• PSF Harry L. Hopkins - Subject File - Box 152

Box 152

FEDERAL EMERGENCY RELIEF ADMINISTRATION
OFFICE OF ADMINISTRATOR
WASHINGTON

November 14, 1934

PERSONAL & ~~CONFIDENTIAL~~

MEMORANDUM

TO: HON. M. H. MCINTYRE
FROM: HARRY L. HOPKINS

Robert Hutchins, President of Chicago University, called me on the telephone today. He said Miss Perkins talked to him last night asking him to come to Washington to see the President tomorrow, Thursday, November 15th.

Hutchins said he called to get my advice because he said, he knew the NRA Board and Richberg's hostility to his appointment and has no desire to come to work in that kind of an atmosphere. Furthermore, he has some reservations about the Board not having the policy as well as the administrative responsibility, subject to the final approval and direction of the President.

He said that he had no reason to think that Williams wanted to retire, that he had never met Williams and he had no idea how he could work with him.

Hutchins did not indicate that he would be unwilling to come down here and act as ~~advisory~~ chairman of the Board even though Williams were to continue indefinitely and he, Hutchins, would remain, as Vice-Chm. I gathered, although, he did not say so, that he would consider coming here on a specific job providing that he could be assured that he was not undertaking an impossible task because of the hostility of some of the NRA membership. He told me that he had been asked to do the job by the President and that he wanted to get the matter cleared up directly with him.

He is leaving for Washington on the Capitol Limited at 3:00 pm today. He states that Miss Perkins has arranged for an appointment with the two of them tomorrow.

Hutchins states that neither the messages he has had from Mr. Richberg or Miss Perkins have made it clear just what he is expected to do. As I stated before, he did not indicate that he was closing the door in case the President has changed his mind about the assignment which he wishes to give Hutchins, if any.

H. L. H.
Harry L. Hopkins

FEDERAL EMERGENCY RELIEF ADMINISTRATION
OFFICE OF ADMINISTRATOR
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H. L. H.
Harry L. Hopkins

P.S.F.
Hopkins

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

August 19, 1935.

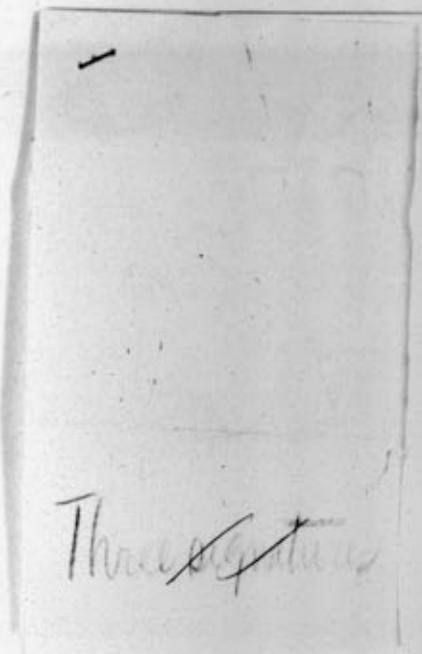
MEMORANDUM FOR

HON. HARRY L. HOPKINS

In going over a lot of unfinished business, I find the following note - evidently three or four weeks old:

"H. H. to nurse McCarl in person and not to send his lawyer pressman!"

F. D. R.



PSF: Hopkins

Box 152

WORKS PROGRESS ADMINISTRATION
WASHINGTON, D. C.

HARRY L. HOPKINS
ADMINISTRATOR

August 23, 1935

My dear Mr. President:

Floyd Olson came out to the house last night to see me, and we had a long discussion of Minnesota politics. This is the substance of the information I get from him:

(1) That he plans to run for the Senate against Schall, and he expects to be elected.

(2) That he has left the door open for any Third Party Presidential nomination, but that he does not expect to see any Third Party in the field.

(3) That he is going to support you.

(4) That he has a working understanding with Joe Wolfe. (This has been confirmed by a letter I have received from my brother in Minneapolis, who is closely in touch with the Democratic situation there.)

(5) Olson hopes the National Democratic Committee will send no emissaries into Minnesota to fight him.

(6) That he has regard for Leo Crowley and he thinks the Democratic Party should use him in dealing with those Middle Western States.

Very sincerely yours,

Harry Hopkins

Administrator.

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

WORKS PROGRESS ADMINISTRATION
WASHINGTON, D. C.

HARRY L. HOPKINS
ADMINISTRATOR

August 23, 1935

file "private" H (2)

Dear Missy:

I am enclosing two notes for the President which I am very anxious that he see as soon as you can arrange it.

Very sincerely yours,

Harry

Administrator.

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

Encls

PSF: Hopkins

October 31, 1935.

File

MEMORANDUM FOR HON. HARRY HOPKINS

What is there in the story that the Comptroller General will approve none of your dirt road projects or rural grade crossings?

If this is true, can you not act as agent for the Secretary of Agriculture after he makes the apportionment?

F.D.R.

enc

PSF: Hopkins
file
personal
Gen-Drawer 2-36

TELEGRAM

The White House
Washington

9 PO JM 302 Collect D.L. 4pm

G., Portland,Ogn., Sept. 15, 1936.

The President:

Dear Mister President: I have just completed two or three days in each of five states Wyoming seems doubtful territory to me with you holding a slight edge appears that Carey will probably be reelected but that Democratic congressman at large should win Governor Miller and others confident they can carry state. Utah safe, Salt Lake Tribune excellent poll shows you leading two to one. Difficulty there is in election of governor. Perry running as independent candidate will draw largely from Blood and may result in Blood's defeat Anything that you can think of to help Blood should be done at once. Urgently suggest you do whatever you can for Blood as Perry is another Gene Talmadge. You should carry Utah by wide margin. In Idaho Senator Borah is being photographed on WPA projects and you know therefore he is spending his regular two months out of every six years beating the bushes He is a professional and may defeat Ross who is sick. Unless Borah gets very active in the Landon campaign you should carry Idaho by ten thousand votes. Montana will give you larger majority than last election Murray is in some trouble He just squeezed through the primary and Monaghan is running as an independent Murray confident can win and wants Bob LaFollette to come to Montana to speak for him and I am getting in touch with Bob. Most people I have talked to think you will get three votes out of five in Washington and that you should win but by a slightly reduced majority over nineteen thirty two All the republicans I have talked to concede this state to you Governor Martin should win. Been in Oregon the past two days Will wire you from San Francisco.

Harry Hopkins.

PSF: Hopkins

Form 9625
TREASURY DEPARTMENT
U. S. Coast Guard
Ed. Sept. 1930

U. S. COAST GUARD

OFFICIAL DISPATCH

UNIT HEADQUARTERS

DATE 18 APRIL 37

INCOMING HEADING

Z QUAH V NRUK GR 135

FROM

SARANAC

TO (FOR ACTION)		ACKNOWLEDGE
		PRIORITY
HEADQUARTERS	XX	ROUTINE
		NITE
TO (FOR INFORMATION)		ACKNOWLEDGE
		PRIORITY
		ROUTINE
		NITE

Harry Hopkins

TEXT

8016 FOR FRANKLIN D ROOSEVELT COMMA WHITE HOUSE WASHINGTON DC QUOTE PLEASE TELL YOUR SO CALLED MILITARY AIDES THAT I GOT MY ALLIGATOR YESTERDAY AND WHEN I RODE HIM BACK TO THE SHIP HE TOLD ME HE WAS A CLASSMATE OF PAS AND REMEMBERS THE COLONEL UNFAVORABLY STOP WHEN HAROLD GOT A STRIKE THE OTHER DAY I YELLED TYDINGS AND FIRST THE ROD AND REEL AND THEN HAROLD WENT OVERBOARD AND WE HOPED FOR A BRIEF MOMENT THAT WE HAD LOST THE BEST FISHERMAN IN THE CABINET BUT NO LUCK HE CAME UP WITH A COUPLE OF HENRY WALLACES BUREAUS STOP THANKS FOR THE TRIBUNE IT KEEPS HAROLD IN BAD TEMPER WHICH MAKES HIM A GOOD SHIPMATE STOP HIS TAIL IS UNHAPPY FROM OVER HITTING SO HE STOOD UP FOR BREAKFAST SIGNED HARRY UNQUOTE 1105

MSGNR TO WHITE HOUSE

TOR 1130 FH NR 21 BL.

Operator's Record.

Initials of "ACTION" officer.

PSF: Hopkins

THE SECRETARY OF COMMERCE
WASHINGTON

P.F.

Dear Mr. President:

It seems to me that sometime in the next ten days or two weeks would be an opportune time for you to make a fireside chat to tell the people about the program before Congress.

Very sincerely yours,

Secretary of Commerce

The President
The White House
Washington, D. C.

PSF Hopkins

WORKS PROGRESS ADMINISTRATION

WALKER-JOHNSON BUILDING
1734 NEW YORK AVENUE NW.
WASHINGTON, D. C.

HARRY L. HOPKINS
ADMINISTRATOR

(W) File

Personal

December 7, 1937

Miss Marguerite Lehand
Secretary to the President
The White House
Washington, D. C.

Dear Missy:

The President asked me to look this up for him. I think he will be amused.

Very sincerely yours,

Administrator

Enc.

MEMORANDUM

CONFIDENTIAL

December 6, 1937

To: Mr. Hopkins

From: Mr. Milford

While we were chatting in the dining car on our way to Charleston the other day, you asked me to find out, if I could, what the common expression "Boiled Owl" means - and where the expression originated. I told you I would be glad to look it up and I have.

On page 40 of the book called "Passing English of the Victorian Era," by J. Redding Ware, is the following:

BOILED OWL (People's). Drunk--as a boiled owl. Here there is no common sense whatever, nor fun, wit, nor anything but absurdity. Probably another instance of a proper name being changed to a common or even uncommon word. May be drunk as Abel Doyle--which would suggest an Irish origin like many incomprehensible proverbs too completely Anglicised.

"It is a well-known fact in natural history that a parrot is the only bird which can sing after partaking of wines, spirits, or beer; for it is now universally agreed by all scientific men who have investigated the subject that the expression, 'Drunk as a boiled owl' is a gross libel upon a highly respectable teetotal bird which, even in its unboiled state, drinks nothing stronger than

rain-water."---D. T., 12th December 1892.

Also whitish, washed-out countenance, with staring sleepy eyes.

"Both were admirably made up, and Twiss had just the boiled-owlish appearance that is gained by working all night in a printing-office."---Ref., 31st May 1885.

(See DEAD as O'DONNEL, SMITHEREENS.)

PSF; Hopkins
P.P.F.
2

January 11, 1938.

Dear Harry:-

Missy has told me that you telephoned on Saturday night. I am sorry I had not returned from the speech, as it would have been grand to have talked with you.

I hope so much that you are not trying to hurry things up. It seems to me almost incredible that you should be walking around so soon. However, it is, of course, grand news.

Joe Kennedy's sounds like an ideal spot for peace and quiet and recuperation.

We all had great fun with Diane at Christmas time. She is a lovely youngster and stole the show that day. As you know, of course, she is now at Jimmy's 'political' farm in Massachusetts where Jimmy and Bets say they are all having a grand time.

The figurehead picture is bully and I am really awfully glad to have it. Thank you ever so much.

Do keep us in touch with where you are and how you are, and take good care of yourself.

As ever yours,

Hon. Harry L. Hopkins,
Mayo Brothers,
Rochester,
Minnesota.

PSF PSF Commerce
Hopkins

THE WHITE HOUSE
WASHINGTON

January 10, 1939.

MEMORANDUM FOR

THE SECRETARY OF COMMERCE

Will you talk with me
about this?

F. D. R.

President's Longhand:

H. H.

Zone Director -- Butte, Montana

James Cambo.

Wheeler wants him out.

See Jim Murray -- He is very sore.

BF HCH Commerce/Hopkins

THE SECRETARY OF COMMERCE
WASHINGTON

March 6, 1939

PERSONAL AND CONFIDENTIAL

Dear Mr. President:

There is some serious sabotaging of McDonald's Federal Housing Bill apparently coming from the Home Owners' Loan Corporation. I presume you noted that the Bowery Savings Bank reduced their interest last week to 4 1/4% on FHA loans and I believe it is extremely important that the FHA continue to have power to insure existing mortgages. It really gets down to a fight between those who are trying to keep up a high interest rate on mortgages and the FHA. The FHA has the support of the more liberal bankers who show every sign of being willing to loan private funds at a much lower interest rate for housing than we have ever seen before in this country.

I do hope you can get a chance to talk to Mr. McDonald about this because, in effect, you have today one agency publicly opposing the program of another.

Very sincerely yours,

Secretary of Commerce

The President
The White House
Washington, D. C.

PSF: ~~Commerce~~ (Hopkins) folder

Hopkins

file personal

THE SECRETARY OF COMMERCE
WASHINGTON

March 23, 1939

My dear Mr. President:

I think you will be interested in reading this.

Very sincerely yours,

Secretary of Commerce

The President
The White House
Washington, D. C.

C
O
P
Y
of
SPECIAL REPORT NO.
sp.Rep.#223

Mexico,D.F. Mexico March 17,1939

Subject: BANKING SITUATION

Submitted by: Thomas H. Lockett Commercial Attache

VIA AIR MAIL

[redacted]

A number of things are militating at the moment to produce a rising demand for dollar exchange. During the past four or five days the demand for dollar exchange has shown a continuous increase. At the close of banks on March 17th., the purchase of dollars had not reached the point where it was giving unusual concern to officials of the Bank of Mexico. As of March 14th., the Bank of Mexico had a stabilization fund of 7,100,000 dollars which it intends to use to maintain its metallic reserve during the next five or six months. The 7,100,000 dollar "hidden" stabilization fund has been created since October 1, 1938 by excess dollar purchases made on the Mexican market with pesos. On March 16th., the Bank of Mexico was required to sell 75,000 more dollars than it bought on that day. In other words, the demand for dollars had reached the point where the Bank is being required to sell more dollars than it purchases.

During the conversations, officials of the Bank of Mexico today did not express any particular concern over the immediate rise in the dollar demand, but, they did display considerable concern over the outcome of the petroleum negotiations and the possible effect upon the monetary system of a failure in the negotiations. The officials of the institution said that they could cope with any measures which

might be taken by the oil companies, themselves, but that the financial system could not stand any severe economic or diplomatic pressure from the Government of the United States. The officers of the Bank asked the direct question as to whether or not President Roosevelt had approved the points which Mr. Richberg was using as his basis of discussion. They said the answer to that question would be of great assistance to them in determining what course to pursue. I inferred from the question that if the bases of discussion had been approved by Washington officials of the Bank of Mexico would consider a failure in negotiations as a much more serious matter for Mexico.

The reasons given for the increasing demand for dollars are: (1) A growing belief that the oil negotiations will be unsuccessful. (2) Political agitation in favor of various presidential candidates. (3) Increasing public utterances and publications of candidates and political parties opposed to the present administration. (4)Uncertainty over the continuation of the silver purchase policy and (5) the knowledge that the Federal Government is scraping the corners in order to meet its payrolls.

While the monetary situation has not yet become serious, it is quite evident that the tendency is unfavorable with a certain section of the public becoming concerned. One banker stated that a very steady demand for dollars was being made by professional politicians who are in position to know the progress of the oil discussions.

C
O
P
Y

SPECIAL REPORT NO.
Sp. Rep. #223

The reserves of the Bank of Mexico have been under a tremendous strain since September 1937. I do not believe that it could weather a very severe storm without employing some such measures as have been used by Germany and other countries. In other words, severe pressure upon the peso would undoubtedly cause the Bank of Mexico to immediately limit the sale of foreign exchange to the payment of imported merchandise. In fact, this was indicated today as a probable measure by one of the officials of the Bank of Mexico. So, it is well to bear in mind that severe restrictions probably will be placed upon foreign exchange in case the monetary system is driven too hard.

You will be advised by air mail or telegram as changes in the monetary system may warrant.

(Signed) Thomas H. Lockett
Commercial Attache

PSF: Hopkins

THE SECRETARY OF COMMERCE
WASHINGTON

Steve & Pa
To read &
then file in
Pres. private file

March 25, 1939

Dear Missy:

I think the President will be very much interested in reading this one!

Very sincerely yours,

Secretary of Commerce

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

THE WHITE HOUSE
WASHINGTON

April 1, 1939.

MEMORANDUM FOR

SECRETARY EARLY:

Dear Steve:

I have read.

E.M.W.

c o p y

GRAVES LUMBER AND HARDWARE COMPANY

Wholesale Producers and Shippers of
Texas Mountain Cedar

1807 Walnut Street
N. Uvalde, Texas.

Phone 72

March 16, 1939

Mr. Paul Mallon
c/o King Features Syndicate Inc.,
235 E. 45th Street,
New York City.

Dear sir:

Having read your article of March 14th, in "News Behind the News", published in the San Antonio Light, with reference to a Low Cost Housing Project in Uvalde, of Vice President John M. Garner, in which you quote comparisons of price of the cost of his homes recently built and FHA Demonstration Home being built at that time, wish to advise you that you have either been very much misinformed on practically all the points you brought out, or used your imagination to a large extent in writing the article.

There has only been two FHA Demonstration Homes built in Uvalde -- we, having built one last summer, and the Uvalde Lumber Company, having built the other, so therefore one or the other is the example you cite.

In the first place, neither was a mile and a half from town, both being in adjoining blocks, one and two blocks respectively from the High School and two and three blocks from the Low School. Further to indicate to you that the houses were not a mile and half from town and out in the sticks, as your article leaves the impression, the Manager of Mr. Garner's Abstract Plant in Uvalde, lives just across the street from the one we built, the Cashier of Mr. Garners Bank lives two blocks further out, one of the leading Doctors of the town next door, in fact both FHA Demonstration Homes are in the best residential section of the town, the sites having been selected for that purpose for the reason that they were to be Demonstration Homes and approved by FHA and tentatively the sites were appraised by FHA before the applications were filed. Naturally for a 90%, 25 Year Owner-occupied FHA loan, the FHA and more especially for Demonstration Homes have a number of requirements that have to be met in cities and towns.

In the second place, both of these Demonstration Homes cost considerably more than $2700.00 -- the one we built costing $3255.00 and that of the Uvalde Lumber Company some $3600.00. The floor space in the two Demonstration homes, being from 50% to 70% more than any of Mr. Garner's houses. Then too, the cost of our Demonstration Homes not only included garages, which you state Mr. Garner's included, but sidewalks in front across the lots, approach walks, gravel drives and grading around the houses and landscaping of the ground on one of the Demonstration Homes. Mr. Garner's homes, some fifteen of them, are built on alleys, as many as five of them on the same lot and a large percent of them haven't garages, some of his better homes do have separate garages.

In the third place, Mr. Garner's houses are rented from $10.00 to $20.00 per month, something like 30% of the ones he has built are rented for $20.00 per month, instead of all from $10.00 to $15.00 as you mention, and the FHA Homes are not rented for $27.50, nor rented at all, but were sold, the monthly payments on the loan on the one we built, being only $16.80 and the taxes and insurance payments $8.00 per month, while the one built by Uvalde Lumber Company, the monthly payments are approximately $19.00 per month on the loan and taxes and insurance $10.00 per month.

The only statement you make in your article that is correct is that Mr. Garner thinks the outside appearance of his houses are practically as good as the FHA homes, which is true on some five or six of his best homes, however, there is a vast difference in the construction, some few of which, we call your attention to:

We are at the present building an exact duplicate of one of Mr. Garner's most expensive homes, for another party, the contract price being $1531.35 for same, and as a comparison of construction of our FHA Demonstration Home and the home we are building that is a duplicate of his, we call your attention to the following differences in construction:

Foundation, FHA Home: Holes for footings 5'0.C.30"x30", depth 36" Garner Cottage: Holes for footings, 24"x24" 24 depth, 6' 0.C.12" concrete in footings FHA Home, 6" @ Garner cottage

Sills: FHA Home 6x6 with galv. continous termit shields -- Garner cottage, 4x6 with no termite shields.

Flooring Joists: FHA Home, 2x10-16" on centers, with two lines of bridging between. On Garner Cottage 2x6 - 2ft. on centers, with no bridging.

Floors: FHA Home: sub-floor throughout with 15 lb. felt and oak flooring --- Garner cottage, no sub-floor and clear pine flooring.

studdings: FHA Home 9' walls, 2x4 - 16" on centers storm braced -- Garner cottage: 2x4 - 2ft. on centers out side walls, no storm bracing, and 2x2 studdings 2 ft on centers for all partitions and 8 ft. walls.

Rafters and ceiling joists: FHA home, rafters 2x4 - 16" on centers, with one set bracing from ceiling joists to rafters on each set. Garner cottage: Rafters 2x4 -24# centers, with no roof bracing. Ceiling joists FHA Home: 2x6-16" on centers -- Garner Cottage: 2x4 -2 ft. on centers.

Siding FHA Home: Colonial with felt between studdings and siding. Garner Cottage: A much cheaper grade of drop siding, with no felt.

Shingles: FHA Home: Best grade of shingle manufactured, being perfection No. 1, 18" -- Garner cottage: Cheapest grade manufactured, being No. 2, 16" Random Clear.

Outside Painting: FHA Home: 3 coats, 2 coats on roof. Garner Cottages, none of the roofs painted, and all 2 coats outside.

Then on the inside of the two homes, there is a great difference in the grades of materials used, there being on the FHA homes much more expensive doors, milled trim, etc., and many more things too numerous to mention.

Please do not misunderstand our attitude in writing you this letter, as we are 100% for our townsman, John N. Garner and also 100% in favor of FHA. In other words, we don't care who furnishes the money to build homes, whether the FHA or Mr. Garner -- the only thing we are interested in being that they are built and that we build our share of them.

The FHA Loans have almost been a God-send to Lumber Dealers and Contractors in our Section of the Country, and you can readily understand to insure loans 90% over a 25 year period, they must be mighty well built. Much better, than Mr. Garner, or anyone else would construct them for rent houses, which are ordinarily not constructed with the idea of a minimum of repair bills over a 25 year period of time.

Mr. Garner's low cost housing project has also been of great benefit to this community, employing many workmen at a time when it was badly needed. Moreover Mr. Garner has had lots of building done from time to time and probably is familiar with some of the details of FHA construction requirements and their specifications covering foundations and other details are more stringent than those ordinarily used in our section of the Country, however the maximum amount of time we ever secured on a residence loan, before the advent of FHA in Uvalde was twelve years. Therefore, we are quite sure Mr. Garner realizes the type of construction has got to be much better where the loan is to run for twenty-five years.

c o p y Letter to P. Mallon

The writer, has known Mr. Garner all his life and has done lots of business with him for the past twenty four years, and happens to know that the idea he had in mind in building some thirty-five rent houses the past summer and winter was to be getting some returns from quite an investment he had in vacant lots scattered around over the town, and his investment in rent houses are bringing him fine returns on the money invested in them so far.

Hoping these facts will help clear up the impression you evidently had of general building construction in our Section as compared to that of the FHA, we are

Signed
L.W. Graves

PSF: Hopkins

THE WHITE HOUSE
WASHINGTON

May 31, 1939.

MEMORANDUM FOR

H. L. H.

I think No. 1 is the best to send out first.

It does not endorse the New Deal as the other two drafts do.

A little later on we can use those two intriguing words!

F. D. R.

SEMPER PARATUS
SEMPER FIDELIS

Copy PSF: Hopkins

THE WHITE HOUSE

WASHINGTON

June 6, 1939

MEMORANDUM FOR

THE SECRETARY OF COMMERCE

TO READ AND RETURN FOR MY FILES.

