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DIARY

Book 863

July 10-14, 1945

July 10, 1945 /
11:45 A.M.

HMJr: Hello.
Judge
Rosenman: Hello, Henry?
HMJr: In person.
R: How is Ellie? Is Ellie up at the farm with you?
HMJr: No, no, she is still here. We haven't been able to move her.
R: That's what I thought. Henry, I'd like about 20 minutes with you today or tomorrow.
HMJr: Fair enough. How about three o'clock?
R: No, that's bad. I can make it two o'clock or 2:15, right after lunch. Three I have to be here and four o'clock I have here, immediately after that or tomorrow morning.
HMJr: Well, I don't mean - how would tomorrow morning do?
R: That's all right.
HMJr: What time would you like to do it?
R: Ten o'clock, eleven o'clock - I'm free all morning.
HMJr: Well, let's say eleven o'clock.
R: Fine.
HMJr: And my time is yours.
R: Thank you, I'll be over there.
HMJr: Thank you, sir.
R: All right, boy.
HMJr: Bye.
R: Bye.

July 10, 1945 2
11:49 A.M.

HMJr: Hello.
Secy Robert
Patterson: Hello, Henry.
HMJr: Yes, Bob.
P: Well, I called you up just to chew the rag.
HMJr: Well, I've got lots of time anytime you want to come over.
P: Tomorrow?
HMJr: Fine.
P: Can I can over to lunch with you?
HMJr: It would be perfect. What time? One o'clock?
P: Around one o'clock?
HMJr: One O'clock.
P: I'll be there.
HMJr: I'll look forward to seeing you, Bob.
P: Thank you.
HMJr: All right, one o'clock.

July 10, 1945
12:12 P.M.

Mr. Ted
Gamble:

...teletyped, that we had already done a mailing job on it yesterday.

HMJr:

Yeah.

G:

And we've arranged a press conference of our own late this afternoon for the pur -- which we had originally told our boys when we had the final figures, we would have them all together. And I talked to Fussell about it and told him I thought we could handle it better. We are making complete distribution on it, and that's going to constitute all of our press release, just your statement.

HMJr:

Yeah, but I meant - did my statement, has that been wired out?

G:

It had not been wired out, Mr. Secretary, we mailed it out yesterday, and we planned to send excerpts of it out today but after getting your wire we sent the complete speech to the important spots. We didn't send it to the whole country.

HMJr:

you didn't?

G:

We did not.

HMJr:

Oh. How many places did you send it?

G:

Well, we'd reach over 70% of the country, Mr. Secretary, on our own teletypes.

HMJr:

I see, but I know from my own experience, with states like Arizona, if you don't wire it they never get it.

G:

We sent excerpts to the smaller states, and we can cover 70% of the country on our own teletype and we can do it in a hurry, and we stay out of any telegraphic problems at all on it.

HMJr:

I see.

G:

See we hit every important spot in the country.

HMJr:

I thought you only had ten teletypes.

G:

No, we have twelve and they cover a little better than 70% of the market.

HMJr:

Well, how many states is that?

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G:

Well, that would be the 12 most important states.

HMJr:

And the others don't get it?

G:

The others would get excerpts from it. Now if you want us to send it to the other states, we will.

HMJr:

I'd like it to go to every state chairman in its entirety.

G:

All right, sir.

HMJr:

I'd like it to go to every one just the way I said it.

G:

All right, fine. Well, we had set it up the other way and we'll change it.

HMJr:

No, I've had this argument so often before, but this time I'd like it to go to the 48 states.

G:

Well, I'm not arguing about it, Mr. Secretary, I'm not against it.

HMJr:

Right. Well, then if you can do it that way - in its entirety.

G:

Fine. Now, did you get the note from Fitz that the reference is in the speech to the Armed Services?

HMJr:

No, he didn't tell me that.

G:

Well, it is on page three or four, Mr. Secretary. I have it right in front of me, just a minute.

HMJr:

Well, it is not in the copy they sent me.

G:

Well, I sent the original over to Mrs. McHugh, of the copy that I have here, which I will read from. (Aside- Bob, get me the copy of that speech) He has gone down to the teletype room.

HMJr:

Well, I can get it from Mrs. McHugh.

G:

But I checked with Allan when he wrote the paragraph, Mr. Secretary, and it is in the speech. And it is in the original copy. Do you want me to call you back as soon as I get the copy here and read it to you?

