or less to be Social Security, what about it?"

They said, "Well, we wouldn't get any tax bill at all."

But then at another time I had a chance to say, "Everybody has been discussed in this room except the fellow who has got to pay the tax. The fellow who has to pay the tax says that he will be willing to pay just as much as anybody asks him on the Social Security, but he doesn't want it in increased taxes or refund because he doesn't know whether the Government will give it back."

So then Byrnes and Vinson beat their breasts, "You mean to say he doesn't trust the United States Government? Then why are the bonds or anything any good?"

MR. BELL: They were there?

H.M.JR: Oh, yes.

MR. BELL: The ticker didn't indicate they were there.

H.M.JR: They were there. And then the President, referring to this (indicating Message to Congress) - he said this, "Henry, that is a damned good speech." He did say that.

Then he went on again about Canada and their election, and he said to these people, "Now take it from me, in 1910 when I made lots of recommendations they called me a Socialist - all that social legislation that is now a law. We are going to have this and we have to make a gesture towards it."

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In another breath he said, "Of course we can't go up against the State medical societies; we just can't do it." But he did everything he could - I don't know, I can't compare it to a court scene other than to say he threw the case. He did everything he could to throw the case.

MR. SULLIVAN: He led the witnesses.

H.M.JR: He didn't even give the witnesses a chance to talk.

For the benefit of my own record - I mean, as far as I am concerned, I will bounce back, but the thing that bothers me the most is I don't know any other test I will take part in to show which way the Administration is going to go for the rest of the next fifteen months. I don't like the way they are doing, but at no time - so I said to him - I said, "This relief fund, it is compulsion. They don't want compulsion. This is not what the working man wants."

Nobody is interested - they are only interested in what they can get through Congress. Nobody is interested in what the fellow is going to be taxed.

The whole thing - Byrnes sat there with his Mona Lisa smile as though he--

MR. SULLIVAN: Well, what is the program?

H.M.JR: The program, as I understand it - Paul seems to understand it - another statement that Paul made was that the President asked for his memorandum, and as I understand it, the statement is that we - I mean, when it comes to the - that we recommend a post-war credit which will have an optional insurance feature.

MR. BLOUGH: That is what I got from his comments.

H.M.JR: And at the end I will be permitted to make a plea for increased Social Security.

MR. BLOUGH: We will see if we can't strengthen that plea and get him to pass it.

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H.M.JR: I am not going to bother.

MR. BELL: There will be more complications than the income tax law.

H.M.JR: I am not going to, but he said I could make the plea. Well, when I get to that - I didn't know how I was going to do it, but I am going to find some way to do it. He says to do it. Now, when he says to do it, that is where I put my heart into it.

MR. SULLIVAN: There goes simplification of the March 15 forms. You can't ask to take out post-war credit there and at the same time ask to put it in as a permanent feature of the law.

H.M.JR: When we come to the Social Security feature I want to put my heart in it.

MR. BLOUGH: What I meant by strengthening it - it seems to me you could indicate it as a use for the post-war credit or an alternative to the post-war credit without using the word "alternative."

H.M.JR: The way I feel - I am pleased with myself that I am taking it as well as I am - rather than complicate the thing the way I talked, I would rather make a straight plea for Social Security as separate from taxes. After all, the President says they all say they don't want the thing integrated. All right, let me give the kind of message on Social Security that I hoped the President would give.

MR. WHITE: Under what auspices?

H.M.JR: At the end. The President said I could do it. He said, "You can make a plea for increased Social Security benefits." Well then, the sky is the limit. I will just go ahead and make my straight plea, not as an alternative, but a straight Social Security plea.

MR. BLOUGH: Then if they ask you any questions, "Should we adopt this Social Security, would we need to go so high

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in these other things," you would have to answer as your judgment dictates, and it would be, "No, the rates would not be as high."

H.M.JR: I just want to get Bell, because he is good on this. Don't you think from what he said that we can make the straight thing? I mean, I go overboard on that at the end?

MR. BELL: Well, I don't know. I am not so keen about you going too far on Social Security other than integrating a tax program.

H.M.JR: No, that is out.

MR. BELL: I mean, send up a tax program and say, "This ties in or is supplemental to the President's program of Social Security. If you didn't have this Social Security program, your tax program would be a good deal higher."

H.M.JR: No, I don't think I will even say that. I will simply make a straight plea for increased rates.

MR. BELL: In Social Security?

H.M.JR: Yes. "This is the way to get post-war benefit. This is the way to handle the post-war situation. This is the way to mop up the money," and all the rest of the stuff.

MR. BELL: I don't think you could go as far as you have gone in that draft that you sent to the President.

H.M.JR: No, I wouldn't, either.

MR. BELL: I think that is going too far.

H.M.JR: Well, it is there; I have the record. It is like my record on aviation gasoline and scrap iron. It is there. It is good for my soul.

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MR. WHITE: I don't think this issue is dead just because the President turns it aside.

H.M.JR: Of course it isn't.

How many people are there in organized labor in this country, AF of L, and CIO, ten million?

MR. WHITE: Close to ten million.

MR. SULLIVAN: The situation is, if the President was for this a hundred and ten percent and pounded the desk and told George and Doughton they had to do it, you still would have a tough battle to get it. But when he indicates to them that he doesn't want it, that is the end of it; it is as dead as Paul Revere's horse.

MR. WHITE: It is dead as far as this Congress is concerned.

H.M.JR: Imagine people of the United States walking in on the President of the United States and his saying, "You can't get it through, Bob and Walter." That is the way he opened the conference.

MR. WHITE: Probably that is what Byrnes told him.

H.M.JR: And when Jere Cooper, who came in late - Vinson was sitting there - he said something about, "Can you do Social Security?" Vinson said, "No" - gave him the signal.

MR. SULLIVAN: What did Jere say?

H.M.JR: Jere was with them, but later on - he came in late - he said, "Well, this just sounds to me," he says, "like compulsory savings." He said, "This is going to hurt the war bond drive, isn't it?"

I said, "Of course it is."

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The President said, "You are not going to make your Washington quota - the District of Columbia. They tell me that the girl who bought thirty-seven fifty the last bond drive is cashing it in to buy another one now. The whole thing is like that. So how much is that true?"

So I said, "Well, there is no great increase - no particular increase at this moment in cashing bonds so I have no way of knowing. But," I said, "the District of Columbia is going to make its quota, Mr. President, because there is still six million dollars of Government employees' money to go in."

So to show you how prejudiced Vinson - he said, "I heard they are going to make it, but they are going to make it through borrowing from the banks."

I said, "What do you mean?"

He said, "They are going to lend to individuals at practically no rate so they can borrow to buy bonds."

I said, "What is the matter with that?"

MR. BELL: That is good.

H.M.JR: I said, "Now look, Mr. President, you can put it in the book that we will do seventeen billion."

He said, "How about individual subscriptions?"

I said, "We will get five billion from individuals. I don't know how much on the small ones, but the State chairmen tell me they will get it. I can't make a promise to you. I can promise you seventeen billion dollars."

I said, "I cannot promise you we will get the small bonds, and we won't know until the 16th of October." Right, Dan?

MR. BELL: That is right.

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MR. WHITE: The life insurance companies are going to like that.

MR. SULLIVAN: I am speaking at the American Life convention a week from today in Chicago. (Laughter)

MR. BLOUGH: Altmeyer says that many times when he has talked to the President in past years the President would bring up this. He would say, "Why not have this individual insurance?" So it isn't a new idea of the President's.

H.M.JR: Look, let me just get this. From now until we go to this meeting this afternoon at four o'clock - the meeting is going to be at the house at four o'clock - I don't know how fast you can work, but I have to leave here about six tomorrow, you see - I go to Evansville. I hope to get back here Friday. So by Friday you ought to have a pretty finished statement for me. You can talk to me on the phone and ask me questions today and tomorrow.

MR. BLOUGH: Would you care to indicate the level of abstraction at which the statement is to be written? Do you want to go into detail on rates and schedules?

H.M.JR: No.

MR. BLOUGH: Do you want to go into philosophy?

H.M.JR: Yes.

MR. BLOUGH: And I gather what you want is something around twenty minutes, or is that too long?

H.M.JR: Too long. I don't see why there is much more than these last two or three pages when he - where he gets down to brass tacks.

MR. BLOUGH: You are leaving here when?

H.M.JR: Around six tomorrow night.

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MR. BLOUGH: You will have something long before that to go over.

H.M.JR: Well, I am in good shape for tomorrow morning.

MR. BLOUGH: I will have a rough draft for you. I won't promise too much but I will have a draft for you at nine o'clock in the morning, or eight-forty-five.

H.M.JR: Shall we say nine-thirty?

MR. BLOUGH: Yes, I would rather have it then - in rough form.

H.M.JR: All of you are invited to come back.

MR. SMITH: Nine-thirty?

H.M.JR: Yes, tomorrow morning. Paul has a copy of this (indicating memorandum to Congress).

MR. BLOUGH: I haven't seen it but I will get it from him.

H.M.JR: I am very proud of this. I like it.

MR. WHITE: And most of it, I am sure - I am sure that that will be an increasing issue, and I think the President has made a definite, important error.

MR. SMITH: It is going to be strictly a refundable tax operation? That is what we are going to recommend?

MR. BLOUGH: Let's put the emphasis on the low end of it, and that sort of thing, so that - I mean, let's - my suggestion would be that we try to minimize the danger by putting the emphasis where people in the Treasury who have felt that this wasn't quite as bad as some others felt - thought it should come at the bottom. That is, the effort of the Congress will be, if you give them a refundable tax idea, will be to apply it uniformly up and

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down the line. It seems to me that we ought to try to emphasize the place that it has - if it has a place, it is at the bottom. In order to make it - I think the philosophy isn't too far removed from what you have been talking about.

H.M.JR: Well, Roy is a good guy. You can make it look as nice as you can for me.

MR. BLOUGH: I will do my best because I believe that is the way it ought to be made, for one thing.

H.M.JR: One thing very interesting, George said, "Well," he said, "all I can say is that the people aren't going to like this. People over three thousand dollars aren't going to like it because they don't get anything back."

MR. WHITE: Was that Social Security, or this?

H.M.JR: Refundable tax. He says they are not going to like it.

MR. BEIL: It doesn't go above three thousand?

H.M.JR: No, he said that the people above three thousand dollars don't get anything out of this. He says it doesn't mean anything.

I think the way he put it was, "I know Henry doesn't like me to say this thing," then he went on to say something about compulsory savings. He is always very nice with me. There is no meanness with me.

MRS. KLOTZ: Vinson?

H.M.JR: No, Walter George. There is no meanness there. Then also he said, "What I would like to do is give a man credit for every extra dollar's worth of bonds he buys." He said, "Henry doesn't like that; he doesn't want me to mix them up."

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He says, "We have talked about it, but Henry doesn't like it." So the inference was - I laid off. He says, "Henry doesn't want to give up anything; he doesn't want to make it too easy for anybody."

He says, "I have tried to get him to see - to make it easier for the taxpayer." But the thing--

MR. WHITE: This insurance scheme, I think, is a screwy idea completely.

H.M.JR: You (Blough) give me the best face-saving you can, will you? And then if during the day you have any time - take the time to talk with this fellow (Smith) and with White about the part where I talk about the Social Security. Talk with those two fellows on that front because I can go out. I am not going to show it to the President again.

MR. BELL: Is that all settled? You don't have to back to the President for any more decisions?

H.M.JR: I am not going back.

MR. SULLIVAN: What is the magnitude of the program?

H.M.JR: Do you know?

MR. BLOUGH: I haven't the slightest idea. (Laughter) But it seems to me the thing to do is to, under those circumstances, is to make it big. (Laughter)

H.M.JR: Well--

MR. WHITE: This is not a victory but it is not a defeat.

MR. SULLIVAN: Oh, Harry, if it isn't, I don't want to take a licking.

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H.M.JR: Yes, it is, but it is all right. Gentlemen, don't worry; I am not going to lose any sleep. I am only sorry for one thing; I had hoped that we would go progressive from now on - keep up with the times.

MR. SULLIVAN: What happens to corporate taxes? Was that discussed?

H.M.JR: That is a billion one; nobody is worrying about that.

MR. BLOUGH: This was the only thing that was open to question.

H.M.JR: Nobody is worrying about the corporations.

September 28, 1943.
2:34 p.m.

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HMJr: Hello. Hello.

Lawrence
Houghteling: Hello. How are you? Lawrence Houghteling.

HMJr: Pretty good. Here are the facts and then you'll have to help me use your judgment on what to tell Labor.

H: Yeah.

HMJr: I - I - I've been turned down on Social Security.

H: Oh, I'm sorry.

HMJr: And the President is going to let me make a little plea for it at the end but I can't integrate it with the tax bill.

H: I see.

HMJr: Now, I think that -- this is my guess -- that we simply have to tell them that I was only successful in part, that I can't call on him to help me. I'm sorry but they'll have to wait 'till they see my statement on Monday....

H: Yeah.

HMJr:and I hope that they'll not be too disappointed.

H: Yeah. All right. I'll get the word to Mr. Murray and Mr. Green and Mr. Lewis.

HMJr: And you might tell them that as far as I am individually concerned, I'm just as much interested as I've ever been.

H: Yeah. Well....

HMJr: But....

H:they know that.

HMJr: But I am -- when the Commander-in-Chief says that's what he wants, that's that.

H: Why, yeah. That's our policy.

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HMJr: And still I don't want to throw too much on the President but on the other hand, this is his decision.

H: Yeah. All right, I'll get hold of them and tell them as far as we're concerned -- what they do about....

HMJr: Yeah.

H:their pressure on Congress is, of course....

HMJr: Is their business..

H:is their business but as far as we're concerned we're not asking for anything, because, of course, we're governed by the President's decision.

HMJr: That's right.

H: All right. Fine.

HMJr: Thank you.

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HMJr: And still I don't want to throw too much on the President but on the other hand, this is his decision.

H: Yeah. All right, I'll get hold of them and tell them as far as we're concerned -- what they do about....

HMJr: Yeah.

H:their pressure on Congress is, of course....

HMJr: Is their business..

H:is their business but as far as we're concerned we're not asking for anything, because, of course, we're governed by the President's decision.

HMJr: That's right.

H: All right. Fine.

HMJr: Thank you.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE Sept. 28, 1943.

TO Secretary Morgenthau
FROM R. E. McConnell

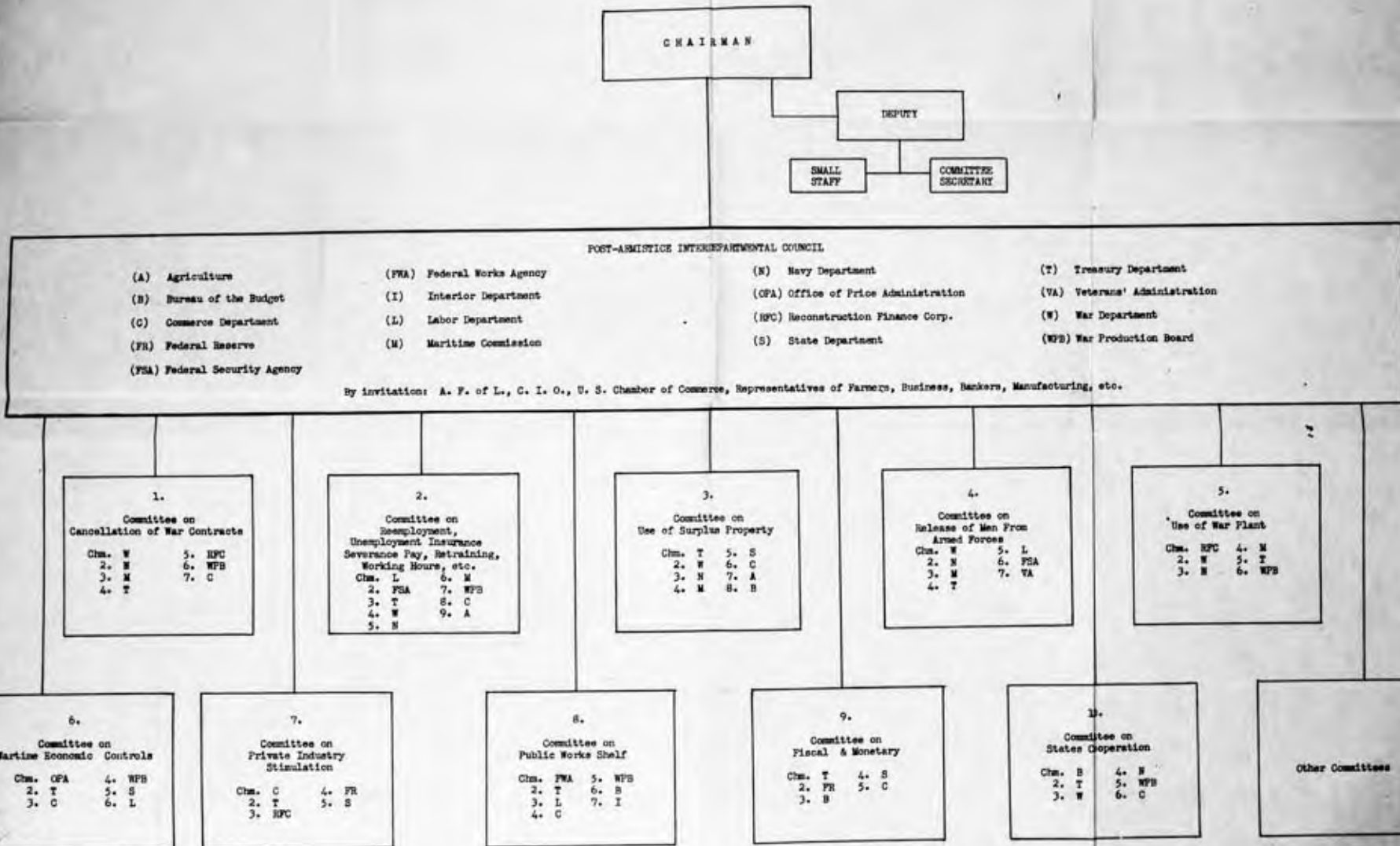
I saw Judge Rosenman for thirty or forty minutes, with Mr. O'Connell, this morning. He evidenced considerable interest in the two charts showing the problems involved and the proposed organization. He was kind enough to say that our approach to the subject was the best that he had seen. He asked for three additional copies, and indicated that he would like to discuss them with the President.

He also said that the President was concerned as to proper timing of any announcement from the White House concerning a study of post-armistice procedures, and that there was official concern now that "demobilization" questions might detract from the war effort.

R. E. M.

PROPOSED POST-ARMISTICE ORGANIZATION CHART

9/20/43



Regraded Unclassified

(For purposes of discussion and revision)

AGENDA FOR "V" DAY

OBJECTIVE

ASPECT

PROBLEMS

1. TRANSFER FROM PEACE ACTIVITIES PROBLEMS: A. RELEASE OF MEN FROM WAR EMPLOYMENT. (FROM FIRST WEEK TO FOUR MONTHS.)	The transfer from wartime production to peacetime production with a minimum of unemployment and waste. (While our returning soldiers, sailors and airmen have justly been promised first call on their old jobs, the first thing on the agenda must deal with the solution of unemployment engendered by cessation of war production.)	(See Footnote) WHA WHA-C WHA-E WHA-F T FSA-L FSA FSA T-SEC-FH WHA-C FSA-C L	1. Cancellation of war contracts. (a) Conditions and contents not feasible in peace. (b) Consumer goods. (perhaps over short term period, dependent on severity of unemployment.) (c) Termination allowances. (Specify conditions early.) (d) Promptness of payments. (Specify conditions early.) (e) Success by far legislation covering prompt and equitable settlement of war production losses. 2. Absorption of war workers in peacetime employment. 3. U. S. Employment Office expansion. 4. Retraining. 5. Education. 6. Loans to disburse areas or groups. 7. Severance pay. 8. Unemployment insurance. 9. Reduced hours per week to increase number employed. 10. Release of government employees. 11. Public relations.
2. THE USE OF SURPLUS PROPERTY. (FROM FIRST MONTH TO ONE YEAR.)	The disposition of all available stocks of goods to fulfill peaks of high demand.	T T T T T S WHA-T	1. Inventory and segregate that part of wartime material useful in peacetime. 2. Lay out procedure for immediate controlled sale of consumer goods as it becomes surplus material. (a) Prompt supply to satisfy demand with minimum dislocation of private endeavor. (b) Influence on inflation tendency. 3. Conversion or scrapping war material not in (2) above. 4. Export - Foreign trade. 5. Relief requirements. 6. Post-war release of surplus supplies and materials.
3. RELEASE OF MEN FROM THE ARMED FORCES. (FROM FIRST MONTH TO TWO YEARS.)	The rapid reabsorption of men from the armed forces into peacetime activities.	WHA-FSA-L WHA-FSA-L WHA-C FSA-C WHA-FSA-L-FH FSA-FH VA	1. Timing dependent on (a) military and foreign policy, (b) transport, (c) aviation length. 2. Priorities (a) dependency, (b) age, (c) length of service, (d) skills. (e) individual performance. 3. Demobilization furlough pay - adjusted compensation. 4. Unemployment insurance. 5. Absorption in private industry. 6. Education training (a) schools, (b) trade schools, (c) colleges. 7. Delimitation of functions of Selective Service, Veterans Administration, and U. S. Employment Office. 8. Rehabilitation.
4. USE OF WAR-PLANT AND WAR DEVELOPMENT ASSETS. (FROM FIRST MONTH TO TWO YEARS.)	The disposition or integration of war-plant facilities for efficiently meeting peacetime needs.	W-SEC-T W-SEC-T W-SEC-C APC	1. Classify war plants (a) immediately usable in peace, (b) usable in the future, (c) convertible, (d) standby for national safety, (e) pilot plants, (f) scrap or second hand equipment. 2. Plan for immediate utilization of (a) above, and subsequent disposition of (b) above. 3. Suggest procedure for conversion, for separate utilization of structures, storage or separate sales of equipment, etc. 4. Utilization of ghost war committees. 5. Alien property utilization.
5. THE REGULATION OF WARTIME ECONOMIC CONTROLS. (FROM FIRST MONTH TO TWO YEARS.)	The prevention of any unusual fluctuations or distortions in prices and production during the period of transition to peacetime production.	OPA-T-C WFO-T-B WFO-T-OPA etc.	1. Price control policy related to (a) business activity, (b) employment, (c) national income, (d) inflation, (e) tax burden. 2. Allocation of materials related to (a) progress of demobilization, (b) sale of surpluses, (c) improved supply, (d) foreign relief, etc. 3. Other wartime controls: Rationing, manpower, wages, export, etc.
6. STIMULATION OF PRIVATE ENTERPRISE OVER TRANSITION PERIOD A. ENCOURAGEMENT OF PRIVATE INITIATIVE. SHORT RANGE (6 MONTHS TO 1 YEAR.)	Maximize and prompt production of peacetime requirements and increased employment.	T T T T T-SEC-FH C	1. Tax adjustments to increase employment. (a) Prompt reduction of total burden. (b) Indirectly burden to increase payroll. (c) Incentive to capital expenditures, which includes reconstruction as well as new enterprises. 2. Subsidies, refunding and repurchase of war bonds. Policy, publicity. 3. Financing. 4. Stimulate prompt dissemination of knowledge of war inventions adaptable to peace activities. 5. Stock piles for national safety.
B. GOVERNMENT AID AND CONTROLS. LONG RANGE (1 TO 4 YEARS.)	Build reserve of buying power after initial stocking up period. Provide economic climate conducive of prosperity but avoiding flash booms.	T-B F T-B OERO-C C S	1. International monetary stabilization. 2. Long-range tax policy. 3. International tax policy. 4. Stimulate research and development. 5. Patent law. 6. International trade and foreign investment arrangements.
7. EMERGENCY WORK OF PUBLIC WORKS PROJECTS A. SHORT RANGE. (SIX MONTHS TO 1 YEAR.)	To provide an emergency bridge for initial impact of unemployment after "V" Day.	FWA	1. Short-time projects. Small projects and large undertakings in which the blueprint stage is short enough to permit employment of large numbers within thirty days of decisions and which could be terminated in thirty days. (To be outlined.)
B. LONG RANGE. (ONE TO FOUR YEARS.)	To be prepared to take care of unpredictable unemployment and to produce finished works of high usefulness and utility. Engineering, drafting and blueprint stage should be started promptly.	FWA	1. Long-time projects to employ a substantial number of workers within six months of initiation. (To be outlined.)
8. FISCAL AND TRADE POLICY	Adjustment of policies to further reconstruction and minimize unemployment.	T FBI-T FBI-T T-T T-T T-S T-SEC T S	1. Taxation. 2. Interest rates, discounts, deposits, etc. 3. Consumer credit policy, (a) installment buying, (b) mortgages. 4. New material deposits reserved for national safety. 5. Foreign rehabilitation aid. 6. Foreign credits. 7. Private industry capital requirements. 8. Treasury refunding. 9. Exports - Imports.

Footnote:

APC - Alien Property Custodian
C - Commerce
FH - Federal Reserve
FSA - Federal Security Agency (including Selective Service, U. S. Employment Service, and War Manpower Commission)
FWA - Federal Works Agency
I - Interior
L - Labor
OPA - Office of Price Administration
OERO - Office of Scientific Research and Development
SEC - Reconstruction Finance Corporation
S - State
SEC - Securities and Exchange Commission
T - Treasury
V - War
WHA - War, Navy, Maritime
WFO - War Production Board
VA - Veterans' Administration

The above tabulation is a preliminary draft of "Government "V" Day Problems." This draft is merely a brief listing of some of the matters which will be crying for attention and direction on the day after the armistice is signed.

Before a properly considered judgment could be made regarding the solution of any one of the already different problems posed in the tabulation, it would be necessary that months of study and discussion be undertaken by many separate groups of experienced men competent to deal with such problems and arrive at sound recommendations.

The tabulation serves to point up the enormous scope and breadth of the undertaking and indicates the number of Departments and Agencies of the Government which would be involved. It also emphasizes the necessity for some over-all direction of the problem as a whole.

The intrinsic problems of work and financing have not been dealt with in this brief agenda. It also should be pointed out that the proper solution for any of the problems will require special legislation.

This draft is tentative, has no authorization, and is subject to deletions, additions, and corrections.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

TO Secretary Morgenthau
FROM Joseph J. O'Connell, Jr.

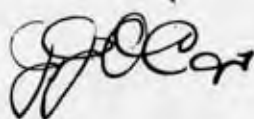
September 28, 1948

Mr. McConnell and I had what I thought was a very satisfactory interview with Judge Rosenman this morning. He seemed quite impressed with the material Mr. McConnell has put together, and indicated that he plans to take the matter up with the President.

He mentioned two things as of immediate concern:

(1) The timing, or, to put it another way, the delicate problem of the possible adverse effect on the war effort of too open and active attention to post-war problems by the President at this time; and

(2) Who should be the chairman of an organization such as contemplated by the chart McConnell showed you yesterday. On this point McConnell told the Judge he thought it should be a man of cabinet standing and pointed out the extent to which Treasury interest permeates the whole agenda.



25

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

September 28, 1943

TO Secretary Morgenthau
FROM Joseph J. O'Connell, Jr.