F.D.R.

THE WHITE HOUSE
WASHINGTON

June 6, 1939.

MEMORANDUM FOR

THE SECRETARY OF COMMERCE

TO READ AND RETURN FOR

MY FILES.

F. D. R.

Report on the California political situation.

PSF: Hopkins

California, the most important of the 11 Western States, after an overwhelming Democratic victory, has in the short time since Governor Olson's incumbency, beaten a hasty retreat from the New Deal. If nothing is done to check the present political course in the West's largest state, 1940 will see a completely demoralized and impotent "little New Deal for California." The effect of this demoralization, staggering to California, will have serious repercussions upon all of the Western states, and in all probability, upon the national convention of the Democratic party.

To impartial observers, it seems almost as though California progressives have won the election only to give away the victory to the forces that were defeated in that election. The charge is being made that since the election of Olson, Patterson, and Downey, which marked a high tide in New Deal fortunes in the State of California, the sentiment of the electorate is turning, and the reforms upon which the New Dealers were elected can not now be put into practice with public support. This argument is used to account for the unceremonious firing of New Deal appointees in the state administration at the least sign of red-baiting by Republican forces. Scarcely has one Tory request for dismissal of a progressive, appointed because of his sympathy for the program upon which Olson ran, been complied with, before the reactionary pack is on the war-path for another progressive. The administration, politically naive, and convinced it is defenseless against the attacks of the opposition, has been placed on the defensive ever since the inauguration of the Governor. To understand fully the paradox of the Olson administration's defeat in the midst of victory it is necessary to know the complex character of the campaign which was waged for the election of the first New Deal or Democratic administration in the 44 years of California's history.

Olson was neither nominated nor elected by the regular Democratic

machine of the state of California. Both his election and nomination were made possible through a coalition of forces in the state of California which support the New Deal rather than the Democratic party. Even his campaign was mapped out by representatives of those forces, including the CIO, the Railroad Brotherhoods, the old age pension movement, unemployed organizations, some A. F. of L. unions, the remnants of Upton Sinclair's Epic Movement, and the vitally important Motion Picture Democratic Committee. During the campaign Olson repeatedly made promises to each of these groups involving considerable patronage, and even permitted the Democratic party machine to canvass some 15,000 persons active in Olson's behalf to determine what jobs they would like to get as soon as Olson was elected. While many of these groups supporting Olson, Patterson and Downey worked cooperatively for their joint election, and some organized themselves jointly under the banner of the California Federation for Political Unity, there was no cohesive disciplined political structure, even in the Democratic party itself. When the election was won, each of these groups on numerous occasions waited upon Governor Olson in order to obtain a lion's share of patronage appointments, in competition with all other groups which had supported the Governor. As a result Olson, constantly harassed by different cliques among his supporters, became less and less Governor of the State of California, and became more and more a badly hunted dispenser of political patronage.

The situation developed to a point where the struggle for patronage between the forces that had supported the campaign of Olson became more intense and more bitter than the struggle for the success of California's "little New Deal." Some blocs made it their chief business to pressure Olson not to appoint those from other groups which were likewise Olson's supporters. The impression created upon Olson, whose political naivete is only exceeded by his inherent honesty, was that it would be impossible to carry out the California "little New Deal" upon which he

had campaigned with the united support of those who had elected him. He became convinced that the constant bickering of patronage seekers, which harried him night and day before the inauguration, indicated a complete demoralization and disintegration of the forces upon which he had counted not merely for election, but for the united force to carry through his program.

As a result, Olson began to manoeuver in order to gain support, even from the forces which had opposed him in the election. This meant appointments which in many instances tended to increase the breach between Olson and his former supporters, and to further insure the defeat of the program upon which he was elected.

Instead of offering a constructive program to the tremendous number of pension minded California people, the Governor, frightened by the tremendous effectiveness of the Ham and Eggs program, and its re-birth following the general election, has ducked this issue entirely. As a result, the leadership of the Ham and Eggs movement, which again, through securing signatures on petitions, is insured a place on the next California ballot, has launched a bitter attack upon Olson. There is even considerable talk, particularly in southern California, of a recall against the Governor. Likewise labor, and particularly the C.I.O., Olson's main supporter in Northern California, has developed an increasing hostility, due to the Governor's timidity in labor relationships, and his refusal to appoint to positions of importance within the administration persons recommended by California's C.I.O. The recent firing of Bill Plunkert from the post of director of the State Relief Administration, has caused a wave of reaction against the Governor, both in labor and unemployed circles where Plunkert, former secretary of the California Federation for Political Unity, and a main-spring in the pre-primary organization working for Olson's nomination, is regarded as a progressive symbol.

Today then in California there is a growing rift between those forces which united to support the campaign for the "little New Deal" last fall, and a growing hostility between a well intentioned but politically inept governor, and

all the forces which supported him. The conservative elements of the Democratic party, all of those in the old McAdoo machine, and Republican sympathizers, are doing everything in their power to capitalize upon the present demoralization in order to secure a victory in the 1940 California primaries, not only for a conservative candidate to replace Hiram Johnson, but also to nominate the highly important (but to most New Dealers highly obscure) band of delegates to the Democratic national convention of 1940. Unless the forces that supported Olson in the 1938 elections can be united into a common pre-primary political apparatus for the support of delegates to the convention, and to nominate congressional candidates and a senatorial candidate, California's little New Deal will never get started, and the expected contributions from that state to the national New Deal in the crisis year will not materialize.

Ironically, despite the growing fratricidal struggle between the forces which were responsible for the New Deal majority for Olson, Patterson and Downey in 1938, all of these groups are still enthusiastic in their endorsement of the national New Deal, and are particularly anxious for the success ofthe local New Deal in California. It is vitally important therefore that this majority sentiment immediately become a unifying factor in order to give the Olson platform a green light in California and to guarantee that California, 5th largest state in the Union and pivotal state in the West, shall send a delegation of 44 pledged in the strongest possible terms to continuation of the New Deal, and the nomination of a progressive acceptable to the White House and the labor movement. To accomplish the unity necessary to bring order out of the present liberal chaos in California, it is necessary that intelligent political assistance be given California from outside the state itself. Obviously the state administration is badly in need of assistance from the national New Deal in the form of counsel and support in reforming those lines which made victory possible last fall. Because of California's vital importance to the success of the national liberal program in

1940, it would seem vitally necessary that the most intensive survey be immediately made by the national New Deal of the California scene.

California is of course part of the regional picture, embracing the 11 Western States. It is of course true that unless effective propaganda, leveled at the tremendous number of economically interested, but politically illiterate supporters of the New Deal in the West, materializes between now and the 1940 convention, many of those who support the New Deal the most will in customary fashion boycott the caucuses and conventions which determine the delegates to go to that all important national convention. While the situation in California is the gravest, partly because of its recent progressive election, which if it fails to produce results will do much to revive the cynicism and syndicalism prevalent in California and other western states, and partly because California is the most important in numerical strength of the states of the West, practically no western state is much better prepared for the coming struggle for power in the Democratic party than is California. The same general condition exists everywhere -- the majority of the people still favor, and undoubtedly would vote for a New Deal candidate if nominated by the national convention.

Few realize that if the New Deal goes on the auction block at the convention, it may never see the light of election day. The West, while essentially progressive, and for the New Deal when defined in Western terms, such as cheap public power, soil conservation, flood control, more public works for the unemployed, more addquate old age pensions, better guarantees for the civil rights of labor, has no traditional party instincts which leade Western people by impulse to take an active interest in the machine politics of the major parties. Unless an effective sounding board can be found to alarm the West over the potential cost to the West of the defeat of the New Deal at the Democratic convention, old line machine politicians, depending upon a mere handful of henchmen, may name the delegates for a Tory, even though such a nomination would be misrepresentative of

western sentiment, and completely disastrous to the party.

If a regional conference with the full support of the administration could be called in the near future, at which time effective spokesmen for the New Deal could make clear both to delegates and to the west by incidental publicity that the Coulee, the Bonneville, effective labor relations, old age pensions, etc., in short, the things which the west in part has realized, or anticipates through continuity of the New Deal, are in grave danger of annihilation in 1940, then it seems to me there is still time to win the west before the convention. That conference should be called by the leading New Deal progressives, including public officials, farm and labor leaders from all western states jointly. Delegates should be invited from all of the farm, labor, pension, business and Democratic party organizations concerned with continuing the New Deal to insure Western development and a greater measure of economic democrary in the west. Beside pointing out the many and vital reasons why the West should continue to support the New Deal, such a conference should set up inter-state and intra-state committees for the purpose of first, mobilizing forces most concerned over the New Deal to select a slate of pro-New Deal delegates and nominating them either through the primary or by caucus; Second, to set up pre-primary machinery to guarantee a united support of essentially New Deal candidates, for congress and, wherever possible, for United States Senators.

California's Governor Olson should of course play a prominent part in the preparation and in the conference itself. It must be emphasized that to California progressives, disunited by the present internecine warfare, no New Deal will be possible for California after 1940, unless supported by a national New Deal victory. It is my opinion that such a conference would in many states for the first time set up the type of political machinery required to give effective expression to the New Deal party created by the economic program proposed by

the President. In California such a regional program could become the effective means through which the forces now divided could be re-united on a higher political plane, and Olson, now in retreat, made the effective leader of those re-united forces, which through struggling to secure California's share in the national New Deal victory should also be preparing the kind of united front needed to turn the present Olson retreat into an advance.

There is of course no individual or groups sufficiently impressive to secure the success of such a conference as outlined, without the aid of the administration. It would seem advisable that someone enjoying the complete confidence of the administration, familiar with the West and its problem, and influential with leading supporters of the New Deal in the 11 western states, should be detailed to this section of the country for the purpose of preparing for this conference immediately. As an obscure official in the Democratic party in the State of Washington, I have already observed that the opponents of the New Deal are at work attempting to secure the delegates to the convention. There has been no effective or authoritative New Deal leadership on a sectional basis in the West during the 7 years of the Roosevelt administration. This lack of such effective leadership has been responsible for the needless demoralization of groups which have shown themselves to be ardent supporters of the program of the White House. The most politically inept appointments for the administration of New Deal agencies created to benefit the underprivileged have been made as the result of this lack of coordination between the White House and its western supporters.

An effective representative of the White House position in the coming struggle for delegates throughout the west would be in a position to aid materially in the solution of California's present crucial problem -- Oregon's present internal party conflict -- Washington's difficulties aggravated by mal-patronage, and the creation of original party organizations for the securing of delegates in the other

western states. I am convinced that the program outlined here is the one means to defeat attempts at ersatz Republicanism at the national convention of the Democratic party. As I see it, a solid bloc of Western delegates, regionally as progressive as the southern bloc is reactionary, is vitally necessary for the securing of New Deal continuity at the convention. There is no other means by which delegates can be secured from the West for that convention than by the foregoing outline. Unless action is taken soon, action which requires a correlating agent with a passion for anonymity, but with administrative authority to prepare the ground work within the next several months, even this type of action will be too late for 1940.

Commerce Dept.

THE WHITE HOUSE
WASHINGTON

[redacted]

June 7, 1939.

MEMORANDUM FOR

THE SECRETARY OF COMMERCE

Will you get for me a memorandum on the relative cost of living in Caracas, Venezuela, as compared with Washington, D. C. — in terms of American dollars? The State Department tells me that for a given income of say $2,000 in Washington, the same person would have to be paid about $5,000 in American money in order to live in the same way in Caracas. I don't believe it.

In having this looked up, don't let the State Department know about this query.

F. D. R.

DECLASSIFIED
By Deputy Archivist of the U. S.
By W. J. Stewart Date FEB 24 1972

For the President's correspondence on the same subject with the Acting Sec of the Treasury-- Hanes

See-Treasury folder-Drawer 1-39

copy

THE WHITE HOUSE
WASHINGTON

August 28, 1939.

Memorandum for

The Secretary of Commerce

For your information and return.

F.D.R.

Copy

PSF: Hopkins

Harry Hop

1

Dear Mr. President:

Reference is made to your informal request for my opinion whether the secretary of the Treasury under your direction may issue ins tructions to all collectors of customs substantially as follows:

> Immediately upon your being satisfied that Germany is in armed conflict with another nation with or without formal declaration of war seize all German and Italian vessels in American territorial waters remove officers and crew therefrom and take all precautions against sabotage in enginerooms or otherwise.

It is my opinion that, in the event of armed conflict between foreign nations, action on our part in seizing in our ports vessels of one or more of the belligerents and not of the others would be in conflict with international law and could, under such law, be construed by the nations affected as an act of war.

It is also my opinion that any such action as contemplated by the proposed instructions, even if applied to the vessels of all belligerents impartially, would, unless based upon the procedure outlined in U.S.C. title 50, sec. 191, be in violation of the due process clause of the Constitution and would, in all probability, be immediately nullified by court action.

It is my advice, therefore, that any such instructions should be based upon a proper proclamation issued under said section 191, and that it should be made applicable impartially to at least the vessels of all belligerents.

Should the contemplated action be taken concurrently with, or subsequent to, the issuance of the general neutrality proclamation, the legal basis therefor would be considerably strengthened and broadened.

Faithfully,

Frank Murphy
Attorney General

The President
The White House

PSF: Harry Hopkins

December 25, 1939.

Dear Harry:-

Just because you are feeling so well don't throw this at your Doctor.

My very best wishes to you for a Merry Christmas.

As ever yours,

PSF Hopkins

THE SECRETARY OF COMMERCE
WASHINGTON

Subject File

March 7, 1940

Dear Missy:

Will you please show these to the President when he has a moment.

Very sincerely yours,

Secretary of Commerce

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

THE SECRETARY OF COMMERCE
WASHINGTON

March 7, 1940

Dear Mr. President:

I think you may be interested in reading these reports.

Very sincerely yours,

Secretary of Commerce

The President
The White House
Washington, D. C.

Enc.

BUREAU OF FOREIGN AND DOMESTIC COMMERCE
OFFICE OF THE DIRECTOR

February 26, 1940

From DIRECTOR

To Secretary Hopkins

For The attached confidential analysis of early February export figures is sent you with the reservation that such partial figures do not always reliably indicate the full month's results.

JWI

P3F Hopkins Commerce

February 24, 1940

EARLY FEBRUARY EXPORT TREND: WAR DOMINATES OUR FOREIGN SALES

Our February domestic exports may reach $400,000,000, the highest dollar total for this month since 1929, on the basis of the returns received through February 16, which show a $36.7 million (38 per cent) increase over early January. War influence is reflected by the heavy purchases by France, the United Kingdom, and Canada (more than half) and of cotton, aircraft, iron and steel (also more than half) in the February export gain. Reexports, $1.1 million larger, duplicated the percentage increase in domestic exports.

France alone accounted for more than a third of the early February upswing, due to larger shipments of aircraft, motor trucks, copper, cotton and machine tools. Among our exports to the United Kingdom cotton and steel increased most, aircraft decreased and tobacco continued at a low level. Canada's growing purchases were well diversified.

Our sales to Japan were featured by cotton and machine tool increases which more than offset the copper decrease. The U.S.S.R. also took less copper, more machinery. We sent nearly $900,000 worth of aircraft, machine tools and steel to Finland. Only a few thousand barrels of aviation gasoline were exported, Canada getting most of the bulk shipments and Japan two-thirds of the container sales.

Although nearly three-fifths of the early February expansion of our domestic exports represented larger shipments of war necessities to six countries engaged in three wars, it is gratifying to watch the upward trend of our sales to Latin America. Brazil, Cuba, Argentina, Venezuela and Chile each took from $500,000 to $1,100,000 more of our goods in early February than they did a month ago. Most prominent among the commodity gains to these countries were machinery, automotive vehicles and steel.

Featuring our shipments of critical and strategic materials were the impressive exports of ferromanganese to Belgium (4,700 tons) and molybdenum to the U.S.S.R. (442,789 lbs.) and Italy (404,268 lbs.). Exports of aluminum and re-exports of crude rubber and combing wool were substantially larger; tin and nickel shipments fell abruptly.

PSF Hopkins
Commerce

DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

WASHINGTON

[redacted]

February 13, 1940

MEMORANDUM TO SECRETARY HOPKINS

The situation with regard to Japan's dependence upon this country for aviation gasoline seems to be as follows.

1- An aeroplane will operate quite satisfactorily on gasoline much under 100-octane, the standard adopted by the United States Army. It is probable that most of the aviation gasoline now being sent abroad is not over 87-octane, similar to that being used by the British Army. At the present time there are practically no plants of the kind needed to produce a very high octane gas, outside the United States.

2- The best available information indicates that Japan is for all practical purposes entirely dependent upon the United States for 87-100-octane gasoline; that this grade of gasoline can not be bought in quantity elsewhere; and that neither the requisite grade of crude petroleum nor the necessary equipment to make such gasoline is available in Japan or to Japan elsewhere than in the United States.

3- Statistics relating to Japan's petroleum industry and trade have never been satisfactory; and since 1937, publication of these figures has ceased, such information being considered a military secret.

The accompanying table indicates what crude petroleum and gasoline is thought could have been made available in Japan during 1937, '38, and '39. It is the consensus of opinion of oil and military men that Japanese imports of these products have substantially exceeded consumption; and that there is little, if any, unused storage capacity now in Japan.

4- Japan has built up a fair-sized petroleum refining industry. Daily "throughput" for straight-run refining is said to be 52,600 barrels; while that for cracking is estimated at 16,250 barrels. At least two of Japan's recent cracking installations (capacity not known) should be capable of producing gasoline of 78-octane. This with an addition of lead could be brought up to 82-octane, which is probably satisfactory for Japanese planes.

5- Japan is largely dependent upon imports of crude petroleum. Approximately 90 percent of the petroleum refined in Japan is of foreign origin; and of this, estimates indicate that 80 to 85 percent comes from the United States. Principal other suppliers are Sakahlin, Netherlands Indies, and British Borneo; although crude oil has also been sent to Japan from Mexico, Ecuador, Peru, and Bahrien Island (in the Persian Gulf).

6- Gasoline under 87-octane and the crude petroleum from which to make it can be purchased therefore by Japan from sources other than the United States. Moreover, Japan possesses a very respectable fleet of tankers with which to transport these oils. Stoppage of American exports of petroleum and gasoline (omitting consideration of aviation gasoline) would, however, work a hardship on Japan. Bringing oils from further distance than the United States (except Netherlands Indies) would enhance the cost of transport. Also, the Japanese refining industry is built to operate largely on California crude oil, and use of crudes from other sources would probably mean decreased efficiency.

7- Indications are that under present fighting conditions in China, Japanese planes can perform quite satisfactorily on a good grade of automobile gasoline. If Japan should become involved in war with a first-class military power, it would be handicapped in the air without high-grade gasoline; and it is probably for this reason she has made efforts to built up reserve stocks of this kind. It is believed that with Japan's present stocks and present rate and type of consumption, if her supplies from this country were cut off she would be able to continue the war in China at least another year without serious danger of a shortage of petroleum products.

James W. Young
Director

THIS DOCUMENT IS THE BEST
AVAILABLE. EVERY TECHNICAL
EFFORT HAS BEEN TAKEN TO
INSURE LEGIBILITY.

FSE 74-1 Japan Commerce

Crude Petroleum and Gasoline Thought
To Have Been Available in Japan
1937, 1938 and 1939

(All data in 1,000 barrels)

Year	Crude Petroleum Available				Gasoline Available								
	Domestic crude	World	U. S.	% U. S.	Gasoline refined from crude		Imports of Gasoline			Imports of American gasoline, plus gasoline refined in Japan from American crude	Japan's apparent total supply	Percentage of Japan's total supply of gasoline furnished by United States
					Domestic	Imports	World	U. S.	% U.S.			
1937	2,689	21,300	15,995	70-80	447	5,189	4,467	1,402	25	7,000	10,103	69.3
1938	2,823	25,000	21,290	80-90	480	8,750	4,803	1,441	30	8,893	14,033	63.4
1939	2,400	19,400	16,086	80-85	400	6,790	4,033	1,210(a)	30	6,840	11,223	61.0
1940(Jan.)	---	---	1,482	---	---	---	---	468(b)	-	---	---	---

(a) 596,000 barrels aviation gasoline. (b) Aviation gasoline

(1) All 1937 data except estimates of U. S. share of crude petroleum & gasoline imports taken from Foreign Commerce & Navigation and reports from Commercial Attache, Tokyo.

(2) All data for 1938 and 1939, except U. S. exports of crude petroleum and gasoline are estimated.

(3) Gasoline yields from domestic crude are estimated at 17 percent, from imported crude at 35 percent.

(4) Imports do not include ~~petroleum or~~ gasoline for government use. Table headed World Imports of gasoline covers total imports from U. S., but does not include additional gasoline from other countries that may have been imported for Government use. (This quantity is thought to be small).

March 1, 1940

ECONOMIC DEVELOPMENTS

SUMMARY OF THE CURRENT BUSINESS SITUATION--February passed without any signs of an expansion in the basic factors of demand which would bring a near-term reversal in the business downturn.

The flow of new orders is still generally restricted and below the volume of production.

Industrial output has declined sharply during the past two months and even with this reduced rate of activity, backlogs of unfilled orders have been lowered further.

Consumption has eased off from the high December position.

The latest data available, as of the end of January, show a further substantial increase in inventories.

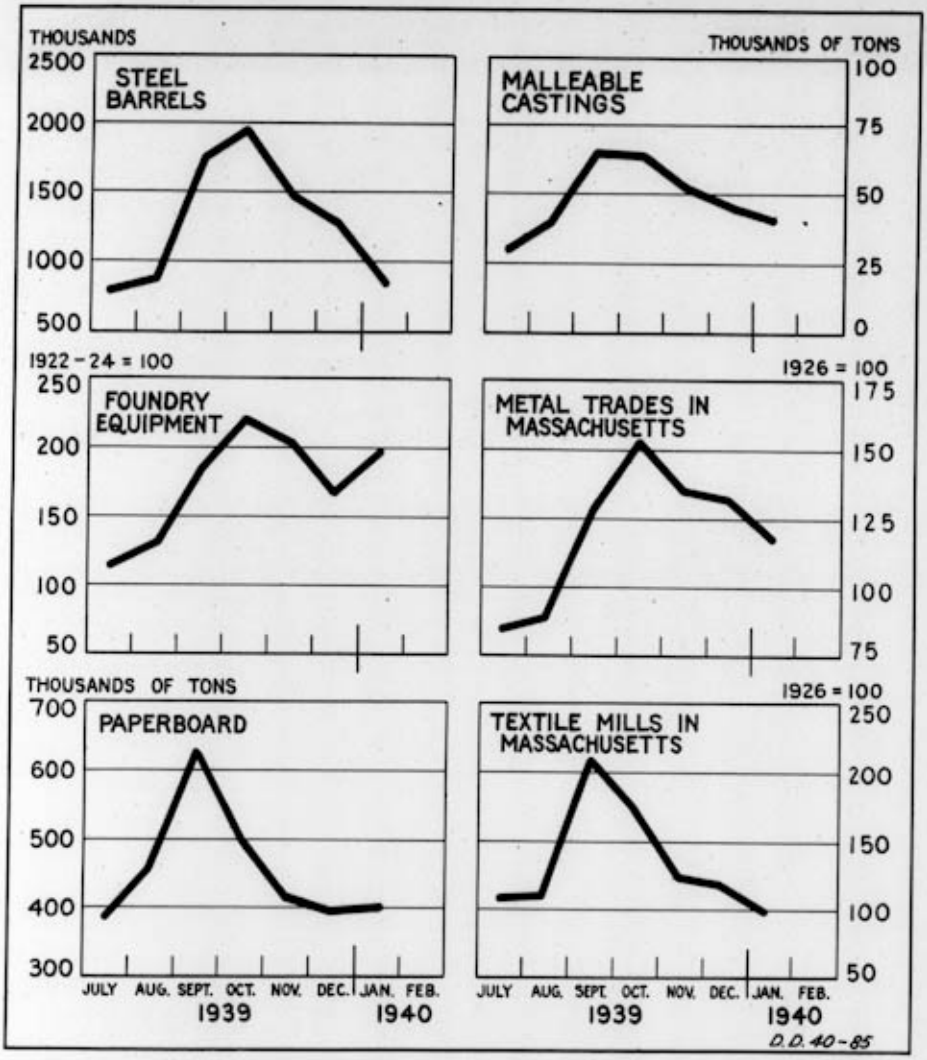
The only major factor to resist the weakening tendency in business so far this year is export trade.