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HMJr: If you would, please.
G: I'll call you right back.
HMJr: Now, what does it look like on E Bonds?
G: Well, we can see 3, 950,000,000 dollars.
HMJr: Yes.
G: We've counted already from checks that we've made this morning - 3,908,000,000, and we don't see the last 50,000,000, but it is awfully close.
HMJr: Right.
G: And I'm not sure that we don't look better with the tough goals we had with 3 billion 950 or 70 in there, than 4 billion and one, although I'd like to have it.
HMJr: Right.
G: All right, sir.
HMJr: Thank you.

July 10, 1945.
12:20 p.m.

GROUP

Present: Mr. D. W. Bell
Mr. C. S. Bell
Mr. Coe
Mr. Pehle
Mr. Bartelt
Mr. Fussell
Mr. Haas
Mr. Gaston
Mr. O'Connell
Mr. Luxford
Mr. White
Mrs. Klotz

H.M.JR: This is just a little get-together to sort of find out who wanted to see me so I could plan my afternoon. I'm going home for lunch but I'm going to be in all afternoon up until broadcast time, which is seven. One of the things that I have on my mind the most I would like to talk about is the book on Germany. So I just don't know where that is.

MR. GASTON: Well, Mr. Loth left an application with Fitzgerald, I think, for an appointment today with you to tell you what shape he is in.

H.M.JR: Well, would it be well to get those people together who are working on it at this end?

MR. GASTON: I think it would, don't you, Harry?

MR. WHITE: Yes. I spoke to him yesterday.

H.M.JR: Well, will you gentlemen be busy around three o'clock?

MR. LUXFORD: I was supposed to see Senator Wagner for another school session, but maybe Eddie could take it. You see we spent all yesterday afternoon with him and he wants to start again at two o'clock today. It is very slow work.

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H.M.JR: He is so sensitive.

MR. LUXFORD: That is what worries me.

H.M.JR: I think you had better go, Luxford. You can pick it up.

MR. LUXFORD: I think so.

MR. GASTON: I will have Loth here at three o'clock then.

H.M.JR: I can't hear, gentlemen.

MR. WHITE: Coe, I think, ought to be here.

MR. GASTON: Well, we will get together at three.

H.M.JR: The other thing I want to say is that I'm going to spend most of my time on this kind of thing. I imagine if I do this--I won't try to make any other appointment this afternoon.

MR. D.W.BELL: You want to talk about that other matter sometime. You said to do it Wednesday, but I think we have to discuss with you how far you want to go on the reorganization end. We had a meeting and were unanimously against sending the specific recommendations that you have to the President. We would like to find out how far you want to go. We understand Haas is writing a review of the twelve years. We will have to fit the two together some place.

H.M.JR: Well, I think if I do this this afternoon, I would like to spend enough time on this one thing. Are you busy tomorrow morning?

MR. D.W.BELL: I have got to attend that hearing tomorrow morning in the District Building between ten and twelve. It is on the re-naming of my property. It is rather serious to me.

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MR. LUXFORD: You should want television out there.

MR. D.W.BELL: I don't want any steel tower in my back yard though. (Laughter)

H.M.JR: Well, the purpose of this meeting is to find out what you men are going to be doing.

MR. WHITE: I don't think, Mr. Secretary, that this preliminary discussion on Germany will take more than an hour at the most, or maybe a half hour. I don't know how much detail you want to go into but that would be my thought on the very first meeting. Now, that may be followed tomorrow by a much longer meeting.

H.M.JR: All right. Well, let's see Bell and that group at four o'clock. Now, John, you are invited to any of these things you would like to attend.

MR. PERLE: I was in on the reorganization this morning. I will be here.

MR. WHITE: I think John ought to be in on the discussion about Germany.

H.M.JR: I think so too. Would you arrange a meeting for four o'clock?

MR. D.W.BELL: Everybody is here that will be at the four o'clock meeting. Mr. Haas is sick today. He ought to be here.

H.M.JR: Is Gamble doing something on the War Finance?

MR. C.S.BELL: During the four o'clock meeting? Not that I know of sir.

H.M.JR: You had better have him here. But I guess he is awful busy this afternoon.

MR. D.W.BELL: He is working on a speech. He called me up and said that he had read over the plans, of which Eddie had sent him copies. You had a Staff Meeting Saturday

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morning and you asked everybody to get a copy of the latest recommendations you had sent to the President.

H.M.JR: My inability to hear you is not a sign of old age. I have just been flying. (Laughter)

MR. D.W.BELL: Well, he had read over that plan and called me and said that he did not think he could contribute much to a reorganization memorandum, not to call him on any meetings, that he is going to be tied up anyway.

H.M.JR: Yes. I will call Gamble now.

MR. D.W.BELL: I will call him.