I talked with Congressman Dirksen for nearly an hour this morning, and outlined to him in some detail the considerations which have led the Department to keep Mr. Halbach's accounts blocked. You may recall that Mr. Halbach was the President and majority stockholder in General Dyestuff Corporation, the sales agency for General Aniline and Film Corporation, and that the Alien Property Custodian vested all the company's stock on our recommendation last year. Since that time Mr. Halbach's personal funds have remained blocked by the Treasury, although we have been under a substantial amount of pressure from time to time to release them.

The Congressman apparently has had some difficulty in reconciling our position in this matter with the fact that the Alien Property Custodian is using Mr. Halbach in a very responsible position in General Dyestuff. I told him that in my judgment the two things could not be reconciled; that we had recommended to the Custodian that he vest the Dyestuff stock partly because of Mr. Halbach's background and long-continued connection with I. G. Farben, and because we felt he was holding his stock for the Germans; that we had looked upon the vesting as a necessary condition precedent to the elimination of Mr. Halbach's influence in the company; and that we would not undertake to enumerate or evaluate the considerations that have apparently led the APC to keep him on (since Mr. Crowley or some of his aides are obviously the ones to do that).

He asked me whether we would adhere to our present view if the Alien Property Custodian requested us to unblock Mr. Halbach's accounts, and I told him that we would be very glad to consider any representations the Alien Property Custodian might make to us in this connection, but that so far we have had nothing from his office on the matter. I also indicated that in the present state of the record I would strongly favor keeping Mr. Halbach's funds blocked until the war is over.

Joseph J. O'Connell Jr.

9/28/43

Fred Smith
George Albee

The Secretary

One of the things that I might do at Evansville is this: If you men can get me the names of some plants which have made their quota, and every man and woman in the plant have bought an extra \$100 Bond, and possibly hook it up with what particular munitions they are making, I might use some of these examples and say, "Now, come on you other munitions workers. They're making a gun carriage at such-and-such a plant -- every man and woman in that plant bought an extra \$100 Bond. Now we've only got three days to go. Come on, America, and get on board and buy your extra \$100 Bond."

I have been begging, pleading and imploring Ted Gamble for the names of plants which have made their quota, and I have yet to be given one single name, so I can only come to the conclusion that there aren't any plants in this country that have made their quota. Now I'd like to know and if there are any that have made their quota, I think it would be excellent for me to use them as an example, particularly if I knew what particular piece of machinery they made and what use is made of it.

I also hope that by the time I get to Evansville that this Bolt Company will have gone across and everybody in the plant will have bought an extra \$100 Bond. Is anything being done to bring this about? I made that suggestion, I believe, last week. I will try to see the three of you just as soon as I can get to it this morning. Please be prepared to give me an answer.

Thank you.

Finished

ERNIE PYLE
1013 THIRTEENTH ST. NW
WASHINGTON, D. C.

Albuquerque, N.M.
Sept. 28, 1943

Dear Mr. Morgenthau —

Thanks ever so much for your nice note.

You were so helpful and friendly that even I didn't mind the radio very much. If I ever try it again I'll probably have to have you along to hold my hand.

Before leaving Washington I had nice talks with Mr. Stimson, General Osburn and Mr. Hoyt of OWI. I don't think I contributed much, but was glad to try anyway.

I seem to be practically the No. 1 citizen in these parts (people are scarce out here, you know) so come on out and I will give you the keys to the city, a drink of moonshine, and maybe even buy a bond.

Very best wishes,

Ernie Pyle

September 28, 1943.

My dear Mr. Boulton:

I was much gratified and pleased by your friendly letter on the Monticello broadcast.

Both my "We the People" experiences have been pleasant for me to look back upon. I think we chose a good medium for doing what we wanted to do.

Added to that was the pleasure of working with you and your associates, who could not possibly have been more helpful and devoted to doing a good job for us.

I hope as you do that we may have another occasion to work together.

Sincerely,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Mr. Milo Boulton,
35-55 73rd Street,
Jackson Heights, N. Y.

MS

MILO BOULTON
WE THE PEOPLE



35-55 73rd St.
Jackson Heights, N.Y.
September 22, 1943

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

My dear Mr. Morgenthau:

Just this afternoon I heard the recording of the "We the People" broadcast from Monticello. It was almost as much of a thrill to hear it as it was to participate in it. I hope you have had the opportunity to hear it for I know you will have the satisfaction of knowing that it was a good job, well done.

I thought the program from Cedar Rapids last April was excellent but this one topped it. You certainly have an easy microphone manner and an excellent radio voice.

It was an honor to turn the chair of "We the People" over to you and I hope I have the privilege of doing it again.

Yours respectfully,

Milo Boulton

25

September 28, 1945.

Dear Mr. Everitt:

Thank you most warmly for your letter of September 24.

I very much enjoyed my second appearance with "We, The People", and appreciate your word of praise for the part that I played in connection with the program.

I also have had a number of letters speaking favorably of the whole broadcast and I appreciate the cooperation which went into its preparation and delivery.

I was amused to see the copy of the memorandum which you enclosed.

With thanks for your letter, and cordial regards,

Sincerely,

(Signed) H. Morgenthau, Jr.

"P.S. Thank you for all you did to assist me while at Monticello."

Mr. Tom Everitt,
Young & Rubicam, Incorporated,
285 Madison Avenue,
New York, New York.

31
a.b. -

YOUNG & RUBICAM, INC.

Advertising

NEW YORK · CHICAGO · DETROIT · SAN FRANCISCO · HOLLYWOOD · MONTREAL · TORONTO

NEW YORK · 225 Madison Avenue
Sept. 24, 1943

Mr. Henry Morgenthau, Jr.
Treasury Building
Washington, D. C.

Dear Mr. Morgenthau:

It was a pleasure to have the opportunity of working with you again on We, The People. As you have, no doubt, discovered Dave Levy is so able that I am mostly super-cargo. He tells me also that Variety now rates you as the best radio performer in the Cabinet. I agree.

Herewith a list furnished us by "Celebrity Service" which I thought would give you a chuckle. You are now next to Walter Pidgeon and ahead of Frank Sinatra.

Hoping again to have the pleasure of working on any program at Y & R on which you ever wish to appear, I am

Sincerely Yours,

Tom Everitt

Tom Everitt
mls

9/25/45

CENTINITY SERVICE

Mr. Harrington
Mr. Holton - Brecker
Mr. Everett
Mr. Asherman
Mr. Rickenbacker
Mr. Martin
Mr. Levy
Mr. Close
Miss Knickerbocker

ARRIVALS & DEPARTURES

Walter Pidgeon
Doc. Henry Morganthau
Andy Valls
Frank Sinatra
Osa Massen
Cab Calloway
Hal Keltz
Tummy Dorsey
Louis Brownfield
Eva La Gallienne
Edward Grogdov
Patricia Dane
Pat O'Brien
Mary Livingston

arrives in New York this morning from Hollywood.
arrives in New York today from Washington, D.C.
arrives in New York on Sunday on bond selling tour.
arrives on the 20th Century limited this morning.
returns to New York City this afternoon.
arrives in New York today from Newark and tour.
arrives in New York today from the West Coast.
is now in New York for long engagement here.
leaves New York late today for the middle west.
has left for New Haven and long road tour.
is now in New York from the West Coast.
is now in New York City.
is on route to New York and USO tour.
will arrive here from Hollywood in about 10 days.

ACTIVITIES TODAY

Babe Ruth
Miss America
Jimmie Lunceford
Jane Keen
Kortan Gould

will appear at War Center-3rd War Loan Drive-2 P.M.
at 3rd War Loan Drive in May's at 4 P.M. today.
opens engagement at Loew's State Theatre today.
begins engagement at the Alhambra tonight.
begins engagement at the Capitol Theatre today.

IN NEW YORK

Edward Grogdov
Anne Shirley
Walter Pidgeon
Tummy Dorsey
Virginia O'Brien
Patricia Dane

is at 377 Park Avenue.
is at 182 East 62nd Street, o/o Carf. (Correction)
will be at the Hotel Pierre.
is at the Hotel Pennsylvania.
is at the Hotel Warwick.
is at the Hotel Pennsylvania.

TALBERT LIBRARY

Thomas Jefferson Memorial Foundation

Preserving as a National Memorial and Patriotic Shrine, Monticello,
the home of Thomas Jefferson at Charlottesville, Virginia



"At my wishes and where I hope my days will end at Monticello"
Thomas Jefferson

MONTICELLO
CHARLOTTESVILLE, VIRGINIA

September 28, 1943

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Houston, Vice-President
Hildreth, Treasurer
Johnston, Secretary
Kite, Assistant Treasurer

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G. Giboney
S. Hildreth
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K. Houston
Bell Hull
Alan Johnston
erson Randolph Kean
Kimball
Dr. Nathan Kram
bert H. Lehman
Kieridge Long
D. Makepeace
L. McNary
ugh Miller, Jr.
Morgenthau, Jr.
J. Morris
Lloyd Newcomb
Alton Brooks Parker
C. Peery
W. Allan Perkins
ndolph H. Perry
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nklin D. Roosevelt
edore Roosevelt
J. Ryan
ward W. Smith
Rev. Ernest M. Stires, D.D.
D. Thomas
James M. Thomson
O. Tilson
W. A. Willingham
ndell L. Willkie

Mr. H. W. Morgenthau, Jr.,
The Secretary of the Treasury,
Treasury Department,
Washington 25, D. C.

Dear Mr. Morgenthau:

Thank you very much for your letter of September
18th.

I enjoyed very much being on the radio program
with you and am glad that the program was so effective and
successful.

Very sincerely yours,

Willis Henderson

Willis Henderson

C

25

September 28, 1943.

Dear Lawrence:

I very much appreciated your telegram of September 24, telling me of the arrangements already made for the special program under the auspices of the New York Theatre League. I am delighted to know that early returns were so good, and hope that the drive will steadily gather momentum until the closing day.

I much enjoyed my visit behind scenes, and send my cordial regards and thanks to those who have cooperated with you in connection with the Bond Campaign.

Sincerely,

(Signed) Henry.

Mr. Lawrence Langner,
120 East 41st Street,
New York, New York.

GBF/dbs

WESTERN UNION

1220

CLASS OF SERVICE

This is a full-rate telegram or Cablegram unless its designated character is indicated by a suitable symbol above or preceding the address.

A. N. WILLIAMS
PRESIDENT**NEWCOMB CARLTON**
CHAIRMAN OF THE BOARD**J. C. WILLEVER**
FIRST VICE-PRESIDENT**SYMBOLS**

DL	= Day Letter
NT	= Overnight Telegram
LC	= Deferred Cable
NLT	= Cable Night Letter
	Ship Radiogram

Filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

CDU598 97 NL=CD NEWYORK NY 24

1943 SEP 24 PM 10 17

HENRY MORGENTHAU. PERSONAL=

SECRETARY OF THE TREASURY WASHDC=

DEAR HENRY NEWYORK THEATRE LEAGUE INFORMS ME BOND SELLING FOR THEATRE ADMISSION ALREADY GOING AHEAD AND ALL RETURNS OF SALES BY OCTOBER SECOND WILL BE REPORTED TO NEVILLE FORD STATE DIRECTOR WITH WHOM ARRANGEMENTS WERE MADE STOP WE EXPECT TO BE FULLY SOLD OUT BY NEXT SATURDAY STOP CELESTEHOLM AND RICHARD RODGERS ASKED ME TO TELL YOU THAT THEY APPEARED ON SPECIAL PROGRAM WHICH SOLD OVER FOUR HUNDRED THOUSAND DOLLARS STOP SO OKLAHOMA IS SOLIDLY BEHIND THE DRIVE STOP PLEASE ACCEPT OUR SINCERE THANKS FOR COMING BACKSTAGE STOP REGARDS TO YOU AND MRS MORGENTHAU STOP SINCERELY=

LAWRENCE LANGNER.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

25

September 28, 1943.

Dear Mr. Paige:

It was very good of you to write me as you did under date of September 23. I much enjoyed my visit to Brooklyn, and I am extremely glad to have the picture with young Donald Devlin and the poster for which he posed.

May I also thank you for all that you did to make the gathering a success? I wish that I might have had more opportunity to meet the various workers who cooperated in connection with this special event for I know that you have all worked hard, and that the result of the Drive will prove it.

With cordial regards,

Sincerely,

(Signed) H. Morgenthau, Jr.

Mr. Cliffford E. Paige,
Chairman, Kings County War Finance
Committee,
60 Clinton Street,
Brooklyn, 2, New York.

GMY/abc



TREASURY DEPARTMENT

WAR FINANCE COMMITTEE

Kings County NEW YORK District #9

60 Clinton Street, Brooklyn 2

*acknowledged*

September 23, 1943

Dear Mr. Secretary:

You have no idea of the boost your presence in Brooklyn gave our War Bond drive this morning.

I enclose copy of the picture published in the Brooklyn Eagle this evening, but especially I want you to know that your coming here has a direct effect on the showing Brooklyn will make, and you may depend on it we won't quit until we get our job done.

It was a great honor to meet you.

Yours truly,

Chairman,
Kings County War Finance Committee

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

Countersigned:

JOHN M. RAE
First Deputy *Manager*

Morgenthau Hails Borough Bond Drive

38

**Brooklyn Won't Be
Found Wanting, He
Tells Rally Here**

Eagle 9/23/43.

Greeted by Brooklyn's leading financiers, industrialists and civic leaders, Treasury Secretary Morgenthau today visited the Kings County War Savings Staff, 60 Clinton St., and expressed confidence that the borough "will not be found wanting" in the Third War Loan drive.

Mr. Morgenthau, flanked by Borough President Cashmore and Clifford E. Paige, chairman of the Brooklyn drive, addressed borough leaders and office workers as part of a series of trips to the bor-

BACK THE ATTACK!

orough. He complimented Brooklyn's part in the drive to "back the attack."

As Mr. Morgenthau spoke, reports revealed that Brooklyn had achieved 65.3 percent of its goal of \$324,000,000, or \$211,868,000. This figure, which includes subscriptions up to the close of business Tuesday, represents an increase of 0.6 percent over the previous day.

Manhattan led with 92.4 percent, with Queens having 48.4 percent.

"I know of the fine work you men and women are doing," Mr. Morgenthau said. "I am sure that Brooklyn, the home of the Dodgers, will not be found wanting."

Stresses \$25 Bond

"I would like to stress the importance of the \$25 bond. I am not worrying about the big money. It is up to you to finish the job by ringing doorbells and using shoe leather—and I am sure that you will do it."

"Twice as many \$25 bonds must be sold as in the Second War Loan because the men and women in our armed forces need more munitions and supplies. We must not forget that 95 cents of every dollar taken in by the Treasury goes to fighting the war."

Mr. Cashmore, pointing out that Brooklyn has more men and women in the armed forces than any of 39 States, declared that borough residents "appreciate the opportunity of buying bonds, and complimented Mr. Paige on his splendid work."

"I assure you, Mr. Morgenthau," the Brooklyn executive remarked, "that Brooklyn will not be found wanting, even though the Dodgers are not doing so well."

Greeted 6-Year-Old Boy

The Treasury chief greeted 6-year-old Donald Devlin of 855 E. 35th St., who posed for the nationwide Treasury poster showing him accepting a decoration for his father.

Previous to his Brooklyn trip Mr. Morgenthau had been at the Queens office of the campaign, 29-26 41st Ave., Long Island City, and had urged workers there to "keep up the magnificent job in Queens."

Later the Secretary appeared at a rally at the War Center in Manhattan and also broadcast on a war loan forum over the Columbia Broadcasting System.



BOND BOOSTERS—Donald Devlin, 6, stands with Treasury Secretary Morgenthau before poster for which the child posed.

Welcomed by Leaders

Mr. Morgenthau was welcomed here by a host of bankers, merchants and civic leaders. They included E. A. Barry, vice president of the Brooklyn Edison Company; George A. Barneval, vice president of the Brooklyn Trust Company; Philip A. Benson, president of the Dime Savings Bank of Brooklyn; Henry J. Davenport, president of the Home Title Guaranty Company; John J. Hayes, vice president of the Manufacturers Trust Company; Robert F. Nelson, vice president of the Arma Corporation, and David L. Tilly, president of the New York Dock Company.

Also Frank D. Schroth, publisher of the Brooklyn Eagle; Ansel P. Verity, vice president of the Bank of the Manhattan Company; William J. Wason, president of the Kings County Trust Company; George Whitlock, vice president of the National City Bank of New York; A. G. Wright, vice president of the New York Telephone Company; County Clerk Francis J. Sinnott, Branch Ricker, president of the Brooklyn Baseball Club; Assistant District Attorney Clarence Wilson and Herbert Miller, secretary of the Carlton Ave. Branch Y. M. C. A.

Spurred on by Mr. Morgenthau's visit, speakers of the Brooklyn office prepared to make not fewer than 11 appearances at rallies tomorrow in an effort to reach Brooklyn's quota as quickly as possible.

A rally at Loesser's at 9 a. m. will launch the activities. Then follow meetings at the Knickerbocker Pipe Company, 31 Washington St.; Cameron Machine Corporation, 61 Poplar St.; Sullivan Drydock Company, 100 of 23d St.; Uniform Products and Supply Company, 60 Washington St.; J. K. Welding Company, 71 Paige Ave.; Gudant & Maslin, 1035 Pitkin Ave.; Wynol Engineering Corporation, 1313 St. and Bill-Rite Baby Carriage Company, 1053 Metropolitan Ave.

At night rallies will be held in the Marlboro and Kingsway Theaters, the latter being an air raid wardens' meeting.

Employees Top Quota

Employees of A. Schrader's Son, 470 Vanderbilt Ave., have exceeded a quota of \$50,000 in extra bonds during the current campaign, and have raised the goal to \$75,000.

Marie Forbes, in charge of the drive, predicts that the quota will be boosted again before the campaign ends. Workers at the plant already have earned the Treasury Department "T" flag after having agreed to invest 10 percent of their earnings in war bonds.

All persons attending a luncheon of the Townville and East New York Chapter of the United Jewish Appeal yesterday in the Parkway Mansions purchased a bond.

"Free Movie Day" will be observed in motion picture theaters Monday, when purchasers of bonds at the houses will be admitted without charge.

Meanwhile national reports indicate that \$3,500,000,000 remains to be raised of the \$15,000,000,000 quota. Following appeals to the average wageearner in an effort to boost individual subscriptions, it was reported that individuals have increased their mark to within 32 percent of their goal.

Tonight a war bond appeal will be made by the father of Brooklyn's famous hero, Sgt. Meyer Levin, over station WMOA. The father, Samuel Levin, will be a guest of City Council and the broadcast will be heard direct from council chambers from 9:00 to 9:30. Appearing with him will be Brooklyn Councilman Joseph T. Sharkey.

There will be a bond rally at the Metropolitan Theater also tonight. Five marine and naval heroes, just back from the fighting front, will be honored guests along with Dr. Frank Nelson of the Norwegian Information Service, who was a Gestapo prisoner for over a year.

Plans for future rallies include one at Abraham & Strauss on Saturday featuring Jean Bartel, 1943 Miss America winner, and one at the Alhambra Theater, Flatbush Ave. and Albemarle Road, on Monday.

28

September 28, 1943.

Dear Chester:

Thank you very much for your letter of September 21. I was very sorry to miss you during my brief visit to St. Louis, but can quite understand why the engagement you mention made it impossible for you to adjust your schedule to ours. I was glad to meet Mr. Attebery, who was most kind, and I enjoyed the entire experience very much.

With thanks for your letter, and all good wishes,

Sincerely,

(Signed) Henry

Mr. Chester C. Davis,
President, Federal Reserve Bank
of St. Louis,
St. Louis, Missouri.

GEF/dbs

FEDERAL RESERVE BANK
OF
ST. LOUIS

OFFICE OF
THE PRESIDENT

September 21, 1943

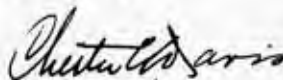
Honorable Henry Morgenthau, Jr.,
Secretary of the Treasury,
Washington, D. C.

Dear Henry:

I want you to know how sorry I was to have been absent at the time of your visit to St. Louis. The annual meeting of the Board of Trustees of the Committee for Economic Development had been called for Friday, September 17, and I had agreed to attend long before I learned of your prospective visit here. Mr. Attebery has told me of his meetings with you, and I am sure he did everything that could have been done.

With personal regards, I am

Sincerely yours,



Chester C. Davis,
President.

25

September 28, 1943.

Dear Mr. O'Fallon:

Your letter of September 18 reached the office during my absence on another trip in connection with the bond-selling campaign. This is therefore the first opportunity I have had to acknowledge it, and to thank you for your cordial expression of pleasure in connection with my brief visit to St. Louis.

I enjoyed every moment of my stay there, but particularly my tour of the 100% block, and only wish that I had had more of an opportunity to become acquainted with those who are doing such a fine job there. Please accept my thanks for all that you did personally to make the visit a success.

Sincerely,

(Signed) H. Morgenthau, Jr.

Mr. John J. O'Fallon,
Chief, War Block Service,
910 Shell Building,
St. Louis, Missouri.

GWF/ab:



THE SECRETARY OF THE TREASURY
WASHINGTON

Dear Mr. O'Fallon:

Thank you for your letter of September 18th,
regarding my recent visit to your city.

I was glad of an opportunity to meet with
your organization and congratulate you on the
good work you are doing.

With all good wishes, I am

Sincerely,

John J. O'Fallon, Chief,
War Block Service,
910 Shell Building,
St. Louis, Missouri.

WILLIAM DEE BECKER, MAYOR

HARRY D. MCBRIDE, CO-ORDINATOR

NELSON CUNLIFF, ASS'T CO-ORDINATOR

ST. LOUIS OFFICE OF CIVILIAN DEFENSE

Headquarters: 4th Floor, CIVIL COURTS BUILDING • Telephone MAin 5280

St. Louis (3), Missouri.

September 18, 1943.

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

Dear Mr. Morgenthau:

On behalf of the War Block Service of the
St. Louis Office of Civilian Defense, I wish to thank
you for the very great honor you paid this organiza-
tion by personally visiting our first 100% block.

Your visit has been a great inspiration to
all our workers and will be long remembered.

I wish to join the others of our organiza-
tion in sincerest thanks for your consideration.

Very truly yours,

John J. Fallon Chief.
WAR BLOCK SERVICE.
910 Shell Bldg.,
St. Louis, Mo.

JJO'F.C.

Garment

and
H. ELLABY

C. HOBBS

en and

LLAND

M. LASHLY

ORTHWEIN

Station

A. HIGGS

CORPS

MORGAN

E. HUFFMAN

Wardens

ED V. STEPHENS

Services

S. CAULFIELD

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LES H. STIX

Block Service

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RD OBERWINDER

SEP 28 1943

Dear Mr. Wiggins:

I have your letter of September 18, 1943, advising that you expect to appoint a similar committee to the one appointed about a year ago by President Hemingway to confer with me from time to time on problems of financing the War, provided I feel that the services of such committee have been worth while and will be helpful in the year ahead.

The American Bankers Association Committee has been very helpful to me and I consider it very necessary to have such a Committee to help out in the financing program ahead. The members referred to in your letter and in the conversation between you and Under Secretary Bell are quite satisfactory to me.

May I extend to you my heartiest congratulations on your election to the Presidency of the American Bankers Association and also my very best wishes for a successful year.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

Mr. A. L. M. Wiggins
President
American Bankers Association
Hartsville, South Carolina.

DWB:ew

Bell

THE AMERICAN BANKERS ASSOCIATION
OFFICE OF THE PRESIDENT

HARTSVILLE, SOUTH CAROLINA

WIGGINS
PRESIDENT

New York, N. Y.
September 18, 1943

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

Dear Mr. Secretary:

In accepting the presidency of the American Bankers Association here on Wednesday my first statement to the convention was:

"This Convention, and the fourteen thousand members of the American Bankers Association which it represents, have given a clear mandate to the incoming administration. It calls for the continuation of a vigorous and comprehensive effort to serve the financing and other war needs of this nation, and to follow through on the program which has been carried on with such notable success under the able guidance of President Hemingway. The mounting requirements for funds with which to prosecute the war are daily increasing the responsibility of bankers. Their leadership in war financing and their full cooperation with the Treasury is more than ever required. This cooperation will continue."

A year ago President Hemingway in offering the services of the American Bankers Association suggested the appointment of a committee by the Association to confer with you from time to time on problems of financing the war. With your approval, this was done. It is my desire to appoint a similar committee if you feel that the services of such committee have been worthwhile and will be helpful in the year ahead.

I have in mind appointing the present committee with the following changes:

As President of the American Bankers Association, I would become chairman of the committee. I would like for Mr. Robert V. Fleming of Washington to become vice chairman of the committee. All other members of the committee would be reappointed except Mr. W. H. Wood, Chairman of the Board of the American Trust Company of Charlotte, North Carolina, who has found it impossible to attend meetings of the committee. He would be replaced by Mr. B. M. Edwards, President of the South Carolina National Bank of Columbia,

Honorable Henry Morgenthau Jr.

-2-

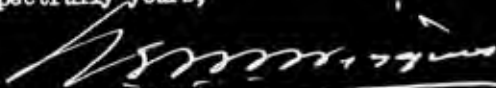
September 18, 1943

South Carolina. I would like to add to the committee Mr. Charles E. Spencer Jr., President of the First National Bank of Boston, Massachusetts, and Mr. H. E. Cook, President of the Second National Bank of Bucyrus, Ohio. I am adding Mr. Cook for the specific purpose of having on the committee a banker from a small institution, so that we would have the advantage of having the viewpoint of the small bank in our discussions.

I will withhold an announcement of the appointment of the committee pending your approval of the appointment of the committee and of the addition of the men named.

May I again assure you of the desire and purpose of the American Bankers Association, its officers, staff, and membership, to cooperate fully with you and other government agencies in the great task of financing the war.

Respectfully yours,


A. L. M. Wiggins
President

25

September 28, 1943.

Dear Ed:

It was with a great deal of pleasure that I learned of your new appointment, and I want to extend my very heartiest congratulations to you. I know that you are assuming a difficult and responsible post, but one whose duties you are sure to meet very ably. I look forward to our associations together, and if at any time my office can be of service to you, I hope to have you call upon me.

With cordial regards and best wishes,

Sincerely,

(Signed) Henry

Honorable E. R. Stettinius, Jr.,
Under Secretary of State,
Washington, D. C.

GHF/dbs

*Photostat of Incoming
and copy of reply to
White 10/4/43 to take
with him - On Hq's*

September 28, 1943

CONFIDENTIAL

My dear Admiral Leahy:

In answer to your memorandum of September 27th, for your confidential information, I expect to leave here on October 10th, accompanied by Dr. Harry White, Director of the Treasury Monetary Research Division, for Allied Headquarters in North Africa.

At this distance, it is difficult for us to understand why the exchange rate of the lira, the dollar and the pound should be changed. Therefore, I wish you would ask General Eisenhower if this matter could rest until we arrive at his Headquarters, at which time I will be glad to review the whole situation.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Admiral William D. Leahy,
Chief of Staff to the
Commander-in-Chief of the U.S. Army and Navy,
The White House,
Washington, D.C.

THE WHITE HOUSE
WASHINGTON

September 27, 1943.

SECRET

MEMORANDUM FOR

The Secretary of the Treasury:

General Eisenhower, Commanding the Allied Military Effort in Italy, has suggested a more favorable rate of exchange for the lira which is now 100 for the dollar and 400 for the British pound.

He suggests an advance in the exchange value of the lira to 80 for the dollar and 320 for the British pound.

The President requests your advice on this matter at the earliest practicable date. He has already referred the suggestion to the Prime Minister of Great Britain.