REVIVAL OF NEW PURCHASING which is essential to halt the decline has not appeared. There has been sporadic purchasing in some lines of business, and, of course, a seasonal rise in some consumer goods industries. In the durable goods industries, however, which hold the key to the business prospects, there has been no indication in February of a renewed buying movement. High export demand in some lines has made for exceptions--e.g., aircraft and machine tools. In the aggregate, new orders apparently did not improve from the January position which was lower than that of December.

EXAMPLES: Several new order series are shown on the accompanying charts. Our tabulation from the monthly industry survey shows the following change in incoming business for 223 corporations:

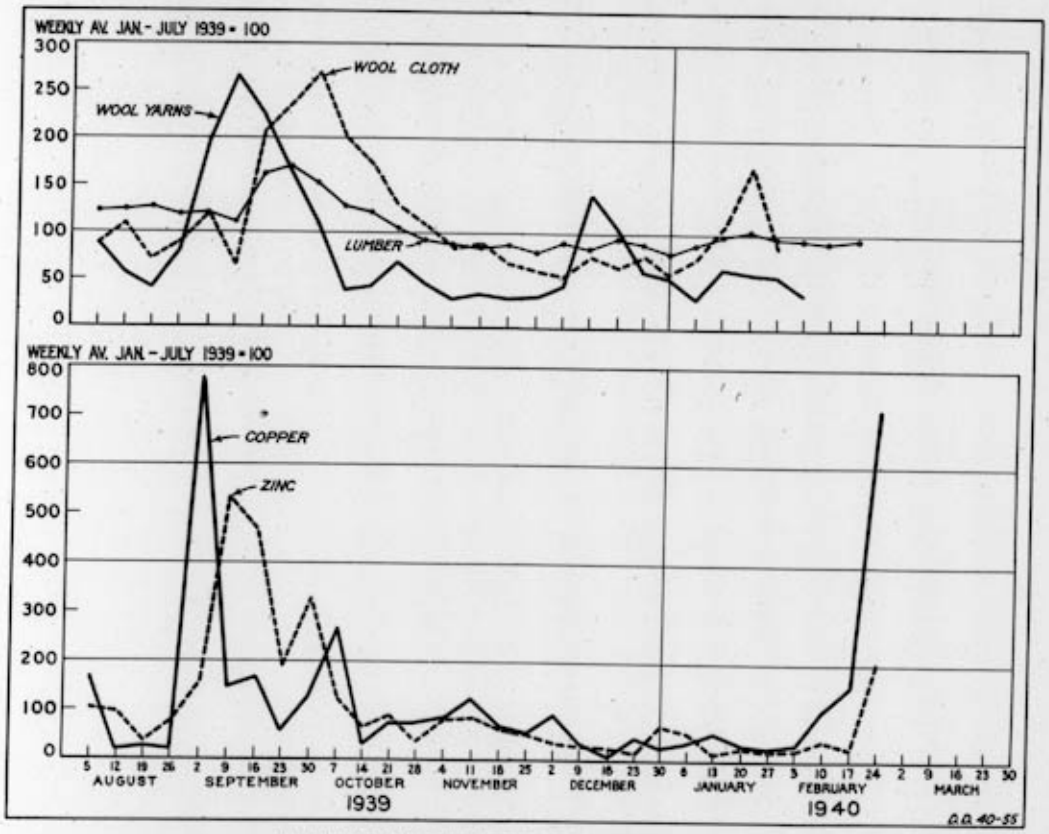
		Percent Change January 1940 from
January 1940 -	$294.5 million	
December 1939 -	310.4 "	- 5
January 1939 -	264.7 "	+11

SIGNIFICANCE: New orders are still below the rate of shipment and consequently, unfilled orders on the books are being reduced. If new buying does not develop soon an extension of the recession in industrial production can not be avoided. This situation is not confined to the durable goods industries. In textiles, for example, the recent high rate of output can not be sustained much longer with the current rate of ordering.



NEW ORDERS RECEIVED BY SELECTED MANUFACTURING INDUSTRIES, 1939-40

NOTE.- THE INDEXES OF NEW ORDERS (VALUE) RECEIVED BY TEXTILE MILLS AND METAL TRADES IN MASSACHUSETTS ARE COMPILED BY THE ASSOCIATED INDUSTRIES OF MASSACHUSETTS. THE OTHER SERIES ARE THOSE REGULARLY SHOWN IN THE SURVEY OF CURRENT BUSINESS AND REPRESENT QUANTITY, EXCEPT THE INDEXES FOR "FOUNDRY EQUIPMENT" WHICH ARE ON A VALUE BASIS.



NEW ORDERS FOR SELECTED COMMODITIES, BY WEEKS, 1939-40

NOTE.- RELATIVES HAVE BEEN COMPUTED FROM THE WEEKLY DATA (QUANTITY) WITH AVERAGE WEEKLY ORDERS FOR THE 30 WEEKS, JANUARY 1 TO JULY 29, 1939, AS 100. THE DATA ARE SUBSTANTIALLY COMPARABLE FOR THE PERIOD COVERED, ALTHOUGH SLIGHT VARIATIONS OCCUR IN THE NUMBER OF LUMBER MILLS REPORTING. ORDERS FOR WOOL YARN AND WOOL CLOTH ARE COMPILED BY THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS, COPPER ORDERS ARE SALES OF DOMESTIC PRODUCERS AS REPORTED IN THE AMERICAN METAL MARKET, AND SALES OF BLAST ZINC ARE FROM THE AMERICAN ZINC INSTITUTE.

CONTRACTION OF INDUSTRIAL PURCHASING has had as a corollary the weakening in the prices of raw commodities. The February index of 16 basic industrial raw materials recently made available by the Department of Labor averaged about 116 (August 1939=100) as compared with the December peak of 129.6; thus more than one-third of the post-August price rise in these commodities has been cancelled. On the average prices of farm products and foods eased off during January and February, though some important commodities moved against the general trend.

EXAMPLES of price changes:

Series	Unit or base	Dec. High	Jan. 27	Feb. 29
Copper	¢ per lb.	12.50	11.50	11.50
Tin	"	52.50	45.50	47.70
Cotton	"	11.11	10.42	10.72
Hogs	$ per cwt.	5.88	5.40	5.35
Steers	"	8.88	8.88	8.63
Wheat	$ per bu.	1.09	0.99	1.03
Wholesale Price Indexes:				
Farm products	1926=100	68.5	69.2	69.4*
Foods	"	72.1	71.4	71.0*
Other commodities	"	84.4	84.0	83.3*
Textile products	"	78.6	76.7	74.2*
Hides & leather products	"	104.4	103.9	102.7*
Raw materials	"	73.6	73.3	72.9*
Semimanufactures	"	83.5	81.2	79.6*

*Week ended February 24.

SIGNIFICANCE: In the main, the wholesale price situation has been one reflecting the decline in business activity and the uncertainty concerning spring business. Some commodities have recently risen in price because of special factors. Tin quotations, for example, rose slightly after the lowering of the export quota and foreign sales were a contributing factor in the late February increase of copper prices. The rise in wheat prices has resulted from the supply situation; cotton prices have been aided by foreign sales.

PRODUCTION TRENDS have not changed from the situation described in last week's report. It may simply be noted that the decline during the first quarter has been more rapid than the advance during the final quarter of 1939. Recall that the index last August was 103 and that now it is but little above that figure.

EXAMPLES:

Trend Strong	Trend Weak
Machinery	Textiles
Electrical Equipment	Fuels
Aircraft	Shoes
Machine Tools	Steel
Automobiles	Paper

SIGNIFICANCE: Certain industries, dominated by the war and national defense, can be expected to hold to a high level of production against the trend--e.g., aircraft, machine tools, shipbuilding. Others still at a high level, however, can not be expected to resist any general recession in business for an extended period--e.g., automobiles, industrial machinery, electrical equipment.

THE CONSTRUCTION INDUSTRY enters the active spring building season with a far smaller backlog of public work than in 1939 when the tremendous awards under the 1938 Public Works program were on the books. Consequently stimulus from this source will be much less than 12 months earlier. Construction undertakings financed from private funds have held at a high level. Residential building contracts have been running about on a par with year-earlier volume--a position that is but moderately lower on a seasonally corrected basis than last summer. Private construction other than residential has been somewhat higher than a year ago though not showing signs of attaining any such volume as that in the first half of 1937. The awards of contracts for factory building did not record major gains in the fourth quarter of last year and there are few indications of any major increase in this field.

EXAMPLES:

Construction Contracts Awarded in 37 Eastern States
(Thous. of Dollars)

	Dec. 1938	Jan. 1939	Jan. 1940
Total	389,439	251,673	196,191
Public	279,403	147,916	92,532
Private	110,036	103,757	103,659
Residential	71,883	66,936	60,034
Nonresidential	29,389	28,553	31,476
Commercial Buildings	13,957	17,326	15,924
Factory Buildings	7,028	7,092	12,865

Source: F. W. Dodge Corporation.

SIGNIFICANCE: This area has been looked to as a major source of positive stimulus this year. Last fall with the sharp advance in general activity, some increase in construction occurred, but this trend was not maintained. So far this year, however, new undertakings did not show signs of major expansion which might offset recessive tendencies in other areas of the economy.

THAT TOTAL INVENTORY HOLDINGS should be accumulating at a less rapid rate than during the late months of 1939 is a reasonable deduction from the character of the current business pattern. Just as the business expansion of last autumn was based so largely upon the increase in this volatile investment area, so now the rapid decline in activity appears to be the result of lessened stock accumulation. No doubt this will show up to a greater degree when data for February become available. During January there was a further substantial increase in inventories although even in that month the rate of increase was apparently a little lower than in December.

The change is indicated by the following data:

	Manufacturers	Wholesalers
	(December 1938=100)	
1939		
June	98.5	104.1
October	101.5	112.7
November	104.5	112.6
December	107.5	110.8
1940		
January	109.8	116.6

SIGNIFICANCE: Wholesalers' inventories increased about 5 percent in January—a seasonal rise is usual—after a much less than seasonal decline in the previous month. There was, however, a smaller increase in manufacturers' stocks in January than in December and these in total are in the neighborhood of four times as large as wholesalers' holdings. The major question here continues to be the attitude of business toward the higher inventory holdings which, by the end of March, will probably reach a new peak. Liquidation from that level is still a possibility, if the downtrend in business is not promptly reversed.

REDUCTION IN THE FLOW OF INCOME PAYMENTS as early as January is indicative of the broad character of the business contraction. The decline in this slow moving index was 0.4 points in January on a seasonally adjusted basis, with the figure for that month 89.4 (1929=100). There is little doubt that a more sizable decrease in the income payments index will be shown by the February figures. Nonetheless, the flow of income is still relatively high.

EXAMPLES:

Annual rate of income payments

January 1940 -	73 billion dollars
Average 4th quarter of 1939 -	72 billion "
Year 1939 -	70 billion "

SIGNIFICANCE: The interesting fact about the situation is the promptness with which income payments turned downward. This has been reflected in the more-than-seasonal downturn of retail trade though automobile sales were a conspicuous exception.

[3-1-40]

FOREIGN TRADE NOTES

Italy: The stimulating influence of the war evidently is not sufficient to counteract some of the fundamental difficulties in the Italian economic situation.

The increase in the cost of living, as reflected in the price of many ordinary foodstuffs and articles of clothing, is very pronounced in spite of the price control by the Government. It is anticipated that the use of ration cards will be extended shortly to a number of commodities, such as soap and olive oil. Coffee is now limited to about one-eighth of a pound per month, and the supplies of sugar, tea, olive oil, soap, meat extracts, and a few other foodstuffs have on many occasions been so small as to allow the sale of only small quantities to each customer. The measures adopted by the Government to curtail consumption are regarded by the Italian public as a result of the war and also in the nature of a preparation for Italy's eventual participation.

The efforts of the Italian Government to bring about the repatriation of Italian capital from abroad through the importation of essential commodities have been unsuccessful in spite of the fact that the Government was willing to approve applications for such imports without asking any questions as to the source of the exchange. The payment of a premium of 20 percent on foreign exchange surrendered by Italian exporters of certain commodities, which has been announced by a secret circular, is equivalent to a disguised devaluation of the lira.

Brazil: It is reported that important German firms, unable to obtain supplies of electrical equipment from Germany, are now buying local stocks of such materials as batteries for flashlights, radios, doorbells, sockets, bulbs, and similar products, covering articles of any origin and practically at any cost. This marks an effort on the part of those firms to remain in business. A firm representing one of the largest German firms has bought out a Brazilian manufacturer of certain types of flashlight and other batteries. It is reported that in buying up the supplies of local dealers, the firms representing German manufacturers are requiring signed agreements that the previous owners of stocks or factories will not engage in the same type of business for a period of 5 years.

Belgium: The British restrictions on the shipment of lubricating oil to Belgium have affected American companies using Antwerp as a distribution center. The accumulation of stocks at Antwerp is taken as a basis for British restrictions on additional shipments.

Dominican Republic: The loss of the French market for Dominican coffee is a serious blow to the growers, since coffee is the third largest Dominican crop, sold mostly to France. The difficulty in finding an alternative market in the United States is due to the inability of the Dominican exporters to guarantee a fixed quantity of a certain grade or to furnish coffee of the quality demanded by the American market. While the Dominican coffee is of a good type, the methods of picking and drying are inadequate to satisfy the American standards.

Bureau of Foreign and Domestic Commerce - February 29, 1940.

WEEKLY WHOLESALE PRICE INDEXES

(1926 = 100)

Group	1939			1940		Percent increase Feb. 24, 1940 from	
	Feb. 25	Aug. 26	Sept. 16	Feb. 17	Feb. 24	Feb.25, 1939	Aug.26, 1939
All commodities	76.8	74.8	79.3	78.3	78.6	2.3	5.1
Farm products	67.7	61.1	69.7	68.6	69.4	2.5	13.6
Foods	71.4	66.7	75.5	70.5	71.0	- 0.6	6.4
All commodities other than farm products and foods	80.4	80.4	82.4	83.3	83.3	3.6	3.6
Hides and leather products	92.4	92.6	98.3	103.1	102.7	11.1	10.9
Textile products	65.6	67.4	71.4	74.4	74.2	13.1	10.1
Fuel and lighting materials	73.4	73.2	74.1	73.0	73.0	- 0.5	- 0.3
Metals and metal products	94.5	93.5	94.9	95.3	95.3	0.8	1.9
Building materials	90.0	89.7	90.7	93.2	93.0	3.3	3.7
Chemicals and drugs	76.0	74.2	77.1	77.5	77.7	2.2	4.7
House-furnishing goods	86.6	87.0	87.1	89.6	89.5	3.3	2.9
Miscellaneous	73.0	73.1	76.1	77.2	77.2	5.8	5.6
Raw materials	70.9	66.2	73.0	72.4	72.9	2.8	10.1
Semimanufactured articles	74.4	74.4	82.0	79.6	79.6	7.0	7.0
Finished products	80.4	79.3	82.3	81.4	81.5	1.4	2.8

Source: U. S. Department of Labor, Bureau of Labor Statistics.

SELECTED COMMODITY PRICE SERIES

Commodity	Unit	1939			1940	
		March 1	August 30	Sept. 13	Feb. 21	Feb. 28
Copper, electrolytic, New York	¢ per lb.	11 1/4	10 1/2	12	11 1/2	11 1/2
Lead, prompt shipment, New York	do	4.75	5.05	5.50	5.00	5.25
Zinc, New York	do	4.84	5.14	6.64	5.89	6.14
Tin, straits, New York	do	45 7/8	49 3/4	1/ 75	46 7/20	47 7/10
Rubber, plantation, New York	do	16 3/4	16 13/16	22 1/2	18 7/8	18 15/16
Hides, light native cows, Chicago	do	10 1/2	11	15	13 1/4	13 1/4
Silk, 13-15 denier, 78% seriplane, N.Y.	$ per lb.	2.34	2.72	3.21	3.08	3.03
Cotton, middling, average 10 markets	¢ per lb.	8.67	8.53	9.01	10.70	10.75
Print cloth, 60x64, 38 1/2 inches, N.Y.	¢ per yd.	4	4 5/8	5 3/8	5 1/8	5
Wool tops, March 1940 futures, New York	¢ per lb.	2/ 81.2	3/ 81.5	3/ 111.9	99.4	99.7
Sugar, raw, 96°, duty free, New York	do	2.80	2.92	3.70	2.83	2.88
Cocoa, Accra, New York	do	4.75	4.38	6.45	5.35	5.32
Coffee, Santos, No. 4, New York	do	8	7 5/8	7 3/4	7 1/2	7 1/2
Lard, cash, Chicago	do	6.72	5.65	7.75	6.07	6.00
Cottonseed oil, March 1940 futures, N.Y.	do	2/ 7.05	3/ 5.61	3/ 7.30	6.98	6.90
Wheat, May 1940 futures, Chicago	$ per bu.	4/ .68 3/4	3/ .67 1/4	3/ .85 3/8	1.05 1/2	1.03 1/2
Hogs, good and choice, 220-240 lbs., Chi.	$ per cwt.	5/ 8.10	6.88	8.13	5.25	5.35
Steers, beef, medium, 750-1,100 lbs., Chi.	do	9.13	8.38	8.88	8.63	8.63

1/ Nominal. 2/ March 1939 futures. 3/ December 1939 futures. 4/ May 1939 future.
5/ Hogs weighing 220-250 pounds.

Sources: All commodities, with the exception of wool tops, cottonseed oil, hogs, and steers, are taken from the Journal of Commerce; wool tops and cottonseed oil are taken from the Wall Street Journal; and hogs and steers are from the U. S. Department of Agriculture, Bureau of Agricultural Economics.

COMPOSITE PRICES OF PIG IRON, STEEL SCRAP, AND FINISHED STEEL

Date	Pig Iron 1/	Steel Scrap 2/	Finished Steel 3/
	(Dollars per gross ton)		(Cents per pound)
1939:			
February 28	20.61	15.08	2.286
August 29	20.61	15.62	2.236
September 19	22.61	19.25	2.236
October 3	22.61	22.50	2.236
November 28	22.61	18.58	2.261
1940:			
February 20	22.61	16.71	2.261
February 27	22.61	16.71	2.261

1/ Based on average for basic iron at Valley furnace and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati.

2/ Based on No. 1 heavy melting steel quotations at Pittsburgh, Philadelphia, and Chicago.

3/ Based on steel bars, beams, tank plates, wire, rails, black pipe, sheets and hot-rolled strip. These products represent 85 percent of the United States output.

Source: The Iron Age.

PRICES OF PETROLEUM PRODUCTS - IN BULK AT GULF COAST PORTS

Date	Motor gasoline, 65 octane	Light fuel oil, number 2	Diesel oil, ships' bunkers	Bunker oil, grade "C", cargoes
	(Cents per gallon)		(Dollars per barrel)	
1939:				
March 1	4.50 - 4.75	3.25 - 3.375	1.45	0.675 - 0.70
August 30	4.75 - 5.00	3.375 - 3.75	1.45	0.78 - 0.80
September 13	6.25 - 6.875	3.875 - 4.00	1.45	0.825 - 1.00
1940:				
February 21	5.50 - 6.00	4.125	1.70	1.00 - 1.05
February 28	5.50 - 6.00	4.125	1.70	1.00 - 1.05

Source: Platt's Oilgram.

Copy

PSF: Hopkins

March 12, 1940.

MEMORANDUM FOR THE PRESIDENT:

Harry Hopkins just phoned me and said that after Bailey left you yesterday, he went down to the Capitol, wlaked into the Committee and voted for the Tobey Resolution; and made no effort to get the resolution tabled.

Harry Hopkins expressed himself that Bailey was "a no-good *** *** ***!"

E.M.W.

PSF Hopkins
Harry Hopkins

THE SECRETARY OF COMMERCE
WASHINGTON

May 7, 1940

Dear Missy:

I think the President may be interested in reading this report at his leisure.

Sincerely,

Miss Marguerite A. LeHand
The White House
Washington, D. C.

PSF Hopkins

DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

WASHINGTON

April 17, 1940.

MEMORANDUM TO SECRETARY HOPKINS

From: James W. Young, Director,
Bureau of Foreign and Domestic Commerce.

Subject: Economic Significance of German Occupation of Norway.

The Kingdom of Norway has a population of approximately 2,921,000. Of its total area of 125,000 square miles only 3.3 percent is under cultivation owing to the mountainous terrain. Consequently, grain and flour production cover only about one-half of annual consumption. Only the hay and potato crops are large enough to cover domestic consumption and these leave little for export. Norway must import each year about 6,000,000 bushels of wheat, 5,000,000 of rye, 6,000,000 of corn, 400,000 barrels of wheat flour and smaller quantities of oats, beans, peas, etc. About 90,000,000 pounds of fruits and nuts and 200,000,000 pounds of sugar are imported annually. The grain, potato, root, hay and fodder crops in 1939 were estimated at about 95 percent of average and stocks of bread grain were reported to be sufficient, on a reasonable ration basis, to carry over until the 1940 harvest. Other stocks of imported foodstuffs were estimated late in 1939 to be sufficient for periods varying from five months to one year. Norway's production of meats is not quite sufficient to cover home consumption.

Norway's stocks of live stock are small and exports of live animals are negligible. While supplies of milk, butter, eggs and cheese are sufficient for domestic consumption, exports are small and to Germany slight.

Norway's fish catch is huge (estimated at 1,000,000 metric tons in 1939) and exports of fish and fish products amount to about 14 percent of the value of exports. The tonnage of Norwegian exports of fish and fish products in 1938 was as follows:

	Total Exports (in metric tons)	To Germany (in metric tons)
Dried, salted and fresh fish.....	232,000	75,000
Canned fish.....	26,400	500
Fish meal (fodder).....	79,300	61,300
Fish oil (including cod liver oil).	37,433	11,138
Hardened whale oil.....	58,869	------

Cables from Norway indicate that about 50,000 long tons of whale oil were to be brought back to Norway from the Antarctic catch ending March 15, 1940. However, recent press reports state that none of this oil reached Norway and that it may have been diverted to the United Kingdom or the United States. One Norwegian floating factory with a cargo of whale oil is now reported to be at Norfolk.