Williams, Leahy

SEP 28 1943

Dear Sir:

I wish to acknowledge receipt of and thank you for your letter of September 17, 1943, relative to the special confidential rate of cruzeiros 20.45 to the dollar extended by the Banco do Brasil to persons included in the Diplomatic and Consular lists and Naval and Military observers, and your recommendation that this special confidential rate, which is now enjoyed by a limited number, be made generally applicable to the armed forces. Your letter is now receiving the attention of the Treasury, and I shall subsequently communicate with you regarding your recommendation as to the application of this rate.

Very truly yours,

(Signed) H. Morgenthau, Jr.
Secretary of the Treasury

Hon. James Forrestal
Acting Secretary of the Navy
Washington, D. C.

FD:ww:9-27-43

NAVY DEPARTMENT
WASHINGTON

17 September 1943

CONFIDENTIAL

My dear Mr. Secretary:

The Banco do Brasil some time ago granted the United States Embassy, as a courtesy, a confidential rate of exchange of Cr \$20.65. This rate was extended also to United States Treasury and personal checks negotiated by Army, Navy, and other Government agencies in Brazil for payrolls and other purposes. Subsequently, this special confidential rate was reduced to Cr \$20.45 and was restricted to Treasury checks and personal checks drawn in favor of persons included in diplomatic and consular lists, naval and military observers. Thus the United States Government ceased to have the advantage of a favorable rate in the procurement of supplies and considerable numbers of naval personnel attached to vessels operating in Brazilian waters likewise ceased to have the advantage of this favorable rate.

Formerly the open market rate was Cr \$20.00 and the difference between this rate and the confidential rate of Cr \$20.45, while apparently not large, did in fact amount to considerable in the aggregate of transactions. It is understood that the open market rate has dropped recently to Cr \$19.50 with evidence that the rate might go lower. It would appear that a large volume of dollar checks is being placed on a limited market with the result the market is being depressed.

In the interests of the United States Government and naval personnel stationed in Brazilian waters, it is recommended that the special confidential rate now enjoyed by a limited number be made generally applicable to the armed forces.

Very truly yours,

Forrestal

JAMES FORRESTAL

Acting

The Honorable
The Secretary of the Treasury
Washington, D. C.

NOT TO BE RE-TRANSMITTEDU.S. SECRET
BRITISH MOST SECRET

COPY NO. _____

OPTEL NO. 320

Information received up to 10 a.m. 28th September 1943.

1. NAVAL

Four of our gun boats attacked three trawlers yesterday morning North of Havre, one Trawler blew up, one was set on fire and the third damaged. Later same morning light coastal forces attacked an enemy convoy off Etaples, a hit is claimed on a large cargo vessel and subsequently small craft were seen picking up survivors. A Beaufighter sighted the German pocket battleship LUTZOW escorted by 5 destroyers Southward bound off Trondheim yesterday morning, a striking force of 12 Fleet Air Arm torpedoes (T.B.F.) escorted by Beaufighters failed to sight her. LUTZOW was again seen in the later afternoon South of Bergen still on a Southerly course. A Greek submarine is overdue since 24 and must be considered lost.

2. MILITARYITALY

5th Army. 26th. U.S. troops crossed the Avellino Road and occupied Castelfoanci. Heavy fighting occurred along the British front where appreciable advance was made, Baronissi 6 miles North of Salerno has been captured and British troops were within 2 miles of Nocera on 27th. 8th Army. According to unconfirmed air reports British patrols were operating North and North East of Poggia on 27th Orte Nova and Melfi have been occupied.

3. AIR OPERATIONSWESTERN FRONT

27th. 248 Fortresses dropped 525 tons on Emden and 139 tons on Munich and other objectives in North West Germany with varying results. Medium bombers dropped 147 tons on 2 airfields in Northern France and 32 tons on Rouen railway centre. Typhoons dropped four tons on Abbeville airfield and attacked shipping off Holland sinking 2 small ships and damaging 8 others. 79 squadrons of fighters provided escort and carried out sweeps. 7 Fortresses, 1 Marauder and 9 fighters missing. In addition 3 Wellingtons and 1 Halifax are missing from patrols in the Bay of Biscay.

27th/28th. 778 aircraft despatched. Hanover 683 (39 outstanding), Brunswick 27 (1 missing), Emden 8, Aachen 5, Sea-mining 19, Leaflets 4, Intruders 31 (1 missing, 7 enemy aircraft destroyed over North West Germany). At Hanover weather was clear main weight of attack fell on the built-up area with some tendency to spread towards the North West of the town. 10 enemy aircraft flew over East Anglia. A few bombs dropped at Ipswich and in Norfolk. Damage slight, only one fatal casualty reported.

ITALY 25th.

100 fighter bombers attacked enemy M.T. and troop concentrations in the Naples area. 4 enemy aircraft were destroyed on the ground at Aquino airfield.

25th/26th. Wellingtons dropped 91 tons on the coast road near Formia.

26th. 24 medium and 72 fighter bomber attacked M.T. and other objectives in the Naples, Benevento and Poggia areas.

25th/26th. 11 heavy bombers attacked Kolomaki airfield Athens and 4 Beaufighters attacked Syros Harbour damaging 2000 ton ship. Escorted JU 88's made two attacks on Leros.

September 29, 1948
9:30 a.m.

FINANCING

Present: Mr. Bell
Mr. Gamble
Mr. Smith
Mrs. Klotz

H.M.JR: Now listen, I have been doing a little thinking, see, and I don't want to do my bank financing on Monday morning.

MR. BELL: It is all right with me.

MR. GAMBLE: We all agree with your suggestion.

H.M.JR: I have three reasons why I want to do it Tuesday. I am not going to decide the figure until late Monday night for the bank financing - until I see the returns.

MR. BELL: Then you can't do it Tuesday morning.

H.M.JR: Oh, sure.

MR. BELL: No, you can't, Mr. Secretary.

H.M.JR: I will tell you how. Everything will be out except the amount, and then we can send that by telegram. It is only one day, isn't it?

MR. BELL: It will be three days.

H.M.JR: What is the matter with Wednesday, Thursday, and Friday?

MR. BELL: Well, it is getting a little close to the end. This is all a refunding - a lot of it is refunding as of the 15th.

- 2 -

H.M.JR: What is the matter with Wednesday, Thursday, and Friday? Supposing a half a billion dollars comes in at the last minute on Saturday?

MR. BELL: So what? I mean, what of it?

H.M.JR: Wouldn't that change your--

MR. BELL: No. We are recommending that you finance on a basis of three billion dollars, anyhow, and then if we need more money we can get it in December.

H.M.JR: How much are you going to do?

MR. BELL: Three billion. Everybody is agreed on that. I will have a complete statement for you today which everybody has signed on the dotted line - not signed, but have agreed over the telephone to this whole procedure.

Three billion dollars for the bank financing is - we are bound to get fifteen billion in this drive, and the chances are we will get more than sixteen billion, so three billion is ample, I think, to carry us through to the next drive in January. But if it isn't, everybody feels that it might be a good thing to have a note issue in December before the drive if you need more money rather than try to get too much at this time. I think that is good advice. Burgess and Sproul both feel that way about it.

H.M.JR: Well, I will look at your slate later on.

MR. BELL: But I see no reason why you couldn't do your financing - announce it on Tuesday morning.

H.M.JR: Not if you really know how much you want.

MR. BELL: I am satisfied with the figure of three billion.

H.M.JR: We can do it Tuesday morning.

MR. BELL: We will announce it for Tuesday morning.

- 3 -

H.M.JR: You won't give it to the press, though, until Monday?

MR. BELL: No.

H.M.JR: You won't do it Saturday the way we have been talking about?

MR. BELL: No.

H.M.JR: I don't want to get mixed up with our Saturday, and so forth. Don't you think it is better? Papa thought that up all by himself. (Laughter)

MR. BELL: It is O.K. The only advantage I see - I don't think it means anything except in your tax program. I take it that is what you are worried about.

H.M.JR: Well, no, I know enough about the Street to know that they won't buy something until the news is out, and I present the tax bill on Monday and it is silly to offer a financing on the same day. We offer it the day after, and they know what the Treasury's proposals are and that is water over the dam and they adjust themselves.

Nobody is going to buy on Monday until they see my stuff. On Tuesday they don't give a damn. They say, "That is what it is. All right, we will adjust ourselves to it." I think we will get a much better reception.

MR. BELL: I think that is right. We could do it Wednesday. That would give us the rest of the week for these small owners on the refunding.

H.M.JR: If you do what?

MR. BELL: We could go to Wednesday and crowd it a little.

H.M.JR: I would much prefer we had - I'd a little bit prefer Wednesday, the 6th, then close it Friday night.

- 4 -

MR. BELL: Close it Friday night and take everything in the mail, say, until Monday, or Sunday, if you wanted to, for anybody that owned twenty-five thousand dollars and less of the three and a quarter's. You see, the three and a quarter's are the old Fourth Liberties, and they are still owned - at least they were owned two months ago by a lot of individuals that refunded them back in '33. So we want to give more time on these than we have given on any other refunding.

H.M.JR: Can you do it Wednesday?

MR. BELL: We can do it Wednesday. It crowds it, but we can do it.

H.M.JR: O.K.

September 29, 1943
9:57 a.m.

HMJr: Hello.

Operator: Justice Byrnes is calling you.

HMJr: Okay.

Operator: Go ahead.

Jimmy
Byrnes: Yes.

HMJr: Henry, talking.

B: Yes, Henry.

HMJr: Good morning. We're meeting at my office today at 2:30 and they're bringing down the Republicans today as well as the Democrats. I hope you can come.

B: All right, I'll -- what's he doing, bringing the....

HMJr: Well, I....

B:all of the Committee?

HMJr: No, I -- I imagine they'll bring one or two Congressmen and one or two Senators.

B: All right. Thanks very much, Henry.

HMJr: Thank you.

B: Bye.

HMJr: Bye.

September 29, 1943
9:59 a.m.

HMJr: Hello.

Operator: Admiral Sherman.

HMJr: Hello.

R. E. Sherman: Good morning, Mr. Secretary.

HMJr: How are you, Admiral?

S: Fine, thank you, sir.

HMJr: Admiral, I'm very unhappy about my talk that I'm going to give tomorrow.

S: You are?

HMJr: Yeah.

S: Well, what can we do to help you out?

HMJr: Well, that's what I'm calling you up for. I wondered if you couldn't give me -- I mean -- how this whole L.S.T. Ship -- the conception of it from the beginning -- you see? That story hasn't been told. I mean -- what I'm thinking about is this -- I mean, here's the chance to tell the American public that we didn't sit behind our Maginot Line.

S: Uh huh.

HMJr: And that we -- somebody, someplace had the brilliancy to conceive this kind of an amphibious warfare and if it's the General Staff or it's the Navy or wherever it is, I don't see why I can't be given that information so I can dramatize it.

S: Righto. I don't either.

HMJr: You see? Now, originally both General Marshall and General Dean wanted me to tell the story about General Staff but that's too big for me.

S: Uh huh.

HMJr: But if I could just have this segment of it -- where did this thing -- where was this thing originated?

- 2 -

S: I really don't know but I'll try to find out. I wonder if -- did Miss -- I'll get a hold of -- of Beecher....

HMJr: Yeah.

S:and see -- uh -- does Mr. Smith know -- have a good idea just exactly the kind of story you'd like to have?

HMJr: Yes, well -- uh -- if you don't -- let me give it to -- I'd like to know -- I mean, someplace there's a -- either the group or an individual had the genius to conceive this kind of warfare.

S: Of amp -- the story of -- dramatize the story of amphibious warfare and the -- the preparations that were -- uh -- more or less a story of how it developed and....

HMJr: Yes.

S:how the equipment was conceived?

HMJr: That's right. That's right. Well, where did this start?

S: Well, I think that it probably started with the Marines, through the -- I mean they were the people who were -- who were more or less directly interested in amphibious warfare....

HMJr: Yeah.

S:through the period of peace.

HMJr: And then somebody had to design this thing.

S: And then the design of it came on....

HMJr: Yeah. Smith knows. Well, what do you want me to do? Send him over there or something?

S: Uh -- yes, if he can come over, I'll get a hold of Beecher and we'll go right on into it and see if we can't get what -- the kind of story you want.

HMJr: I'll send Smith and Albee both over.

S: Righto, sir.

HMJr: And it seemed to me that this would be a chance for me, a civilian, to hand you fellows a bouquet.

S: Well....

HMJr: Nobody's -- all you've done is run a picture. This is -- that's the result.

S: Uh huh.

HMJr: But there must be a very dramatic story back of this thing.

S: Well, let's see if we can get it together. Your speech is scheduled for Friday, is it?

HMJr: Tomorrow.

S: Tomorrow?

HMJr: And I'm leaving here at 4:00 o'clock today and I don't like what I've got.

S: Right. Well, I -- I'm very sorry because I -- I'd asked the people the other day if they'd given you what you wanted....

HMJr: No.

S:and they assured me that you had.

HMJr: No.

S: Uh....

HMJr: No. Well, of course, the trouble is the story of the Navy is too good.

S: Uh huh.

HMJr: You've only got good news.

S: Huh?

HMJr: You've only got good news.

S: I see. Well, let -- I'll get a hold of him right away and we'll get a....

- 4 -

HMJr: He's in my -- both Smith and Albee are here now.

S: All right, sir.

HMJr: And I -- I'll send them over there -- be there by 10:30?

S: All right, sir. And if they'll come to room 3070, I think it is.

HMJr: (Aside: Make a note of that, Smith. Will you?) Room 3070.

S: Righto.

HMJr: What building are you....

S: I'm in the Navy Building at the foot of 17th -- 18th Street.

HMJr: Is 10:30 all right?

S: Yeah. That's fine.

HMJr: Good.

S: Right.

HMJr: Thank you.

September 29, 1943
11:27 a.m.

HMJr: Hello.

Operator: Congressman Cochran.

HMJr: Please.

John J.
Cochran: Hello, Mr. Secretary.

HMJr: How are you?

C: Oh, I'm down at the office and battling around in a wheel chair but doing fine.

HMJr: Well, that's good.

C: How are you feeling? Did you get good and well?

HMJr: I'm all right.

C: Say, we're greatly interested out home in this fellow Hannegan, your Collector of Internal Revenue.

HMJr: Oh, yeah.

C: Well, all the opposition to him has disappeared.

HMJr: Good.

C: The newspapers are giving him a wonderful break out there.

HMJr: Yeah.

C: Not a word has been said against it and....

HMJr: Yeah.

C:it is my understanding that he has made a great record.

HMJr: Well, I hear....

C: I've known this fellow all his life....

HMJr: Yeah.

- 2 -

C:and I knew his father.

HMJr: Yeah.

C: And, as I think you have all found out, he's absolutely honest....

HMJr: Yeah.

C:and the one thing about him is, he's got plenty of guts and he can say "No" when "No" should be said.

HMJr: Well, I'm glad to know that.

C: I realize the importance of the job.

HMJr: Yeah.

C: But we are all very much interested in him. Senator Truman and Senator Clark have both endorsed him.

HMJr: Yeah.

C: Of course, he comes from St. Louis where I come from....

HMJr: Sure.

C:but all the letters that I've received -- uh -- just give him the finest boost in the world.

HMJr: Yeah.

C: I would consider it more than a special personal favor if you'll give more than ordinary consideration to his name when you take the matter up.

HMJr: Well, what you say has real weight with me and I'm going to -- I'm giving the whole thing very careful consideration.

C: I realize you have to.

HMJr: Yeah.

C: I know what the job is.

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- 3 -

HMJr: Yeah.

C: I've talked to him -- I talked to him when he was commissioned and....

HMJr: Yeah.

C:I've talked to him since he's been here.

HMJr: Yeah.

C: He's here now.

HMJr: Yeah.

C: And he's made a great record out home.

HMJr: Good.

C: Everybody is satisfied with him.

HMJr: Good.

C: Clean-cut, a man with a family, four children and he don't drink, he don't smoke. That's against him in my opinion.

HMJr: Yeah. That makes me worry.

C: (Laughs) I don't blame you from worrying about that.

HMJr: Yeah.

C: But, nevertheless, he's clean and honest.

HMJr: Right.

C: So thanks a lot for....

HMJr: Well, I'm con -- we're looking him -- several of them over....

C: Uh huh.

HMJr:but the fact that you're for him is very important as far as I'm concerned.

C: Well, let me -- let me know if there's anything I can do for you down here now. I'm back on the job.

- 4 -

HMJr: Good for you.
C: All right, old fellow.
HMJr: Thank you.
C: Good bye.

September 29, 1943
11:37 a.m.

66

HMJr: Can you talk a minute?

Dan
Bell: Yep.

HMJr: About this financing -- when do you want me to settle this thing?

B: Well, there isn't as much hurry for it now as it's being Wednesday of next week....

HMJr: Yeah.

B:but I'd like to clean it up this week so as to get -- and then make a check on it Monday.

HMJr: I see. Well, what are the things which are doubtful in your mind?

B: What do you mean?

HMJr: What do I have to say "yes" on?

B: Well, I've got a memorandum which you can say "yes" on today. And then put another check on it Monday morning.

HMJr: When will that memorandum be ready?

B: Right after lunch.

HMJr: Oh-oh.

B: Why?

HMJr: Well, I've got to go up on the Hill and all the rest of that.

B: Well, I mean it will be ready before you leave here tonight. It will only take you three minutes to read it.

HMJr: Oh. Well, that's all right.

B: Yeah.

HMJr: Be sure I get it.

B: All right. And as a matter of fact you could look it over now in rough.

HMJr: Well....

B: I haven't checked....

HMJr: I'd rather have it when it's polished.

B: And I'll have, I think, the views of the other people....

HMJr: Yeah.

B:by that time.

HMJr: Right.

B: All right.

MEMORANDUM FOR THE FILES

Meeting in the Secretary's Office,
September 29, 1943, 11:45 A.M.

I informed the Secretary that there were four points raised in a memorandum to him dated September 22, 1943 which were pressing and required a decision from him, as follows:

1. The renewal of the \$50,000,000 stabilization loan to China. I explained the predicament we were in with respect to the renewal at the present 5¢ rate and stated that we in the Treasury were agreed that we should not renew a stabilization agreement until the prevailing official rate of exchange more closely approximated its real value. I pointed out that we would be getting into increasing difficulties if we took a step which purportedly helped to maintain so artificial a rate.

The Secretary agreed. I said that after consulting with the State Department I should like to inform the Chinese of our views on that matter. I said that I thought that they would act unfavorably to it but I did not see any alternative that we have. The Secretary agreed and said go ahead.

2. I then raised the question of satisfying Kung's cabled request that we earmark \$200 million of gold out of the amount remaining from the \$500 million (paragraph 11 on page 4 of the memorandum). I said that I thought that we ought to be tough with the Chinese on the question of earmarking \$200 million of gold for gold sales which they could not make before the gold could be shipped to them. The Secretary agreed. He said that he thinks that we should be tough in this matter and he told me to go ahead and let them have the gold only as rapidly as it could be shipped and sold in China.
3. I again raised the question of lend-lease silver coins to the Dutch Government (paragraph 4 in the memorandum). The Secretary gave his approval to our recommending that the 17 million ounces of silver be lend-leased.
4. I stated that the British dollar position would not be significantly altered by the reciprocal lend-lease arrangements now being negotiated, that by the end of the year they would have over a billion and a half

Division of Monetary
Research

- 2 -

dollars, though the British claimed some offsetting liabilities of several hundred million. I thought that the time had come to take a strong position to reduce the lend-leasing of non-military goods, if we were to follow out the recommendations we had made to the President, and the President approved last year. I suggested the Secretary call Mr. Crowley and arrange a meeting to discuss the matter. Secretary said that it will have to wait. I said that if we do not take it up this week it will probably have to wait a month. He said that was all right, it could wait.

H. D. White

70✓
September 29, 1943
11:56 a.m.

Grace
Tully:

Good morning, Mr. Secretary.

HMJr:

Good morning, Grace. Grace, I gave you that memorandum yesterday on the world bank....

T:

Yeah. The President, I am sure, hasn't had a chance to look at it though, Mr. Secretary. He didn't get -- he had an awfully hard day yesterday seeing people and he didn't -- he didn't have time to do anything but sign his mail last evening.

HMJr:

Yeah.

T:

Now, it went to the house with him. It was on the top of all the mail that I gave him and it is just possible that he has -- he did have a chance maybe to read it last night but I haven't even seen him this morning. He just got over a little bit ago.

HMJr:

Yeah.

T:

He had the Leaders at the house and I don't know whether he has had an opportunity to read it or not.

HMJr:

Well, if you could get it off the ground today or tomorrow, I'd appreciate it.

T:

Yes, I'm going to try very hard today. I tried yesterday but he....

HMJr:

I know.

T:

....just didn't get to any mail.

HMJr:

Now, one other thing -- uh -- well, I appreciate what you're doing -- I spoke to Dorothy Brady -- I think I left a memo with her -- the President -- you know I told you when I'm going away.

T:

Yes.

HMJr:

And I asked the President whether I could see him next Tuesday or Wednesday and he said, "at his bedside.

T:

Yeah. I have it set, I think, for the 5th. Isn't that right?

- 2 -

HMJr: The 5th?

T: Yeah.

HMJr: Just a minute -- yeah, that's right.

T: 9:30 on the 5th.

HMJr: Is that -- is that subject....

T: That's set.

HMJr: Oh, that's set?

T: That's right.

HMJr: Well, I didn't know. 9:30 on the 5th.

T: That's right.

HMJr: Thank you so much.

T: Fine, Mr. Secretary, I'll call you later on the other.

HMJr: Thank you.

T: All right. Bye.

September 29, 1943
4:22 p.m.

72 ✓

Operator: Go ahead.

HMJr: Yes.

Grace
Tully: Mr. Secretary.

HMJr: In person.

T: (Laughs) The President says about your memorandum --
he said to call you up and tell you as far as he can
see it's all right.

HMJr: Very good.

T: All right, sir.

HMJr: What would I do without you?

T: (Laughs) Well....

HMJr: Okay.

T:it's hard to say.

HMJr: All right.

T: All right, Good bye, Mr. Secretary.

HMJr: I'm glad you hesitated.

T: Huh?

HMJr: I'm glad you hesitated.

T: (Laughs)

HMJr: Good bye.

T: Bye.

September 29, 1943
4:24 p.m.

HMJr: Hello.

Harry
White: Hello.

HMJr: Congratulations, Harry. The President has okayed
your program.

W: Well, that's fine. That's fine. Now, we'll just
get busy as quickly as we can with these several
committees.

HMJr: I'm pleased for your sake.

W: Thank you very much.

HMJr: You ought to feel very happy.

W: Yeah. I'm glad.

HMJr: You've done a grand job, Harry.

W: Fine. Thank you.

cc-Mr. Harry White.

September 29, 1943
4:45 p.m.

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Operator: Go ahead.

HMJr: Hello.

Sam
Rayburn: Henry?

HMJr: Yes, Sam.

R: Two or three times somebody connected with Ways and Means of Banking and Currency has spoken to me and said they thought that there were being some conferences that might affect after the war between you and the British, etc.

HMJr: Yeah.

R: And I told him I didn't know whether any such conversations were going on or not.

HMJr: Yeah.

R: And they have suggested that they thought it might clear a good deal of ground if such sessions were being held, if....

HMJr: Yeah.

R:about two or three or four from up here might sit in and know what it was about.

HMJr: Well, now, Sam, for your information, I've just got a clearance from the President and I'm asking first the House and then the Senate if I could come up next week and tell them just where we're at.

R: Uh huh.

HMJr: I appeared before four committees in the House and four in the Senate, you remember, last Spring?

R: Yeah.

HMJr: And I promised them that when we got along, we'd come up and tell them.

R: Yeah.

- 2 -

HMJr: Now, we were proposing to do that early next week.

R: I see.

HMJr: Would that help any?

R: Well, it might help some, but it wouldn't cure these pains they're having.

HMJr: Well, could I do a little exploring on my own and then give you a call back?

R: Yes.

HMJr: I'm just leaving for Indiana now to make a Bond speech. I'll be back Friday morning.

R: Yeah.

HMJr: And I'll get in touch with you.

R: All right, Henry.

HMJr: I appreciate your calling me and I will....

R: I just don't know, as I told this fellow -- these fellows that have been talking to me -- I said, "I don't know whether any such meetings are going on or not."

HMJr: Well, I'll try my best to cooperate.

R: And, now I know that Sumner -- not Sumner Welles, but Breck Long called me the other day from the State Department....

HMJr: Yeah. Yeah.

R:and asked me to name about one Republican and one Democrat to sit in on Aviation and one Republican and one Democrat to sit in on the talks on something else -- I've forgotten what it is -- and it makes quite an appeal up here, you know.

HMJr: Good.

R: Some fellows that are going to have peace problems....

HMJr: Good.

R:on committees. All right, Henry.

HMJr: Well, I'll be in touch with you again Friday morning.

R: All right, Henry.

HMJr: Thank you for calling me.

R: All right.

HMJr: Bye.

(Pause)

Operator: Yes, sir.

HMJr: Am I clear now?

Operator: Now you are.

HMJr: I want to talk into this.

Operator: All right.

HMJr: I want a copy of this right away to Harry White. Are you listening, Miss Carre? 2

Operator: Yes, I'm here.

HMJr: All right. I want a copy of this to go right away to Harry White and Harry White to be sure and take this matter up with me Friday morning.

Operator: All right.

HMJr: Okay.

Operator: Yes, sir.

HMJr: Good night.

Operator: Good night.

Fred Smith
Lawrence Houghteling.

September 29, 1943

The Secretary.

If you read yesterday's article in the New York Tribune, you will see in the headlines that they say I was stopped at the White House for bringing up Social Security. That ought to prove, if it is necessary to prove so, to the Labor Leaders that I kept face with them. *Finished*

Messrs. Gaston, Paul, White, Smith and
Blough
The Secretary.

September 29, 1943

I would like Herbert Gaston and Harry White to participate in the preparation of my statement for the Ways and Means Committee on Monday, October 4th. I expect to be back Friday and would like to have the finished statement at that time. Thank you. *Furnished*

Mr. Paul
Mr. Blough
Mr. Fred Smith
The Secretary.

September 29, 1943

Don't let us forget that Fred Vinson is going to follow me on the Hill and talk on inflation. Now, I want to say something about how the Treasury has been working to fight inflation ever since England got into the war. I don't want to take the second seat to anybody. Maybe I might even quote my Boston speech. I was the first one in the Administration to point out the dangers of inflation. Don't overlook this please. *Furnished*

September 29, 1943

Dear Private Loesser:

On behalf of the Treasury Department I want to thank you for the splendid song "The Road To Victory" which you composed and dedicated to the Third War Loan Drive.

It is a stirring song and has aided us tremendously in the promotion of this campaign to back the attack of our fighting men.

Sincerely,

(Signed) H. Morgenthau, Jr.

Private Frank Loesser,
1737 N. Whitley,
Hollywood, California.

Lil

WAR DEPARTMENT
THE SCHOOL OF MILITARY GOVERNMENT
CHARLOTTESVILLE, VIRGINIA

29 September 1943.

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

Dear Mr. Secretary:

Thank you very much indeed for the very gracious citation which you were good enough to send to me. I shall always appreciate your kindness, and shall treasure the citation as a memento of participation in your great enterprise. I know that the Third War Loan will be carried through to splendid success, and I am more than glad to have had a small part in your magnificent work.

With best thanks again, and warm personal regards,

Faithfully yours,

C. W. Wickersham
C. W. WICKERSHAM,
Brigadier General, U. S. A.,
Commandant.

For VICTORY



FEDERAL RESERVE BANK
OF NEW YORK⁷

September 29, 1943.

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

Dear Secretary Morgenthau:

When you were here at the bank for luncheon last week, you asked me if I would have someone check on the response to the appeal of the Third War Loan at ten or a dozen war plants in this district. Enclosed is copy of a memorandum giving the results of such a check. As you suggested, I am also making a copy of this memorandum available to Mr. Potter.

Yours sincerely,



Allan Sproul,
President.

Enc.

VICTORY
BUY
UNITED
STATES
WAR
BONDS
AND
STAMPS

September 29, 1943.

TELEPHONE SURVEY OF WAR PLANTS RELATING TO THE THIRD WAR LOAN DRIVE.

Pursuant to your request, I have contacted 14 of the larger war plants in the vicinity of New York City in an effort to obtain information on the general progress of the Third War Loan drive. In all cases I have attempted to speak with those persons actually in charge of the campaign. The conclusions are listed below under general observations, supported by a number of specific examples of the responses received from the different plants. While the results of this hasty survey are largely subjective, they should serve, nonetheless, as an indication of spirit and success which the drive is meeting.

General Observations.

1. In all plants, the results of the present drive are far ahead of those of the April drive.
2. "Back the Attack" as a slogan has been very effective; it has evoked a great deal of emotional as well as financial response.
3. Most plants have well organized, highly publicized, active departments or committees carrying out well laid plans. Rallies, displays, placards, person-to-person solicitations and various schemes to arouse interdepartmental competition were in evidence in nearly every plant.
4. Either because of the military situation or because of better organization, everyone concerned - employees, bond selling crews, program directors and personnel departments - appear to have cooperated 100 per cent, and found a great deal of enjoyment and satisfaction in really putting the Third War Loan drive over.

Specific Examples.

Bridgeport Brass Company, Bridgeport, Conn.

Mr. Armstrong reported highly satisfactory results. The employees have increased the overall amount deducted from their payroll by 30 per cent. In addition to this, they have purchased \$40,000 in cash. Included in this were ten bonds of \$1,000 denomination. Nearly 90 per cent of the employees are participating in payroll deduction. The withholding tax has had no apparent effect upon either the number of employees participating or the amount withheld.

Bendix Aviation, Bendix, New Jersey.

Ninety-nine per cent of the employees of this firm participate in regular payroll deductions. The percentage of payroll deductions in this plant was increased from 8 to 10 during this drive. On an annual basis this means that the employees are buying \$600,000 more per year than formerly. This particular plant emphasized increased payroll deductions rather than cash sales and report that the drive went over with a bang; that all the employees showed excellent cooperation.

United Aircraft, Stratford, Conn.

Mr. Adams in charge of the Third War Loan drive in this plant maintains that they not only turn out the best airplanes but also turn in the best results in the Third War Loan drive. Their goals were increased cash sales plus an overall payroll deduction amounting to 15 per cent of the total payroll. Mr. Adams modestly

affirmed that they were going to more than reach their goal and that the drive was very much more successful than April. He cited the results from one shift of one department of his plant - about 600 employees. Previously they had \$2,400 a week deducted from their payroll, now have \$4,800 a week deducted. Besides that, this one shift purchased \$62,000 worth of cash bonds. The top nine purchases alone amounted to \$11,000.

Republic Aviation, Jamaica, Long Island.

In one week and a half the employees of this firm have purchased \$80,000 worth of bonds for cash, \$40,000 were sold at one night rally. Their goal of \$100,000 cash purchases will undoubtedly be surpassed. This firm reports that the April drive showed much smaller returns. They have gone to considerable lengths to plan their campaign, having orchestras, rallies, person-to-person contacts, and are really getting behind the drive 100 per cent.

Calco Chemical, New Jersey.

Prior to the Third War Loan drive 93 per cent of the employees participated in payroll deductions amounting to 10 per cent of the total payroll. After the drive 99 per cent of the employees were participating in deductions amounting to 12 per cent of the total payroll. This firm has not only campaigned to sell additional bonds but has also attempted to convince their employees of the advantages to be gained by holding their bonds. They cited their recent consumers' goods display in which they showed the number of articles - automobiles, washers, refrigerators, etc. - which could not be purchased now but which will be available after the war. This and other rallies as well as person-to-person solicitation has resulted in large cash sales and a showing far superior to that of the April drive. A "budget planning" service was provided to help employees fit added bond purchases into their budget.

Todd Shipbuilding, Brooklyn.

Cash sales to date amount to \$130,000. Their personnel man stated that in view of the fact that their workers were subject to 20 per cent withholding tax, 10 per cent payroll deduction for bond purchases, 3 per cent Todd retirement tax, and 1 per cent Social Security tax, these results were "damn good" - twice the volume of cash purchases as was the case in the April drive.

Curtiss Wright, Paterson, New Jersey.

Both Wright Aeronautical and Curtiss Propeller plants reported very heavy cash sales, so heavy as a matter of fact that it was impossible to tabulate any reliable estimate. The directors of the drive were well pleased with the results.

Todd Shipyards, Hoboken, New Jersey.

Mr. Sammon reported that their main drive was Friday and it was too early to appraise the results. However, preliminary figures seemed to indicate excellent response. The company is sponsoring bond sales through radio programs, and rallies, and is working very closely with the local committees.

Remington Arms, Bridgeport, Conn.

Bridgeport plants appeared to have spared no effort in making the drive a real success. This company reports sales far above its quota, had a very articulate and well organized committee and was working for increased payroll deductions as well as cash sales.

3.

Federal Shipbuilding, Newark, N. J.

Cash sales to date amounted to more than \$250,000. In addition to this, payroll deductions were substantially increased. The committee in charge were very satisfied with the results.

Fairchild Engine & Airplane, Farmingdale, Long Island.

Mr. Cullen stated that he was so busy selling bonds to employees and crediting the various departments of the plant with the "block busters" they had purchased that he was swamped with work and unable to tabulate results. Payroll deductions were also being stressed - the per cent of employees participating had been increased from 80 to 90 during the drive.

Sperry Gyroscope, Brooklyn, Long Island City.

The Sperry plants were the only ones contacted which appeared to have no well publicized committees or directors in charge of bond sales. It was necessary to call at least a half dozen offices and be referred to another dozen before I could find anyone familiar with their program. It developed that the bond drive was being handled by the supervisors of the various departments. No information was available as to the results.

Bullard Co., Bridgeport, Conn.

Mr. North stated that the 4,000 employees had purchased over \$180,000 in bonds for cash. Payroll deductions were increased both as to the per cent of workers participating and the amount deducted. He indicated some trouble in the allocation of the credit. Most of the workers live in Fairfield and Stamford, yet the plant is in Bridgeport. Many workers were reluctant to buy at the plant in order to support their own local drive.

General Electric, Bridgeport, Conn.

Mr. Atkinson stated that the plant was already over its quota (111%) and still going strong. He felt that this drive was very much more successful than the April drive, both in dollar returns and in the general attitude and cooperation with which it was meeting.

September 29, 1943.

My dear Miss Holt:

I write to thank you for the card of membership in the American Federation of Radio Artists, which was enclosed with your letter of September 24.

I appreciate highly the honor that has been paid to me by the Federation and I shall hope to prove worthy of it.

Sincerely,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Miss Emily Holt
National Executive Secretary
American Federation of Radio Artists
2 West 45th Street
New York 19, N. Y.

WMS

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AMERICAN FEDERATION OF RADIO ARTISTS

(BRANCH OF ASSOCIATED ACTORS AND ARTISTES OF AMERICA)
AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR

2 WEST 45TH STREET • NEW YORK 19, N. Y.

TELEPHONE VANDERBILT 6-1810

September 24, 1943

Honorable Henry Morgenthau, Jr.
Treasury Department
Washington, D.C.

Dear Mr. Morgenthau:

I have the pleasure and privilege of advising you that upon your application for membership, the National Board of the American Federation of Radio Artists has elected you an Honorary Member. I am enclosing herewith your membership card. The Honorary Membership requires the payment of no initiation fees, dues or assessments.

The National Board, on behalf of the 15,000 members of the American Federation of Radio Artists, extends to you their greetings and best wishes.

Sincerely yours,

Emily Holt
Emily Holt
National Executive Secretary

EH:t

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE September 29, 1943

TO Secretary Morgenthau
FROM Mr. Haas
Subject Current Developments in the High-grade Security Markets

I. Changes in Prices and Yields of Government Securities Negligible

Prices of Government securities showed little change during the last calendar week. Taxable issues and the tax-exempt notes were generally firm, while partially tax-exempt bonds declined 1/32 on average.

II. Excess Reserves Continue High

Excess Reserves of all member banks declined \$87 millions during the week ended Saturday. Despite this decline, however, they stood at \$1,878 millions at the end of the week. This is a high level relative to recent experience and, in view of the large volume of bills outstanding which banks tend to treat as the equivalent of reserves, seems adequate for the forthcoming bank financing.

III. Called 3-1/4's Strong

The 3-1/4 percent bonds called for payment on October 15, which have sold at prices somewhat in excess of a zero yield to call date ever since the announcement on August 16 that they would be given the right of exchange into the new bonds to be offered in the drive, closed on Monday at 4/32 (bid) in excess of a zero yield. This is the highest price in excess of a zero yield at which the issue has ever sold.

As the exchange offer which has been made for these bonds is of value only to commercial banks and to brokers and dealers (as all other classes of investors can purchase an unlimited amount of drive securities at par), it is reasonable to suppose that they are gravitating into the hands of these holders.

Secretary Morgenthau - 2

The recent strength in the 3-1/4's is, of course, an indication that the market expects the 2 percent bonds offered in the drive to go to a premium when trading is commenced after the close of the books on the post-drive bank offering.

IV. Large Increase in Security Loans Probably for Purchase of Governments

During the two statement weeks ended September 22, total loans of all weekly reporting member banks in 101 cities increased \$1.5 billions. About three-fourths of this net increase occurred in Loans to Brokers and Dealers (\$635 millions) and Other Loans for Purchasing or Carrying Securities (\$379 millions); but it is probable that most, if not all, of the increase in total loans, regardless of the formal classification, went to finance the purchase of securities offered in the Third War Loan.

Not since the Second War Loan Drive has any comparable increase in bank loans taken place. During that drive, total loans of weekly reporting member banks increased by about \$1.2 billions, almost all of the increase representing security loans. After the close of the Second War Loan, security loans fell off, but stabilized at from \$400 to \$500 millions higher than their pre-drive level.

V. Canadian Fifth Victory Loan, October 18-November 6

Canada's Fifth Victory Loan, the seventh public loan of the war, will be offered October 18 - November 6. The minimum objective has been set at \$1.2 billions -- the equivalent of \$14 billions in the United States on the basis of population.

The goal for individuals (excepting those individuals capable of buying \$25,000 or more of bonds) is \$525 millions, or the equivalent of \$6 billions in the United States. The remaining \$675 millions is the quota for all others, chiefly business firms and corporations, but also including individuals capable of subscribing to \$25,000 or more of the issue. Following previous precedent, the loan will not be open for bank subscription.

Two securities will comprise the offering: (1) a 3 percent bond maturing January 1, 1959, and (2) a 1-3/4 percent bond maturing May 1, 1947. Both issues will be dated November 1, 1943, and will be offered at par.

Secretary Morgenthau - 3

The terms of the shorter security are the same as those offered on that type of security in the two most recent Victory Loans held in October - November 1942, and in April - May 1943. The longer security, however, represents an improvement in the Canadian Government borrowing rate, through a lengthening of the life of the security by a little over a year.

September 29, 1943.

My dear Senator:

Referring to your letter of September 28, I am enclosing a copy of my wire to Mr. Bozell, which I was happy to have an opportunity to send. I thank you for writing to me.

Sincerely,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

The Honorable Hugh Butler
United States Senate

Enclosure

Ry M. 4:20

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

Day Letter

MR. LEO BOZELL
CHAIRMAN, JEFFERS' HOME COMING RALLY
CITY AUDITORIUM
OMAHA, NEBRASKA

REPLYING INQUIRY IN MY OPINION W. M. JEFFERS HAS EARNED GRATITUDE
ALL FELLOW AMERICANS BY ENERGETIC ABLE PATRIOTIC EFFECTIVE WORK AS
RUBBER DIRECTOR

HENRY MORGENTHAU, JR.
SECRETARY TREASURY

TREASURY DEPARTMENT

WASHINGTON

CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR

Expenses - Secretary's Office

(The appropriation from which payable must be stated on above line)

U. S. GOVERNMENT PRINTING OFFICE

2-24117

SEPTEMBER 29, 1943.

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ARTHUR BARTAIN, CLERK

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United States Senate

COMMITTEE ON
 IRRIGATION AND RECLAMATION

September 28, 1943.

Hon. Henry Morgenthau,
 Secretary of the Treasury,
 Treasury Building,
 Washington, D. C.

My dear Mr. Secretary:

Friends of Mr. W. M. Jeffers, recently resigned Rubber Director, are honoring him at a testimonial home coming rally in Omaha Thursday evening.

Sponsors of the rally will (and I am sure Mr. Jeffers also will) thoroughly appreciate your sending a message of recognition for Mr. Jeffers' outstanding services while Rubber Director.

Because of restrictions on congratulatory telegrams may I call your attention to the necessity of wording your wire so that it will not be a message of congratulations but of recognition of Mr. Jeffers' fine work.

Some ten thousand business and labor leaders from all parts of the country will be in attendance.

The message should be addressed to

Mr. Leo Bozell,
 Chairman, Jeffers' Home Coming Rally,
 City Auditorium,
 Omaha, Nebraska.

With all good wishes.

Very truly yours,

Hugh Butler
 Hugh Butler U.S.S.

SEP 29 1943

Dear Mr. President:

I have your note of September 22nd enclosing a letter which you had received from the Honorable Frederic A. Delano, in which he suggests the advisability of placing a hole in the one-cent piece and in the five-cent piece to distinguish them more readily from the silver coins.

Such an expedient would, upon the face of it, appear to be feasible. It was, in fact, seriously considered in reference to the one-cent piece but rejected for the reason, primarily, that the consequent reduction in weight would render the coin unfit for use in merchandising machines; the same conditions would apply in regard to the five-cent piece. You may recall that the legislation which authorized the change of alloys for minor coins carried a provision that when the physical properties of the coins were being determined upon, consideration should be given to their adaptability to coin-operated devices.

Steel with a coating of zinc is not a desirable material for coinage and was adopted for the one-cent piece for the sole reason that there was no other available. All other metals which would lend themselves to the necessary processing, and plastics as well, were critically needed for war purposes. It is understood with the War Production Board that when the call upon the copper resources for armament requirements is sufficiently eased an allotment will be granted the Mint permitting a return to the bronze alloy with which the country is familiar. We are continuing our discussions with this Board and hope to find before very long a solution to this problem.

Faithfully yours,

(Signed) H. Morgenthau, Jr.

The President

The White House.

NTR:DWB:ew

Treasury Department
Office of the Under Secretary

Date: 9/28

To: Mrs. Klatz.
From:

I wonder if
we should address
this to the President.
Pls. return if you
think it should.
SUB

Dear Mr. Delano:

Your letter of September 20th to the President, suggesting the advisability of placing a hole in the one-cent piece and in the five-cent piece to distinguish them more readily from the silver coins, has been referred to my attention. Such an expedient would, upon the face of it, appear to be feasible. It was, in fact, seriously considered in reference to the one-cent piece but rejected for the reason, primarily, that the consequent reduction in weight would render the coin unfit for use in mechanism (the same conditions would apply in regard to the dieing machines); the same conditions would apply in regard to the five-cent piece. You may recall that the legislation which authorized the change of alloys for minor coins carried a provision that when the physical properties of the coins were being determined upon, consideration should be given to their adaptability to coin-operated devices.

Steel with a coating of zinc is not a desirable material for coinage and was adopted for the one-cent piece for the sole reason that there was no other available. All other metals which would lend themselves to the necessary processing, and plastics as well, were critically needed for war purposes. It is understood with the War Production Board that when the call upon the copper resources for armament requirements is sufficiently eased an allotment will be granted the Mint permitting a return to the bronze alloy with which the country is familiar. We are continuing our discussions with this Board and hope to find before very long a solution to this problem.

Yours sincerely,

Secretary of the Treasury

Hon. Frederic A. Delano,
1530 P Street,
Washington 5, D. C.

THE WHITE HOUSE
WASHINGTON

September 22, 1943.

MEMORANDUM FOR

HON. HENRY MORGENTHAU, Jr.

What shall I tell my uncle?
I think there is a lot in what he
says. I, myself, tried to use a
one cent piece in a ten cent slot
machine and I was arrested but let
off by the Judge under a suspended
sentence.

F.D.R.

Delano's original letter together with
"new penny" returned to the President 9/29.

FREDERICK A. DELANO

1530 P STREET, N.W.
WASHINGTON, D. C.1701 BROADWAY AVENUE
NEW YORK CITY1530 P Street,
Washington 5, 1943.

September 20, 1943.

His Excellency
The President of the United States,
Washington, D.C.

My dear Mr. President:

For your information I enclose the current one cent piece recently put out by the Bureau of the Mint. It is just the size of a dime, and looks like a dime, although it has no milling. The reason for this coin is the necessity for saving copper.

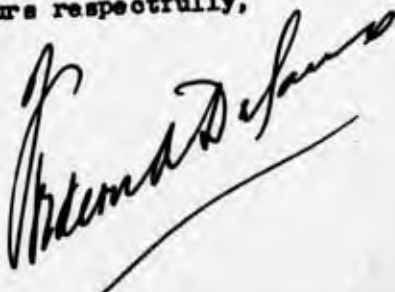
I venture, therefore, to call your attention to the practice and experience of many well known foreign countries, -

That the smaller coins must be made so that the poorest people can readily recognize them and not be deceived; therefore, coins of say five cents, or less, in value are usually made with a hole in them and so easily distinguished by feel.

For the above reason, may I recommend that the one cent and five cent pieces be made hereafter of the cheapest base material, say iron, but with a hole in the middle?

Yours respectfully,

Enclosure



SEP 29 1943

My dear Senator:

I refer to your letter of September 21, 1943, requesting information on the amounts of silver approved for transfer to foreign countries under the Lend-Lease Act and on the amount, classification, and ultimate use of Treasury silver sold or leased under the provisions of Public Law 137, 78th Congress.

More than 40 million ounces of silver have been lend-leased to friendly foreign countries to provide for their coinage and war production needs, the silver to be returned to the Treasury on an ounce for ounce basis after the war. Enclosed is a list of the countries with the amount of silver received by each under lend-lease agreements.

Under the provisions of Public Law 137, approved July 12, 1943, as of September 23, 1943, the Treasury had allotted 13,988,000 ounces of silver for sale. All of this silver has been provided from the Treasury's stock of "free" silver in the General Fund. Enclosed is a statement of the allotments of Treasury silver as recommended by the War Production Board.

The War Production Board on July 29, 1943, amended Conservation Order M-199 for the purpose of restricting the use of Treasury silver sold under the Green Act for:

1. Manufacture of engine bearings.
2. Manufacture of official military insignia.
3. Manufacture of brazing alloys.
4. Manufacture of solders.
5. Use of brazing alloys or solders manufactured of Treasury silver in the manufacture of any product or use in any process to fill orders rated AA-5 or higher.
6. Use of brazing alloys or solders manufactured of Treasury silver in making repairs within the limitations of paragraph (m)(2) as set forth in the Order.

By Messenger Bundy at 4:20 p.m.

- 2 -

Of the total silver sold from Treasury stocks, approximately 64 percent has been used for engine bearings, 24 percent for alloys and solders, and 12 percent for military insignia. A more detailed statement of the industrial use of Treasury silver sold under Public Law 137 may be had from the War Production Board.

Very truly yours,

(Signed) H. Morganthau, Jr.

Secretary of the Treasury

Honorable Pat McCarran,
United States Senate,
Washington, D. C.

Enclosures.

GDG/jm
9/25/43

Silver Lend-leased to Foreign Countries
from the Stocks of Treasury "Free" Silver

<u>Country</u>	<u>Ounces</u>
United Kingdom (2 requisitions)	15,075,000
Fiji Islands (United Kingdom)	196,000
Australia	5,045,000
Surinam and Curacao (Netherlands)	582,000
India	<u>20,000,000</u>
Total	40,898,000

**Sales of Treasury Silver under Provisions of Public Law 137,
76th Congress, to September 23, 1943**

Recommended by the War Production Board		Ounces Allotted	Delivered	Undelivered
July	Handy and Harman	1,500,000	All	
"	Irvington Smelting and Refining Company	500,000	All	
August	Handy and Harman	5,000,000	All	
"	Goldsmith Smelting and Refining	50,000	All	
"	Gracier Handler	10,000	All	
"	Handy and Harman (for September)	5,000,000		500,000
"	Cleveland Graphite	110,000	All	
"	Irvington Smelting and Refining	500,000	All	
"	Thomas J. Dee & Co.	25,000	All	
"	American Smelting & Refining	35,000	All	
"	American Smelting & Refining	10,000	All	
"	American Smelting & Refining	25,000	All	
September	Irvington Smelting & Refining	1,110,000		1,000,000
"	Cleveland Graphite	100,000		100,000
"	American Smelting & Refining	5,000	All	
"	American Smelting & Refining	<u>8,000</u>		<u>8,000</u>
		13,988,000		1,608,000

WILLIAM P. ROY, JR., N.Y.
 WILLIAM C. ROY, JR., N.Y.
 WILLIAM C. ROY, JR., N.Y.
 WILLIAM C. ROY, JR., N.Y.
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 WILLIAM C. ROY, JR., N.Y.
 WILLIAM C. ROY, JR., N.Y.

United States Senate

COMMITTEE ON APPROPRIATIONS

September 21, 1943

My dear Mr. Secretary:

I would be pleased if you would furnish me with a statement indicating:

1. The amount of Treasury "free" silver approved for transfer to certain foreign countries under the Lend-Lease Act;
2. The amount of Treasury silver sold or leased under the terms of the Green Act of July 12, 1943, showing the classification of the silver as well as its ultimate consumption or use.

Thank you for your courtesy and for an early reply.

Sincerely,

Walter M. Parnau

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



TREASURY DEPARTMENT

WASHINGTON

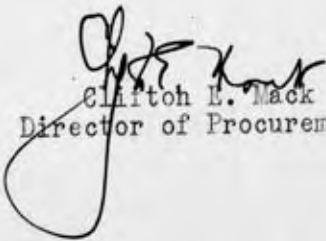
SECRET

September 29, 1943

MEMORANDUM TO THE SECRETARY:

There is submitted herewith the weekly report of Lend-Lease purchases.

Additional oil refining facilities for the USSR which will cost approximately \$20 million have been approved by the Soviet Protocol Committee.


Clifton E. Mack
Director of Procurement

Attachment

FOR DEFENSE



LEND-LEASE
TREASURY DEPARTMENT, PROCUREMENT DIVISION
STATEMENT OF ALLOCATIONS, OBLIGATIONS (PURCHASES) AND
DELIVERIES TO FOREIGN GOVERNMENTS AT U. S. PORTS
AS OF SEPTEMBER 22, 1943
(In Millions of Dollars)

	<u>Total</u>	<u>U. K.</u>	<u>Russia</u>	<u>China</u>	<u>Administrative Expenses</u>	<u>Miscellaneous & Undistributed</u>
Allocations	\$3882.0 (3881.9)	\$1931.8 (1931.8)	\$1557.4 (1557.4)	\$109.7 (109.7)	\$11.0 (11.0)	\$272.1 (272.0)
Purchase Authoriza- tions (Requisitions)	\$3039.6 (3030.7)	\$1612.5 (1610.2)	\$1246.0 (1239.9)	\$43.5 (43.1)	- -	\$137.6 (137.5)
Requisitions Cleared for Purchase	\$2961.2 (2950.5)	\$1574.1 (1563.3)	\$1212.2 (1213.3)	\$42.9 (42.9)	- -	\$132.0 (131.0)
Obligations (Purchases)	\$2895.8 (2889.0)	\$1551.8 (1545.7)	\$1189.0 (1189.8)	\$42.8 (42.8)	\$8.1 (7.9)	\$104.1 (102.8)
Deliveries to Foreign Governments at U. S. Ports*	\$1292.5 (1268.7)	\$897.8 (880.4)	\$363.2 (356.8)	\$18.3 (18.3)	- -	\$13.2 (13.2)

*Deliveries to foreign governments at U. S. Ports do not include the tonnage that is either in storage, "in-transit" storage, or in the port area for which actual receipts have not been received from the foreign governments.

Note: Figures in parentheses are those shown on report of September 15, 1943.

EXPLANATION OF DIFFERENCES.

The reductions in Requisitions Cleared and Obligations for Russia is a result of cancellations and amendments to contracts.

J. J. O'Connell, Jr. 108
~~Mr. [unclear]~~
~~Mr. [unclear]~~

The Secretary asked
me to look this over
before it is sent. I have
and it seems all
right. But I suggest
we watch our use
of the Capital "I" with
which every sentence
and every paragraph
begins. There are other
[unclear] the keyboard.

September 29, 1943

My dear Mr. Well:

I have been giving considerable attention to the problems of post-war employment and production which you refer to in your letter of August 30.

I realize that sharp declines from war-peaks of factory employment and wages may follow the termination of war contracts. I am advised that the Bureau of Labor Statistics in its post-war studies has arrived at estimates substantially the same as those given in your letter.

I agree with you that purchasing capacity must be maintained in order to avoid severe depression during the transition period and to enable us to move on to high levels of production and employment during the post-war years. It is certain that only adequate consumer income can sustain the markets for manufactured goods which will be sufficient to maintain high levels of production and employment.

I am sure that from the study your Committee has already given the subject, you are keenly aware of the

- 2 -

scope and complexity of the problems which we must face during the demobilization and readjustment period and the years following. I should hardly attempt at this time to convey specific suggestions for the solution of these manifold problems. I do share the opinion, however, that we have reached the stage where it is urgent that government, labor and industry draw closer together to develop consistent and adequate policy, and then move on to concrete plans. I hope that in the very near future the work in this field will become better coordinated and that the Treasury Department will have the opportunity of obtaining in more detail the viewpoints and suggestions of yourself and other representatives of labor.

Yours very truly,

(Signed) H. Morganthau, Jr.

Secretary of the Treasury.

Mr. Matthew Woll
Chairman, A.F. of L. Committee
on Postwar Planning
American Federation of Labor Building
901 Massachusetts Avenue, N.W.
Washington 1, D. C.

TJL:ims
9/27/48



AMERICAN FEDERATION OF LABOR

Executive Council

President, WILLIAM GREEN

Secretary-Treasurer, GEORGE MEANY

A. F. of L. Building, Washington, D. C.

First Vice-President, WILLIAM L. HUTCHINGS

Corporation Bldg., Indianapolis, Ind.

Second Vice-President, MATTHEW WALK

475 Lexington Ave., New York, N. Y.

Third Vice-President, JOSEPH M. WEAVER

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777 East Michigan St., Indianapolis, Ind.

Seventh Vice-President, HARRY C. RABINOVITZ

615 Fifteenth St., N. W., Washington, D. C.

Eighth Vice-President, W. D. MASON

385 Varco Highway, East, Decatur, Mich.

Ninth Vice-President, FELIX H. KROGER

409-413 Commerce Bldg., Kansas City, Mo.