Forest Products

Of Norway's total land area, 25 percent consists of productive forest land (18,800,000 acres). The total cubic content of the forests amounts to about 320,000,000 cubic meters, of which 80 percent is coniferous and 20 percent foliferous. The annual growth amounts to about 10,000,000 cubic meters and the annual cut about the same. The State owns about 14 percent of the forest area, the municipalities 3 percent, and of the remainder, the farmers own 80 percent. Lumber is no longer an important export commodity and the bulk of production is now required for domestic consumption. Total annual timber exports now approximate 40,000 standards and cannot be expected to exceed this figure by any considerable amount without depleting Norway's forests. Exports of sawn and planed lumber, boxboards, etc., are modest. Germany took no timber or lumber from Norway in 1938.

The principal use of Norway's forests is in the pulp and paper industries. Owing to the heavy stands of spruce, production is largely in high grade mechanical and sulphite pulp. An extension beyond present capacity in these lines is hardly possible. Norway's production of rayon pulp (bleached sulphite) amounts to about 120,000 tons annually, mostly for export to Europe and Japan. Pulp constituted about 22 percent of total value of exports in 1938 as compared with 2 percent for timber and lumber. The United Kingdom takes about four-fifths of the mechanical pulp exports and about one-third of the chemical pulp. Exports to Germany are of minor importance. Exports of newsprint and writing paper amount to about 5 percent of the total value of exports. The United Kingdom is the largest customer, with Germany taking almost none.

Minerals and Metals

Metals and manufactures thereof constitute about 17 percent of the value of exports. In this group, Germany's most important purchases were 17,000 tons of zinc and 24,000 tons of ferro-alloys in 1938. Norway exported about 7,000 tons of nickel and 29,000 tons of aluminum in 1938, however, these were produced from imported raw materials.

Norway exported 445,000 metric tons of artificial fertilizer (principally nitrates) in 1938 but none of this went to Germany.

Merchant Marine

Norway, with registered ships totaling 4,846,000 gross registered tons on January 1, 1940, possesses one of the most modern merchant marines in the world (fourth largest in the world; about 7 percent of world tonnage), as approximately half of the tonnage is less than ten years old. About 20 percent of the fleet is less than five years old. Fifty-seven percent of the fleet is comprised of motorships, only the United Kingdom has more tonnage in motorships. About 40 percent of Norway's total tonnage (1,960,000 gross registered tons) is in tankers and if the whaling factories are included this tonnage rises to 2,117,000. Only the United Kingdom and the United States exceed Norway in tank tonnage. About 100,000 tons are employed in the Norwegian coastal trade, 239,000 tons are in whaling factories and killer boats, over 20 percent of the fleet is engaged in trade between Norway and foreign ports, and the remainder of about 70 percent is in the carrying trade solely between foreign ports. The amount of idle tonnage in Norway on January 1, 1940 was reported as negligible.

Norwegian imports in 1939 totaled $316,900,000 and exports $188,062,000. The heavy import excesses always recorded in Norwegian foreign trade are not disturbing, however, as the merchant marine brings home enough revenue to cover this deficit. Gross earnings of the merchant marine for 1939 were expected to reach $232,700,000. Sales of whale oil, both from Norway and direct from the Antarctic whaling fields are not included in the export statistics, and in 1939 such sales were expected to yield in the neighborhood of $14,000,000. In 1938 Germany supplied 18.4 percent of Norwegian imports as compared with 16.2 for the United Kingdom; and took 15.5 percent as against 24.7 for the United Kingdom.

James W. Young,
Director.

Meeting with the Business Advisory Council,
Executive Offices of the White House,
May 23, 1940, at 4.40 P.M.

File Personal FBF Hopkins

Subject File

MR. BATT: The Council has been meeting this morning and has authorized me to present to you a resolution which I will read to you:

"Whereas, developments abroad and the President's Program for the preparation of the defense of the United States confront the industrial and commercial interests of the country with a task of unprecedented gravity and responsibility, in which our very lives and liberties may be involved, and

"Whereas, to an extent never before equalled, the operations of the military and naval forces of the United States must be based on an industrial and economic foundation; now, therefore, be it

"Resolved: That the Business Advisory Council of the Department of Commerce recognizes the need for complete unity in the cooperation of all of our country's vital forces, and unanimously pledges its full aid to this end."

The Council has been down here for seven years, Mr. President, at call, and recognizes that the call is greater today than ever before and it pledges its help wherever it can be of service.

THE PRESIDENT: I am very grateful. It is a fine resolution and expresses the present situation pretty well. I thought that what I would do would be, possibly, to say a few words to you in regard to some of the problems and some of what I might call "basic policies" and then, if you want to ask me any questions, go ahead and shoot.

The present situation has been coming on for some time, as we know, and we have accomplished a good deal in the past year or two in the way of increasing the defenses of the country. It has been going along normal lines and, just for example, we have been spending, through what might be called the normal channels, between a billion and a half and two billion dollars on the Army and Navy during the past few years. This present program is, in a sense, a stepping up of that by another billion dollars.

A good many people -- I wish you could see it; it is one of the things we have to face -- after last Thursday's message I got about five hundred telegrams, of which about four hundred were entirely favorable to increasing the national defenses and about a hundred of them were very bitterly opposed. They said it was excessive, that it would bust the country, that it was a process of getting us into the war of our own volition. Then there was the usual percentage of telegrams: "I want my boys to get jobs here rather than graves in

France" -- that sort of thing. But there is, of course, in the country a very large element that is opposed to improving the defenses. We have to recognize that.

Then, of course, the other extreme: There were a lot of people that said that the amount asked for was altogether too small. Well, between these different schools of thought, I took the line which I considered to be the maximum that we could profitably spend or contract for in the next four or five months, for the very good reason that I cannot look very much -- any more than any of us can -- beyond four or five months. If the situation should get worse, as we all know I would ask Congress to come back; I would ask for more money. Or, if we waited until the third of January, when Congress comes back, I have to send up a budget on the third of January and I don't know yet the kind of budget it would be, whether this program could, by that time, be slowed down or kept the way it is or speeded up, increased. The reason for it all is that no human being can guess about the future.

I was a sort of -- who was the fellow? John the Baptist --"voice crying in the wilderness" all last Summer. I was perfectly sure that there would be a war and I had told -- well over a year ago I had told the Senate Committee on Foreign Affairs and the Military Affairs Committee, in here, in a famous session, not that "our frontier was on the Rhine" but that the continued

existence of, for example, Finland, or the Baltic States, or the Balkan states, or the Scandinavian nations -- their continued existence as independent nations did have a pretty definite relationship to the defense of the United States. And there was a most awful howl of protest all over the country, as you know, at that time. I was accused of being an alarmist, accused of wanting to send troops to the other side and things of that sort -- I am quite accustomed to that sort of thing -- and, after all, today we are faced with the complete fulfillment of that because practically the whole of Europe is falling into the hands of a combination headed by the Nazi school of thought and school of government with a pretty close association and affiliation with the Communist school of thought and school of government, and a third school which is balancing very carefully on the edge of a knife at the present time, the Fascist school of thought and school of government. We don't know which side they are going in on -- all that we know is that it is not a question of staying on one side, it is a question of remaining neutral a little longer or going in on the side of Germany.

We have to look ahead to certain possibilities. If I had said this out loud in a fireside talk, again people would have said that I was perfectly crazy: The domination of Europe, as we all know, by Naziism -- including

also the domination of France and England -- takes what might be called the buffer out that has existed all these years between those new schools of government and the United States. The buffer has been the British Fleet and the French Army. If those two are removed, there is nothing between the Americas and those new forces in Europe. And so we have to think in terms of the Americas more and more and infinitely faster.

When we come down to this defense problem, you come to another problem we are up against and it is very difficult to know quite how to handle it except all of us work together with the idea of eliminating the problems, and that is what I am going to talk about these coming days. We have had lately, for example, a number of columnists on a chain of papers in this country with a very large circulation which has been advocating certain things. One of the things they are advocating is a separate air force. Well, of course anybody who knows anything about it knows that the one essential in time of war is unity of command.

This is a thing I cannot say out loud: Germany has complete unity of command. France has unity of command. Both of their air forces -- one a very great one, Germany; one a very small one, France -- they have conducted their operations magnificently because of unity of command. The British have not had unity of command. They have a Navy, an Army and an entirely separate Air Force, with the result that there has been constant friction,

constant trouble. In these Norwegian operations, the Navy was calling, screaming, yelling for planes up in Norway to effect their landings, to cover their operations when they got on shore. They didn't go to the Army; there was no unity of command and the Air Force did not send them the planes. And, in the same way, in France, the Air Force was very much divided in its opinion -- this you can't, any of you, talk out loud about because, frankly, it would hurt the morale of England and France -- a divided thought between the different branches of service: The Air Force wanted to maintain, to retain the air forces in England. The Army wanted them to be sent over to France on the theory that the defense of England would be decided on the fields of France and that, if the British Army in France and the French Army in France were completely overwhelmed by the Germans, there wouldn't be very much use in an air force which remained in England because that would be, in turn, overwhelmed after the armies on the continent were completely smashed up. So there; I am just using that as an example.

And then there is in some papers, the columnists and so forth, they talk about this one great crying need in this country and that is a reserve of certain important raw materaisl. These are self-constituted experts who, as usual, don't know one damn thing about it but have

the ability or the profession of being able to get in print. We have, for instance, the problem of certain things that we do need in industry. Well, the thing has been under study for a long time and I suppose the easiest way is to explain that this matter was turned over to Harry two or three weeks ago to get unity of command on it. The Army needed certain things, the medical profession needed certain things, the steel companies and the tire companies needed certain things, the Navy needed certain things. But, when it came to be boiled down to one page -- and you know one of the things I always insist on is a one-page report -- there were about twelve of these principal items and about nine of them were purchasable by the Government without a very great outlay of cash. Quinine, three million dollars worth. Chromium, three or four million dollars worth. What were the others?

MR. HOPKINS: Industrial diamonds.

THE PRESIDENT: Industrial diamonds, two and one-half million dollars worth. Things of that kind.

Well, we had an authorization of a hundred million dollars and we had had an appropriation last year of twelve and a half (millions) for these surplus stock piles and, in this year's bill, another twelve and a half, and I asked thirty-five millions more for these nine, I think it was, of what I call minor items, to purchase them so

that the Government would own them and we would have them right here.

There were three items that were a good deal bigger. I am talking as a layman, but, to put it in very simple language, it looked a little like this picture: In the case of rubber we only carry in this country about a normal six months' supply. Most of the rubber comes from the Dutch East Indies. There is a little of it that comes from Central America and a little of it from Brazil. There is also the possibility of making synthetic rubber in this country at a higher cost than importing natural rubber. So the objective was to get the tire companies to lay in a whole year's supply. Well, naturally, the tire companies were not going out into the market to store another six months' or a year's supply at the present prices because they are away up high. I would do the same thing if I were making tires myself. I would hesitate to lay in too big a stock. You all remember what happened in 1929 to companies which had laid in, for example, a very excessive supply of copper at 15 or 16 or 17 cents a pound. They were stuck with a great copper pile at very high prices, and copper dropped to six or seven cents. Of course they were stuck. Naturally. No industrial company wants to

lay up reserves at very, very high prices.

We are working out this plan -- it is going on as an amendment to one of these bills: Jesse Jones is handling it. We will set up a corporation -- the Government would buy stock in it -- and, working with the rubber companies, we would buy this rubber at the high prices and hope to God that they could be worked off to industry at the same price we paid for it. But, if the price went down for these excess stocks in the open market, the Government -- in other words, the people of this country -- would have to bear the loss between the high prices of today and what might be the lower prices of tomorrow.

At the same time, we are working with the rubber people along the other line, that if we cannot get this rubber -- it is still in the trees, mind you; there aren't any great stock piles of rubber in the Dutch East Indies; it has got to be taken out of the trees and if we can get it out of the trees it is much the best thing we can do -- if we cannot because of a blockade or because Germany, for example, cuts off communication between us and the Dutch Indies, we will still be able to have six months' or eight months' of stock on hand and, during those six or eight months, it will be up to industry to create the necessary machinery for making a synthetic rubber. Now, I am told that that is a practical thing. Of course that would be run by industry itself.

That synthetic rubber, as we know, does cost more, but the damn thing works.

Now, the same way with manganese. We haven't got a big enough stock pile of that. It is infinitely cheaper to buy manganese, as long as we can get it, from Singapore and the Straits Settlements than it is to start our own manganese mines going, because our mines are high cost mines. We will set up a corporation to buy manganese as cheaply as we can in the world's markets, at the same time making plans by which, if we are cut off, we will be able to put the American manganese mines into production at a higher price so that they will be giving us an output before the present stock of manganese is exhausted.

Now, the third item of these three major items that will cost a lot of money because of the very big volume is the matter of tin. Of course tin is selling at -- I don't know what -- twelve hundred dollars, I think it is, at the present time. It is awfully high. Most of the tin at the present time again comes from the Straits Settlements area. We may be cut off from there. If so, we will still have something to fall back on and that is the Bolivian mines in the hope that if we can't get to and from the East Indies we still can get down to Bolivia. If we are cut off from that by water, we have got to do

two things: We have got to do what the Germans did, which is go around the country and collect all the old tin we can find. There is probably a good deal of scrap tin that will help in the supply. Furthermore, with the help of the metallurgists we have got to try to use "ersatz" stuff as the Germans are doing; in other words, other metals as substitutes for tin.

Now, those things are pretty well in hand. That is just an illustration of the fact that we haven't been asleep at the switch.

I use that as an illustration of the point that these self-appointed, omniscient people are telling the country that the great problems of national defense are these items that I have just mentioned. Of course they don't know a damn thing about it. And then they talk about a lot of other things, types of planes and things like that. Well, of course none of us here really knows about types of planes. I suppose I am in as close touch with it as anybody but I have to take the word of Army and Navy as to what type of planes they want because they are the fellows that have got to fight (fly?) them. I don't know and I have to take their word for it. They are working extremely well with the airplane industry and, as you probably know, we have got, taking it by and large, of all the airplane plants in this country we are probably only using about half the floor space that is available,

counting them all, for the fuselage of the plane. We can increase that, without setting up a very large number of new plants, probably doubling the output of planes, although we may need more in carrying out this very large program. But we are faced with a bottleneck on certain types of engines. We have got plenty of companies that can make the training plane type of engines of two hundred or three hundred horsepower engines. But there are only three companies at the present time which can turn out the fighting plane engine, which is a thousand horsepower or more. Two of them are in full production, the Wright Company and the Pratt & Whitney Company and they are going strong. They have got -- probably, in order to increase output, they have got to start more plants. Some of them would be licensed by them to make these big engines. Some of them the companies themselves would start, preferably west of the Allegheny Mountains and east of the Rockies.

The third company, General Motors, have been having one hell of a time in turning out the Allison engine. They were to have been and expected to be in full production last January and two or three days ago they had only turned out six engines. That is a very serious thing. I am not saying anything; I am not cussing out General Motors. They have had some industrial production problems but it so happens that the most highly

organized company for production in the whole United States has fallen down and "'taint" the fault of the Government and all we are doing is patting them on the back and saying "Go ahead, old man; go on. Hurry up! Hurry up! We got to have those engines. We will help you all we can." They say, "Oh, my God; it is the most awful headache." What they are doing -- I think they are doing the best they can but it has been a very, very great disappointment to us that General Motors on the Allison Engine is about five or six months behind. They promise now that they will be in full production by July and I hope they are right.

So, you see, it isn't all a Government problem. A part of the problem is industry which, I assume, is doing the best it can.

Now, we come down to two or three things I mentioned a couple of days ago at a press conference which , I think, might be called general policy matters. We have got to realize that defense is not merely commercial or industrial but we have got to have a contented people as far as we can get them here, a happy people who are with us in this effort at national unity.

One of the problems we have got is the problem of unemployment and I believe that it may be possible during this period to get rid of a large portion of our unemployment and that involves trying to maintain certain

standards. In other words, instead of trying to go up to the time-and-a-half, the overtime method of increasing production, to take on more people and try to limit, as a Nation, the total hours of work to what is the normal amount today, 40 or 42 hours for the week. It may be necessary, if we lack manpower later on, or immediately in certain very highly specialized individual trades, it may be necessary to use overtime in order to get a balanced factory production. But I think it ought to be the general rule, carried out as far as possible, that we will try to avoid overtime, run a standard work week and take up some of this unemployment which is costing all of us money out of pocket all the time for relief.

Well, that is the first point.

And with that goes the general question of trying to maintain prices. That is terribly important. Most of us went through the World War period and we saw a very vicious upward spiral. Well, it was caused by a lack of knowledge of how to do things on a big scale. We, none of us, knew. We were completely inexperienced during 1917 and 1918. We did the best we could and, on the whole, it was a pretty good job. We were rather handicapped by the fact that before we got into the War, orders from the Allies, at that time, were lopsided, and they threw us out of balance. If you remember, before we got into the War, Allied purchasing had pushed wheat

up to two dollars a bushel -- two fifty a bushel. Well, what was the result? The cost of living went up in every community in the United States. Bread. The price of cotton, about the time we entered the war, was up over thirty cents a pound. The price of copper was up around 26 or 28 cents a pound. And the result was that we entered the war on a scale, a level of prices for raw materials that had thrown all of our natural economy out of the window and every working man was saying, "Hey! Look! My costs have gone up -- the cost of living has gone up a hundred percent. And look at my damn wages! They are not any higher than they were a year ago." Well, it was a pretty good plea. I'd have done the same thing.

I had a man in this morning, before I saw you (indicating Mr. Kirstein). We were talking about this subject. I said, "You remember how everything went up. For instance, th e suit of clothes you have got on. What were you paying for that suit of clothes at the beginning of the World War?" "Oh," he said, "around forty dollars." "And what were you paying for that kind of a suit of clothes in 1918? Sixty?" He said, "No. Eighty." Lou Kirstein knows that stuff.

Therefore I have got what might be called a policy or a principle: Let us take agricultural products

that enter into everybody's life. I think that if the wheat farmer gets ninety cents or a dollar as a floor for his wheat, it is plenty. He is not going to starve and you are going to have pretty good agricultural purchasing power. That does not mean, of course, that the price is around that because the farmer that raises wheat gets an average of 19 cents out of soil conservation benefits. If he gets a net of somewhere between ninety cents and a dollar he isn't going to starve and he is going to have buying power for the things that Sears Roebuck puts out.

But, at the same time, we have got to put a ceiling on it and the ceiling ought to be somewhere around what we call "parity," a dollar fifteen or a dollar twenty. That would prevent any serious fluctuation in the cost of bread. The same thing with similar crops. In the case of cotton -- I raise it some time -- if I could get an assured price for my cotton, including the soil conservation benefits, of around ten cents a pound, I am all right. And almost everybody who raises cotton is. And there ought to be a top on it of somewhere around thirteen or fourteen cents. Remember in the World War it went to thirty-five? It threw out the entire economy of everything connected with cotton. All the cotton mills and everything else were all thrown out of line.

The same way with copper. Everybody here knows -- you heard me say this before -- we can turn out all the copper we need in the United States, at a profit, at around ten and a half, eleven cents. They would all make money. They are all making money today with copper selling at ten and a half, eleven cents. They are all making money. I don't think copper ought to go below that. It is a good, reasonable profit. I don't think, on the other hand, that copper ought to go above thirteen or fourteen cents.

So that we can say to the country that the cost of living -- if we can do it -- has not gone up. And, if you do that, you are not going to have strikes and demands for higher wages. Because, after all, if the average workingman gets about what he is getting now, and the cost of living remains the same, we can call on his patriotism not to profiteer by the war by going on strike and demanding higher wages. And I think most of them will accede to that.

Then it comes down to the second point which relates to capital and labor. We want a profit for capital but I would like to see no new war millionaires created out of this program. We saw a great many before. We saw a great many in England, we saw a great many in France who made very large fortunes out of the death of men, women and children.

It is a fact. I think we ought to work so there won't be any more war millionaires.

At the same time I don't want any labor profiteers. We don't want to see any little key trade in a factory that employs not more than three or four percent of the employees in that factory who, in a key place, like the pattern makers or the drafting force, hold up and stop the works for the other 97 or 96 per cent of the employees by going on strike just because of the power they have got, being in a key place. There again you have got to appeal to their patriotism. And it is a damn sight simpler for all of us to appeal to their patriotism if we say we are using exactly the same principle for the owners of industry as we are with respect to the workers in industry.

I think that covers the general situation.

When it comes down to the management here, I am going to call on a whole lot of you people, first and last, and fit you into the picture. It is a case of fitting you into the picture. If one of you were to start a new factory or new shop or an extension or an addition to a plant, you wouldn't go out and put that new factory or that new building oompletely in the charge or under the control of people you had never seen before, that did not know anything about your company. You would pick out of your own main company two or three people, and to them

you would add two or three other people that you got from somewhere else and you would dovetail the whole thing in. Now, that is the way this Government is going to manage this thing.

We are not going -- in the first place it would be unconstitutional -- I am not going to set up a War Industries Board and turn a billion dollar or two billion dollar program over to five complete outsiders who don't know anything about running government. It would be unconstitutional; the final responsibility is mine and I can't delegate it. We are going to bring down maybe five people, or ten, or fifty, and get your help on it. I am going to fit them in into an existing organization. It is a difficult thing to run because it has all kinds of restrictions and checks to it that private industry does not have. We have to make a voucher for everything; it is a headache. We have to get by the Comptroller; that's a headache. We get held up by the Congress; it's a headache. We do the best we can under a system of checks and cross-checks that private industry hasn't got and does not have to have. That is why, in bringing in people from the outside -- I went all through this in the World War -- in bringing people in from the outside, I am going to bring in people who dovetail, who will fit into a system that is a little bit different -- necessarily so -- a little bit different system of management than anything

that happens in private management -- and under the law, under the law that has evolved over -- I don't know what,-- 150 years.

You people, you have been of great help in the past. Let me illustrate -- and this is a thing I would rather didn't come out at the present time. This was way back last July -- just to show the process of this thing. The problem of transportation: You know, I have a lot of good friends in the railroad business. My family was in it, more or less, a great many years; I was brought up in a private car when I was a boy.

I sent for Dan Willard -- Uncle Dan -- about last July or August. I said "Uncle Dan, what are we going to do in case of war? What are we going to do about the railroads?" "Well," he said, "I thought for a long time we would have to go to Government operation and ownership, but I think not." He is a very wise old gentleman and here is what his proposition was: I would rather you didn't talk about this because this is a thing that is not ripe for announcement. It is all ready, but it is not ripe for announcement.

He said, "What I'd do is this:" He said, "I was the manager of the railroads of the United States during the World War. And," he said, "every railroad in the United

States and, of course, every railroad president is scared of Government ownership. So am I, and so are you."
I said, "Yes, I am. I don't want it; never have."

He said, "I'd take a room and I'd have a double desk in the middle of the room. And I'd take the best railroad operator that you can find and put him on one side of that desk and he will act as the clearing house for the movement of Government needs. Now, that means a whole lot of things. It means the raw material to the factory that is turning out government material It means the moving of the completed product out to the ship or the Army or the assembly plant and it means, at the same time, moving certain other things, like fuel, to keep the plants running, food to keep the people alive. And this man has got to be the clearing house for the movement of traffic for the defense program, at the same time taking care of the civilian needs of the country. He will be the Government man.

"On the other side of the desk will be the representative of the railroads. And the Government man will pass the slip across to the representative of the railroads, who will pick up the telephone and clear a jam in the Port of Philadelphia, or wherever it may be."