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423 Battery Building, Buffalo, N. Y.

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Marble City Bldg., Washington, D. C.

Twelfth Vice-President, W. C. DUNN

Delaware at Twelfth Street, Indianapolis, Ind.

Thirteenth Vice-President, W. C. DUNN

100 A. F. of L. Bldg., Washington, D. C.

AIRMAIL TELETYPE NATIONAL 3870-1-2-3-4
CABLE ADDRESS AFEL.

Washington, D. C. August 30, 1943

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

My dear Mr. Secretary:

There is a labor problem which seems designed to impede expansion of industry after the war and to contribute to depression. Basic wage rates have not increased in proportion to increased productivity, nor in accord with employers' ability to pay, nor to absorb increased costs of living. Only by working longer hours per day and per work week have wage earners been able to meet increases in the costs of living to which have been added increased taxes and savings for war stamps and bonds.

With cancellation of war contracts the workweek will return to normal standards - 40 hours maximum. Basic wage rates will be little above the 1941 level while the price level will remain at the war level if controls are retained or will rise higher if controls are lifted. Workers will again be caught in the economic pincers. There will be a decline of approximately one-third in factory employment and the drop in weekly hours with the loss of overtime will result in a decline of 10 percent in average hourly earnings. It is estimated that the annual take-home will be about half that of 1943-44 level. National income will drop below what is necessary to maintain maximum employment.

We cannot afford to let this happen. Workers and many employers are looking forward to promised "full employment" but how can that be realized unless the incomes of consumers keep pace with production and technical progress? Only by increasing standards of living for all, can we carry wartime levels of income over to peacetime.

May I ask you to give this problem consideration and let my committee and me have your suggestions at your early convenience.

Respectfully yours,

William Green
Chairman
A. F. of L. Committee on Postwar Planning

25

September 10, 1943.

Dear Mr. Wells:

In the absence of the Secretary, I am acknowledging your letter of August 30. As soon as Mr. Mergenthau returns to the office, I shall be very glad to bring your communication to his attention.

Sincerely yours,

(Signed) H. S. Klotz

H. S. Klotz,
Private Secretary.

Mr. Matthew Wall,
Chairman, A.F. of L. Committee on
Post-war Planning,
American Federation of Labor Building,
901 Massachusetts Avenue, N.W.,
Washington, 1, D. C.

KP/dbs

NOT TO BE RE-TRANSMITTEDU.S. SECRET
BRITISH MOST SECRETCOPY NO. 13OPTEL NO. 321

Information received up to 10 A.M. 29th September.

1. NAVALCORSICA. On 28th one of H.M. Submarines damaged a ship off Bastia.DODECANESE. Some Italian E-boats have been destroyed during air attacks on Leros and considerable damage done to the dockyard.2. MILITARYITALY. To 1600A 28th. 5th Army. On 27th U.S. and British forces drove the Germans from the area of Avellino and from the heights Northwest of Salerno respectively. On the 28th a United Kingdom armoured Brigade advanced into the plain of Naples entering Castellammare and moving towards Pagani just Northwest of Nocera. Pompeii and Scacata, a village to the East of Pompeii, are in our hands. 8th Army. On the 27th 4th armoured brigade captured Foggia and its group of airfields. Other formations moved up to support this advance. On the 28th our patrols entered San Severo and Lucera.3. AIR OPERATIONSWESTERN FRONT. 27th/28th. Hanover. 2198 tons dropped in 29 minutes including 279 4,000 pound H.E. and 1226 tons of incendiaries. 4 U.S. Fortresses also dropped 9 tons H.E. Weather cloudless, good visibility, crews could see ground detail and distinctive landmarks. Good concentration of marker bombs obtained in built-up area. Most crews used these for their bombing. Town reported well alight towards end of attack with dense columns of smoke rising to high altitude. Searchlights very active working with numerous fighters using flares. 2 enemy aircraft claimed destroyed. 38 bombers missing including one Fortress. 28th/29th. 4 Mosquitos bombed Cologne and 3 Gelsenkirchen.ITALY. 27th. Mustangs bombed a road junction at San Severo and troop concentrations in that area. Other Mustangs destroyed or damaged 9 aircraft on Viterbo Airfield and 5 seaplanes at Lago di Braccirno Northwest of Rome. One JU.52 was destroyed in the air.AEGEAN. 26th/27th. 4 Wellingtons bombed warehouses and the quay at Syros (Kykklades). 27th/28th. Medium bombers started fires on one of the Cretan airfields.DODECANESE. 27th. 15 escorted JU.88's bombed Kos rendering the landing ground unserviceable. Spitfires destroyed one and damaged another. 2 Spitfires missing. 8 Heinkel bombers preceded by a strong force of M.E. 109's bombed Leros Harbour destroying 2 Italian seaplanes on the water and damaging a seaplane hanger.

September 30, 1943.

Memorandum to The President:

The tax plan put before you contemplated an individual tax increase of \$6.6 billions, of which \$3.6 billions was refundable after the war, leaving a net permanent tax increase of 3 billion dollars. I would like to see the refundable part of this tax program decreased and the permanent tax program increased, leaving the same gross total of \$6.6 billions.

I suggest that the refundable part of the tax be reduced from \$3.6 billions to \$2.0 to \$2.5 billions. My reason for making this suggestion at this late date is that the lower amount can be explained as a substitution for the eliminated Victory Tax post-war refund and will not be so inconsistent with statements made during the bond drive that if the American people adequately responded to the voluntary savings program there would be no compulsory savings.

Will you let me know if you agree with this change?

Henry Morgenthau, Jr.

Secretary of the Treasury.

(Dictated to comply with the Secretary's
telephoned request.)

FORM 4413
TREASURY DEPT.

U. S. COAST GUARD

9/30/43

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SECTREAS WHILE ABSENT FROM WAHN

SECTREAS OFFICE

TEXT

COMDT CG

TED GAMBLE OFFICE OF SEC OF TREAS X MY VERY
HEARTIEST CONGRATULATIONS ON OUR PASSING 15 BILLION MARK X WAR
FINANCE COM HAS DONE A SUPERB JOB UNDER YOUR LEADERSHIP
Y I AM VERY PROUD OF MY TREASURY FAMILY X
COPY TO MRS KLOTZ BT 301933

3

TOD 1938 30SEPT43 AK .M
OPERATOR'S RECORD AND DATE

OFFICIAL INITIALS

s b

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

HONORABLE BERNARD SAMUEL,
MAYOR OF THE CITY OF PHILADELPHIA,
PHILADELPHIA, PENNSYLVANIA

SEPTEMBER 30, 1943

OUR WAR FINANCE COMMITTEE OF NEW YORK HAS BEEN CORRESPONDING WITH THE COMMANDANT AT WEST POINT CONCERNING THE TRANSFER OF THE ARMY NAVY GAME FROM WEST POINT WHERE IT IS SCHEDULED TO BE PLAYED TO THE YANKEE STADIUM. THEY HAVE REQUESTED OUR HELP IN THIS CONNECTION. OUR ONLY INTEREST OF COURSE IS THAT THE GAME BE PLAYED IN A LARGE CITY WHERE IT WILL AID OUR PROGRAM MATERIALLY IF SUCH A MOVE IS PRACTICAL. IF THIS MATTER IS DISCUSSED WITH THE WAR DEPARTMENT WE WILL PUT IT ON THAT BASIS AND NOT MAKE IT A REQUEST FOR NEW YORK CITY.

HENRY MORGENTHAU, JR.
SECRETARY OF THE TREASURY

116 ✓
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FROM TED R GAMBLE
BUREAU WAR FINANCE DIVISION
CHG. APPROPRIATION EXPENSES OF LOANS

U. S. GOVERNMENT PRINTING OFFICE 10-1723

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PHILADELPHIA PENN SEP 29 1943 521P

HENRY MORGENTHAU

SECRETARY OF THE TREASURY

PRESS REPORTS ORIGINATING IN NEWYORK STATE TREASURY DEPARTMENT
INVESTIGATING POSSIBILITIES OF ARMY NAVY GAME BEING PLAYED IN
NEWYORK FOR WAR BOND PURPOSES STOP ARMY AND NAVY ARE UNDER
CONTRACT WITH CITY OF PHILADELPHIA TO PLAY GAME IN MUNICIPAL
STADIUM HERE STOP ATHLETIC ASSOCIATION OF BOTH SERVICE SCHOOLS
HAVE INDICATED ~~THEIR~~ PREFERENCE FOR PHILADELPHIA AS SITE OF GAME
STOP NOT ONLY HAS THIS CITY FIRST AND LEGAL CLAIM TO THE GAME BUT
EVERY OTHER CONSIDERATION OVER NEWYORK IF STAGED FOR WAR BOND
PURPOSES STOP YANKEE STADIUM SEATS LESS THAN SEVENTY-FIVE THOUSAND
PHILADELPHIA STADIUM ONE HUNDRED AND TWO THOUSAND THEREFORE THOUSANDS
MORE WAR BOND PURCHASERS CAN BE REACHED STOP I PROTEST STRONGLY
AGAINST THE SHIFTING OF THIS GAME TO THE NEWYORK STADIUM
BERNARD SAMUEL MAYOR OF PHILADELPHIA.

806 AM SEP 30 1943.

YOUNG & RUBICAM, INC.
Advertising

NEW YORK · CHICAGO · DETROIT · SAN FRANCISCO · HOLLYWOOD · MONTREAL · TORONTO

September 30, 1943

NEW YORK · 285 Madison Avenue

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

My dear Mr. Morgenthau:

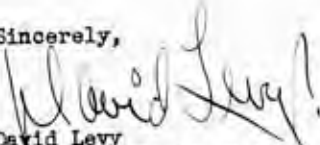
Yesterday I was agreeably surprised and distinctly honored to receive from you a citation in connection with the National War Savings Program.

I am delighted to accept this citation on behalf of the members of the WE THE PEOPLE staff who have shared with me the pleasure of working with you.

It is hanging now in a conspicuous spot in my office.

Kindest regards.

Sincerely,


David Levy
Director, "We The People"

DL:df

NO 8 WY 2 100 0 0

RECEIVED
OFFICE

HM Jr's speech at Missouri Valley Bridge
and Iron Works, Evansville, Indiana, on
9/20/43

119

transcribed Speech -

- 1 -

9/30/43 120
9/29/43

I AM HAPPY TODAY TO BE IN THE LARGEST INLAND SHIPYARD IN THE UNITED STATES--PERHAPS IN THE WORLD.

HERE IN INDIANA, ON THE BANKS OF THE OHIO RIVER, WE ARE IN THE MIDST OF CORN AND WHEAT FIELDS. NEVERTHELESS, ~~+~~ THOUSANDS^{of} PEOPLE ARE AT WORK HERE, DAY AND NIGHT, BUILDING SHIPS--HELPING TO CREATE THE LARGEST, MOST COMPLETE, MOST ADEPT FLEET IN HISTORY; A NAVY OF EIGHTEEN THOUSAND SHIPS.

WE ARE BUILDING HERE WHAT THE NAVY DEPARTMENT CALLS THE OHIO RIVER NAVY, BECAUSE SO MANY OF THESE NEW SHIPYARDS LIE ALONG THE SHORES OF THE OHIO.

IN A FEW MINUTES, ~~BEFORE~~^{AFTER} THIS BROADCAST, I^{SHALL} PARTICIPATE IN LAUNCHING A LARGE, STRANGE-LOOKING CRAFT KNOWN TO THE NAVIES OF THE UNITED NATIONS AS AN LST. THESE LST'S, OR LANDING SHIPS FOR TANKS, ARE AS LARGE AS A DESTROYER. THEY CAN CARRY TANKS AND HEAVY EQUIPMENT AND TROOPS TO ANY BEACH-HEAD IN ANY PART OF THE WORLD.

LST'S ARE IMPORTANT NOT ONLY BECAUSE OF THE STUPENDOUS JOB THEY ARE DOING IN THE WAR, BUT BECAUSE THEY SYMBOLIZE THE INITIATIVE OF THE DEMOCRACIES.

WORKING WITH THE BRITISH, WE DESIGNED AND BUILT THEM AFTER THE START OF THE WAR, BECAUSE A NEED FOR THEM AROSE.

I SHOULD LIKE TO TELL YOU HOW THEY CAME INTO BEING. IT IS AN IMPORTANT STORY, BECAUSE IT SHOWS THAT WE OF THE UNITED NATIONS HAVE NO MAGINOT LINE COMPLEX. WE DON'T DRAW UP FANCY PLANS FOR DEFENSE IN TIMES OF PEACE, AND THEN MULISHLY REFUSE TO ADJUST OUR THINKING TO A NEW KIND OF WAR.

ON OCTOBER 22, 1941, ENGLAND WAS REELING FROM THE MERCILESS HAMMERING IT HAD TAKEN FROM THE SKIES. IT SEEMED THAT ALMOST ANY DAY THE GERMANS WOULD STRUT INTO THE BRITISH ISLES, ON THEIR WAY TO AMERICA AND THE OTHER LANDS THEY COVETED. HOWEVER, THE BRITISH ADMIRALTY, FAR FROM THINKING ONLY OF DEFENSE, WAS EVEN THEN THINKING OF ATTACK.

ON THAT DAY, OCTOBER 22, VICE ADMIRAL J. W. S. DORLING, WHO REPRESENTED THE ADMIRALTY IN THE UNITED STATES, HAD A CRYPTIC CABLE FROM BRITISH HEADQUARTERS. I HAVE SEEN THAT CABLE. IT CONTAINED LESS THAN 200 WORDS. IT SAID THE ADMIRALTY MUST HAVE A TANK LANDING CRAFT OF CERTAIN SPEED, CERTAIN CAPACITY, WITH ENOUGH ENDURANCE TO CROSS THE ATLANTIC ON ITS OWN, AND WITH ENOUGH FLEXIBILITY TO OPERATE IN SHALLOW WATER UNDER DIFFICULT BEACHING CONDITIONS.

BACK OF THIS REQUEST LAY THE DISCOVERY BY THE BRITISH THAT THE GERMANS HAD FOUND NEW WAYS OF USING TANKS, AND HAD DESIGNED NEW, HEAVY TANKS FOR LAND OPERATIONS. HERE WAS A THREAT THAT DEMANDED A REMEDY AT ONCE--AND THE REMEDY COULD ONLY BE TANKS BIGGER AND BETTER THAN THE ENEMY'S.

BUT THAT WAS ONLY HALF THE PROBLEM. IF BRITAIN WAS TO USE SUCH TANKS AS ATTACK WEAPONS, THEY WOULD HAVE TO *transport* ~~one more~~ THEM TO THE FIGHTING FRONTS. THAT CALLED FOR A SHIP THAT COULD BE UNLOADED RAPIDLY AND UNDER FIRE, UNLOADED WITH THE EQUIPMENT READY TO GO--WITH THE GUNS FIRING.

ADMIRAL DORLING PUT ON HIS HAT AND WENT TO SEE REAR ADMIRAL EDWARD COCHRAN, NOW CHIEF OF OUR BUREAU OF SHIPS.

BY NOVEMBER 5th, OUR BUREAU OF SHIPS HAD THE FIRST SKETCHES READY. A MISSION FROM GREAT BRITAIN -- MEN WHO HAD SEEN WHAT HAPPENS WHEN YOU TRY TO LAND TROOPS AND EQUIPMENT ON ENEMY TERRITORY -- CAME OVER TO CONFER.

OUR OWN NAVY SHIP-BUILDING PROGRAM WAS IN FULL SWING. EVERY AVAILABLE FACILITY WAS IN USE. THERE WAS NO PLACE WHERE WE COULD BUILD THIS NEW SHIP.

BUT THE NAVY FOUND NEW SOURCES, AND CREATED NEW SHIPYARDS IN LAND-LOCKED AREAS. IT FOSTERED THE HIRING AND TRAINING OF THOUSANDS OF MEN AND WOMEN WHO HAD NEVER SEEN A SHIP. NEW FACILITIES WERE CONSTRUCTED PRACTICALLY OVER-NIGHT IN CORNFIELDS, ALONG RIVERS AND INLAND STREAMS. IN ONE CASE THERE WAS NOT EVEN TIME TO BUILD BUILDINGS. THE CONTRACTORS STARTED TO WORK IN TENTS, BUT BY OCTOBER 1942 THE FIRST LST WAS READY.

THAT IS THE STORY OF HOW YOU CAME TO HAVE A SHIPYARD HERE IN EVANSVILLE. YOU WERE CHOSEN BECAUSE YOU KNEW STEEL; YOU KNEW HOW TO HANDLE IT.

I TALKED YESTERDAY WITH A NAVAL OFFICER WHO WAS AN EYE-WITNESS OF THE BATTLE OF MUNDA. LET ME TELL YOU A LITTLE OF WHAT HE TOLD ME ABOUT THESE LST'S--THE ONES YOU BUILT HERE-- AND WHAT THEY DID AT MUNDA, IN THE SOUTH PACIFIC.

JUST BEFORE DAWN, OUR FAST DESTROYERS SWUNG IN TOWARD RENDOVA BEACH. THEY PUT THEIR PERSONNEL LANDING CRAFT OVER THE SIDE -- THE SMALLEST ONES, ~~THESE~~ ~~CAN BE SEEN HERE IN THE SANDS~~ -- AND IN THEM THE MARINES WENT ASHORE TO GAIN THEIR BEACH HEAD.

A LITTLE AFTER SUNRISE THE TROOP TRANSPORTS FOLLOWED THE DESTROYERS IN. THEIR JOB WAS TO PUT THE SECOND WAVE OF MEN ASHORE, IN LARGER LANDING CRAFT. THE LANDING BOATS WERE IN THE WATER, LOADED WITH MEN, BEFORE THE SHIPS STOPPED--THEY WERE ACTUALLY ON THEIR WAY IN TO THE BEACH BEFORE THE TRANSPORTS HAD LOST HEADWAY. EQUIPMENT WAS LANDED. THE BIG AMPHIBIOUS TRACTORS SWAM ASHORE UNDER THEIR OWN POWER.

THEN, THE FOLLOWING MORNING, THE BIG LST'S MADE THEIR LANDING AT RENDOVA AND REALLY POURED IN THE SUPPLIES. DOWN WENT THE RAMPS, AND OUT ROLLED THE TANKS AND THE BIG GUNS.

EVERY PHASE OF THE ACTION DEPENDED ON LANDING CRAFT!

ALL OF THOSE LANDING CRAFT--THE LITTLE ONES, THE MEDIUM-SIZED ONES AND THE BIG LST'S--ARE EQUIPMENT THAT WE DESIGNED AND BUILT AFTER THE UNITED NATIONS WERE WELL INTO THE WAR.

THE THOUSANDS OF ALLIED LANDING CRAFT THAT HAVE SWARMED ASHORE THESE PAST FEW WEEKS--AT RENDOVA, AND ATTU, AND KISKA; IN SICILY AND ITALY-- LIVED ONLY IN THE MINDS OF ALLIED MILITARY AND NAVAL EXPERTS 20 MONTHS AGO.

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IN BARELY A YEAR AND A HALF YOU PEOPLE HERE, AND MEN AND WOMEN IN OTHER SHIPYARDS LIKE THIS, HAVE BROUGHT TO A CLIMAX ONE OF THE MOST COMPLEX CONSTRUCTION PROGRAMS IN THE HISTORY OF NAVAL SHIPBUILDING. NEVER BEFORE HAS A BUILDING PROGRAM OF SUCH SCOPE BEEN ATTEMPTED IN SO SHORT A TIME.

FOR THIS, YOU AND ALL THE REST OF THE PEOPLE WHO ARE BUILDING SHIPS ARE TO BE CONGRATULATED. YOU HAVE EARNED THE DEEPEST GRATITUDE OF YOUR NATION.

I AM DELIGHTED TO KNOW ALSO THAT YOU ARE DOING A GOOD JOB OF BUYING THE BONDS THAT PAY FOR THE SHIPS. SHIPYARDS ALL ACROSS THE COUNTRY HAVE MADE HIGH BOND RECORDS. YOUR RECORD, HERE, IS VERY GOOD.

I AM GLAD OF THAT BECAUSE NO AMERICAN IS LIKELY TO ENJOY EASE OF CONSCIENCE OR PEACE OF MIND UNLESS HE MEETS HIS BOND RESPONSIBILITY IN FULL. HE WILL HAVE DONE HIS PART ONLY WHEN HE REALLY FEELS PINCHED, REALLY KNOWS HE HAS GIVEN UP SOMETHING.

HE CAN KEEP FAITH WITH HIS FELLOW-MEMBERS OF OUR DEMOCRATIC SOCIETY ONLY IF HE PULLS HIS SHARE OF THE LOAD, TO THE LIMIT OF HIS OWN STRENGTH. FOR A DEMOCRATIC SOCIETY IS FOUNDED ON THE PREMISE THAT EACH OF ITS MEMBERS VOLUNTARILY, WILL PLAY HIS ESSENTIAL PART.

WE HAVE KEPT THE WAR BOND PROGRAM ON A VOLUNTARY BASIS EVER SINCE ITS INCEPTION BECAUSE IT AFFORDS A MEANS BY WHICH EVERY AMERICAN CITIZEN CAN PLAY A DIRECT PART, IN OUR GREAT NATIONAL ENTERPRISE OF HIS OWN FREE WILL.

IT IS THE ONE AVENUE OF NATIONAL SERVICE OPEN TO EVERYBODY. BECAUSE OF THIS, THE BOND PROGRAM IS A GREAT UNIFYING INFLUENCE ON THE HOME FRONT.

AN HOUR AGO I HAD WORD FROM THE TREASURY IN WASHINGTON. AT ELEVEN O'CLOCK THIS MORNING WE MET AND PASSED OUR NATIONAL QUOTA OF 15 BILLION DOLLARS.

WE STILL HAVE TWO DAYS TO GO.

WHAT HAPPENS TOMORROW AND SATURDAY WILL MEASURE FOR US THE PATRIOTISM OF THE AMERICAN PEOPLE--AND, MORE THAN THAT, MEASURE FOR US THE NATION'S UNDERSTANDING OF THE PRINCIPLES INVOLVED IN THIS WAR.

WE KNOW, NOW, WHY WE ARE FIGHTING.

THIS IS NO LONGER A WAR OF DEFENSE--IF IT EVER WAS SUCH A WAR! NOR IS IT ANY MERE WAR OF RESISTANCE AGAINST AGGRESSORS.

THIS WAR IS A STRUGGLE BETWEEN TWO WAYS OF THOUGHT.

THE LESSON WE HAVE IN MIND FOR THE DICTATORS IS THAT OUR WAY OF LIFE, OUR DEMOCRATIC PRINCIPLE CAN AND WILL BEAT THEIRS -- HAS CRUSHED THEM IN THE PAST, WILL BLAST THEM THIS TIME, WILL HALT THEM IF THEY EVER AGAIN DARE TO CHALLENGE IT!

OUR EVERY WORD, OUR EVERY DEED MUST REAFFIRM THAT OUR ARMIES ARE IN FACT THE PEOPLE'S ARMIES, THAT THE WORLD OF OUR FUTURE WILL BE IN FACT A WORLD FOR ALL THE PEOPLE, ALL OF THE TIME.

WE KNOW WHY WE ARE FIGHTING.

THIS WAR IS OUR PASSAGE TO THE FUTURE!

LET US, IN THE LONG, GRIM MONTHS TO COME -- MONTHS
WHICH WILL BRING US BAD NEWS AS WELL AS GOOD -- MAKE SURE
THAT VICTORY WILL BE OURS.

LET US BACK THE ATTACK.

THANK YOU.

WHITE STONE HOUSE ROUTE 1 ACCORD, NEW YORK

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9/30/43-

Dear Mrs. Klotz:

Here are some early drafts of the
Evansville, Indiana speech, for your files.

I am sure you join with me in commend-
ing the wire services and newspapers for
reprinting those parts of the speech which we
wrote and dismissing the garbage inserted by
certain other people.

It might be profitable to call this fact
to the attention of Mr. F. Smith as a guide to
his future actions and a hint that we are to be
treated with much greater respect.

Best !

Wm. F. Smith

Sept 18 1948

Before sunset tonight the Treasury in Washington will be able to announce that our fifteen-billion-dollar quota for the Third War Loan Drive has been achieved.

We still have two days to go. What happens tomorrow and Saturday will ~~stand as the~~ ^{for us} measure of the patriotism of the American people -- and, more than that, the measure of the ^{nation's} ~~people's~~ understanding of the principles involved in this war.

We know now why we are fighting. This is no longer a mere war of defense -- if it ever was such a war. It is no mere war of resistance against aggressor nations.

This war is a ^{struggle} ~~war~~ to the death between two ways of thought.

One way of thought maintains that the people are contemptible slaves who must be disciplined and held in check by a superior class of rulers. The other way of thought holds that the people can and ought to govern themselves; because they best know their own needs.

What is at stake in this war is the great principle established in the people's revolutions of the past century and a half.

Thus when we say that we of the United Nations must and will beat Germany and Japan to their knees, in unconditional surrender, we are not merely boasting that our soldiers will beat their soldiers. We ^{definitely} ~~intend~~ far more than that.

The lesson we have in mind for tyrants is that our way of life, our democratic principle will beat theirs -- has crushed them in the past, will blast them this time, will ^{restrain} ~~control~~ them if they ever again dare to challenge it. Our every word, our every deed must reaffirm that our armies are in fact the people's armies, that the

Sept 28 129

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^{will be}
world of our future ~~is~~ in fact a world for all the people, all of the time!

We are not fighting for any ~~conceivable, imaginable return to~~ ^{relapse into} the dead past -- that past in which, as the Hot Springs Conference reminded us, ~~there was~~ ^{there was} never ~~was~~ enough food for the health of all people.

We are fighting for -- passage to the future!

America is awake to the meaning of this war. The great giant ~~that~~ Hitler hoped would ~~drawse forever~~ ^{drawse forever} is alert and striding into action. Our Navy has grown from a thousand ships to fourteen thousand. Our Army is ~~powerful~~ ^{powerful}. Our supplies of weapons and ammunition are vast. The ~~news~~ ^{we read} in the papers is good.

But it must never be forgotten that we are only beginning to fight, and that bad news must come along with good.

It is necessary to remember, as I have pointed out before, that in Sicily alone we lost ~~over one-half~~ ^{half} of ~~certain types of~~ ^{some of the} equipment ~~that we~~ ^{we} used. It is necessary to remember that we will not be able to land an army of five million men in Europe before December of next year.

It is necessary to remember that ~~since~~ ^{and} we have lost 58 combatant Navy vessels ~~and~~ more than four thousand Navy airplanes. Four aircraft carriers, nine cruisers, and more than thirty destroyers are now ~~resting~~ at the bottom of the sea.

Let us remember -- above all -- that the strategy and tactics of our Navy and Army are limited by our rate of production. The Navy and Army decide what kind of military units they need, and how many, for a given job -- the invasion of Italy, or whatever it may be. Industry tells them how much equipment is on hand. Then the

Factors
two ~~things~~ are balanced.

Battle plans depend on output. The number of soldiers and sailors whose lives we sacrifice depends on output. Morale depends on output. Every victory, small and large, depends on output.

everybody knows
And there is a direct connection between the output of weapons and supplies and the War Bonds with which your government pays for those weapons and supplies.

Our losses on land, on sea, in the air are bound to increase from now on -- in ever mounting totals the closer we get to Germany in the long and costly drive up the Italian Peninsula which we are only just beginning.

There will be mounting losses in the Pacific the nearer we approach the Island of Japan.

There will be losses of life. There will be losses of materials. *and factories therefore have*
You men and women in shipyards ~~have~~ a double responsibility. You must build the equipment, and you must do much to help pay for it.

In both of these ~~things~~ *responsibilities* you have an ~~enormous~~ *unrivalled* record, ~~along~~ *along*
~~with labor as a whole.~~
~~people all over the world are building ships.~~

~~For~~
In the days when our best hope was to build ships faster than Hitler's submarines could sink them, the ship yards ~~saw us through.~~
You men and women who built the ships kept Hitler from starving England out of the war. *If England had not held, no one*
knows where we should be now.

And now that our days of agonized waiting are over, and we are entering upon our invasion of Europe, your work is of equal importance. *these*
These landing ships that I see here -- LST's, ~~as the Navy calls them~~ -- are a case in point.

I am here in Evansville today because these LST's are ^avirtually ~~the best~~ ^{symbol} of the war ^{as} ~~which~~ we must ^{fight it} ~~begin~~ from now on. In the ~~first place~~ ^{fast-moving} they symbolize American initiative. We designed and built them after we got into the war, as the need for them arose. That is the sort of ~~mechanical~~ ^{fast-moving} ingenuity that the Germans and Japanese do not have -- and it may well be a determining factor in our winning the war. ^{II} In the second place, these landing ships are the very ^{symbol} of invasion. Big and powerful enough to cross the ocean under their own power, crammed with tanks ready to roar into action the moment they ~~come~~ ^{drop} touched shore and the ramp ~~comes~~ ^{drops} down, they are the Trojan Horses of ^{our invasion of Europe} ~~mechanized warfare~~.

What the ~~the~~ LST's have already achieved in Sicily and Italy, what they will accomplish from now on, may well be a ^{cause} ~~justification~~ for pride ~~here~~ among you ~~men and women~~ ^{who} make them. America is building a Navy, here in the Middle West, a thousand miles and more from any coast, on the banks of the Ohio!

But the ships you have built have not been your whole contribution towards the victory ~~that is on the way~~ ^{we will win one day}.

I said that America is ^{the} ~~now~~ awake ^{to} the meaning of ~~this~~ war. Let me prove it to you with some figures. ^{Workers} ~~Those who are enrolled~~ under the Payroll Savings plan in the shipbuilding industry are putting more than eleven percent of their pay into War Bonds week after week, month in and month out. During this Third War Loan the people who build ships have bought hundreds of thousands of extra Bonds

~~(figure)~~

Are your figures ~~the~~ are ()

Bel Air Shipyard in South San Francisco, with 2,500 employees, has bought \$222,000 worth of Bonds.

Willamette Iron and Steel Company in Portland, Oregon, with 17 thousand employees, ~~to~~ has ^{forecast} its payroll deductions to 30 per cent - plus cash sales.

The Kaiser shipyard in Vancouver, Washington has sold about three quarters of a million dollars worth of Bonds.

These are comparable figures throughout industry as a whole. Let me give you a few:

Every one of ~~the~~ ^{more than} 10 thousand employees of Loew's, Incorporated has bought an extra Bond over + above payroll deductions.

In the home office of the American Telephone and Telegraph

Company in New York City 313 employees ~~to~~ have bought \$41,650

- 6 -

worth of Bonds over & above
payroll deductions.

~~The~~ Jones + Laughlin Steel
Company in Pittsburgh has
raised more than a million dollars
over payroll deductions.

43 companies in Rochester New
York have raised more than \$15,000,000.
They think they can make it ~~\$7,000,000~~
seven million.

Here in Evansville

(figures for 2 local plants)

~~As you know,~~

Before sunset tonight the Treasury in Washington will be able to announce that our fifteen-billion-dollar quota for the Third War Loan Drive has been achieved.

We still have two days to go. What happens tomorrow and Saturday will measure for us the patriotism of the American people -- and, more than that, ^{it will} ~~the~~ measure of the Nation's understanding of the principles involved in this war.

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One way of thought maintains that the people are contemptible slaves who must be disciplined and held in check by a superior class of rulers. The other way of thought holds that the people can and ought to govern themselves; because they best know their own needs.

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The lesson we have in mind for tyrants is that our way of life, our democratic principle will beat theirs -- has crushed them in the past, will blast them this time, will restrain them if they ever again dare to challenge it. Our every word, our every deed must reaffirm that our armies are in fact the people's armies, that the world of our future will be in fact a world for all the people, all of the time!

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You men and women in shipyards and factories therefore have a double responsibility. You must build the equipment, and you must do much to help pay for it.

In both of these responsibilities you have an unrivalled record, along with Labor as a whole.

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And, now that our days of agonized waiting are over, and we are entering upon our invasion of Europe, your work is of equal importance. These landing ships that I see here -- these LST's, are a case in point.

I am here in Evansville today because these LST's are a symbol of the war as we must fight it from now on.

They symbolize American initiative. We designed and built them after we got into the war, as the need for them arose.

That is the sort of fast-moving ingenuity that the Germans and Japanese do not have -- and it may well be a determining factor in our winning the war.

In the second place, these landing ships are the very symbol of invasion. Big and powerful enough to cross the ocean under their own power, crammed with tanks ready to roar into action the moment they touch shore and the ramp drops down, they are the Trojan Horses of our invasion of Europe.

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Jones and Laughlin Steel Company in Pittsburgh has raised more than a million dollars over payroll deductions.

43 companies in Rochester, New York have raised more than \$5,000,000. They think they can make it seven million.

Here in Evansville (figures for two local plants).

First page of Draft

I am in Indiana, through whose
green hills #4/140

I am proud today to be in the largest Inland Shipyard in the United States, ~~perhaps in the world?~~ ~~For here beside me runs the Ohio River, but then~~ *on all sides of me* For a thousand miles or more there is nothing but land, cornfields, wheat fields, cities and towns. [But, nevertheless, a total of thirty thousand people are at work here day and night building ships. Helping to build our Navy into the largest and most complete and most adept fleet in the Universe. Here in Indiana we are helping to replace those 58 ~~large~~ *major* ships and those hundreds of smaller craft that ~~lay~~ *lie* rusting in the sea -- ships that have been lost in our struggle, which is ~~beginning~~ *becoming* a more successful every day, to overpower and annihilate the forces of Fascism and Nazism.

~~It may come as a surprise to many Americans that we are building a Navy here in Indiana, so far from the sea.~~ *Here today* We are building what the Navy Department called the Ohio River Navy, because so many of these new shipyards lay along the *shores of the* Ohio.

I am here in Evansville today because these Inland Yards, and the landing craft that they are building ~~is~~ the symbol of war as we Americans fight it.

A few minutes before this broadcast, I ~~was present at~~ *participated in* the launching of a large, strange looking craft known to the Navy of the United Nations as the LST's. These are large ships, as large as a Destroyer. They were built to carry tanks and heavy equipment and troops to any beach head in the world where United Nations landings were taking place.

These LST's are not only important because of the stupendous job they are doing in the War, but because they symbolize Democratic initiative.

Working with the British, we designed and built them ^{almost from scratch} after we got into the war, as the need for them arose. Second, these landing ships are the symbol of invasion. Big and powerful enough to cross any ocean under their own power, crammed with tanks ready to roar into action the moment they touch shore and the ramp is lowered, they are the Trojan Horses of our invasion of Europe.

(DA)

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I should like to tell you how these LST boats were born. I think it is an important story because it illustrates that we of the United Nations have no Maginot Line complex. We don't draw up fancy plans for defense in times of peace and then refuse to adjust our sights to the kind of war we find ourselves in.

On October 22, 1941, the Island of Great Britain was being mercilessly hammered from the skies. It seemed that almost any day the hordes of Hitler would march into the British Isles on their way to America and to all the other places they coveted. However, the British Admiralty, far from being discouraged, was carefully laying plans for the attack that they knew some day they would have the opportunity to make.

On this day, on October 22, Admiral Dorling, who represented the Admiralty in the United States, received a brief and cryptic cable from British Headquarters. I saw that cable yesterday. I can not tell you exactly what it said, except that it contained less than 200 words and it stated that the Admiralty would require a tank landing craft of a certain speed, of a certain capacity, of sufficient endurance to cross the Atlantic on its own, and that it should be able to function in shallow water under certain difficult beaching conditions.

Back of this request was the discovery by the British that the Germans had found new ways of using tanks, and had designed new and exceedingly heavy tanks for land operations. Here was a threat that needed a remedy -- and the remedy could only be tanks for our side -- bigger and better than the enemies.

Unloaded with the ~~equipment~~ ^{Equipment} 143
ready to go - with the guns firing.

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But that ~~was~~ only half the story. If Britain ~~was~~ ^{were} to use such tanks as attack weapons, they would have to get them across the Channel -- and that would require some kind of a ship ~~into~~ ^{which} ~~they could be loaded and unloaded rapidly and under fire.~~ ^{could be}

The British ~~only~~ recognized the need for such a ship, but did not have time to design it, build it, or try it out. That is why they cabled Admiral Dorling. When he received the cable -- or signal -- as they call it in the Navy -- he put on his hat and ~~called upon~~ ^{went to see} Edward Cochran of our Bureau of Ships.

By November 5, the Bureau of Ships had the first sketches ready, and almost immediately a mission from Great Britain -- a group of men who had seen what happens when you try to land troops and equipment on enemy territory -- this mission from Great Britain arrived to talk over with our Bureau of Ships ~~from~~ some of the details of the new craft. And by October of the following year the first of these huge ships had been built in an American shipyard and we were on our way.

But there is more to this story that you will be interested in.

You will be interested in it because it concerns you.

While these LST's were being designed, back in October and November of 1941, we ran into another problem. A political problem this time.

Should we in this country design and build attacking craft for the British Empire to use in a war that seemed then to many Americans to be none of our business?

During this time, you will recall, Congress was bitterly debating whether or not ~~they~~ ^{we} dared ^{to} go so far as ^{to} mounting guns on our merchant ships, and it wasn't until November 17 that they passed a resolution permitting this to be done. This state of mind in our country held up progress to a greater or lesser extent on the LST's.

When it was finally decided to go ahead, we ran into another problem. Who would build these new ships?

The Navy's ship-building program was then in full swing. Every available facility was ~~then~~ ^{already} in use ~~it seemed~~. There was no place at all -- no shipyards in America that could build this new ship.

But ~~like all~~ ^{the other} problems, that ~~was~~ ^{you too} quickly licked. The Navy simply found new sources and created new shipyards in land-locked areas throughout the Nation. It fostered the hiring and training of millions of working people who had never seen a ship.

New facilities were constructed practically over-night in corn-fields, and along rivers and inland streams. In one case ~~ixxxx~~ there was not even time to build buildings, and the contractors started to work in tents. That is how you came to have a shipyard here in Evansville. You were chosen not because you could build ships, because you never knew you could; you were chosen because you had one necessary requirement. You knew steel, you knew how to

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I talked yesterday with a Naval officer who was an eye-witness of the Battle of Munda. Let me tell you a little of what he told me.

about the job that your craft - the ones you built here - did in that engagement.

Just before dawn, our fast destroyers swung in toward Rendova Beach. They put their personnel landing craft over the side -- the smallest size *(- those that we can see -)* and the Marines went ashore ~~in~~ to gain a beach-head.

Then, a little after sunrise, the troop transports followed the destroyers in. Their job was to put the second wave of men ashore, in larger landing craft. The landing boats were in the water, loaded with men, even before the ships stopped -- they were actually on their way in to the beach before the transports lost headway. Not only men were put ashore, of course.

Equipment was landed, and the big amphibious ~~tanks~~ *tractors* swam ashore under their own power. Then, the following morning, ~~the~~ *their*

~~the~~ the big ~~LST's~~ LST's ~~made~~ made a landing at Rendova and really poured in the supplies.

Down went the tanks, and out rolled the tanks and ~~the~~ the big guns.

handle it. You knew how to fabricate it. It is a great compliment to you to be able to turn your hand in this crisis to an entirely newkind of work and thus to once more bring the pressure of ~~American~~ ingenuity and genius ~~of the American people~~ against the well-prepared and well-organized Nazy and Fascist war machine.

Now, the point I want to make is this!

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All of those landing craft -- the little ones, the medium-sized ones and the big LST's -- are equipment that we designed and built after we were well into the war. The thousands of Allied landing craft that have ~~xxxxxx~~ swarmed ashore during these past few weeks -- at Rendova and Attu and Kiska, in Sicily and Italy -- existed only in the minds of Allied military and naval experts less than 20 months ago. In barely a year and a half you people here, and men and women in other shipyards like this, have brought to its climax one of the most complex construction programs in the history of Naval shipbuilding. Never before has a building program of such scope been attempted in so short a time.

Never before have such miracles been worked in the construction of the ships of War.

For this, you and all the rest of you people who are building ships for the Ohio River Navy and the Victory Fleet and the shipyards up and down our coast -- you are to be complimented -- you have earned the gratitude of this country.

But what you have done is still not enough. It is not enough simply to build ships, it is also necessary to pay for them. I understand that you here in this yard are doing a good job of that, too. You, yourselves, have paid for every tenth ship you have built, and that is an admirable record.

In other shipyards across the country, there are similar high bond records -- and I might say here and now that bond records

deferring the gratification of real desires. He will have done 149
his part only if he can count things which he has temporarily given up --
a vacation trip, a new dress, theaters, concerts, taxis. He can keep
faith with his fellow-members in a democratic society only if he pulls
his share of the load to the limit of his individual strength.
And remember this -- a democratic society is founded on the
premise that each of its members, voluntarily, will play his
essential part.

We have kept the War Bond program on a voluntary basis ever since
its inception because it affords a means by which every American citizen
can play a direct part in a great national enterprise. It is the one
avenue of national service open to everybody. Because of this, we think
that it is a great unifying influence on the home front.

invariably follow production records. The shipbuilding industry has a high bond record because the shipbuilding industry has a high production record. The two always go hand in hand.

150

But it is impossible for anyone to say that he has done enough in his bond buying until he can say to himself; "I have tightened my belt. I am not spending money uselessly. I am sacrificing to help pay for the war."

How much any individual contributes in relation to his fellow-citizens or in relation to the total required doesn't much matter. What matters is how much he contributes in relation to his own individual ability.

War Bonds are an investment -- and exceedingly sound and profitable investment. The purchase of them can be considered a sacrifice only in terms of the immediate future. It involves giving up comforts and satisfactions which you might like to enjoy today -- but giving them up only so that they will be available to you tomorrow. This entails a certain amount of self-discipline, a certain amount of self-denial. The exercise of these qualities is a matter of personal responsibility.

But I should like to say this much to you by way of guidance: No American is likely to enjoy ease of conscience or peace of mind unless he meets this responsibility in full -- meets it to the extent of

And now, in closing, I have an important announcement to make.

Before sunset tonight the Treasury in Washington will be able to announce that our fifteen Billion dollar ^{on the 2nd war loan} goal has been met.

We still have two days to go.

Evansville Speech

Recy

I am proud today to be in the largest inland shipyard in the United States -- perhaps in the World. I am in Indiana, through whose green hills runs the Ohio River. For a thousand miles or more, on all sides of me, there is nothing but land, corn fields, wheat fields, cities and towns.

But, nevertheless, a total of thirty thousand people are at work here day and night building ships. Helping to build our Navy into the largest and most complete and most adept fleet in the Universe. Here in Indiana we are helping to replace those 58 major ships and those hundreds of smaller craft that lie rusting in the sea -- ships that have been lost in our struggle, which is becoming a more successful every day, to overpower and annihilate the forces of Fascism and Nazism.

Here today we are building what the Navy Department calls the Ohio River Navy, because so many of these new shipyards lay along the shores of the Ohio.

I am here in Evansville today because these inland yards, and the landing craft that they are building is the symbol of war as we Americans fight it.

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A few minutes before this broadcast, I participated in launching of a large, strange looking craft known to the Navy^{ies} of the United Nations as the LST's. These are large ships, as large as a Destroyer.²⁴⁰ They were built to carry tanks and heavy equipment and troops to any beach head in the world where United Nations landing were taking place.

These LST's are important not only because of the stupendous job they are doing in the War, but because they symbolize Democratic initiative.

Working with the British, we designed and built them almost from scratch ~~after we got into~~ ^{the start of} the war, as the need for them arose. ~~Second, these landing ships are the symbol of invasion. Big and powerful enough to cross any ocean under their own power, crammed with tanks ready to rear into action the moment they touch shore and the ramp is lowered, they are the Trojan Horses of our invasion of Europe.~~

360

I should like to tell you how these LST boats were born.

I think it is an important story because it illustrates that we of the United Nations have no Magdot Line complex. We don't draw up fancy plans for defense in times of peace and then refuse to adjust our sights to the kind of war we find ourselves in.

On October 22, 1941, ^{pulling from the} the Island of Great Britain was being ^{in it had been} mercilessly hammered from the skies. It seemed that almost any day the hordes of Hitler would march into the British Isles on their way to America and to all the other places they coveted. However, the British Admiralty, ¹⁹⁴⁰ far from being discouraged, was carefully laying plans for the attack that they knew some day they would have the opportunity to make.

On this day, on October 22, Admiral Dörfling, who represented the Admiralty in the United States, received a brief and cryptic cable from British Headquarters. I saw that cable yesterday. I cannot tell you exactly what it said, except that it contained less than 200 words and it stated that the Admiralty would require a tank landing craft of a certain speed, of a certain capacity, of sufficient endurance to cross the Atlantic on its own, and that it should be able to function in shallow water under certain difficult ⁶⁰⁰beaching conditions.

Back of this request was the discovery by the British that the Germans had found new ways of using tanks, and had designed new and exceedingly heavy tanks for land operations. Here was a threat that needed a remedy -- and the remedy could only be

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tanks for our side -- bigger and better than the enemy's.

But that is only half the story. If Britain were to use such tanks as attack weapons, they would have to get them across the Channel -- and that would require some kind of a ship which could be unloaded rapidly and under fire. Unloaded with the equipment ready to go -- with the guns firing.

The British recognized the need for such a ship, but did not have time to design it, build it, or try it out. That is why they cabled Admiral Dorling. When he received the cable -- or signal as they call it in the Navy -- he put on his hat and went to see Edward Cochran of our Bureau of Ships.

By November 5, the Bureau of Ships had the first sketches ready, and almost immediately a mission from Great Britain -- a group of men who had seen what happens when you try to land troops and equipment on enemy territory -- this mission from Great Britain arrived to talk over with our Bureau of Ships some of the details of the new craft. And by October of the following year the first of these huge ships had been built in an American shipyard and we were on our way.

But there is more to this story that you will be interested in.

You will be interested in it because it concerns you.

While these LST's were being designed, back in October and November of 1941, we ran into another problem. A political problem this time.

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Should we in this country design and build attacking craft for the British Empire to use in a war that seemed then to many Americans to be none of our business?

During this time, you will recall, Congress was bitterly debating whether or not we dared to go as far as to mount guns on our merchant ships, and it wasn't until November 17 that they passed a resolution permitting this to be done. This state of mind in our country held up progress to a greater or lesser extent on the LST's.

When it was finally decided to go ahead, we ran into another problem. Who would build these new ships?

The Navy's ship-building program was then in full swing. Every available facility was already in use. There was no place at all -- no shipyards in America that could build this new ship.

But like the other problems, that one too was quickly licked. The Navy simply found new sources and created new shipyards in land-locked areas throughout the Nation. It fostered the hiring and training of millions of working people who had never seen a ship.

New facilities were constructed practically over-night in cornfields, and along rivers and inland streams. In one case there was not even time to build buildings, and the contractors started to work in tents. That is how you came to have a shipyard here in Evansville. You were chosen not because you could build ships, because you never knew you could; you were chosen because you had one necessary requirement. You knew steel, you knew

how to handle it. You knew how to fabricate it. It is a great compliment to you to be able to turn your hand in this crisis to an entirely new kind of work and thus to once more bring the pressure of American ingenuity and genius ^{1200 19} against the well-prepared and well-organized Nazi and Fascist war machines.

I talked yesterday with a Naval officer who was an eye-witness of the Battle of Munda. Let me tell you a little of what he told me about the job that your craft -- the ones you built here -- did in that engagement.

Just before dawn, our fast destroyers swung in toward Rendova Beach. They put their personnel landing craft over the side -- the smallest ones, those that we can see -- and the Marines went ashore to gain a beach head.

Then, a little after sunrise, the troop transports followed the destroyers in. Their job was to put the second wave of men ashore, in ^{1300 19} larger landing craft. The landing boats were in the water, loaded with men, even before the ships stopped -- they were actually on their way in to the beach before the transports lost headway. Not only men were put ashore, of course. Equipment was landed, and the big amphibious tractors swam shore under their own power. Then, the following morning, the big LST's made their landing at Rendova and really poured in the supplies. Down went the ramps, and out rolled the tanks and the big guns.

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Now, the point I want to make is this:

All of those landing craft -- the little ones, the medium-sized ones and the big LST's -- are equipment that we designed and built after we were well into the war. The thousands of Allied landing craft that have swarmed ashore during these past few weeks -- at Rendova and Attu and Kiska, in Sicily and Italy -- existed only in the minds of Allied military and naval experts less than 20 months ago. In barely a year and a half you people here, and men and women in other shipyards like this, have brought to its climax one of the most complex construction programs in the history of Naval shipbuilding. Never before has a building program of such scope been attempted in so short a time.

Never before have such miracles been worked in the construction of the ships of War.

For this, you and all the rest of you people who are building ships for the Ohio River Navy and building the Victory Fleet for the Maritime Commission and all of you who work in the shipyards up and down our coast -- you are to be complimented -- you have earned the gratitude of this country.

But what you have done and are doing is still not enough. It is not enough simply to build ships, it is also necessary to pay for them. I understand that you here in this yard are doing a good job of that, too. You, yourselves, have paid for every tenth ship you have built, and that is an admirable record.

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deferring the gratification of real desires. He will have done his part only if he can count things which he has temporarily given up -- a vacation trip, a new dress, theaters, concerts, taxes. He can keep faith with his fellow-members in a democratic society only if he pulls his share of the load to the limit of his individual strength. And remember this -- a democratic society is founded on the premise that each of its members, voluntarily, will play his essential part.

We have kept the War Bond program on a voluntary basis ever since its inception because it affords a means by which every American citizen can play a direct part in a great national enterprise. It is the one avenue of national service open to everybody. Because of this, we think that it is a great unifying influence on the home front.

And now, in closing, I have an important announcement to make.

Before sunset tonight the Treasury in Washington will be able to announce that our fifteen billion dollar quota for the Third War Loan has been met.

We still have two days to go. These next two days will stand as the measure of our patriotism -- and the measure, also of America's understanding of the meaning of this war.

An LST down among the Solomon Islands loaded up with personnel and cargo and joined a task group of other Navy craft. They put to sea and headed for an island several hundreds of miles away. Their job was simply to land the men and equipment. On the way they were dive-bombed

It is necessary to remember that we have lost 58 combatant Navy vessels and more than four thousand Navy airplanes. Four aircraft carriers, nine cruisers, and more than thirty destroyers are now rusting at the bottom of the sea.

Let us remember -- above all -- that the strategy and tactics of our Navy and Army are limited by our rate of production.

The Navy and Army decide what kind of military units they need, and how many, for a given job -- the invasion of Italy, or whatever it may be. Industry tells them how much equipment is on hand. Then the two factors are balanced.

Battle plans depend on output.

The number of soldiers and sailors whose lives we sacrifice depends on output.

Morale depends on output.

Every victory, small and large, depends on output.

And everybody knows there is a direct connection between the output of weapons and supplies and the War Bonds with which your Government pays for those weapons and supplies.

Our losses on land, on sea, in the air are bound to increase from now on -- in ever mounting totals the closer we get to Germany in the long and costly drive up the Italian Peninsula which we are only just beginning.

There will be mounting losses in the Pacific the nearer we approach the Island of Japan.

There will be losses of life. There will be losses of materials.

You men and women in shipyards and factories therefore have a double responsibility. You must build the equipment, and you must do much to help pay for it.

In both of these responsibilities you have an unrivalled record, along with Labor as a whole.

In the days when our best hope was to build ships faster than Hitler's submarines could sink them, the shipyards saw us through. You men and women who built the ships kept Hitler from starving England out of the war. If England had not held, no one knows where we should be now.

And, now that our days of agonized waiting are over, and we are entering upon our invasion of Europe, your work is of equal importance. These landing ships that I see here -- these LST's, are a case in point.

I am here in Evansville today because these LST's are a symbol of the war as we must fight it from now on.

They symbolize American initiative. We designed and built them after we got into the war, as the need for them arose.

You will recall that the keystone was his simple plot to surround Great Britain with submarines, and aircraft, and completely blockade it. "We will starve them out", he screamed, time and time again, from the Sports Palast -- and the Democracies were supposed to quake in their boots.

He was not bluffing, either, we know that. He sent his subs and his aircraft into the shipping lanes and sunk ship after ship. He sent his subs even to America -- sent one of them to the very mouth of the harbor from which supplies for England sailed.

His plan would have worked but for one thing -- the unbelievable ship-building schedule which we determined to maintain -- we of this Democracy, we who Hitler thought would simply "sit out" this war, and let him have his stubborn, bloody way at all costs.

We knew, back in the earliest days of the war, that success or failure rested upon ^{men and} getting material of war to the battle fronts and getting material of civilization to the home fronts, wherever Hitler struck. And because we knew this, American ingenuity set to work to design ships that you people could build and build fast. We knew that we could not stop Hitler from sinking ships. We knew our only chance lay in building ships faster than he could sink them.

When we began the second phase of this War -- the attack phase -- you people in these yards took on still another job, that of building the great LST landing barges that I can see floating on the Ohio River. These huge ships, like trojan horses, carry hundreds of troops and

dozens of heavy tanks.

They are big and powerful enough to cross the Atlantic or the Pacific on their own. They hold row upon row of tanks and heavy equipment, lined up, and the moment the barge touches shore, they are ready to go into action. What these LST's have already achieved in Sicily and Italy, and what they will accomplish from now on will be a source of pride to you men and women who make them -- who here in the land-locked midlands; who, only a few months ago, ~~had~~ ~~would~~ would never have guessed that you would be making ships to sail the sea that many of you have never seen.

But the ships you have built have not been your whole contribution toward the Victory that is on the way.

Among all industries, the ship building industry ranks near the top for participation in payroll savings. People participating in the payroll savings plan in the ship building industry are putting 11.3% of their pay into War Bonds week after week, month after month. During the Third War Loan the people who build ships bought hundreds of thousands of extra Bonds. Ship yard quotas have been high -- very high -- and almost without exception the quotas are being met.

When we set these high quotas, we expected the people who build ships to make them. We knew they would because we know that people who have a good war spirit, and who have a high production record, also maintain high Bond Records. We have never known it to fail. The production record of the ship building industry

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INERT

is brilliant. People who build ships know what the War is about, so they have the proper war spriti. That is why they have consistently maintained good War Bond records.

In the second place, these landing ships are the very symbol of invasion. Big and powerful enough to cross the ocean under their own power, crammed with tanks ready to roar into action the moment they touch shore and the ramp drops down, they are the Trojan Horses of our invasion of Europe.

What the LST's have already achieved in Sicily and Italy, what they will accomplish from now on, may well be a cause for pride among you who make them. America is building a Navy, here in the Middle West a thousand miles and more from any coast on the banks of the Ohio!