At the same time, I say to the railroads, " Remember! This is the last chance. If you people don't come through

under this, with your own manager sitting there, you know what will happen, whether you like it or I like it or not." And that is one thing we all want to avoid.

"Well," said Uncle Dan Willard, "they'll know that; you won't have to tell them. They know if they fall down on transportation in time of need there will never be any private railroads after that. And that will be enough, in my judgment, to make the damn thing work," says Dan Willard.

Now, the set-up: On one side of the desk, representing the Government, is going to be Ralph Budd, President of the C. B. & Q. I picked him because I know a great deal about him in the old days and I think he is about as competent a railroad operating president as I can get for that job. And, on the other side of the desk, representing the railroads, I have picked John Pelley, to sit as their representative.

I think that is a practical, working, operating scheme, with the knowledge on the part of the railroads that if it doesn't work -- God help them.

I use that as an illustration of how I am going to try to do this thing and, well, a lot of other individual problems, similar to transportation, can be and will be handled that way.

I don't know that there is anything else I can think of at this moment. I will probably think of a lot of things later. Harry, have I got everything?

MR. HOPKINS: No, I think you have covered it pretty well, Mr. President:

THE PRESIDENT: Anybody want to ask any questions?

MR. BATT : We are awfully grateful to you, Mr. President, because we know the load that is on your shoulders. I have often told you how glad we are that Harry is coming along in such fine manner. We went out on the limb for him and then he got sick and we weren't able to find out how good he is.

THE PRESIDENT: That is right. The only way he is working is that I have got him over in the White House and I put him to bed every night at a reasonable hour and I see that he gets proper food and he is coming along strong. Doctor Roosevelt! There is nothing like it.

MR. BATT : One other thing I would like to say to you is that last September, when the war broke out, American industry did keep the price level.

THE PRESIDENT: Absolutely; It was perfectly grand.

MR. BATT : Well, industry can do that.

THE PRESIDENT: I think you all understand that if we get like what happened in the World War, with the price level going up, with the raw material, the copper in the mine or the cotton in the fields, you almost inevitably get

labor trouble. I can hold labor to the present level if I can say to them, "You (industry ?) won't profiteer. The cost of living hasn't gone up." I think we can avoid the most dangerous spiral and, of course, the trouble with getting into that spiral is that all of labor is discontented except the last trade that got the last raise.

MR. BATT : You give us the command and we will march behind you.

* * * *

Yte Pharmacie

PSF
Hopkins
1

THE WHITE HOUSE
WASHINGTON

6-20-40

June 20, 1940.

MEMORANDUM FOR THE PRESIDENT:

In meeting with the Defense Commission this afternoon, you may want to discuss these things:

1: There are certain things that are referred to the Defense Commission which should not be under the supervision of any single member of the Defense Commission, such as questions of power policy, housing, and perhaps the whole question of policy in relation to government contracts. This type of problem could be handled under McReynolds by committees made up of representatives from each of the seven members, who in turn would report to the whole Defense Commission.

2: I think it is important that the Commission, through Henderson, get up a formal recommendation relative to the whole question of price policy.

HH

H. H.

Box 152

PSF Commerce
Hopkins

THE SECRETARY OF COMMERCE
WASHINGTON

August 19, 1940

My dear Mr. President:-

A public letter of resignation is almost a ridiculous institution. Why don't you abolish it? At any rate I have told you little that is in my mind and heart as I leave the government service.

I think of the things that have made my years with you the happiest time of my life. The first exciting days - the exhilaration of being part of government - our first formal dinner at the White House when I met Cardozo and another Bob Jackson

tried to sell me some old underwear - and Coney Island - did you ever see anything so queer? Then there was those cigarettes in my pocket - it seems to me in all decency you should forget that one

And one day you went to church with me when the going wasn't so good - and life seemed ever so dark.

Those nine old men - a better fight none of us ever took part in -

And then was always New Years Eve - and the warm glow of Auld Lang Syne - with champagne. That's about the only time we get champagne around our house. Am I wrong?

I've always been getting on and off

trains - and I saw America and learned to know its people. I like them. Whenever I was with you there were the everlasting Secret Service men - they seemed to be always at a dog trot - how many miles do you suppose they have dog trotted beside your car?

You remember the day we got you up a blind road in Nevada and Mc wanted to give up his life if the car rolled over the hill? And people at trains with nice faces that smiled. All of them work hard for a living and are devoted to you.

And one day two nice people came to visit you - he was a king - and I hope will be for a long time and and she was a Scotch girl who got to be Queen. And after dinner that night

you and Mary and I talked it all over till 2. A.M.

Then there were picnics! I suppose the Roosevelts have always had picnics - cold weather and nothing to drink.

I never knew there were so many mayors and governors and congressmen and senators and county auditors and school boards and irrigation districts in the world. I have met them all. One of them had me arrested and you thought it was funny and promised to visit me in jail.

I presume Henry Mary William will ever go to the bathroom when he gets ahead - and "Dollar Watson" will talk about the Powder River

The cheese store on 42nd St - and fresh fish in Iowa - and maps and rivers and forests and

THE SECRETARY OF COMMERCE
WASHINGTON

Admirals and Kamm and power plants - funny things that no President ever talked about before

All these things I think of - and Mac and Steve and Tommy and Ben and Rex and Felix and Sam and Missy - I know they are important because I remember them - and they are good.

This letter is simply to say that I have had an awfully good time - and to thank you very much. And by the way - my weather bureau tells me that it will be fair tomorrow.

Harry

PBF Hopkins

THE SECRETARY OF COMMERCE
WASHINGTON

August 24, 1940.

Dear Harry:

I have your letter of August twenty-second and I fully understand all that you say and much that you have left unsaid.

In giving me this letter of resignation it is possible only for you to break the official ties that exist between us -- not the ties of friendship that have endured so happily through the years. I am accepting your resignation, therefore, to take effect at a date to be determined later and, I repeat, that this resignation is accepted only in its official sense.

In other words, you may resign the office -- only the office -- and nothing else. Our friendship will and must go on as always.

Affectionately,

Honorable Harry L. Hopkins,
Secretary of Commerce,
Washington, D. C.

PSF Hopkins

Subject File

THE SECRETARY OF COMMERCE
WASHINGTON

August 22, 1940

My dear Mr. President:

The tenth of May, 1940 was an important and fateful date.

It seemed to me then that our situation was similar to that of the British before the outbreak of war. In the months preceding that event many Englishmen believed the conflict could be avoided by concession. Others thought there was no immediate threat from Germany; that defense preparation could be delayed with safety. Still others maintained that anyone who wished to strengthen the defenses of Britain was a "war mongerer."

The experience of Britain has shown that where the national interest and security are at stake, we are justified in making only the most pessimistic assumptions. To do otherwise is to be too late at every stage, to invite attack when it suits the aggressor, to face conflict half prepared.

The only questions at this time are with regard to the character, pace and magnitude of our defense effort. We must build armaments, and because of your own foresight and determination, this is being done. We must marshall our complete economic strength for the task of defense. This means that instead of retreating from our social and economic objectives, we should push forward vigorously with a program to

abolish poverty from the land. To do less would be to undermine our security.

That you have resolved these fundamental questions in your own mind; that you are now leading the nation in its gigantic effort to defend itself,-- is the surest guarantee of peace for America.

I wanted to resign last May because it seemed to me that you and the country needed the services of cabinet officers whose strength permitted vigorous and continuous assumption of the duties required of them. You indicated then that I should remain throughout the Summer in the hope that I would completely recover my strength. This recovery I have not fully accomplished, therefore, I feel that I must resign as Secretary of Commerce, the resignation to become effective in the immediate future.

An expression of good-will and appreciation from me to you at this time is unnecessary. My abiding devotion and affection for you and Mrs. Roosevelt cannot be authenticated in any exchange of letters.

Faithfully yours,

Henry A. Wallace

The President,
The White House.

PSF: Hopkins Folder

PRIVATE & [redacted]

January 18, 1941.

Dear Harry:-

The following is "a tale that is told" -- and that only. Nevertheless, because it has been brought to my attention, I have the official duty of running it down -- and that I must ask you to do insofar as it can be done at the London end.

The story is "Before the Czechoslovak crisis, it is reported that Joe Kennedy, while in London, sold Czechoslovak securities short and is supposed to have made a very large sum -- whether it was $800,000 or 800,000 pounds, I don't know. The latter is alleged. I do not know whether the time of this alleged short sale was during the crisis before Munich, which was the time that the Sudetan area was taken away from Czechoslovakia, or whether the time was prior to the actual occupation of the whole of Czechoslovakia by the Germans in the Spring of 1939."

The informant was Alfred Bergman, who is an ex-West Pointer and is not a Jew, so I am told. His source is Masaryk in London, who, I suppose, is Jan, the son of President Masaryk.

I hate to think of even the possibility of Joe having made a short sale of this kind while

he was Ambassador and, therefore, in possession of confidential information. However, it must be looked into, and I suggest that you see Masaryk, try to run it down, and if necessary get the help of the British Government to discover the broker or brokers, if there were any. That should not be an impossible thing.

I know of no other way in which this can be done, and I ask you to do it only because you happen to be in London.

With affectionate regards,

As ever yours,

Honorable Harry L. Hopkins,
c/o The American Embassy,
London,
England.

PSF: Hopkins

file personal

HSH

PLAIN

London

Dated January 30, 1941

Rec'd 8:37 a. m.

Secretary of State,

Washington.

353, January 30.

PERSONAL FOR THE PRESIDENT FROM HOPKINS.

"I wish I might be with you tonight but at about 1 a. m. as you are sitting down to dinner with the old friends I too will raise my glass and wish you long life and good health. Harry."

JOHNSON

HPD

PSF: ~~Hopkins~~

THE WHITE HOUSE
WASHINGTON

H.H.

To print Dem. about Treaty
Will Davis about a study by H.H.
of Pictures problem —

To mark complete agreement
with compromise, & Justice &
leaders — & pass on it.

F.D.R.

H.H will be back here 20
or 21st. Pumpkin Hook
Nassau.

F.D.R.

Hopkins

H. Hopkins

THE WHITE HOUSE
WASHINGTON

HH
Harold's Present

For Fisheries Commissioners.

Grand Sanhedrin

Swapsan Souls of Md. Balls)

PSF Hopkins Folder

file
personal

January 31, 1941
9 pm

This cable was sent in confidential Code.
It should be carefully paraphrased before
being communicated to anyone. SC

AMEMBASSY

LONDON

334

FOR HARRY HOPKINS:

~~SUBJECT: SUPPLY COUNCIL.~~

Your 361, January thirty-one. Subject has been been brought to the attention of Secretary of the Treasury and members of the British Supply Council. Both agree that your report is based on misunderstanding. The British Supply Council is cabling tonight to Sir Andrew Duncan and Sir Frederick Phillips is cabling to Sir Kingsley Wood. They are suggesting that the substance of these cables be made available to you and it is believed that they will clear up the matter.

HULL

PSF: Hopkins Folder

JOHN EDGAR HOOVER
DIRECTOR

File Personal

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

February 12, 1941

PERSONAL AND ~~CONFIDENTIAL~~
BY SPECIAL MESSENGER

Major General Edwin M. Watson
Secretary to the President
The White House
Washington, D. C.

Dear General Watson:

I thought that the President and you would be interested to receive some information concerning the attitude and reaction of a number of newspaper publishers toward Honorable Harry Hopkins during his visit in London. Representatives of the Federal Bureau of Investigation have returned to the United States after studying in England various phases of intelligence operations there, as well as numerous other non-military and semi-military aspects of national defense.

Mr. Hopkins entertained a number of newspaper publishers at dinner one evening at Claridge's Hotel and at the conclusion of the dinner it appeared from facial expressions that all the guests were quite happy as the result of the dinner and discussions. Small groups of them stopped in the coffee room, where representatives of this Bureau were seated at the moment, and the gist of the conversations related to the very charming manner of Mr. Hopkins, his keen insight into current problems and the very remarkable fact that he combined a very charming but almost shy personality with a very vigorous and dynamic mentality.

In no instance was any unfavorable comment made and the entire gist of their conversations relative to Mr. Hopkins was positive and commendatory.

Sincerely yours,

J. Edgar Hoover

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON D.C.

PERSONAL AND [redacted]

February 12, 1941

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

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Sincerely yours,

s/ J. Edgar Hoover

PSF Hopkins folder
3-41

Miss Tully:

Mr. Hopkins says nothing needs to be done about this.

lmb

THE WHITE HOUSE
WASHINGTON

April 1, 1941

MEMORANDUM FOR

HON. HARRY HOPKINS

To take up with me at your convenience.

F. D. R.

Enclosures

For - F.D.R. - Feb 24 - 1941

Subject - Hendersons resignation

Henderson will be away for another two weeks. I recommend you do nothing about this until you return from Florida trip. His resignation hard to explain now. I will undertake to see Henderson upon his return.

Recommend this be brot to your attention again about March 15th

H.L.H.

H H
To read & speak to me about —

THE WHITE HOUSE
WASHINGTON

January 23, 1941

Memorandum For The President:

Leon Henderson

You asked me to talk to Henderson after he sent you a letter of resignation from the Priorities Board, to take effect immediately. (He also resigned as Commissioner of the Price Stabilization Division, to take effect at your pleasure.)

I gave him your message that he could not get out at this time but must do the best he can because he is one of the persons you count on, and that you will help him.

I am afraid Henderson really means it.

I have had several long talks with him, trying to persuade him to hold up the resignation until his return from a needed vacation. But he insists upon resigning immediately from the Priorities Board. There is little doubt he would like to remain as Commissioner of Price Stabilization.

There are a number of reasons for Henderson's attitude. Some are rational, others emotional, indeed almost psychological; some are peculiar to Henderson as Henderson and in others he is merely symptomatic of the present New Deal attitude:

(1) Henderson has so overworked he is close to a nervous breakdown. He is a physically sick man and needs at least a month to recuperate. And as are numerous New Dealers these days, he is another Achilles, sulking in his tent because he has not been called for counsel.

This mental attitude leads him into the error of reading sinister implications into the most innocent changes. For example, he really believes (as do most of the government men) that the Executive Order creating OPM and the unfortunate Executive Order on Housing were clever manipulations by McReynolds, by Biggers' lawyers and by the Budget Bureau to force out the New Dealers. The real error was, of course, no more than the Budget's clumsy handling of a delicate situation, and its usual, perhaps necessary, habit of ignoring personality factors.

(2) But Henderson's main point rests squarely on the merits. The Priorities Board is really only an advisory board and Henderson is in the minority. He cannot honestly countenance the present behavior of this Board and can serve no useful purpose by merely voting in the negative. To do that is, he believes, to be an obstructionist. If he were to remain he would inevitably embarrass you by the fights he would start and he would accomplish no good. He also feels his own reputation will suffer if he stays. Therefore he insists he must resign this week.

He cites the aluminum situation as exemplifying his reason for quitting. The Priorities Board has handed over priorities control to the Aluminum Company. His counsel has told him this is patently illegal. But he says it really makes no difference even if priority control were returned to government because dollar-a-year officials from the Aluminum Company <u>are</u> the government so far as aluminum is concerned.

Henderson believes aluminum is but one example of what will happen in the entire field of priorities. As Stettinius issued public statements that there was no aluminum shortage, he had on his desk a detailed report of the Army showing exactly where the shortage was. Yet this report was concealed from Henderson for weeks.

Nor does Henderson believe there is any possibility of bringing independent men into the priorities picture. Stettinius told him this week that Knudsen, Knox and Stimson had refused the request of Stettinius to use Jim Landis and Governor Winant. Even Stettinius is mystified at their refusal.

(Note: I attach a memorandum on aluminum prepared by Henderson's counsel, which, if you have time, is revealing. I cannot vouch for its accuracy, except as to the high character and ability of the man who wrote it.)

Incidentally this action of the Priorities Board in turning over control to the Aluminum Company may have repercussions. Senator Lister Hill yesterday asked me to tell you he "is very stirred up" about it because the Reynolds Company, an Alabama constituent, recently began making its own aluminum for fabrication after years of buying from the monopoly and is now in mortal dread because the government no longer holds control of priorities. Hill may take it to the Senate floor for an airing.

(3) Since Henderson believes he is powerless to remedy this situation his decision is to resign. He knows, and the rest of the government men know, you will back Knudsen to the hilt. Whether for reasons of patriotism or strategy, none of them wish to start a showdown fight with the business group. They understand that the presence of business men is necessary today, yet they feel you have given away too much, that you do not know what is going on and, most important, that you have left yourself without any protection whatsoever because the OPM Executive Order has decapitated every person whose first loyalty was to you. This is not only Henderson's view; it is the present "occupational disease" of the New Deal. Chester Davis feels it as strongly as Henderson. Don Nelson, "a business man with a social conscience", has given OPM an organization chart which makes him practically autonomous. If OPM does not agree, Nelson will wind up his affairs and leave.

Interspersed with this attitude is the human feeling of hurt pride; the New Dealers are no longer the king pins and they don't like it. There is an intellectual realization the President also has a few problems but little actual appreciation of their volume.

(4) All this naturally produces emotional tension. The fact that this emotion is now so near the surface and may break into an internecine war is attributable to the irritations which some business men have caused the government men and a feeling of martyred virtue on the part of the latter because they have so far stood it so well. There are many examples of this:

Nelson is irritated because a member of Wright, Gordon, Zachary and Parlin (its lawyers are the worst offenders) asked General Wood to get Nelson out of Washington.

Henderson is offended because Eaton, Knudsen's lawyer, when it was suggested Henderson be given something to do in the new set-up, replied: "Nothing doing! When the New Dealers were in power they didn't include us; now that we are in power we won't include them".

This sort of thing can be multiplied countless times. There is undoubtedly another side, which I don't know.

Knudsen himself gets a clean bill of health from the government men because he is interested only in the problem of doing his job; their criticism is he doesn't know what his own men are doing. John Biggers is regarded as the worst offender, along with Blackwell Smith and Fred Eaton, the Wall Street lawyers. The New Dealers believe (and here I am sure they are right) Biggers is the master intriguer. Harold Smith tells me he shares my point of view on Biggers.

This is an unpleasant picture of personal animosities, and a sorry lack of discipline in a nation seeking to arm. Nonetheless it exists, and if allowed to continue these personalities will bog down the arms program.

Recommendation:

Henderson really insists on leaving the Priorities Board. His Price Stabilization Division is well organized and should be left alone until his return when he will have better balance. You should send a note to Stettinius (draft attached) saying that Henderson wishes to be relieved from the Priorities Board and that you are relieving him. It is unnecessary to put anyone else on. Henderson will probably resign publicly if you don't accede to this request. I do not think you should see him until his return.

JHR

James Rowe, Jr.

THE ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSE

FEDERAL RESERVE BUILDING

WASHINGTON, D. C.

J anuary 15th, 1940

Dear Mr. P resident:

I'm planning to go away in a few days for an indefinite period for health and other rea sons.

My a bsence will afford you ample opportunity to select someone to take my place as D efense Commissioner in charge of Price Stabilization, and you may consider this letter as a resignation to take effect at your election either (a) immediately, (b) any time while I'm away, or (c) any time after I return. In suggesting these alternatives I have only your convenience in mind. Immediate termination would suit me best and would give me the next few days to help some of the fine fellows I've brought into the organization to readjust themselves.

I am sure, however, that the Price Stabilization Division is well organized to carry on without a Commissioner for quite some time. John Hamm, my Deputy Commissioner, wa s with me at NRA and has been here since the beginning, a s well a s D avid Ginsburg, my General Counsel. Both are fully informed as to the Division's responsibility, and any check you care to make would, I am sure, support my pride in their capacities.

You need not do anything at once, unless you wish, as to letting me know, and in fact I would prefer to terminate, or go away without any discussion. Naturally I shall say nothing of this matter to anyone.

May I ask, as a personal favor, that when you get to my termination, you do not handle it through McReynolds, Harold Smith, or OPM?

Whatever time you may choose for acceptance, of resignation as a D efense Commissioner, I feel that I must ask you to relieve me promptly from membership on the advisory body known as the Priority Board. I deeply appreciate your confidence in appointing me to this Board, but I ha ve examined the new setup with care and know positively that I cannot be effective in this post. M y views on prioties and the contemplated personnel of the organization run so vigorously in disagreement with the controlling elements that I would, with no effect, merely delay decisions at this time when action is so greatly needed.

With affection,

Leon Henderson

PSF Hopkins Folder 3-41

File Confidential

THE WHITE HOUSE
WASHINGTON

April 23, 1941

Dear Mr. President:

Here is a copy of a letter I received from Swope about your friends the Duke and Duchess of Windsor.

HARRY L. HOPKINS

The President,
The White House.

C O P Y

HERBERT BAYARD SWOPE
30 Rockefeller Plaza
New York

PERSONAL

April 21, 1941

Dear Harry:

This is straight. It can be relied upon:

The Duke and Duchess of Windsor are, by some who know, listed among the appeasers. When they come here they see that type, especially at Palm Beach. Capt. Alastair Mackintosh and Eric Loder (both English, and both away from duty) were their hosts, and they were received by Charlie Munn, Mona Williams and others of that group which properly can be called pro-Nazi.

Why are the Windsors permitted over here so often? I think The Boss might well suggest that they stay away. After all, they have been shunted to Nassau to get them out of Britain's way; they should not be permitted to interfere here.

Personally, from inquiries I have made, I have no doubt that the Duke stands very well with the Nazis. He might be returned to the throne if the impossible of an English defeat were to be achieved.

Affectionate regard.

Faithfully,

/s/ H.B.S.

Honorable Harry L. Hopkins,
The White House,
Washington, D. C.

P.S. I need not tell you this letter is animated by the belief that, in directing your attention to the situation, I am doing a public good.

PSF: Hop Rims Folder
3-41

THE WHITE HOUSE
WASHINGTON

May 9, 1941.

MEMORANDUM FOR

HARRY HOPKINS

Will you speak to me about this?

F. D. R.

Memorandum from Jim Rowe re anonymous letter received by the Department of Justice protesting the appointment of Samuel R. Fuller, Jr., together with copy of FBI's report on him.

PSF: Hopkins
[1941]

Secret

MEMORANDUM FOR THE PRESIDENT

~~STRICTLY CONFIDENTIAL~~

(1.) 10 destroyers a month beginning April 1st. Destroyers to be reconditioned in the United States -- reconditioning to begin immediately.

(2.) The urgent need of more merchant shipping at once. British cannot wait until new ships are built.

(3.) 50 PBY planes in addition to the PBY which the British are receiving on their own account; fully equipped with radio, depth charges, bombs, guns and ammunition. Adequate operating spares supplies. Urgent need for crews.

(4.) There are 29 engineless Lockheed planes in England. They need 58 Wright 1820 engines at once.

(5.) There are 100 Curtiss Tomahawks without propellers in England. 764 fifty caliber and 1000 thirty caliber machine guns required to complete armament. Curtiss Tomahawks already in England.

(6.) Consideration to be given immediately to the replacement of fifty caliber guns manufactured by Colt which are unsatisfactory with the same gun which has already been manufactured by our own arsenals

(7.) 20 million rounds of fifty caliber ammunition and as many extra fifty caliber gun barrels as are available urgently needed.

(8.) The maximum number of B 17, BS C's or D's in addition to the 20 already agreed upon to be sent to England immediately. Planes should be sent complete ready for immediate operation, including spare parts, bombs and ammunition. Crews urgently needed.

(9.) Transfer to the British 200 North American Harvards or Vultee Valiants trainers in excess of all present deliveries.

(10.) At least 5 additional civilian flying training schools completely equipped.

(11.) Work out plan to ferry bombers to England. This would release nearly 800,~~000~~ British R.A.F. personnel.

(12.) 250,000 Enfield rifles and 50,000,000 rounds of ammunition have been sent.

(13.) Give priority to tools for the manufacture of Point 303 rifles for the British. Same applies to 303 ammunition.

(14.) Send 80 trained observers -- half from the factories and half from the Army and Navy -- to acquaint Britain with the use of our planes.

HARRY HOPKINS

PSF
Hopkins

THE WHITE HOUSE
WASHINGTON

May 1, 1941

MEMO FOR HARRY HOPKINS

Suggested reply:

My dear Mrs. Hurja:

A telegram dated April twenty-eighth has been received addressed to Mr. Hopkins and signed "Mrs. Emil Hurja". Because of the form of the signature, I question its authenticity. Will you advise me?

Very sincerely yours,

Secretary to Mr. Hopkins

TELEGRAM

28wud57dl

The White House

Washington

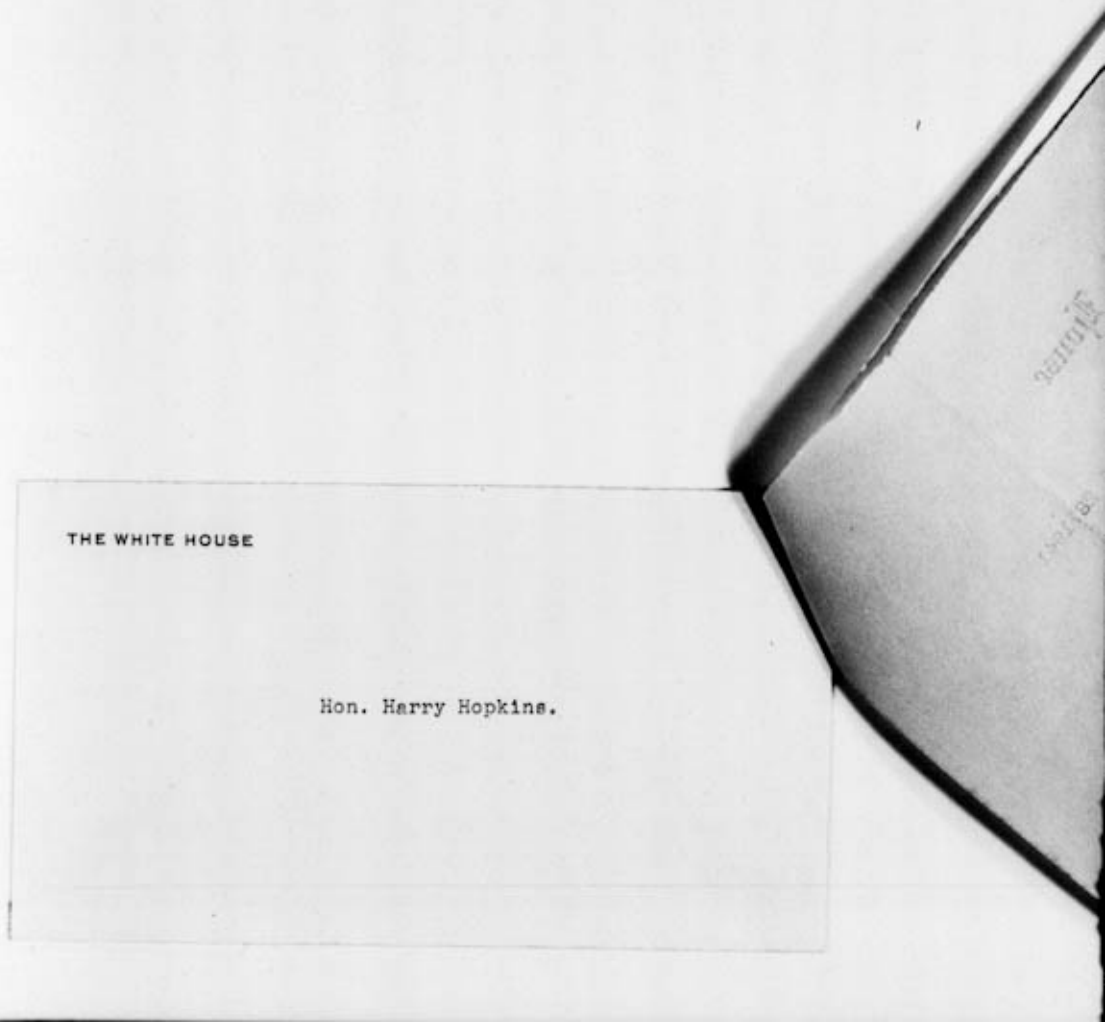
Washington DC 1155am April 28 1941

Hon Harry Hopkins

The White House

With wrath and moral indignation and proudly as an American of Scandinavian stock I denounce William Bullitt's insulting attack on Col. Charles Lindbergh last night also that of the President. I further am proud to be listed among thousands of who believe in "America First." I would be grateful if you draw attention to this to the President. Mrs Emil Hurja.

1224pmd



THE WHITE HOUSE

Hon. Harry Hopkins.

PSF: Hopkins Folder

THE WHITE HOUSE
WASHINGTON

May 20, 1941.

MEMORANDUM FOR

HARRY HOPKINS

Will you speak to me about this?

F. D. R.

Memorandum to the President from Wayne Coy in re Mr. Isador Lubin's duties with OEM.

THE WHITE HOUSE
WASHINGTON

May 27, 1941

COPY TO THE PRESIDENT
FOR HIS INFORMATION.

HARRY L. HOPKINS

PSF: Hopkins Folder
Box 3-11

C O P Y

DEPARTMENT OF STATE

~~CONFIDENTIAL~~

PARAPHRASE

Telegram No. 2119 Dated: May 26, 1941, 8 p.m.

From: London Rec'd: May 27, 1941, 4:05 p.m.

~~SECRET~~ AND PERSONAL FROM HARRIMAN FOR HOPKINS

Regarding origin and cargoes of eight eastbound ships torpedoed off Greenland, this is for your information: three Curacao oil; one Botwood steel and paper; one Halifax grain; one Houston general cargo; one New York wheat and aeroplanes; one Baltimore grain. One westbound tanker was also torpedoed on the same day, in the same area.

WINANT

PSF: Hopkins Folder
File personal

THE WHITE HOUSE
WASHINGTON

May 29, 1941

MEMORANDUM FOR THE PRESIDENT

Former Governor Rivers of Georgia called up relative to the judgeship which is vacant in Georiga. He urged very strongly that Lovett not be appointed because of his opposition to you in the last campaign and the fact that he is in all other respects disqualified because of his economic and political views.

Rivers told me that he had reason to believe Senator George would submit a second name if you requested it. I asked him whether he was sure of that and Rivers stated that he had good reason to believe that George would. I have no way of knowing whether Rivers knows what he is talking about and I suggested that he see Bob Jackson.

HARRY L. HOPKINS

PSF: Hopkins 7-1941
file
Confidential

THE WHITE HOUSE
WASHINGTON

June 19, 1941

Dear Mr. President:

Here is a very interesting report on the damage to Belfast which I think you will be interested in reading.

Very sincerely yours,

HARRY L. HOPKINS

Enclosure.

The President
The White House.

Franklin D. Roosevelt Library
DECLASSIFIED
DOD DIR. 5200.9 (9/27/58)
(COPY)
Date- 6/11/80
Signature-

PFL:S(O)

AMERICAN EMBASSY
OFFICE OF THE NAVAL ATTACHÉ
LONDON

May 21, 1941.

MEMORANDUM FOR MR. HARRIMAN.

Subject: Belfast - Effect of Air Attacks on Shipyard Facilities.

1. The Belfast area was inspected on 13 May 1941 by Commander E.W.Sylvester, U.S.N., and Lieutenant Commander R.E.Libby, U.S.N., from the office of the Naval Attache, in order to estimate the effect of the recent heavy air attacks on the shipbuilding and ship repair facilities located there. These officers have prepared a detailed report covering this trip which, together with a cabled summary has been forwarded to the Navy Department. This memorandum is based on the above reports and other information made available by the Admiralty.

2. The principal shipbuilding and ship repair activity in Belfast is the firm of Harland and Wolff. In addition to ship building and ship repair this company manufactures a large quantity of electrical apparatus used by other shipbuilders, guns, tanks, etc.

3. Very extensive damage has been sustained by the plant of Harland and Wolff. Not only were the majority of the shops burned out, but large quantities of stores, belonging to both Harland and Wolff and to the Admiralty were destroyed. These included electrical apparatus of various kinds, paravane equipment, anti-submarine gear, etc. The most serious damage in the shops which were burned is that done to electrical apparatus - especially motors used to drive the various machine tools. It will take many weeks to make good this damage and will require the efforts of a great part of the company's available electrical labor, thereby seriously reducing the electrical productivity of the plant. Company officials estimated that it would require about 90 days to get the electrical manufacturing shop in production again and from 6 to 9 months thereafter to complete the electrical repairs to the yard.

4. Two merchant ships were sunk and three corvettes seriously damaged. Very minor damage was caused to ships on building ways, to building ways, and to docks. No cranes were damaged. The engine works (one of the largest shops in the plant) were not seriously damaged.

5. The great majority of the damage sustained was due to fire. This, in turn, resulted largely from the type of roof construction used on most shops - wood lined with felt - inadequate fire fighting equipment, and an almost total lack of fire watching. The Belfast city fire brigade were fully occupied in fighting fires in the city itself and so could give practically no assistance to that of the plant. The latter was unable to cope with the situation.

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(COPY)
Date- 6/11/76
Signature-

PFL:S(0)

S-E-C-R-E-T

AMERICAN EMBASSY
OFFICE OF THE NAVAL ATTACHÉ
LONDON

May 21, 1941.

MEMORANDUM FOR MR. HARRIMAN (Cont'd)

6. There is no compulsory fire watching in Northern Ireland. Prior to the first raids on Belfast in April it is understood that Harland and Wolff had an adequate force of fire watchers who were paid at the rate of five pounds per week. After the April raids most of these fire watchers quit and since then the company has been unable to obtain an adequate number.

7. A serious aspect of the industrial situation in Northern Ireland is the concentration of electric power generating capacity in the large power station in Belfast. This one station generates about 97,000 K.W. out of the total capacity in all of Northern Ireland of about 123,000 K.W. There is no tie-in between the power systems of Northern Ireland and of Eire. The loss of the Belfast power station would, therefore, paralyze industry in Northern Ireland.

8. A general dispersion scheme is now being worked out whereby the lighter work now done in the plant of Harland and Wolff will be moved to the surrounding countryside, utilizing now unused textile factories, breweries, etc. The heavy work will be retained in the plant since its dispersion is not considered practicable. Company officials were unable to estimate how long such a program would require or when the plant could resume normal operations.

9. The plant of this company is probably less than 20 percent effective at the present time and many months will elapse before it can again be made fully effective. Since this company employed on ship work about 18,000 out of the total of about 262,000 men engaged in shipbuilding and ship repairing in all of the British Isles it is evident that the loss of most of its productive capacity is a serious matter.

10. It is assumed that adequate steps will be taken to improve fire watching conditions so that a repetition of such serious fire loss will not again occur.

11. The following possibilities should be investigated if not already done so:

(a) Study the practicability of moving certain of the skilled electrical labor to other localities where facilities for production exist. This may assist in offsetting the loss of electrical production caused by the damage to electrical manufacturing shops in Belfast.

(b) Effect, if possible, a tie-in between the electrical power distribution systems of Northern Ireland and Eire. If this can be accomplished it would insure that the industries of Northern Ireland would not be paralyzed should the Belfast power station be destroyed in a future raid.

P.F.L.H.,
Commander, U.S.Navy.

PSF: Hopkins
Subject File

THE WHITE HOUSE
WASHINGTON

July 26, 1941.

[redacted]-VIA NAVY

HOPKINS
LONDON

Welles and I highly approve Moscow trip and assume you would go in a few days. Possibly you could get back to North America by August eighth. I will send you tonight a message for Stalin.

All well here. Tell Former Naval Person our concurrent action in regard to Japan is, I think, bearing fruit. I hear their Government much upset and no conclusive future policy has been determined on. Tell him also in great confidence that I have suggested to Nomura that Indo-China be neutralized by Britain, Dutch, Chinese, Japan and ourselves, placing Indo-China somewhat in status of Switzerland. Japan to get rice and fertiliser but all on condition that Japan withdraw armed forces from Indo-China in toto. I have had no answer yet. When it comes it will probably be unfavorable but we have at least made one more effort to avoid Japanese expansion to South Pacific

ROOSEVELT

PSF Hopkins-Fndly

THE WHITE HOUSE

WASHINGTON

November 12, 1941.

MEMORANDUM FOR

HARRY HOPKINS:

I wholly approve. Can you do anything to start the ball rolling?

F.D.R.

Personal letter received by Hon. Harry L. Hopkins from "Halifax", British Embassy, Washington, D. C., 10/8/41, quoting telegram he received from Brendan Bracken - "The Holy Roman Church seems to be one of the formidable sources of strength to isolationists. I believe we can persuade Cardinal Hlond to go to the United States. He is a great man and would be a very good antidote to His Eminence the Bruiser of Boston. What do you think of this idea?". Lord Halifax asks if the idea appeals to Mr. Hopkins, and states that Mr. Bracken asks that these suggestions be treated with the utmost secrecy.

PSF: Hopkins Folder

THE WHITE HOUSE
WASHINGTON

December 5, 1941.

MEMORANDUM FOR

HON. HARRY L. HOPKINS

Referring to your memorandum to me, dated December 4, 1941, I think either Admiral Standley or John Wiley would be fine.

F. D. R.

THE WHITE HOUSE
WASHINGTON

December 4, 1941

MEMORANDUM FOR THE PRESIDENT:

The Dutch and Australians have asked the Lend-Lease Administration to send someone to Batavia and Australia to look at our operations out there.

It seems to me that if this job is undertaken it should be considered partially as a political mission. Therefore, I think whoever goes should have your approval.

Do you think Tom Beck could do it? Or has he got too much of a single track mine on aviation?

What about Admiral Standley? John Wiley?

I would like to have someone go on this mission in whom you have confidence and preferably someone that you know personally. It should be someone who knows something about production and preferably has some acquaintance with what is going on.

HARRY L. HOPKINS

PSF: Hopkins Folder
1-42

THE WHITE HOUSE

WASHINGTON

January 11, 1942.

MEMORANDUM FOR

H. L. H.

Will you speak to me about this today?

F. D. R.

Memorandum to the President from Director of the Budget re Reconstitution of the Army and Navy Munitions Board, dated January 5, 1942., together with memorandum to the Secretaries of War and Navy from the Army and Navy Munitions Board, dated Dec. 22, 1941.

PSF: Hopkins Folder

THE WHITE HOUSE
WASHINGTON

January 12, 1942.

MEMORANDUM FOR

H.L.H.

I thought you might like to have the enclosed as a memento of the occasion.

F.D.R.

Memento Cover of Roosevelt-Churchill Meeting on the Atlantic - Aug. 9, 1941 on board the U.S. Flagship AUGUSTA.

PSF: Hopkins Folder 1-42

file
Confid.

THE WHITE HOUSE
WASHINGTON

March 14, 1942

MEMORANDUM FOR THE PRESIDENT:

MATTERS OF IMMEDIATE MILITARY CONCERN

1. Australasia.

To be sure we have enough forces there to hold Australia, New Caledonia, Fiji and New Zealand. Believe Army should be pressed on this point, particularly as to air. We must not underrate the Japs' air strength.

2. China.

We must keep that line to China open and get it going. Believe Army needs to be jogged on this regularly.

The second phase of the Chinese business is to get a springboard from which to bomb Japan itself. For morale reasons this is extremely important and the sooner it can be done the better.

3. England.

I believe Arnold's plan in England should be pressed home. There is nothing to lose. The bridgehead does not need to be established unless air superiority is complete. I doubt if any single thing is as important as getting some sort of a front this summer against Germany. This will have to be worked out very carefully between you and Marshall, in the first instance, and you and Churchill, in the second. I don't think there is any time to be lost because if we are going to do it plans need to be made at once.

4. Russia.

Increase if possible our supplies to Russia. The Protocol runs out in June. Believe it would be wise to have another conference here as soon as possible to cover supplies after July 1st.

5. Real priorities for machine tools must be given merchant ships and combat planes. Should reaffirm to people concerned, namely Land and Stimson, that you want the planes and the ships in 1942.

HARRY L. HOPKINS

Hopkins memorandum for the President, March 14, 1942

Pages two and three of this memorandum were not present when this file was examined.

RHP
9-27-93

PSF: Hopkins
Folder

THE WHITE HOUSE
WASHINGTON

March 21, 1942.

MEMORANDUM FOR

HARRY HOPKINS:

Will you speak to me about this today?

F.D.R.

Handwritten note of the President re: rubber boats for Russia, etc.

PSF: Hopkins

THE WHITE HOUSE
WASHINGTON

April 24, 1942.

MEMORANDUM FOR

H.H.

I think Jane Hoey's letter explains itself. I have not shown it to the President as she asks that you discuss it with him.

The release was prepared on April 17th, but I understand from Steve's office that it was held up because Paul McNutt's office wished to make some changes.

Will you let me know what to tell Jane Hoey?

G.G.T.

Re Release to be given out pertaining to the principle that public agencies expend public funds and private agencies private funds.

File Personal

PSF: Hopkins May 10, 42

Sunday Morning

Dear President

I have gone to New York to see Gen. Burns and am going to "Candida" tonight. Will be back Monday noon. Hope everything worked for you

Harry (Hopkins)

PSF: Hopkins Folder

TELEGRAM

The White House
Washington

10:00 P.M.
September 21, 1942

FOR THE PRESIDENT

The Senate has been debating the stabilization bill today.

Prentiss Brown just tells me that the farm crowd are going to introduce a floor amendment tomorrow which may be very hard to beat. This is the same old proposal that they had to include cost of labor on the farm to the parity index. This is the same proposal you wrote the letter about. Brown tells me that the Farm crowd claims they have the votes to pass it. I will find out something about this tonight and work on it quietly.

The bill will undoubtedly pass the Senate Wednesday and the House not later than Thursday. It will be in conference Friday.

If you have not debated this bill long enough they are going to raise the price of your Christmas trees to one dollar a piece.

Harry

1145p

TELEGRAM

The White House
Washington

September 22, 1942

PSF: Hopkins File

FOR THE PRESIDENT

Barkley tells me tonight House Farm Bloc can and will force through tomorrow an amendment providing for a new index of parity, adding labor cost of all the family, the head of the family and Aunt Bessie.

This will put price of Christmas trees to $1.10 and will add ten to twelve percent to parity.

We are still making no fights on amendments or interferring with legislation.

People like Hill, Maybank and Pepper are going to walk out on you tomorrow.

Henderson told O'Mahoney today he intended to decrease the price of beef to cattle raisers. I told Henderson he had no business making statements like this. I am assuming you want us to make no vigorous protests or interefere with legislation. I am in touch with Prentiss Brown as well as Barkley. In case you want anything done it must be done immediately. Steagall, as usual, is waiting to find out which way the wind blows.

I wish it would blow his teeth out.

Harry

NOTE: MR HOPKINS WANTS TO TALK TO YOU ON PHONE JUST BEFORE DINNER

THE WHITE HOUSE

WASHINGTON

October 20, 1942

MEMORANDUM FOR MISS TULLY:

I am anxious that the President see this some time this morning if possible.

H.L.H.

Grace:

Mr. Hopkins left to go out to the hospital before he could initial the memo.

Lois

Hopkins folder
1-42

PSF

file
confid.

THE WHITE HOUSE
WASHINGTON

[redacted]

October 20, 1942

MEMORANDUM FOR THE PRESIDENT:

I think Wilson and Nelson, together with representatives of the Army and Navy, will be making a report to you not later than tomorrow relative to the number of airplanes that can and should be built in 1943.

You told them that you wanted 100,000 airplanes built in 1943. Some of them want you to change this figure to read that they reach the rate of 100,000 in 1943. They can reach the rate of 100,000 in December 1943 and still only build 72,000 combat planes, which everybody agrees is far too few.

I think it will probably be impossible to get 100,000 combat planes in 1943 but I hope you will not retreat too far below this figure. They surely can get 82,000, which is 10,000 more planes than their present number. I hope you will not agree to anything less than 85,000 planes, because if those fellows really step on it and you give them proper priorities I am convinced this can be done without seriously damaging the rest of the program.

H.L.H.

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date FEB 1 1979

PSF: H. Hopkins folder 2-42

THE WHITE HOUSE

WASHINGTON

December 3, 1942

MEMORANDUM FOR .

HON. H. L. H.

I am much more proud of my feet than I am of my hands.

F. D. R.

Enclosures

Let to Mr. Hopkins 11/27/42 from Gerry Dick; The Crowell Collier Publishing Company, 250 Park Avenue New York, New York enclosing tear sheet from The American Magazine showing Miss Ray Shaw who "sculpts" hands. Dick suggests that she might do the President's hands - would only take 20 minutes to make cast of them.

PSF: Hopkins folder 2-42

THE WHITE HOUSE
WASHINGTON

December 18, 1942

MEMORANDUM FOR

HON. HARRY L. HOPKINS

This is a friend of Ed Kelly's and he is an awfully decent fellow and a live wire.

F. D. R.

Enclosure

THE WHITE HOUSE

WASHINGTON

COPY LONGHAND NOTE ADDRESSED TO
HARRY HOPKINS IN THE PRESIDENT'S
HANDWRITING - SENT MR. HOPKINS
December 18, 1942

"H. H.

Gale Sullivan - Army now Capt. -

Lee Somerville."

PSF: H Hopkins folder
Confidential 2-43

THE WHITE HOUSE
WASHINGTON

July 9, 1943

MEMORANDUM FOR

THE PRESIDENT

Mr. President:

The United Nations had 184 more dry cargo ships, of approximately 10,000 tons each, on July 1st, 1943 than we estimated we would have at the Casablanca Conference.

We have 54 more tankers than we estimated.

We have 1,874,000 dwt tons of cargo shipping in excess of our estimates and 546,000 dwt tons of tankers in excess of our estimates.

H.L.H.

STANDARD FORM No. 14A
APPROVED BY THE PRESIDENT
MARCH 10, 1925

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

PSF: Hopkins file

FROM The White House 2 - V3
Washington

July 30, 1943.

Honorable and Mrs. Harry L. Hopkins
c/o Nicholas S. Luddington
Somes
Mt. Desert Post Office
Maine

Sorry you are not with us today. I hope you have added oil to the sardines in memory of the occasion.

F.D.R.

PSF: Hopkins folder 2-43

WAR DEPARTMENT
ARMY SERVICE FORCES
OFFICE OF THE COMMANDING GENERAL
WASHINGTON

IN REPLY REFER TO SPEX

Grace
The President will be interested in this

file

27 October 1943

~~PERSONAL & CONFIDENTIAL~~

Mr. Harry L. Hopkins
The White House
Washington, D.C.

My dear Mr. Hopkins:

I have your letter of 26 October 1943 with which you transmitted the comments of Assistant Attorney General Cox as to the handling of mail for the Armed Forces in the Southwest Pacific and Pacific.