But the ships you have built have not been your whole contribution towards the victory we will win one day.

I said that America is now awake to the meaning of the war.
Let me prove it to you with some figures.

Workers under the Payroll Savings plan in the shipbuilding industry are putting more than eleven percent of their pay into War Bonds week after week, month in and month out. During this Third War Loan the people who build ships have bought hundreds of thousands of extra Bonds.

Your figures are ().

Bel Aire Shipyard in South San Francisco, with 2,150 employees, has bought \$222,000 worth of Bonds.

Willamette Iron and Steel Company in Portland, Oregon, with 17 thousand employees, has boosted its payroll deduction to 30 per cent -- plus cash sales.

The Kaiser shipyard in Vancouver, Washington has sold about three-quarters of a million dollars worth of Bonds.

These are comparable figures throughout industry as a whole. Let me give you a few:

~~Every one of the more than 10 thousand employees of Loew's, Incorporated has bought an extra Bond over and above payroll deductions.~~

~~In the home office of the American Telephone and Telegraph Company in New York City, 313 employees have bought \$41,650 worth of Bonds over and above payroll deductions.~~

~~Jones and Laughlin Steel Company in Pittsburgh has raised more than a million dollars over payroll deductions.~~

~~43 companies in Rochester, New York have raised more than \$5,000,000. They think they can make it seven million.~~

~~Here in Evansville (figures for two local plants).~~

Right here in Evansville the 12,000 men and women at Chrysler have bought more than a million dollars worth of Bonds in addition to their payroll savings. 96 per cent of all workers at Chrysler have invested half a month's pay. Evansville bond sales are running as high as three times what they were during the Second War Loan drive last April. The men and women at International Steel set their goal at \$45,000 in extra bonds. They have passed their goal by \$22,000. Hoosier Lamp and Stamping has boosted payroll savings to 14% a week and bought \$75,000 worth of bonds in cash deals. The 10,000 workers Servel set twin goals of half a million dollars in cash purchases of War Bonds and an increase in payroll savings of at least 15% of the payroll. There is every sign that they will reach both goals today.

What I want to say is this: here in Evansville we have an example of fighting America at its best and finest. Two years ago this city in Indiana was just one of many manufacturing centers turning out the products of peace. In that short time, pastures have become airplane plants, and peace-time factories have become units in the "Arsenal of Democracy". The measure of your accomplishment, of your imagination, is -- as I say -- the fact that here in the Middle West, far from the sea, you are building a Navy.

America is awake to her danger and awake to the realization of the meaning of this war.

All of us understand now that this war is the latest and, God willing, the last great battle in the long, long war to make the World safe for democracy. Let me read something to you.

I quote:

"Again the Government comes to the people of the country with the request that they lend their money, and lend it upon a more liberal scale than ever before, in order that the great war for the rights of America and the liberation of the world may be prosecuted with ever increasing vigor to a victorious conclusion. And it makes the appeal with the greatest confidence because it knows that

WOODROW WILSON

Oct 15 1917

The people responded nobly to the call of the First Liberty Loan with an oversubscription of more than fifty per cent. Let the response to the Second Liberty Loan be even greater, and let the amount be so large that it will serve as an assurance of unequalled support to hearten the men who are to face the fire of battle for us. Let the result be so impressive and emphatic that it will echo throughout the Empire of our enemy as an index of what America intends to do to bring this war to a victorious conclusion.

Sept 28 1918 (WW's handwriting)

Again the Government comes to the people of the country with the request that they lend their money, and lend it upon a more liberal scale than ever before in order that the great war for the rights of America and the liberation of the world may be prosecuted with ever increasing vigor to a victorious conclusion. And it makes the appeal with the greatest confidence because it knows that every day it is becoming clearer and clearer to thinking men throughout the ~~universe~~ nation that the winning of the war is an essential investment. The money that is held back now will be of little use or value if ~~we~~ the war is not won and the selfish masters of Germany are permitted to ~~dictate~~ dictate what America may and may not do. Men in America, besides, have from the first until now dedicated both their lives and their fortunes to the vindication and maintenance of the great principles and objects for which our Government was set up. They will not fail now to show the world for what their wealth was intended. ?

1941 - long boats looked
 like stuff. Nov 41 Brit
 + Amer shipping naval
 condensation was put
 together. Ben.

#

Merricks entered since
 '35 in landing craft
 better for beaches.

Calabaz. Experiment
 with support fire. Army
 had observers.

Guadalcanal. Special
 type landing craft
 were used - specially
 protected bows, propellers
 & rudders so that
 after hit beach could
 pull off. Carried 36 men

+ specially mounted machine
gun forward. Carried by
~~transports~~, moving over
side at night.

Also a tank lighter
with a bow ramp.

Used, both, ~~for first~~
~~time~~ at Guadalcanal,
first time in major operation
Now armored.

#

Have been used for everything
for carrying everything from
molasses to a pair
of donkeys. Big barges
carry little ones - ~~not~~
LCM in LCT on the
LSP.

Bow, for instance, a dozen
designs before complete.

NAVY DEPARTMENT

HOLD FOR RELEASE
THURSDAY MORNING NEWSPAPERS
SEPTEMBER 30, 1943

177

TREMENDOUS NAVAL LANDING CRAFT PROGRAM MADE POSSIBLE RECENT INVASIONS

As thousands of Allied landing craft swarmed towards the shores of Sicily, Italy, Attu, Kiska and Rendova during the past few weeks, one of the most complex construction programs in the history of Naval shipbuilding reached its climax. Never before had a building task of such magnitude been attempted in such a brief period of time.

In the current offensives scores of giant tank landing ships -- LST's -- were used for the first time in combat operations. Less than 20 months previously, these craft had existed only in the minds of Allied Military and Naval experts.

Hundreds of large infantry landing craft -- LCI(L)'s -- were used. Strategical necessities first had required the development of this ship 16 months ago.

That sufficient landing craft were ready to more than fulfill the operational requirements set down by the Allied Joint Chiefs of Staff is a tribute to the hundreds of thousands of American workers -- men and women -- who faced seemingly impossible schedules and met them on time, and to the hundreds of Naval designers, design agents, planners and coordinators who all cooperated in this gigantic effort.

One main factor made possible the success of this program -- the enthusiasm of all concerned for getting the job done. Every workman making any part whatsoever concerned with the landing craft program was informed that he was "helping to make invasion boats." The importance of each part to the effort as a whole was explained. The importance of "invasion boats" to the United Nations' military efforts was obvious. Enthusiasm surged forward the program.

Simultaneously, the press and radio of the Nation, for months recognizing what was developing and its fundamental relationship with strategical operational plans, maintained a strict voluntary censorship. As the program developed and security considerations permitted, certain portions were unveiled for the general public. The success of the entire effort was made possible by the cooperation of all. Having been in action with the enemy, the full story of the development of these landing craft now can be told.

During the winter of 1935-1936 the Bureau of Construction and Repair, later part of the Bureau of Ships, initiated designs of various types of personnel landing craft, to be carried in boat davits on troop transports and

other auxiliary vessels, and to be used for landing troops and cargo where pier facilities were unavailable. The first of these craft were tested in the Fall of 1936.

A long period of testing, development and improvement ensued during which the design efforts of private industry were utilized to the fullest extent, and these efforts ultimately led to the standardized models, LCV, "Landing Craft, Vehicle"; LCP, "Landing Craft, Personnel" and LCR, "Landing Craft, Rubber," large numbers of which subsequently were ordered. The LCV's and LCP's were developed from the Eureka model of Higgins Industries, New Orleans, Louisiana.

About the same time, in 1936, the Navy undertook the development of "tank lighters." Detailed plans for the first experimental type, designed to carry one light Marine Corps tank, to beach in shallow water and to permit the tank to run ashore over a ramp, were completed in June, 1937, and this lighter was tested in landing exercises one year later.

During the following long period of testing and developing this tank lighter, it became apparent, as war clouds gathered, that the role of the medium tank would be increasingly important. The LCM(3), "Landing Craft Mechanized (Mark III)" accordingly was developed. The well-deck type, designed by Higgins Industries, was adopted as the standard model LCM, and a large number were ordered.

By the latter half of 1941 it was apparent that provision also must be made for carrying and beaching heavy tanks. To do this it was necessary to develop a tank lighter, larger than any previously conceived, which would be completely seaworthy and capable of crossing vast ocean areas under its own propulsion, for it would be impossible to launch such vessels from other ships as was done with all smaller landing craft.

The British, who had an extensive landing craft program of their own, had reached similar conclusions, and in November, 1941, a small delegation from the British Admiralty arrived in this country to work with the Navy Department on the preliminary design of large landing craft and to arrange, under the terms of the then recently enacted Lend Lease Act, for the construction of such craft in the United States.

As result of these conferences it was agreed that the Bureau of Ships should develop the LST, "Landing Ship, Tank," a giant vessel to be capable of transporting and landing hundreds of tons of tanks. The new ship had to meet two design conditions: it had to be seaworthy, capable of crossing vast ocean distances, hence a deep draft was needed under certain conditions; secondly, it had to permit direct tank landing operations, hence a shallow draft was needed under other conditions.

During the meetings with the British the LST(5), later LCT(6), "Landing Craft, Tank (Mark V or VI)," also was developed. The LCT was planned as an intermediate landing craft, smaller than the LST and larger than the

LCM, which could be carried to the zone of operations on cargo ships, in sections of limited weight, or on the decks of LST's, could transport a moderate number of tanks or other equipment, could land on very shallow beaches and could offer the advantage of dispersal.

At that time, one month before this country entered the war, the British felt that these landing craft, in addition to their own developments and the standard American models, would fulfill the needs of their then planned Combined Operations on the Continent of Europe.

Having the basic problem before them, Officers of the Design Division of the Bureau of Ships immediately began determination of the major characteristics of these vessels, their speed, displacement, cruising radius, armament, load carrying capacity, structural strength, stability, major arrangement features, characteristics for seaworthiness and so forth. Simultaneously tests were rushed at the Navy's David Taylor Model Basin, Washington, D.C., where propulsion requirements under different sea conditions were verified.

Development of the LCT was comparatively easy. This craft is an outgrowth of an early, flush-deck type LCM. A bow ramp, lowered as the ship is beached, serves as a bridgehead for dispersing tanks close behind the first wave of assault troops to reach enemy beaches. The most complicated factor in planning the LCT was that of allowing for its shipment in sections.

In contrast, however, development of the LST necessitated the utilization of principles entirely new to Naval shipbuilding. In November, 1941, the LST was first sketched on paper. In October, 1942, acceptance trials were held for the first completed vessel. Primarily designed as an assault vessel, fully capable of crossing any seas or ocean under its own power, the LST also has been utilized for carrying cargo, gasoline and ammunition. The LST also is used for transporting smaller landing craft overseas.

As soon as the basic designs for these ships had been developed in all fundamentals by the Bureau of Ships, as outlined above, design agents were appointed, Gibbs and Cox, Incorporated, New York City, for the LST; the New York Shipbuilding Corporation, Camden, New Jersey, and the Manitowoc Shipbuilding Company, Manitowoc, Wisconsin, for the LCT. At the same time, shipbuilders who were to receive contracts for the construction of these vessels were called in the Bureau of Ships, shown the basic plans and explained the tremendous task that was to be assigned them.

Soon after the construction of LST's and LCT's was started, in May, 1942, an urgent dispatch was received from the British outlining needs for a larger type of infantry landing craft. This dispatch led to the development of LCI(L).

One month after receiving the initial dispatch, the preliminary design

was completed and building contracts had been awarded. In October, 1942, four months later, the first LCI(L) was completed, and Bureau of Ships Officers witnessed the first beaching tests that same month. 180

The New York Shipbuilding Corporation, Camden, New Jersey, served as the design agent for the LCI(L).

Faced with definite deadline requirements set down by the Joint Chiefs of Staff, the Bureau of Ships was forced to abandon all customary procedure for awarding Government contracts as preliminary orders were rushed out through verbal conversations, telegrams and brief air mailed letters.

The Navy's basic shipbuilding program, already increased substantially over the tremendous effort started in July, 1940, was in full swing. Every available facility was in use. The landing craft program was superimposed on all the rest.

New sources of shipbuilding had to be found. In many instances the Navy turned to heavy industries along the inland waterways, like former bridge builders, experienced in working with iron and steel products but totally inexperienced in the intricacies of ship construction.

New facilities were constructed practically overnight in former corn fields, in vacant lots and in other properties along rivers and inland streams. Thousands of people who never before had built ships, most of whom probably never had seen a combatant Naval ship, were hired, quickly trained and set to work. Some contractors, lacking buildings, started prefabricating work in tents as the program rushed forward in its early days.

Even the tremendous new facility construction program, however, was not enough to meet the invasion craft deadline. Faced with a growing scarcity of materials, more facilities were needed immediately, so ways building or built for other Naval construction efforts, like the destroyer escort program, were used to fill the even more urgent needs for landing craft.

In particular, three East Coast U.S. Navy Yards, at Boston, New York and Philadelphia, and the Newport News Shipbuilding Company, Newport News, Virginia, all experienced builders of Naval vessels, turned part of their enormous facilities to building landing craft with the result that the program was given a tremendous impetus.

The Maritime Commission assisted by contracting for and supervising the construction of landing craft in certain yards participating in this Nation's vast merchant shipbuilding program.

As a whole, however, such shifts were of a comparatively minor nature, for the Navy's landing craft program was faced with the fundamental that other war programs were to be disrupted to the minimum degree possible in achieving its own goals. In the Nation's forward planning of the materials situation,

the need for invasion boats of the numbers and types needed and at the time required could not have been anticipated.

Faced with the same growing materials scarcity increasingly meeting all war programs, it was found that delivery of certain landing craft was being delayed by production hold-ups of certain parts, seemingly unimportant in themselves, but vital to the completion of the entire ship.

In mid-1942, therefore, the Bureau of Ships organized for the landing craft program a Materials Control Agency, with headquarters in New York City. This Agency provided the most complete materials coordinating system ever achieved by any Naval shipbuilding program.

At the urgent request of the Bureau of Ships, without profit or favor to itself, the Bethlehem Steel Corporation provided a number of key men for the Materials Control Agency. These men, given full authority by the Bureau, quickly formed an organization of several hundred persons to work in cooperation with the Naval Inspection Service throughout the country with the sole job of tracing bottlenecks and expediting production of parts for the landing craft program.

Through the work of this agency cognizant officers in the Bureau of Ships who shouldered the production responsibility for the landing craft program knew every week the exact status of every part for every vessel. When it is considered that the LST program alone involved over 1,700 purchase orders covering millions of unit pieces, the size of this coordinating effort is apparent. Single bottlenecks, down to the last subcontractor, were located. Through the cooperation of all, in the vast majority of cases they were quickly broken.

Eventually it was found that despite the efforts of the Materials Control Agency, certain parts could not be obtained in time because of previous priority commitments. With the cooperation of the War Production Board, the Navy was given the right of issuing overriding priority orders for materials needed for the landing craft program.

Despite the fact that the landing craft program totalled more than one billion dollars, less than four million dollars worth of equipment -- only three-fourths of one per cent of the purchase orders -- was procured by use of the Navy's right of overriding priority.

As the ships were turned over to the Government by the various building yards, organizations were set up to take deliveries. For deliveries of all ships of 105-feet and larger from the inland yards a landing craft ferry service was organized under the direct supervision of the District Coast Guard Office, St. Louis, Missouri. From throughout the Nation landing craft gradually converged to the Naval Operating Bases from which started the vast convoys overseas. Naval landing craft are still converging for future

verseas operations.

The entire program was one in which no mistakes were permitted. The basic designs had to be correct for there was no time to thoroughly test. They had to be simple for mass production was needed. The design agents had to do their tasks right. The lead yards and the builders had to come through on schedule. The entire gigantic effort went forward on the basis of mutual faith in accomplishment. It was successful because every participant did his job, did it successfully and did it on time.

(Photographs are available in the Photographic Section, Office of Public Relations.)

YARDS COMPLETING LANDING CRAFT IN TIME TO HAVE TAKEN PART IN THE INVASION OF SICILY

American Boiler Works, Erie, Pennsylvania
 American Car & Foundry Company, Wilmington, Delaware
 Ace Rubber Company, Akron, Ohio
 Armstrong Rubber Company, West Haven, Connecticut
 Bethlehem-Fairfield Ship Yards, Incorporated, Baltimore, Maryland
 Bethlehem Hingham Ship Yards, Incorporated, Hingham, Massachusetts
 Bethlehem Steel Company, Fore River Plant, Quincy, Massachusetts
 Bethlehem Steel Company, Wilmington, Delaware
 Bison Shipbuilding Company, Buffalo, New York
 Borg-Warner Corporation, Chicago, Illinois
 Brewer Dry Dock Company, Staten Island, New York
 Brown Shipbuilding Company, Houston, Texas
 Chamberlain Corporation, Waterloo, Iowa
 Chicago Bridge and Iron Company, Seneca, Illinois
 Chris-Craft Corporation, Algonac, Holland and Cadillac, Michigan
 Consolidated Steel Corporation, Maywood, California, and Orange, Texas
 Darby Products of Steel Plate Corporation, Kansas City, Kansas
 Decatur Iron and Steel Company, Decatur, Alabama
 H. E. Dodge Boat and Plane Corporation, Newport News, Virginia
 Dravo Corporation, Neville Island, Pittsburgh, Pennsylvania
 Dravo Corporation, Wilmington, Delaware
 Drier Structural Steel Company, Long Island, New York
 Dunlop Tire and Rubber Corporation, Buffalo, New York
 Durkee-Atwood Company, Minneapolis, Minnesota
 Eagle Rubber Corporation of America, Brooklyn, New York
 Federal Shipbuilding and Dry Dock Company, Newark, New Jersey
 Firestone Tire and Rubber Company, Akron, Ohio, and Memphis, Tennessee
 Food Machinery Corporation, Riverside, California, and San Jose, California,
 and Lakeland, Florida
 General Tire & Rubber Company, Akron, Ohio
 Gibbs Gas Engine Company, Jacksonville, Florida
 B. F. Goodrich Company, Akron, Ohio
 Goodyear Rubber Sundries, New Haven, Connecticut
 Goodyear Tire & Rubber Company, Akron, Ohio
 Graham-Paige Motors Corporation, Detroit, Michigan
 Greenport Basin & Construction Company, Greenport, Long Island, New York
 Gunderson Brothers, Portland, Oregon
 Higgins Industries, Inc., New Orleans, Louisiana, and San Jose, California
 Jeffersonville Boat & Machine Company, Jeffersonville, Indiana
 Jones & Laughlin Steel Corporation, New Orleans, Louisiana
 Judson Pacific War Industries, San Francisco, California
 Kaiser Company, Inc., Vancouver, Washington, and Richmond, California
 Kansas City Structural Steel Company, Kansas City, Kansas
 Lake Washington Ship Yards, Houghton, Washington
 George Lawley & Sons Corporation, Neponset, Massachusetts
 Lee Tire and Rubber Company, Conshohocken, Pennsylvania
 Livingston Shipbuilding Corporation, Orange, Texas

Manitowoc Shipbuilding Company, Manitowoc, Wisconsin
The Matthews Company, Port Clinton, Ohio
McDonough Steel Company, Oakland, California
Missouri Valley Bridge & Iron Company, Leavenworth, Kansas
Moore Equipment Company, Stockton, California
Mt. Vernon Bridge Company, Ironton, Ohio
Navy Yard, Boston, Massachusetts
Navy Yard, Charleston, South Carolina
Navy Yard, New York, New York
Navy Yard, Norfolk, Virginia
Navy Yard, Philadelphia, Pennsylvania
New Jersey Shipbuilding Corporation, Barber, New Jersey
Newport News Shipbuilding and Dry Dock Company, Newport News, Virginia
Newport Ships, Wakulla, Florida
New York Rubber Corporation, Beacon, New York
New York Shipbuilding Corporation, Camden, New Jersey
Norwalk Tire and Rubber Company, Norwalk, Connecticut
Omaha Steel Works, Omaha, Nebraska
Owens Yacht Company, Dundalk, Baltimore, Maryland
Pidgeon-Thomas Iron Works, Memphis, Tennessee
Quincy Barge Builders, Quincy, Illinois
Richardson Boat Company, North Tonawanda, New York
W. A. Robinson, Inc., Ipswich, Massachusetts
Donald Roebling, Clearwater, Florida
Rubber Corporation of America, Brooklyn, New York
Soule Steel Corporation, San Francisco and Los Angeles, California
St. Louis Car Company, St. Louis, Missouri
Trageser Copper Works, Maspeth, Long Island, New York
United Boat Service Corporation, New York, New York
U. S. Rubber Company, Naugatuck, Connecticut
Walsh Steers Company, New York, New York
Western Plastics, Inc., Los Angeles, California

**

Ladies and gentlemen:

Your country is building a Navy - in Ohio!

You have heard the stories of how England moved her factories out into the green fields of the countryside, and built whole aircraft plants underground so the Germans could never reach them with bombs. You have heard the stories of how the Russians loaded factory after factory on freight cars and moved them a thousand miles - behind the Ural Mountains - so that they could go on producing without interruption.

Here in the United States we too have a wartime industry far inland - munitions plants, armament plants and shipyards a thousand miles and more from any coast. This plant of the () Company on the Ohio River is an example. In the shops here, and floating on the broad river, are scores of strange, immensely important craft which the Navy calls LST's.

The initials, LST, stand for Landing Ship - Tanks. The story of our LST's is the story of why we shall win this war. For the LST's are a product of the ingenuity,

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the nimble faculty for meeting a situation as it comes up, which are typically American. These landing ships represent the best kind of American cleverness.

When Mrs. Roosevelt was visiting the islands of the South Pacific last week, she met a soldier who was cleaning a Japanese gun he and his friends had captured. She asked him if he thought our men were as good soldiers as the Japs. He answered that our boys were better. Mrs. Roosevelt asked him why he thought so. He replied - and I quote - "If they are ordered to do something, and anything turns up that would really be a better thing to do, the Japs do not take advantage of it because they have never been allowed any initiative."

Our soldiers, coming as they do from democratic nations, have initiative, and are permitted to use it. This kind of thinking characterizes our production front, also. These LST's, as I say, are an example of it.

The two surprise weapons with which Germany set out to conquer the world were the Stuka dive bomber and the tank. The Stuka soon dived right out of the picture, but an answer had to be found for the tanks of the German Panzer divisions. In the United States we quickly began to build tanks of our own - and that, in turn, gave rise to another problem. How were we to move these heavy, cumbersome implements of modern mechanized war to the battle-front? How were we to sail tanks by the tens of thousands across the Atlantic Ocean - and across the Pacific?

Almost over night, we designed and built in great numbers these landing ships for tanks. These are the craft of invasion.

The point I am making is that they are ships invented by the war.

The Japanese are unable to change their tactics because they lack initiative. The Germans were unable to cross the narrow English Channel in their attempted sea invasion of Britain, because they relied on ordinary barges which did not fit the job. But we of the United Nations are less stodgy in our thought - quicker on our feet. The British built an unequalled plane for high altitude fighting in the Spitfire. We built - among other things - these specially designed landing ships for tanks.

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They are big enough and powerful enough to cross the Atlantic or the Pacific under their own power. They hold row upon row of tanks, lined up and ready to rumble into action. When they touch the shore, the bow of the ship opens, a ramp drops forward and off go the tanks!

This Ohio River Navy is helping to win the war just as surely as are the great battleships and aircraft carriers. What the LST's have achieved already, what they will accomplish from now on may well be a source of pride to the men and women who make them, at the Jeffersonville Boat and Machine Company in Indiana - the Dravo Corporation near Pittsburgh - the Missouri Valley Bridge and Iron Company - the American Bridge and Iron Company in Pennsylvania and the Chicago Bridge and Iron Company. (At the Chicago Bridge and Iron Company the workers pitched tents and got to work building ships before the plant was even completed!)

The success of the LST building program is only one of many such successes on the part of the Navy.

The United States Navy is now the most powerful navy in the world, without exception.

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Three bitter years ago your Navy, counting vessels of every class, could muster a total of barely 1,000 ships. Today we have more than 14,000 ships, and soon we shall have 18,000!

Three frightening years ago - do you know how many planes your Navy had? Fewer than 1800 all told. Today the Navy alone -- to say nothing of any other branch of our armed forces -- has more than 18,000 planes!

Let us stop for a moment and think of what these ships and planes mean - and what they do not mean.

With Salerno, the American people have come of age so far as this war is concerned. No longer do we clap our hands like children, and decide the war is won with every minor gain. No longer do we fall into despondency, and decide the war is lost with every minor disappointment.

We have learned - it took us quite awhile! - that war is a matter of ups and downs; and that none of them matter much so long as we inch gradually and surely towards the far target; the heart of our enemy.

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Therefore, let us hear with a nod of satisfaction that our Navy is now the largest in the world. Let us then soberly realize that this is to the good. And let us pass on to the further, grown-up understanding that, in our expanded Navy, we have achieved only one of many tools which we shall need in fashioning our final victory.

That final victory will call for not one but a series of battles. Nobody knows how many; but we do know that every battle has its losses.

Since December 7, 1941 we have lost 58 combatant vessels of the Navy. We have lost more than 4000 Navy airplanes.

With those vessels, with those Navy airplanes, - with the 4 aircraft carriers, the 9 cruisers, the more than 30 destroyers now rusting at the bottom of the sea - we lost also young American men whose places will never be taken in our land or in our hearts. The Navy, the Marine Corps, and the Coast Guard among them report losses of 10,255 men. Another 10,084 are on the missing list. On the sea alone, more than 20,000 of our fine American boys are gone.

- 7 -

Our losses on land, on sea and in the air are bound to increase from now on - in ever mounting number the closer we get to Germany in the long and costly drive up the Italian peninsula which we are only just beginning.

There will be mounting losses in the Pacific, the nearer we approach the evil heart of the octopus that spreads its tentacles there - the Island of Japan.

There will be losses of life and there will be losses of materials.

According to our generals and admirals, that is the thing which sets this war apart from any other - its enormous costliness in materials. Any fighting front is a vast junk yard of wrecked, broken, smashed guns, planes and vehicles.

But we have a choice.

We can spend material or lives. Let me say that again. We can spend material or lives.

We cannot bring back to life one soldier or sailor who has lost his life - until now - because we did not give him the protection of overwhelming weapons in overwhelming measure.

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But we can make sure that fewer men will die from now on, that we will spend fewer lives - if you are willing to spend more material - which means spending more money for bonds with which your Government can buy the material.

Both our enemies - both Germany and Japan - believe in spending lives.

Let them!

To the Fascist mind, the only life sacred is that of the Godlike Fuehrer or Emperor. All other Germans and Japanese are sub-human slaves. Their lives count for nothing, except insofar as they serve the ^{divine} ~~sacred~~ leaders. So they can be sacrificed as so much cannon fodder - mere blood-and-bones.

We, thank God, feel differently about it! To us the life of one man - any man - is infinite in value. Never would we willingly risk it in war. We risk it now, we ask that infinite sacrifice now, only because war has been thrust upon us by vile tricksters, cheats, torturers and murderers who gave us no choice.

You men and women of America have been working hard. But don't forget the enemy is at work too. You workers in the Newport News Shipbuilding and Drydock Company. You had to build two Yorktowns, not one — because the enemy sank the first one in the South Pacific. You workers in the Bethlehem Quincy plant. You built a good ship in the cruiser Northampton, didn't you? The Northampton lies under the Pacific too.