On the whole, mail service at present is good. There are some mail situations which we do not consider satisfactory, even though the informed opinion of those experienced in volume and transportation of mail is to the contrary.

In some of the theaters, some of the delay is in the interior distribution within the theater. This is particularly true in the South Pacific and Southwest Pacific where there are so many stations of troops on isolated islands. We are constantly reviewing these unsatisfactory conditions, and they are gradually improving, but will not be regarded as satisfactory by the recipients of mail until such time as we can have direct airmail service to a great number of locations.

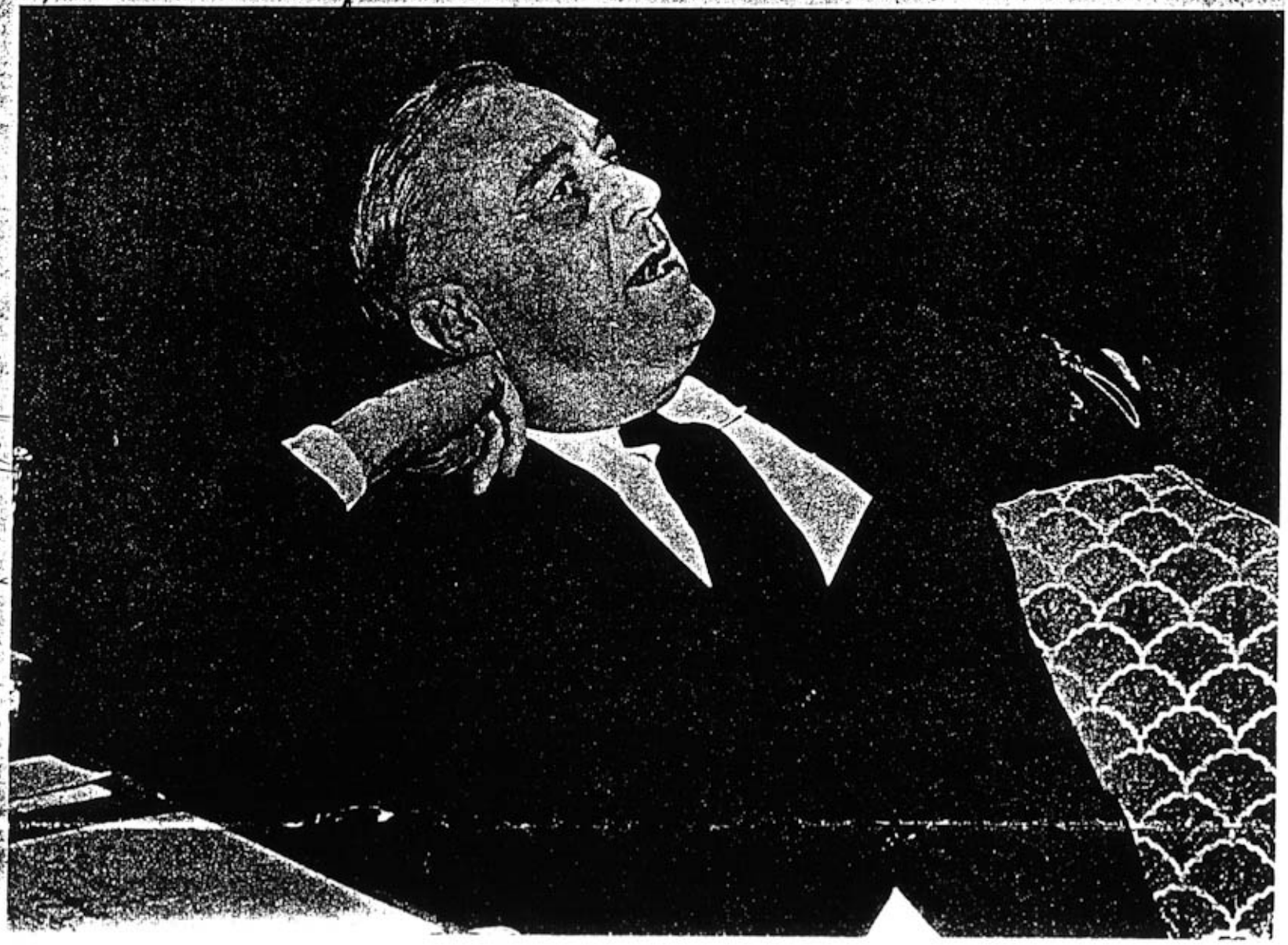
At the present time, the most pressing problem is that of the Christmas mail. This volume of parcel post has not only exceeded all expectations, but was not mailed by the public generally until the last two weeks of the mailing period ending 15 October 1943. Actually the Post Office Department has advised that more than 25 to 30% of the total Christmas mailings were mailed by the public on the last day. This has created a most difficult situation which has given us real concern. It does and will require prodigious efforts to effect delivery before Christmas.

Very sincerely,

W. D. STYER
Major General, U.S.A.
Commanding

Franklin D. Roosevelt Library
DECLASSIFIED
DOD DIR. 5200.9 (9/27/58)
Date- 3-16-59
Signature- Carl L. Spicer

The Washington Post Oct 31, 1943



"What do you think, Harry?"

FRANKLIN ROOSEVELT TRIES OUT MANY A NEW IDEA ON HARRY HOPKINS AND ALWAYS GETS A FRANK OPINION

By Roger Beirne

To official Washington Harry Hopkins is known as "The President's Ear."

For when FDR wants "to think out loud" on questions of state he sends for Harry. The President talks, Harry listens, agrees, criticizes, takes exception. In the end he sums up the results of the conference. For this job the President considers him without equal in the world.

If *you* saw Harry Hopkins you wouldn't think he could possibly be important to a President of the United States. He simply doesn't look like a high Washington official.

He dresses carelessly. He wears no garters, his suits are baggy at the knees, he wears an old slouched hat that looks as if it had been in the family for generations. Winston Churchill himself once kidded Harry about the hat. "Why don't you throw that battered receptacle away," he asked Harry. "It's *part* of me," said Harry. "It would be like losing a friend."

"I'm just the President's idea buffer," is the way Hopkins describes his relationship to his chief. On many occasions he has been the president's idea *shaper*, giving form and direction to Roosevelt's casual observations.

At any hour of the day or night Roosevelt will summon Hopkins to his study in the White House for one of their private fireside chats.

On Hopkins arrival their favorite form of greeting does away with all formality at the very start. Hopkins ribs Roosevelt by calling him "My Fran."

"Go stand in the corner," says the Chief Executive, and they laugh.

And then to serious business.

Hopkins will argue with the boss, but he knows when to quit. When the President insists on an idea that Harry really opposes Hopkins tells his chief to "Walk due east until your hat floats." The President never demurs at such good natured abuse. "Well, maybe I *am* getting too tired," Roosevelt may admit. "Perhaps I ought to sleep on it."

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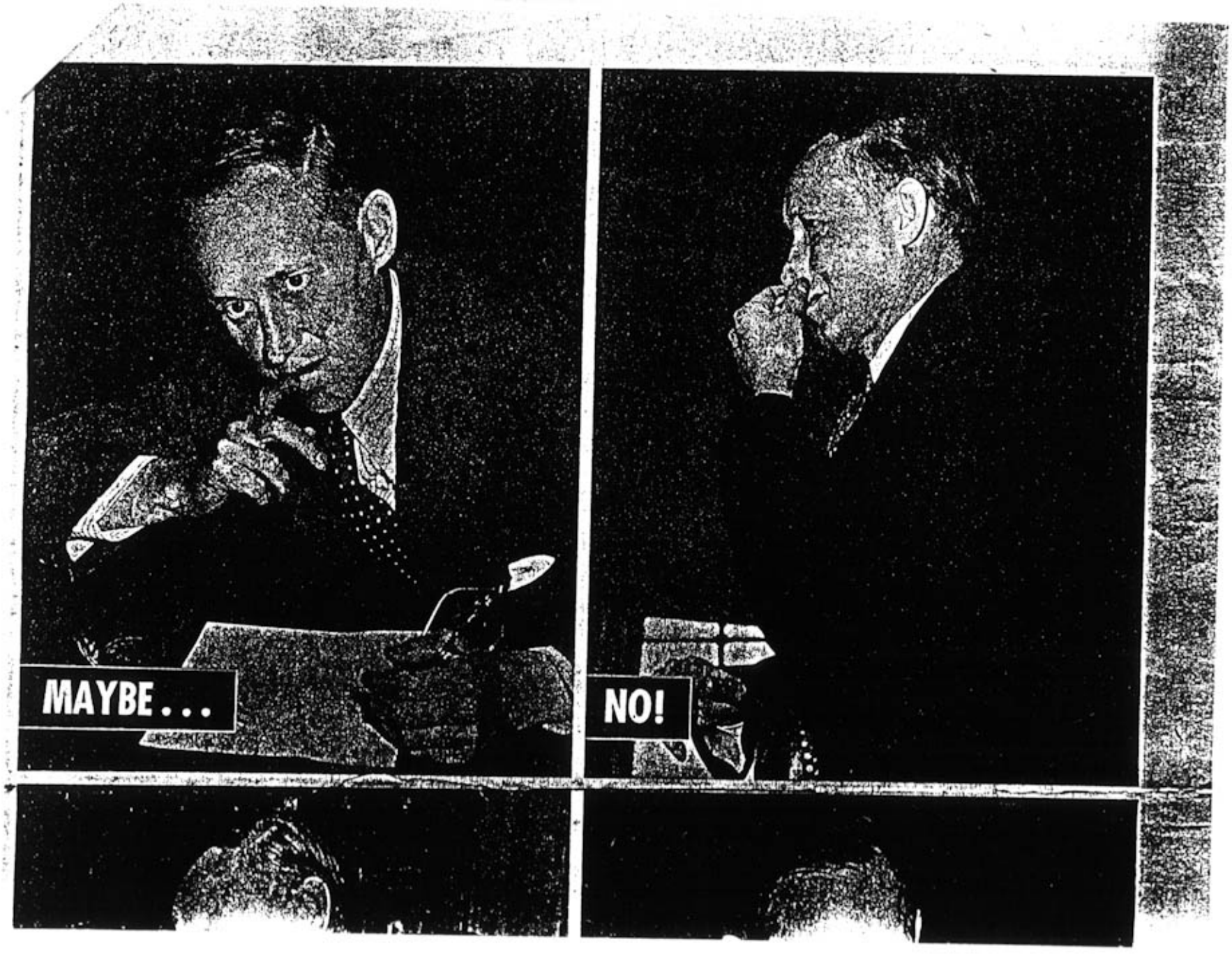
MAYBE...
NO!

CONTINUED ON NEXT PAGE

...INUED FROM PRECEDING PAGE

HOPKINS IS LIKE F.D.R.

Both Roosevelt and Hopkins share a concern for domestic reform. They are alike in that this concern has been temporarily shifted to second place in their minds—second to their win-the-war efforts.

The two friends are politically shrewd but have a deep idealism. The natural conflict between politics and high-minded social principles often makes them targets for the bitterest kind of criticism. Both bear up under the most withering attacks with perfect poise, shrug them off.

Roosevelt and Hopkins have seen the American people through one of the major crises in United States history—the great depression.

Men of Crisis

The knowledge they both gained from this experience has well fitted them for the present war crisis. In a sense Roosevelt was tested by the public for eight years in the Presidency. He proved himself under fire, of course—but so did his chief lieutenant, Harry Hopkins. Their mutual experience has given them a deep common bond.

These two men deal in staggering sums with the ease you balance your weekly budget. Hopkins actually has the all-peacetime record of spending billions on relief, of handling the WPA payroll for millions of men.

They are equally adept at conversation, can go from talk of global significance to lively gay banter that brings international envoys and other far-fronted individuals into their confidence on a man-to-man basis. Both of them like the company of celebrities.

Each saw the war coming and exhorted others to wake up. Both have sons in the war—Roosevelt four, Hopkins three. Together they saw eye to eye on the growing importance of Russia, in giving her all the help that the U. S. could—despite the opposition of

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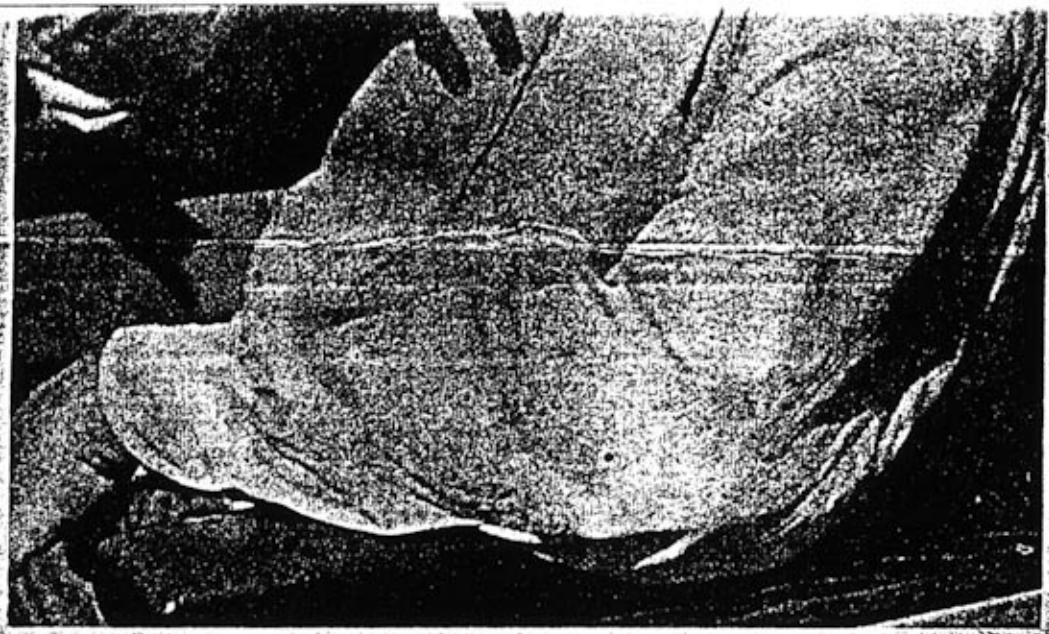
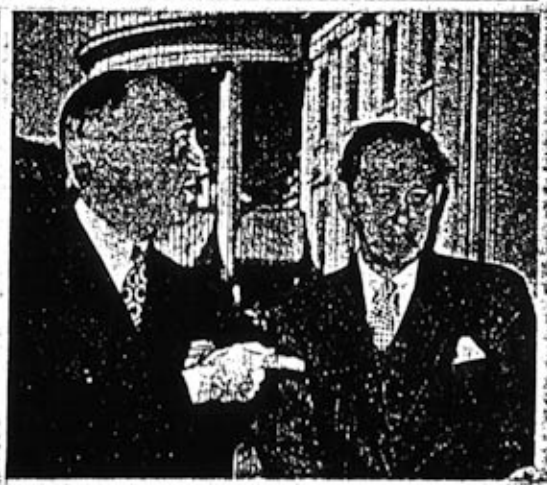
Basic in their relationship is that they hold no secrets from one another, pull no punches in their discourses. It is almost impossible to visualize one being at his most effective without the support and constructively critical attitude of the other.



HOPKINS IS F.D.R.'S REPORTER ON THE HOME FRONT.

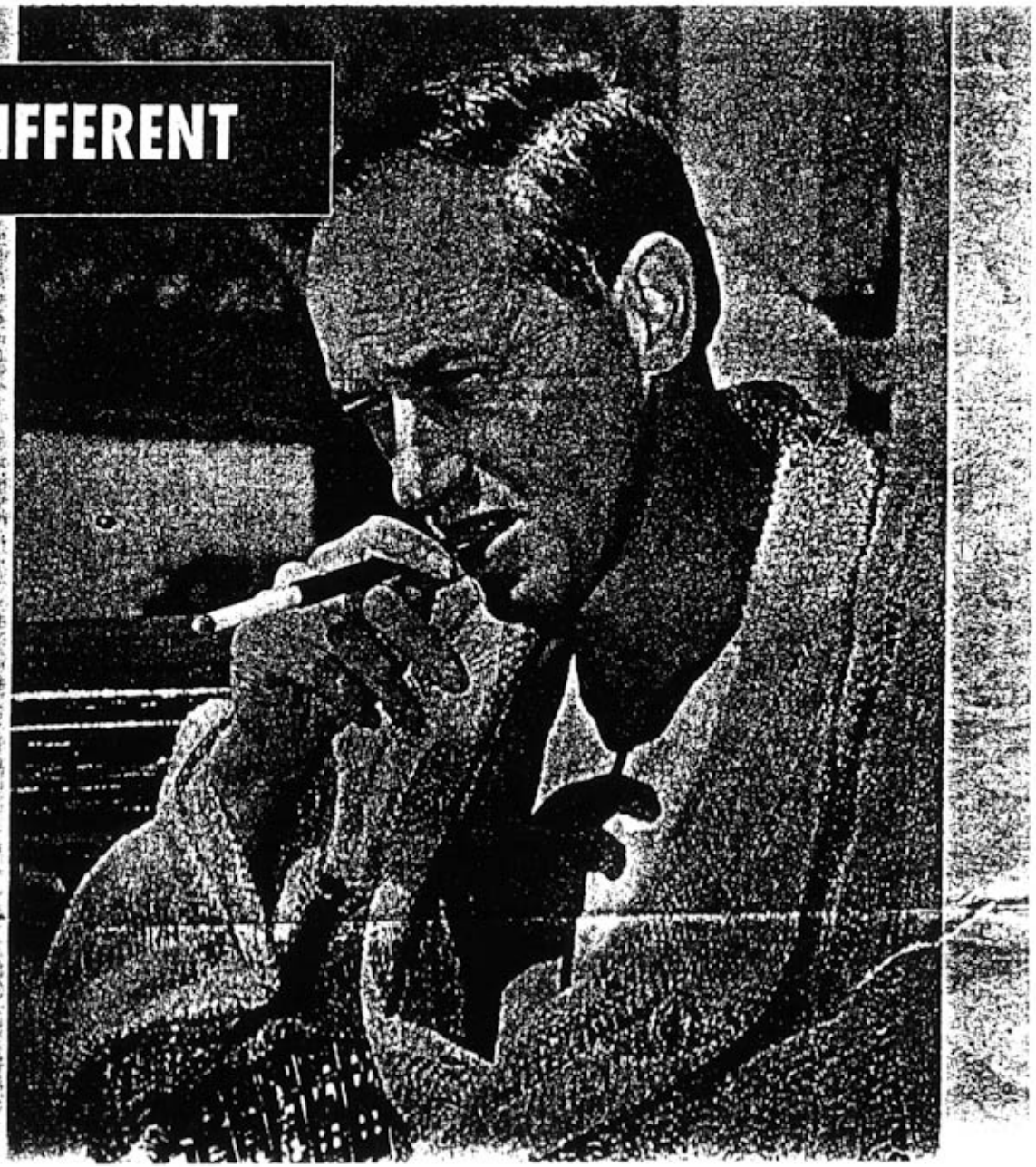
Morgenthau keeps him posted on finance

General Marshall talks military needs



War agency head Byrnes makes a point

. . . BUT HE'S DIFFERENT



The President is a scion of wealth and early tradition—Harry Hopkins is the son of an Iowan harness-maker, for years made a poor living as a social worker.

In social gatherings Roosevelt is dominating, expansive, filled with charm and personality. Hopkins is a born listener, and always seems to be slightly on the fringe.

The contrast in their facial characteristics is dramatic and significant. Roosevelt is famous for his open, smiling face. Hopkins has a sallow, irregular face, animated by intent, almost suspicious eyes.

Both men have the knack of making anybody who comes into their presence feel important, but for diametrically opposed reasons.

Roosevelt radiates charm and you feel the quality of leadership in his personality when he talks to you. Hopkins draws a person out by his interest in your personal reactions, makes you feel as if he wanted to know you well.

Behind the Scenes

Roosevelt is a born public figure, never more at home than when he is among crowds. Often he has to be reminded, in the excitement of public life, of such personal needs as sleep, food and rest.

Hopkins shuns the public gaze, prefers to be the man behind the scenes, to be left alone. Only in an emergency, or on the personal demand of his chief, does he step into the limelight. Only occasionally does his face come before the public.

The President maintains a steady tempo at work, has an even happy disposition always. Hopkins is at his best when rushed, tackles a problem in whirlwind fashion, works on bare nerve alone sometimes. He has a great reserve of nervous energy.

One of Hopkins' deepest concerns is for the United States farmer, and publicly he would state that he loves farm life. However, when he has any vacation time, he prefers to spend it in New York City. "I love the smell of the place," he explains.

Behind the Scenes

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Roosevelt, on the other hand, when he has any time for a vacation, spends it on his farm in Dutchess County, New York, or fishing on the high seas.

. . . AND HIS SPECIAL ENVOY ON GLOBAL STRATEGY

Madame Chiang discusses the Far East

In Moscow Stalin outlines his wants

With Churchill for Washington talk.

Gen. Corres "H"
3-44

RSF

February 21, 1944.

Dear Mrs. Hopkins:

Thank you so much for your note of February thirteenth, which unfortunately did not reach me until Friday of last week because of the great mass of mail arriving at this time.

We were all shocked and distressed to learn of the death of your grand boy, Stephen. We always enjoyed having him here with us at the White House and we shall miss him much. The report from the Marshalls of his bravery and fine courage is something you can always be proud of. I am enclosing a copy which I am sure you would like to have. My deepest sympathy to you, David and Robert in the great loss you have sustained.

I understand perfectly what you mean but, as the White House did not give out any of the stories it is purely a matter of newspaper reporting. If we had handled the release, you may be sure we would have handled it in the proper way.

With my very warm regards,

Very sincerely yours,

Mrs. Ethel G. Hopkins,
53 Washington Street,
Newport, Rhode Island.

February 13, 1943.
480 Park Avenue
New York City
c/o Mr. & Mrs. Ben Gross.

Dear Mrs. President:

The announcements which came over the radio regarding the circumstances of my son Stephen's death, differ from my telegram of notification from Lieutenant General Vandergrift. I should be deeply grateful for any further information which may be available.

Because of the kindness, hospitality and friendship you have always extended David, Robert and Stephen, I am taking the liberty of writing you to ask that I be identified as the

mother of my sons whenever their names are mentioned. I have been caused a good deal of embarrassment because this fact has been so consistently omitted. While I can understand the reason for this I am hoping the matter can be handled without causing anyone any discomfort.

Please believe that I have always been deeply aware of Harry's fine qualities and his talents and that the boys are very proud of their father.

I came down to New York on special leave to be with my family, following the notification of my son's death. I shall be at the above address for a few days.

Very respectfully yours,

Ethel G. Hopkins

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

~~SECRET~~ PSF: Hopkins folder 2-44

THE WHITE HOUSE
WASHINGTON

March 2, 1944

MEMORANDUM FOR MISS GRACE TULLY

Dear Miss Tully:

Enclosed is copy of a letter from General Chennault which Mr. Hopkins asked me to have you show to the President.

D.M.Kraus
Secy. to H.L.H.

encl. letter of
Feb. 8th from Chennault
re 14th AF performance
against enemy shipping.

~~SECRET~~

COPY

SECRET

HEADQUARTERS, 14TH U. S. AIR FORCE
Office of the Commanding General

Franklin D. Roosevelt Library
DECLASSIFIED
DOD DIR. 5200.9 (9/27/80)
Date- 12-15-64
Signature- Carl L. Spaatz

8th February, 1944.

Harry L. Hopkins, Esq.
The White House
Washington, D. C.

Dear Mr. Hopkins:

I think you, and perhaps also the President, may be interested in the Fourteenth Air Force's performance against enemy shipping in the last few weeks. During November and December my men were acquiring the "know-how" of the attack on shipping. It may be said to have passed out of the experimental stage in January. The results, which are better than my highest hopes, constitute the first reliable indication of what can be accomplished by adoption of the Plan of Air Operations which I transmitted to the President and to you.

Briefly, in January our Forward Echelon certainly sank 56,900 tons of shipping plus two gunboats, probably sank 16,700 tons, and severely damaged 16,200 tons and two 200' gunboats. In the first few days of February, we have already sent to the bottom 20,700 tons.

This was accomplished in the worst weather of the year, permitting us to fly no more than nine or ten days a month. Two squadrons of B-25's were our whole striking force, to cover all Chinese inland waterways from the Yangtsze River southwards, all China coast ports from Shanghai southwards, Formosa, Hainan Island, and the sea routes along the China coast and through the China sea. Although I have been sending small numbers of B-24's on training sweeps as far as the Philippine coast, we can do no real damage with them until we get the B-24 adapted for sea search and low level anti-shipping attack. We have been, as it were, partly blinded, by rarely having more than two or three operational reconnaissance planes in the forward area. Our Forward Echelon has had to get along with a little better than 2,000 tons of supplies monthly and all units are below strength from want of replacements.

If such tonnages of enemy shipping can be destroyed under such handicaps, you can figure out for yourself what the results would be if we were able to cover all waterways, ports and sea routes completely and efficiently. They literally teem with

SECRET

shipping, and I confess, I hanker to get at it. In view of recent experience, I now believe that by my Plan we can account for shipping at the monthly rate, not of 150,000 tons as first estimated, but of at least 200,000 tons. I need not emphasize the powerful assistance sinkings on this scale will render to Naval and Combined operations in other areas, where we must attack the Japanese frontally.

At present I cannot feel especially optimistic. Ours are the only offensive operations now being carried on in China, and I think it fair to say that they pay a large return on the investment. The ground forces in Yunnan are immobilized by abandonment of the major Campaign in Burma. Matterhorn Project operations will not begin for some months, and the Project was presented as self-sustaining. Yet our February allocations of air transport space has been materially cut below what it was in January, in order to give tonnage to the Yunnan forces and the Matterhorn Project.

Because they fear long range bombing of Japan, and because of the ship sinkings, I expect the Japanese to stage a real battle for air supremacy in China this Spring. Despite our great tactical advantage, we are still uncomfortably weak, since I have been unable to get anything done to increase deliveries of supplies to our Forward Echelon, which will bear the brunt of the fighting. Here is another golden opportunity, to take a heavy and perhaps crippling toll of Japan's air power. Yet I cannot help but wonder whether the opportunity will be exploited, and in view of our weakness, I even fear that the Japanese offensive may have serious consequences. What increases my occasional discouragement is that it would require so little to make us strong.

Forgive me for burdening you with my problems, which must seem relatively insignificant beside the remarkable successes lately achieved in the Marshalls and elsewhere. We continue to forge ahead under the President's leadership, and that is the main thing to consider. If you find a chance to do so, please congratulate him for me.

With warmest personal regards, I am,

Most sincerely yours,

C. L. CHENNAULT
Major General, U.S.A.

P.S. Have you any news of Joe Alsop's commission? I should not trouble you if anyone else could help me in the same way. But it will really mean a lot to have him on my staff, and I greatly hope the President has been able to act in the matter. I have heard nothing about it to date.

C.L.C.

PSF Hopkins

THE BEMENT SCHOOL
DEERFIELD, MASSACHUSETTS

File personal

THE BEMENT SCHOOL

DEAR MR. ROOSEVELT,

THANK YOU SO MUCH FOR SENDING ME THE TELEGRAM. I WOULD LIKE TO SEE YOU SOON. I HOPE YOU ARE FINE.

LOVE DIANA HOPKINS

PSF: Hopkins folder
file
Pharmacy 2-44

May 10, 1944.

Dear Harry:

I am perfectly delighted with the fine reports Ross gives me of the way you have come through the operation. I am glad they decided on something definite and that they all feel it is really going to work this time.

Grace tells me that you are going to go off somewhere after leaving Mayo's instead of returning to Washington. I think this is very wise, as a few more weeks will put you right on top.

I had a good rest at Hobcaw and while I feel much better, the doctors insist I take it easy for the present. I plan to go up to Shangri-La this weekend.

It will be grand to have you back and there are many things I want to talk with you about.

Keep up the good work and let me know where you plan to go when you leave Mayo's.

Affectionately,

Honorable Harry L. Hopkins,
Mayo Clinic,
Rochester, Minnesota.

PSF: Hopkins folder 2-44

THE WHITE HOUSE
WASHINGTON

May 16, 1944.

MEMORANDUM FOR THE PRESIDENT:

Ambassador Harriman called to say he had seen Harry two or three times and that he looks very well; that he has gained 5 lbs. since he has been there; and Averill suggests that you try to keep him there until he has fully recovered.

GGT

file Personal

Gen Corres

3-44

PSF

Hopkins

July 12, 1944.

Dear Mrs. Hopkins:

Ever so many thanks for your very nice note of July fifth. I was indeed very much touched by the excerpt from Mrs. Wood's letter about that fine boy of yours. We can all be proud of him.

I am delighted that you have good news from both Robert and David. Do give them my affectionate regards when next you write to them.

With kindest regards,

Very sincerely yours,

FRANKLIN D. ROOSEVELT

Mrs. Ethel G. Hopkins,
6309 Colgate Avenue,
Los Angeles,
California.

July 5, 1944

To the Honorable Franklin Delano Roosevelt
White House
Washington, D. C.

Dear Mr. President:

Please accept my deep thanks and appreciation for sending me the official report, last February, from the Navy Department, regarding the action in which Stephen met his death.

I especially appreciated your warm letter, which I shall always treasure.

I am taking the liberty of sending you an excerpt from a letter which I received from a Mrs. Wood, as I thought it might interest you.

Frequent letters from Robert are very reassuring at this time, as is recent news from David.

With repeated thanks to you for your interest,

Yours very sincerely,

Ethel G. Hopkins

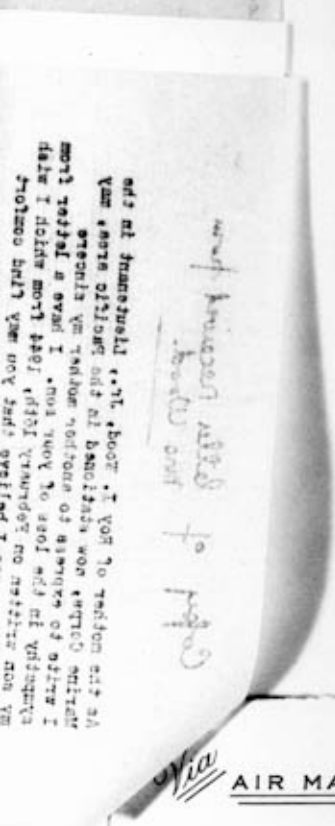
6309 Colgate Avenue
Los Angeles, California

Copy of letter received from Mrs. Wood.

As the mother of Roy I. Wood, Jr., Lieutenant in the Marine Corps, now stationed in the Pacific area, may I write to express to another mother my sincere sympathy in the loss of your son. I have a letter from my son written on February 16th, 1944 from which I wish to quote because I believe that you may find comfort from it.

> "Stephen Hopkins was killed five feet to my right that night -- rather he was shot and died later on board ship. That was tough. He was attached to me -- that is, the machine gun squad was, and I moved the gun up there in case of a counter attack and he was hit as he was digging in. He was a Pfc. and did a good job. The first Jap he shot probably saved me because I was three feet away and thought the Jap was dead and started moving forward. He (Stephen) saw him move toward his rifle and shot him."

I want you to know my gratitude for the service that your son rendered in saving the life of my son. .....



Via AIR MAIL

U.S. NAVY 1944

To the Honorable Franklin Delano Roosevelt

White House

Washington, D. C.

PSF: Hopkins file 2-44

THE WHITE HOUSE
WASHINGTON

October 16, 1944.

MEMORANDUM FOR

HON. HARRY L. HOPKINS

This most certainly ought to be run as a newspaper ad, which should be very effective. We cannot get it into the regular press. Will you try to get this done?

F. D. R.

THE WHITE HOUSE

WASHINGTON

October 14, 1944

MEMORANDUM FOR MISS GRACE TULLY

Dear Grace:

The President might like to read this.

H.L.H.

encl.
Westbrook Pegler article of Dec. 8, 1941
from Mr. Hannegan

Title of article "Fair Enough".

ROBERT E. HANNEGAN

Memorandum

518 Biltmore Hotel
New York City, New York
October 6, 1944

TO: HONORABLE HARRY L. HOPKINS

FROM: ROBERT E. HANNEGAN

Copy of article of Westbrook Pegler that appeared in the New York World Telegram of December 8, 1941.

PSF
Hopkins

THE WHITE HOUSE

WASHINGTON

October 30, 1944.

MEMORANDUM FOR HON. HARRY HOPKINS:

The other day Joe Higgins of New York brought in Hon. Felix Forte, who is Supreme Venerable of the Sons of Italy, and also a Superior Court Judge in the State of Massachusetts. Joe Higgins telephoned me the following message:

I believe Judge Forte spoke to the President about furnishing a relief ship for starving Italians. If the ship is approved a drive will immediately start for one million dollars from all 48 branches of the Order to load the ship with relief supplies.

Judge Forte was to write to the President and the President was to answer him but unfortunately the New England papers broke the news of Judge Forte's visit to the President in which they referred to him as a Superior Court Judge and not as Supreme Venerable. Court rules require approval of Chief Justice for leave. Judge Forte had no leave for his Washington visit, but I understand Chief Justice Higgins is apparently understanding.

Judge Forte was deluged from calls and stated that his conference with the President was solely in his capacity as Supreme Venerable on behalf of forty million

THE WHITE HOUSE

WASHINGTON

suffering Italians; that the President's attitude was extremely sympathetic and that he, Forte, placed the plight of the sufferers as far more important than his position as Judge.

(1) He has telephoned Democratic headquarters in New York and instructed them to hold a meeting tonight to issue a statement relating to the White House Conference.

(2) Judge Forte will wire the President after the meeting probably today.

(3) Judge Forte will approve an immediate statement by the President, if the President feels the Chief will be available, quoting from his conversation at Washington.

Joe Higgins suggests it could be in the form of a letter from the President to Judge Forte as Supreme Venerable. He, Higgins, thinks this would be effective as it would precede any local statements.

G.G.T.

PSF: Hopkins folder

2-43

THE WHITE HOUSE
WASHINGTON

file personal

Mr. President! -

The job of Counsellor in the State Dept is open. It requires confirmation with House leaders - they would readily agree I believe. I think this is the only job that will help him. I would give it to him

Harry

4104

PSF Hopkins folder 2-45

THE WHITE HOUSE

WASHINGTON

February 26, 1945.

MEMORANDUM FOR:

HARRY HOPKINS.

Will you run this down and do the necessary.

F. D. R.

- - - - - - - - - - - -

MEMO FOR THE PRESIDENT:

Allen Dulles who is in charge of Bill Donovan's outfit in Paris has been counsel, closely tied up with the Schroeder bank. That is likely to be the representative of the underground Nazi interests after the war.

There seem to be in Paris a great many people who are pretty close to the big business side!

E. R.

PSF: Harry Hopkins folder
2-45

THE WHITE HOUSE
WASHINGTON

March 1, 1945.

MEMORANDUM FOR

HARRY HOPKINS:

FOR YOUR INFORMATION.

F.D.R.

Mr. President — H & H. JGO.

Harry left yesterday,
as you probably know.
Should I forward copies of
these to him or just file?

GGT.

COPY

February 22, 1945.

Miss Tully:

To show to Mr. Hopkins and then file.

F.D.R.

(THIS HAS NOT BEEN PARAPHRASED)

COPY

This telegram must be closely paraphrased before being communicated to anyone.([redacted])

Vatican City
Dated January 31, 1945
Recd. 2:43 P.M.

Secretary of State

Washington.

29, January 31, 4 p.m.

FOR PRESIDENT AND SECRETARY.

On Tuesday morning I introduced the Honorable Harry Hopkins to His Holiness Pope Pius in private audience. The audience lasted approximately forty minutes in which time Mr. Hopkins was given opportunity to mention freely such subjects as he had been commissioned by the President to discuss and the Pope had opportunity to express his reaction and to offer any suggestions which he desired to do. In view of the fact that Mr. Hopkins will be returning to America in the not too distant future and will be reporting to the President himself in the meantime I will refrain from further detailed description of this exchange of views. I would say that in all respects Mr. Hopkins statements accord with my own on the occasion of my many audiences with His Holiness during the year and that the reaction of His Holiness was also in conformity to the reports which as a result of nearly weekly audiences I have presented by telegram and secret letters to the President. I believe Mr. Hopkins' visit was timely and helpful and I was very happy to see him and to be with him on such a memorable occasion.

MYRON TAYLOR

(Orig. of this telegram filed - Taylor folder, W-45.)

DECLASSIFIED
State Dept. Letter, 1-11-72
By R. H. Parks Date FEB 1 1973

COPY

Press Room
The White House
Washington

January 30, 1945.

Dear Mr. President:

From a reliable American in Yugoslavia I have learned that an important unsettled issue between Churchill and Tito is the disposition of the British copper concession near the Bulgarian frontier. Churchill is said to have asked assurance of its continuation, as a condition to recognition of the government, while Tito replied that the decision could not be made by a provisional government. A Russian correspondent, in a story republished here, predicts cancellation of the concession and payment for it.

You may be interested in some background information. The British mining company is exceedingly unpopular because it attracted workers from distant parts, notably Croatia, by promising the high wages of 50 cents per day, but the workers found on arrival that they were required to buy all goods at company stores at prices so high that it reduced their real wage to the 30 cents per day which prevailed at home. The longer they stayed, the less able they were to return, the situation amounting to peonage, plus bad housing. The fact that the miners have been assembled from all over Yugoslavia fortifies Tito's objections with political factors which can hardly be disregarded in any democratic settlement, which I believe is the kind you want.

I hope you won't forget to pass that complaint of the American correspondents, about the Russian and Yugoslav political censorship in the Balkans along to Tovarich Joseph. They seemed to blame it only on ihexperience with a free press, but said it was hurting Russia in Great Britain and would do so in the United States. The Russian word for "thanks", if you have occasion to use it, is "spasibo".

Yours respectfully,

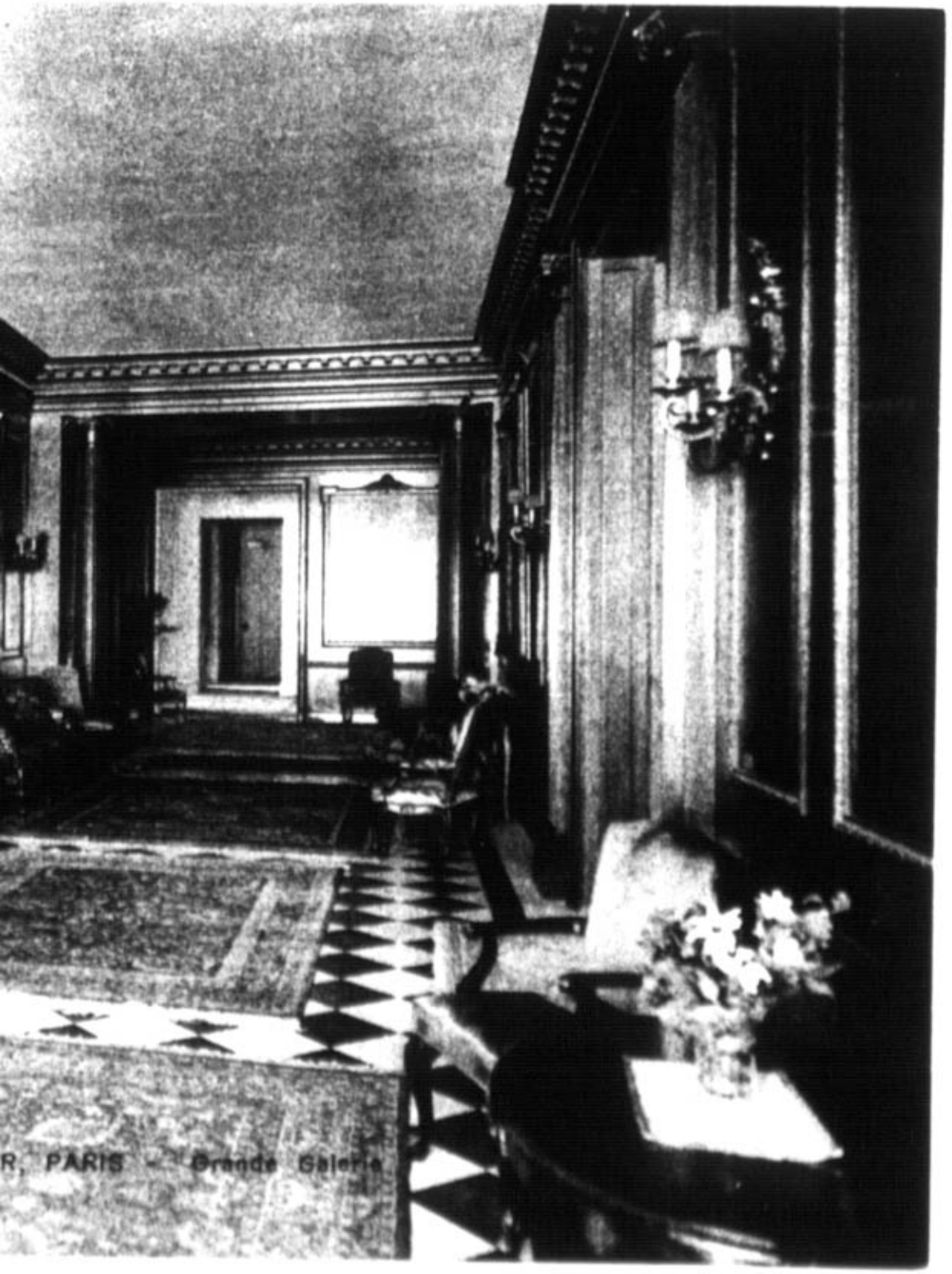
s/ IRVING BRANT

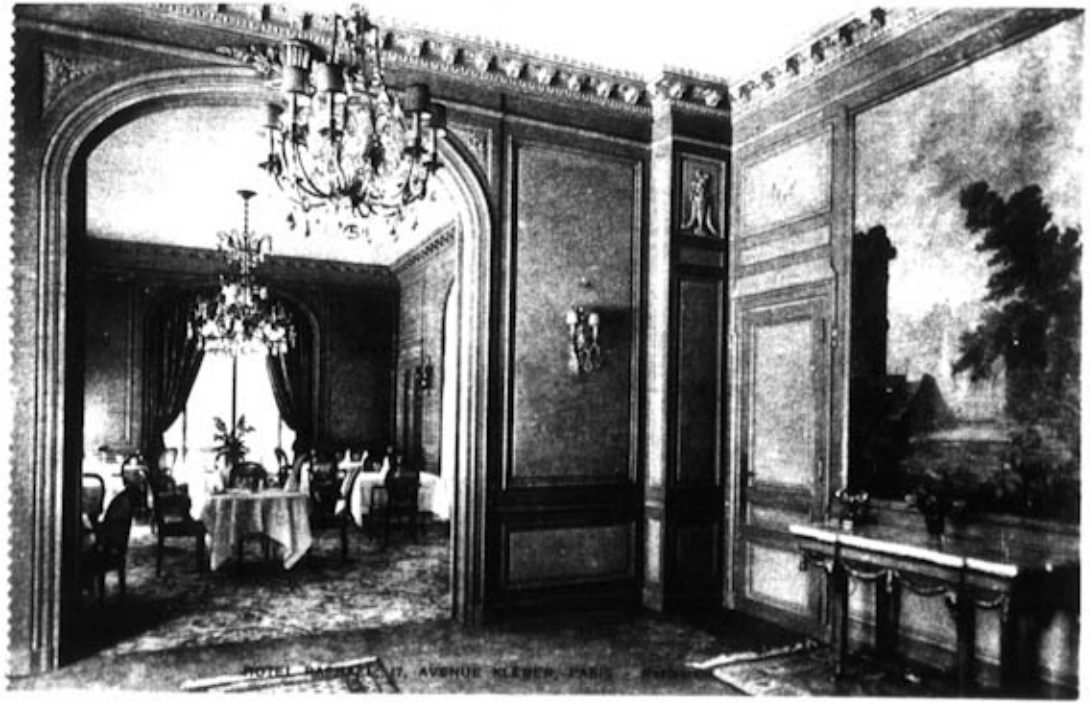
(orig of this ltr filed - Gen Corres "B", 3-45.)

DESCRIPTION OR FILE NUMBER	CHARGED TO	CHARGED OUT BY	DATE CHARGED
First Day Covers of Presidential Cruise USS Houston sent to Hopkins by A.J. Felix, U.S. Navy Mail Clerk	Transferred to Museum Accessions 2/12/81 Rms.		

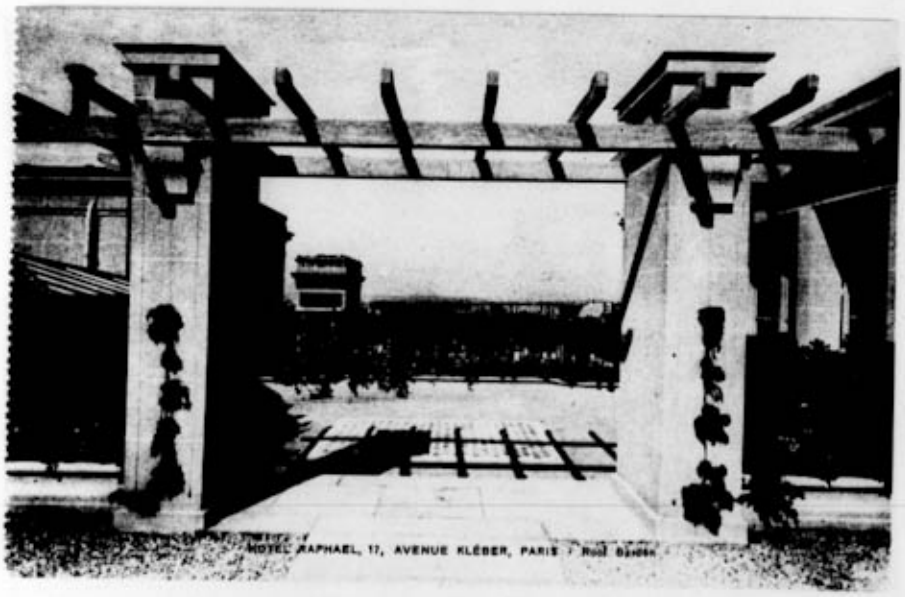
HOTEL RAPHAEL
17, Avenue Kléber
PARIS

HOTEL RAPHAEL 17, AVENUE KLEBER, PARIS


R, PARIS - Grande Galerie



E KLÉBER, PARIS


HOTEL RAPHAEL, 17, AVENUE KLÉBER, PARIS

Imp. Lith. 13, r. Saussier-Leroy, Paris.