We cannot stop working. We have to keep at it. This is one of the things the enemy forces upon us. There is to be no rest for us until our enemy is destroyed.

But, let me repeat, ^{we} ~~you~~ have been working hard and the results are there for us to see. You all have seen the news. You have read how the Navy has developed what is probably the best fighting plane in the world in the Hellcat and what with the Hellcat and the Corsair we're licking them out there in the Pacific — we're really beginning to lick them.

You know about the German submarines in the Atlantic and how the Navy developed craft to fight them — Destroyer Escorts, DEs they call them (and we had none before the war and now we have way over a hundred), and the small aircraft carriers. Those subs haven't been bothering us much lately but the Navy expects to hear from them pretty soon. Germany is getting ready for her all-out effort in the sea and her subs have been just a little too quiet.

And you probably know about our own submarines in the Pacific — how they alone accounted for seventy-seven percent of Japan's shipping losses. Those submarine victories were not

accomplished without loss. But I can tell you this — and I have the Navy Department's figures for it — for every submarine lost since this war began we have built six new ones.

That's a good record and I could go on with it. It's a record in which we can and should take pride. But I'd like to point out two things about it. First, it's only beginning, it is nothing more than a beginning. Second, the Navy's whole record — the whole of its construction program and its enlarging list of naval victories — would be impossible if we didn't back it up not only with our work but with hard, homely, hardearned cash.

Many of you, and I hope most of you, have already contributed some of that cash by buying Bonds. If you have, you have helped build our Fleet just as tangibly as any riveter or Naval architect. You have become part of the Fleet just like any sailor or admiral.

But you are not to be thanked for it; you are to be congratulated.

Let's not kid ourselves. We have done a good deal but we haven't done enough. We have worked, but we have to work more. We have bought Bonds but we have to buy more. It is a simple necessity. We have to do these things because we have to win the war.

You don't think that just building a Fleet is enough, do you? We've got to keep that Fleet fighting. We've got to replace the ships we have lost and, God pity us, we are going to lose.

The people of the United States are now buying Bonds of the Third War Loan. A lot of the speeches you have heard about this Loan have sounded severe. They've said in effect: "You'd

A FEW PROMINENT FIRMS WITH GOOD THIRD WAR LOAN RECORDS

DEL AIRE SHIPYARD - South San Francisco

2150 employees - \$222,000 Bonds sold

MCDONELL AIRCRAFT - St. Louis

23,024 employees - \$230,000 Bonds sold

MERCK & COMPANY - New Jersey

3700 employees - \$300,000 in Bonds sold

MGM - Loews Inc. - New York

Everyone of 10,259 employees in United States has bought an extra Bond over and above payroll deductions.

HOOVER ELECTROCHEMICAL CO. - Niagara Falls, New York

1064 employees - \$106 per man participating

WILLAMETTE IRON & STEEL CO. - Portland, Oregon

17,000 employees - In September \$1,275,000 will be deducted through Payroll Savings plus extra cash sales not yet determined.

OPERADIO MFG. CO. - Chicago, Illinois

603 employees - \$56,525 plus payroll deductions

KAISER VANCOUVER SHIPYARD

\$665,000 Bonds sold

Preliminary Report DUPONT CO. - Wilmington, Delaware

75% of employees buying extra Bonds - count not yet in.

A. T. & T. - home office New York City

(white collar workers) - 313 employees bought \$41,650

PARAMOUNT PICTURES

100% of 7713 employees participating with employers in all-out company drive purchased over \$14,000,000 in Bonds together.

JONES & LAUGHLIN STEEL CO. - Pittsburgh

36,000 employees - in middle of drive already have collected \$1,026,000 in cash sales plus present payroll deductions.

43 companies in Rochester, New York are now in the middle of a drive for \$100 per man - quota of \$7,000,000 - \$5,000,000 already reached.

EASTMAN KODAK - Rochester

Drive now on - 24,000 employees - 16,091 participating \$1,237,574 extra Bonds sold over and above payroll.

ROCHESTER PRODUCTS CO.

5,000 employees - \$445,000 of quota of \$500,000 reached.
Drive still in progress.

STROMBERG CARLSON - Rochester

2000 employees

\$200,000 quota - \$241,000 sales

MC CURDY DEPARTMENT STORES - Rochester

400 employees - Quota established at 40,000 - have exceeded
quota three times selling over \$120,000

AMERICAN LAUNDRY & MACHINE CO. - Rochester

650 employees

\$65,000 quota - \$66,000 sales

NORTHWESTERN STEEL & WIRE CO. - Chicago

250 employees

quota \$25,000 - have reached \$40,000 - expect to reach \$50,000

~~Evansville, Indiana~~

I am proud today to be in the largest inland shipyard in the United States -- perhaps in the World. ^{Here} ~~in Indiana,~~ ^{on the banks of} ~~through whose green hills runs the Ohio River,~~ ^{we are in} For a thousand ^{the midst of} ~~miles or more, on all sides of me, there is nothing but land,~~ and corn ~~fields,~~ wheat fields, ~~cities and towns.~~

~~But,~~ Nevertheless, ~~a total of~~ thirty thousand people are at work here, day and night, building ships -- helping to ~~will~~ create our Navy into the largest ~~and~~ most complete ~~and~~ most adept fleet in the ^{history: a Navy of eighteen thousand ships.} ~~Universe.~~ ~~Here in Indiana, we are helping to replace those 58 major ships and those hundreds of smaller craft that lie resting in the sea -- ships that have been lost in our struggle, which is becoming a more successful every day, to overpower and annihilate the forces of Fascism and Nazism.~~

¶ Here today we are building what the Navy Department calls the Ohio River Navy, because so many of these new shipyards ~~lie~~ along the shores of the Ohio.

~~I am here in Evansville today because these inland yards, and the landing craft that they are building, is the symbol of war as we Americans fight it.~~

Evansville Speech

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But, nevertheless, a total of thirty thousand people are at work here day and night building ships. Helping to build our Navy into the largest and most complete and most adept fleet in the Universe. Here in Indiana we are helping to replace those 58 major ships and those hundreds of smaller craft that lie rusting in the sea -- ships that have been lost in our struggle, which is becoming a more successful every day, to overpower and annihilate the forces of Fascism and Nazism.

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- 2 -

A few minutes before this broadcast, I participated in launching of a large, strange-looking craft known to the ^{NAVIES} Navy of the United Nations as ~~the LST's~~ ^{an LST,} ~~These are~~ ^{LST's, or} ~~ships,~~ ^{for tanks, are} as large as a destroyer. They ~~were built to~~ carry tanks and heavy equipment and troops to any beach-head ~~in~~ ⁱⁿ the world, ~~where United Nations landings were taking place.~~

These LST's are important not only because of the stupendous job they are doing in the War, but because they symbolize ~~democratic~~ ^{democratic} initiative.

Working with the British, we designed and built them almost from scratch ~~after we got into~~ ^{the start of} the war, as the need for them arose. ~~Second, these landing ships are the symbol of invasion. Big and powerful enough to cross any ocean under their own power, crammed with tanks ready to roar into action the moment they touch shore and the ramp is lowered, they are the Trojan Horses of our invasion of Europe.~~

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I should like to tell you how ~~these~~ ^{they} ~~IS~~ ^{IS} ~~plans~~ ^{plans} were born.
~~I think~~ It is an important story, because it ~~illustrates~~ ^{shows} that we
of the United Nations have no Maginot Line complex. We don't
draw up fancy plans for defense in times of peace, and then ~~stupidly~~ ^{stupidly}
~~refuse~~ ^{refuse} to adjust our sights to ~~the~~ ^{a new} kind of war we ~~find ourselves~~

On October 22, 1941, the Island of Great Britain was ~~being~~ ^{reeling from}
merciless ~~to~~ ^{it had taken} hammered from the skies. It seemed that almost any
day the ~~hordes of Hitler~~ ^{German} would ~~pour~~ ^{strut} into the British Isles, on
their way to America and ~~to all~~ the other places they coveted.
However, the British Admiralty, far from ~~being discouraged~~ ^{thinking only of}
~~defense, was already thinking of attack.~~ ^{defense, was already thinking of attack.}
~~was carefully laying plans for the attack that they knew some~~
~~day they would have the opportunity to make.~~

On that ~~or~~ ^{Vice Admiral J.W.S.} day, ~~on~~ October 22, ~~Admiral~~ ^{had} Dorling, who represented
the Admiralty in the United States, ~~received~~ ^{I have seen} a brief, and cryptic
cable from British Headquarters. ~~I saw that cable, yesterday~~
~~I cannot tell you exactly what it said, except that~~ It contained
less than 200 words. ~~It said~~ ^{must have} that the Admiralty ~~would~~
~~send~~ a tank landing craft of ~~a~~ certain speed, ~~and~~ a certain
capacity, ~~of sufficient~~ ^{with enough} endurance to cross the Atlantic on its
own, ~~and that it should be able to operate in shallow water~~ ^{and with enough flexibility to operate}
under ~~quite~~ difficult beaching conditions.

Back of this request was the discovery by the British that
the Germans had found new ways of using tanks, and had designed
new ~~and exceedingly~~ heavy tanks for land operations. Here was
a threat that ~~demanded~~ ^{demanded} a remedy -- and the remedy could only be

I should like to tell you how these LST boats were born. I think it is an important story because it illustrates that we of the United Nations have no Maginet Line complex. We don't draw up fancy plans for defense in times of peace and then refuse to adjust our sights to the kind of war we find ourselves in.

On October 22, 1941, the Island of Great Britain was being mercilessly hammered from the skies. It seemed that almost any day the hordes of Hitler would march into the British Isles on their way to America and to all the other places they coveted. However, the British Admiralty, far from being discouraged, was carefully laying plans for the attack that they knew some day they would have the opportunity to make.

On this day, on October 22, Admiral Dorling, who represented the Admiralty in the United States, received a brief and cryptic cable from British Headquarters. I saw that cable yesterday. I cannot tell you exactly what it said, except that it contained less than 200 words and it stated that the Admiralty would require a tank landing craft of a certain speed, of a certain capacity, of sufficient endurance to cross the Atlantic on its own, and that it should be able to function in shallow water under certain difficult beaching conditions.

Back of this request was the discovery by the British that the Germans had found new ways of using tanks, and had designed new and exceedingly heavy tanks for land operations. Here was a threat that needed a remedy -- and the remedy could only be

tanks for our side -- bigger and better than the enemy's.

But that ^{was} only half the ^{problem} ~~story~~. If Britain ^{was} to use such tanks as attack weapons, they would have to get ~~them~~ ^{to the fighting fronts}. ~~That called for~~ ^{that} ~~expressing the Channel~~ ~~and that would require some kind of a ship which~~ could be unloaded rapidly and under fire. Unloaded with the equipment ready to go -- with the guns firing.

~~The British recognized the need for such a ship, but did not have time to design it, build it, or try it out. That is why they called Admiral Dorling. When he received the cable or signal as they call it in the Navy he put on his hat and went to see Edward Cochran, now Chief, of our Bureau of Ships.~~

By November 5, the Bureau of Ships had the first sketches ready, and almost immediately ~~a~~ mission from Great Britain -- ~~a~~ ^{men} ~~group of men~~ who had seen what happens when you try to land troops and equipment on enemy territory -- ~~came over~~ ^{came over} ~~from Great Britain~~ ~~arrived to talk over with our Bureau of Ships~~ some of the details, of the new craft. ~~And by October of the following year the first of the LST's had been built in an American shipyard and we were on our way ready to go.~~

But there is more to this story that you will be interested in.

You will be interested in it because it concerns you.

While these LST's were being designed, back in October and November of 1941, we ran into another problem. A political problem this time.

tanks for our side -- bigger and better than the enemy's.

But that is only half the story. If Britain were to use such tanks as attack weapons, they would have to get them across the Channel -- and that would require some kind of a ship which could be unloaded rapidly and under fire. Unloaded with the equipment ready to go -- with the guns firing.

The British recognized the need for such a ship, but did not have time to design it, build it, or try it out. That is why they cabled Admiral Doring. When he received the cable -- or signal as they call it in the Navy -- he put on his hat and went to see Edward Gochran of our Bureau of Ships.

By November 5, the Bureau of Ships had the first sketches ready, and almost immediately a mission from Great Britain -- a group of men who had seen what happens when you try to land troops and equipment on enemy territory -- this mission from Great Britain arrived to talk over with our Bureau of Ships some of the details of the new craft. And by October of the following year the first of these huge ships had been built in an American shipyard and we were on our way.

But there is more to this story that you will be interested in.

You will be interested in it because it concerns you.

While these LST's were being designed, back in October and November of 1941, we ran into another problem. A political problem this time.

~~Should we in this country design and build attacking craft for the British Empire to use in a war that seemed then to many Americans to be none of our business?~~

~~During this time, you will recall, Congress was bitterly debating whether or not we dared to go as far as to mount guns on our merchant ships, and it wasn't until November 17 that they passed a resolution permitting this to be done. This state of mind in our country held up progress to a greater or lesser extent on the LST's.~~

~~When it was finally decided to go ahead, we ran into another problem. Who would build these new ships?~~

Our ~~the~~ Navy ~~ship-building~~ program was ~~then~~ in full swing.

Every available facility was ~~already~~ in use. There was no place at all ~~no shipyards in America~~ that could build this new ship.

~~But like the other problems, that one too was quickly licked.~~
The Navy ~~simply~~ found new sources and created new shipyards in land-locked areas ~~throughout the Nation~~. It fostered the hiring and training of ~~thousands of men and women~~ *thousands of men and women* who had never seen a ship.

New facilities were constructed practically over-night in cornfields, ~~and~~ along rivers and inland streams. In one case there was not even time to build buildings, ~~and~~ the contractors started to work in tents. *the story of* That is how you came to have a shipyard here in Evansville. You were chosen ~~not because you~~ *became you* ~~build ships, because you never knew you could; you were chosen because you had one necessary requirement. You knew steel, you knew~~

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But like the other problems, that one too was quickly licked. The Navy simply found new sources and created new shipyards in land-locked areas throughout the Nation. It fostered the hiring and training of millions of working people who had never seen a ship.

New facilities were constructed practically over-night in cornfields, and along rivers and inland streams. In one case there was not even time to build buildings, and the contractors started to work in tents. That is how you came to have a shipyard here in Evansville. You were chosen not because you could build ships, because you never knew you could; you were chosen because you had one necessary requirement. You knew steel, you knew

how to handle it. ~~You knew how to fabricate it. It is a great compliment to you to be able to turn your hand in this crisis to an entirely new kind of work and thus to once more bring the pressure of American ingenuity and genius against the well-prepared and well-organized Nazi and Fascist war machines.~~

I talked yesterday with a Naval officer who was an eye-witness of the Battle of Munda. Let me tell you a little of what he told me about ~~the job that your craft~~ ^{what these LST's} -- the ones you built here -- did ~~in that engagement.~~ ^{at Munda.}

Just before dawn, our fast destroyers swung in toward Rendova Beach. They put their personnel landing craft over the side -- the smallest ones, those that we ~~can~~ ^{out there} see -- and the Marines went ashore to gain a beach head.

~~The~~ ^A little after sunrise the troop transports followed the destroyers in. Their job was to put the second wave of men ashore, in larger landing craft. The landing boats were in the water, loaded with men, ~~and~~ before the ships stopped -- they were actually on their way in to the beach before the transports lost headway. ~~Not only men were put ashore, of course.~~ Equipment was landed, ~~and~~ ^{The} the big amphibious tractors swam shore under their own power. ^{Then,} the following morning, the big LST's made their landing at Rendova and really poured in the supplies. Down went the ramps, and out rolled the tanks and the big guns.

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~~Now, the point I want to make is this:~~

All of those landing craft -- the little ones, the medium-sized ones and the big LST's -- are equipment that we designed and built ^{the United Nations} after ~~we~~ were well into the war. The thousands of Allied landing craft that have swarmed ashore during these past few weeks -- at Rendova and Attu and Kiska, in Sicily and Italy -- ~~lived~~ ^{lived} only in the minds of Allied military and naval experts ~~less than~~ 20 months ago. In barely a year and a half you people here, and men and women in other shipyards like this, have brought to ^a ~~the~~ climax one of the most complex construction programs in the history of Naval shipbuilding. Never before has a building program of such scope been attempted in so short a time.

~~Never before have such miracles been worked in the construction of the ships of War.~~

For this, you and all the rest of ~~you~~ ^{the} people who are building ships for the Ohio River Navy and building the Victory Fleet for the Maritime Commission and all of you who work in the shipyards ~~up and down our coast~~ -- you are to be complimented ~~and~~ ^{depest} you have earned the gratitude of this country. ~~your nation~~

^{1. And you are doing a good job}
~~But what you have done and are doing is still not enough.~~
~~of buying the Bonds that pay for the ships.~~
It is not enough simply to build ships, it is also necessary to pay for them. I understand that you here in this yard are doing a good job of that, too. You, yourselves, have paid for every tenth ship you have built, and that is an admirable record.

~~In other shipyards, across the country, there are taller high Bond records, and I might say here and now that Bond records~~

Your record, here, is very good. (INSERT)

- 7 -

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In other shipyards across the country, there are similar high Bond records -- and I might say here and now that Bond records

~~invariably follow production records. The ship building industry has a high bond record because the ship building industry has a high production record. The two always go hand in hand.~~

But it is impossible for anyone to say that he has done enough in his bond buying until he can say to himself: "I have tightened my belt. I am not spending money uselessly. I am sacrificing to help pay for the war."

How much any individual contributes in relation to his fellow-citizens or in relation to the total required doesn't much matter. What matters is how much he contributes in relation to his own individual ability.

War Bonds are an investment -- an exceedingly sound and profitable investment. The purchase of them can be considered a sacrifice only in terms of the immediate future. It involves giving up comforts and satisfactions which you might like to enjoy today -- but giving them up only so that they will be available to you tomorrow. This entails a certain amount of self-discipline, a certain amount of self-denial. The exercise of these qualities is a matter of personal responsibility.

~~But I should like to say this much to you by way of guidance:~~

~~And I know it will continue to be good.~~

A No American is likely to enjoy ease of conscience or peace of mind unless he meets ^{his Bond} responsibility in full, meets it to the extent of

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~~deferring the gratification of real desires.~~ He will have done ^{actually} his part only if he can count things which he has temporarily ^{sacrificed.} ~~given up -- a vacation trip, a new dress, theaters, concerts,~~
~~ten.~~ He can keep faith with his fellow-members in a democratic society only if he pulls his share of the load, to the limit of his ^{own} individual strength. ~~And remember this~~ ^{For} a democratic society is founded on the ^{premise} ~~premise~~ that each of its members, voluntarily, will play his essential part.

We have kept the War Bond program on a voluntary basis ever since its inception because it affords a means by which every American citizen can play a direct part, in ^{our} a great national enterprise, ^{of his own will.} It is the one avenue of national service open to everybody. Because of this, ^{the Bond program} ~~we think that it~~ is a great unifying influence on the home front.

And now, in closing, I have an important announcement to make.

Before sunset tonight the Treasury in Washington will be able to announce that our fifteen billion dollar quota for the Third War Loan has been met.

We still have two days to go. These next two days will stand as the measure of our patriotism -- and the measure, also of America's understanding of the meaning of this war.

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Before sunset tonight the Treasury in Washington will be able to announce that our fifteen-billion-dollar quota for the Third War Loan Drive has been achieved. *[Handwritten initials]*

We still have two days to go. What happens tomorrow and Saturday will measure for us the patriotism of the American people -- and, more than that, the measure of the Nation's understanding of the principles involved in this war. *[Handwritten initials]*

We know now why we are fighting. This is no longer a ~~mere~~ war of defense -- if it ever was such a war! It is no ~~mere~~ war of resistance against aggressor Nations, *either* *[Handwritten initials]*

This war is a struggle ~~to think~~ between two ways of thought. *[Handwritten initials]*

~~One way of thought maintains that the people are contemptible slaves who must be disciplined and held in check by a superior class of rulers. The other way of thought holds that the people can and ought to govern themselves, because they best know their own needs.~~

~~What is at stake in this war is the great principle established in the people's revolutions of the past century and a half.~~

~~Thus when we say that we of the United Nations must and will beat Germany and Japan to their knees, in unconditional surrender, we are not merely boasting that our soldiers will beat their soldiers. We signify far more than that.~~

-1-

I am proud today to be in the largest inland shipyard in the United States--perhaps in the World.

Here in Indiana on the banks of the Ohio River, we are in the midst of corn and wheat fields. Nevertheless, thirty thousand people are at work here, day and night, building ships--helping to create the largest, most complete, most adept fleet in history, a Navy of eighteen thousand ships.

Here today we are building what the Navy Department calls the Ohio River Navy, because so many of these new shipyards lie along the shores of the Ohio.

A few minutes before this broadcast, I participated in launching a large, strange-looking craft known to the Navy of the United Nations as an LST. These LST's, or landing ships for tanks, are as large as a destroyer. They carry tanks and heavy equipment and troops to any beach-head in any part of the world.

These LST's are important not only because of the stupendous job they are doing in the War, but because they symbolize democratic initiative.

Working with the British, we designed and built them almost from scratch after the start of the war, as the need for them arose.

I should like to tell you how they were born. It is an important story, because it shows that we of the United Nations have no Maginot Line complex. We don't draw up fancy plans for defense in times of peace, and then sluggishly refuse to adjust our sights to a new kind of war.

On October 22, 1941, the Island of Great Britain was reeling from the merciless hammering ~~was~~ had taken from the skies. It seemed that almost any day the Germans would strut into the British Isles, on their way to America and the other places they coveted. However, the British

Admiralty, far from thinking only of defense, was already thinking of attack.

On that day, October 22, Vice Admiral I. W. S. Dorling, who represented the Admiralty in the United States, had a brief, cryptic cable from British Headquarters. I have seen that cable. It contained less than 200 words. It said the Admiralty must have a tank landing craft of certain speed, certain capacity, with enough endurance to cross the Atlantic on its own, and with enough flexibility to operate in shallow water under difficult beaching conditions.

Back of this request was the discovery by the British that the Germans had found new ways of using tanks, and had designed new, heavy tanks for land operations. Here was a threat that demanded a remedy -- and the remedy could only be tanks for our side -- bigger and better than the enemy's.

But that was only half the problem. If Britain was to use such tanks as attack weapons, they would have to get to the fighting fronts. That called for a ship that could be unloaded rapidly and under fire. Unloaded with the equipment ready to go -- with the guns firing.

Admiral Dorling put on his hat and went to see Rear Admiral Edward Goshorn, now Chief of our Bureau of Ships.

By November 5, the Bureau of Ships had the first sketches ready. A mission from Great Britain -- men who had seen what

-3-

happens when you try to land troops and equipment on enemy territory -- came over to talk. Our own Navy ship-building program was in full swing. Every available facility was in use. There was no place that could build this new ship. But the Navy found new sources and created new shipyards in land-locked areas. It fostered the hiring and training of thousands of men and women who had never seen a ship. New facilities were constructed practically over-night in cornfields, along rivers and inland streams. In one case there was not even time to build buildings. The contractors started to work in tents, but by October 1942 the first LST was ready.

That is the story of how you came to have a shipyard here in Evansville. You were chosen because you knew steel, you knew how to handle it.

I talked yesterday with a Naval officer who was an eye-witness of the Battle of Munda. Let me tell you a little of what he told me about what these LST's-- the ones you built here -- did at Munda.

Just before dawn, our fast destroyers swung in toward Rendova Beach. They put their personnel landing craft over the side -- the smallest ones, those that we see out there -- and the Marines went ashore to gain a beach head.

A little after sunrise the troop transports followed the destroyers in. Their job was to put the second wave of men ashore, in larger landing craft. The landing boats were in the water, loaded with men, before the ships stopped--they were actually

-4-

on their way in to the beach before the transports lost headway. Equipment was landed. The big amphibious tractors swam ashore under their own power.

Then, the following morning, the big LST's made their landing at Rendova and really poured in the supplies. Down went the ramps, and out rolled the tanks and the big guns.

Every phase of the action depended upon landing craft.

All of these landing craft--the little ones, the medium-sized ones and the big LST's--are equipment that we designed and built after the United Nations were well into the war. The thousands of Allied landing craft that have swarmed ashore during these past few weeks--at Rendova and Attu and Kiska, in Sicily and Italy--lived only in the minds of Allied military and naval experts 20 months ago. In barely a year and a half you people here, and men and women in other shipyards like this, have brought to a climax one of the most complex construction programs in the history of Naval shipbuilding. Never before has a building program of such scope been attempted in so short a time.

For this, you and all the rest of the people who are building ships are to be complimented. You have earned the deepest gratitude of your Nation.

And you are doing a good job of buying the Bonds that pay for the ships. Shipyards all across the country have made high Bond records. Your record, here, is very good (INSERT) And I know it will continue to be good.

-5-

No American is likely to enjoy ease of conscience or peace of mind unless he meets his Bond responsibility in full. He will have done his part only if he can count actually things which he has temporarily sacrificed. He can keep faith with his fellow-members in a democratic society only if he pulls his share of the load, to the limit of his own strength. For a democratic society is founded on the premise that each of its members, voluntarily, will play his essential part.

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We still have two days to go. What happens tomorrow and Saturday will measure for us the patriotism of the American people--and, more than that, the measure of the Nation's understanding of the principles involved in this war.

We know now why we are fighting. This is no longer a war of defense--if it ever was such a war! It is no war of resistance against aggressor Nations, either.

This war is a struggle between two ways of thought.

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The lesson we have in mind for the dictators is that our way of life, our democratic principle can and will beat theirs -- has crushed them in the past, will blast them this time, will halt them if they ever again dare to challenge it.

Our every word, our every deed must reaffirm that our armies are in fact the people's armies, that the world of our future will be in fact a world for all the people, all of the time.

BRITISH MOST SECRET.
U.S. SECRET.

COPY NO. 13

OPTEL No. 322.

Information received up to 10 a.m. 30th
September, 1943.

1. NAVAL.

LUTZOW reported having passed Southward through the Sound yesterday. Unloading in the Salerno area seriously hampered by weather recently. First convoy to Brindisi arrived on 28th. By 27th, 6400 troops, 1100 tons of stores and 134 vehicles had been transported to Corsica. One of H.M. submarines torpedoed 1 ship and possibly another North of Corsica.

2. MILITARY.

Italy. To 4 p.m. 29th.

8th Army. Reconnaissance unit was reported within 10 miles of Termoli on Adriatic coast on 28th. Garganico promontory reported clear of enemy. At Melfi our advanced troops are held up by demolitions, but some progress has been made to the North and South West of the town.

5th Army. Some progress has been made on the right as far as Pesco Pagano and S. Angelo. On the left our advance towards Naples continues in spite of demolitions and bad weather.

3. AIR OPERATIONS.

Western Front. 29th Bad weather restricted operations. Fighters damaged 14 trains in Northern France and off Holland fighters and fighter-bombers sank 1 barge and damaged 11 other small craft.

29th/30th. Aircraft despatched - Bochum 352 (8 missing), sea-mining Baltic 14 (1 missing), Gelsenkirchen 11, Intruders 17 (1 enemy aircraft destroyed). At Bochum weather was good and a good concentration of bombing is believed to have been achieved

Kos. 28th. A total of 39 JU 88's (some escorted) made 2 attacks on landing strip, 2 of the intercepting Spitfires are missing.