H.M.JR: He wanted to do a review of the war financing. Let me call him and get the thing straight.

(Secretary holds telephone conversation with Mr. Gamble.)

MR. GASTON: I gathered at the last meeting that you had turned this whole job over to George Haas.

(Secretary holds telephone conversation with Mr. Gamble.)

MR. GASTON: Henry would know, Henry Murphy.

H.M.JR: All right. What I have been thinking is this: I had a wonderful talk with Mrs. Roosevelt yesterday. It was a little bit here and a little bit there. She is in complete agreement, as is Mrs. Morgenthau, that I should use this time not so much to get out a history of the Treasury, that will come, but to forecast what this group would like to see happen. Do you see? I would be used as a mouthpiece while we are still together. You know I sent a telegram to Blough asking whether he would come back.

MR. D.W.BELL: He was gone about two weeks.

H.M.JR: There was a question whether we should not do something on taxes.

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MR. D. W. BELL: Certainly taxes is part of the program or part of the whole history. If you are going to write a memorandum on the accomplishments of the twelve years in office you certainly can't leave out taxes.

MR. O'CONNELL: You are thinking of future tax policy, aren't you?

H.M.JR: Yes.

MR. C. S. BELL: Here is just an outline of the things you wanted to cover. I didn't know Haas was in the picture until just about an hour ago. (Hands Secretary "Suggested Topic Outline For The Story of Secretary Morgenthau's Administration of the Treasury Department.")

H.M.JR: At four o'clock let's have everybody here. What I am talking about now is whether we want to go out and talk about whether in an all-out war we should have done so and so.

MR. D. W. BELL: We all have some doubts as to talking about the future. When we do we want to be careful.

H.M.JR: I am going to talk about the future. That, I am determined to do. I am not going to be talked out of it, either.

MR. D. W. BELL: You want to be a little careful about what you say.

H.M.JR: Why?

MR. D. W. BELL: Well, you get out on a limb and say you should have done this and that, and they will say, "Well, you were in office twelve years. Why didn't you do some of the things?" You will put yourself in a rather peculiar position if you are not careful.

H.M.JR: I would like to argue that with you.

MR. D. W. BELL: That is the reason we wanted a conference-- to see how far you wanted to go.

H.M.JR: God knows I tried long enough to try to get all of the state and city securities tax exempt. I tried often enough to do away with realty property returns and depletion on oil wells. The fact that I wasn't successful wasn't my fault. I think it still remains to be done.

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MR. C. S. BELL: I started marking Haas already for certain of those things, and Ted Gamble for those on bonds to see what kind of report they would each furnish, and we would turn it over to Feltus and let Feltus write it out.

H.M.JR: Feltus can't write it.

MR. GASTON: I think you have got it placed all right. I think they are accustomed to producing an annual report in George Haas' shop; and if they want help from anybody else, we will give it to them.

H.M.JR: Henry Murphy is competent. I think that thing he did for me for the New York Times was an excellent thing. Ed Fussell has turned out some things very much to my liking.

MR. GASTON: We can give them any help they want, but I think George's shop can turn it out.

H.M.JR: Who wants something from me in the next twenty-four hours?

MR. WHITE: The only thing is, Joe has some things to report on.

MR. O'CONNELL: Of course, the perennial subject is the status of our Bretton Woods legislation. We had a meeting this morning. The discussion on the Floor of the Senate again yesterday between McGarran and Barkley

H.M.JR: May I interrupt a minute? I got no paper up there, so for twenty-four hours I didn't know what happened. It is a very nice feeling.

MR. O'CONNELL: We will try to take that away from you at this point.

A couple of days ago Connally indicated that he thought the Charter might reach the Senate Floor by next Monday, and that is the day the Bretton Woods legislation is scheduled to start in the Senate. Barkley has indicated that if the

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Charter reaches the floor by next Monday, of course, that will have the right of way over Bretton Woods or anything else. A couple of days ago Connally suggested that they take Bretton Woods legislation up this week, which was rather surprising to us, because we had been under the impression that the reason they didn't take it up this week was because Connally and the Senate Foreign Relations Committee didn't want anything to take away from the effect of the hearings on the Charter.

In any event, no one can possibly tell yet whether the charter will be through the Committee and reported to the Senate by next Monday. If it is, we are pretty badly off, because Bretton Woods will obviously be behind it. We had a meeting this morning at ten-thirty to discuss what we might do at this late date with respect to the fact that our Stabilization Fund expired June 30. Following that meeting I attempted to get a meeting with Spence and Wolcott preliminary to another meeting that we thought we would have with Rayburn. The purpose of it was to explore the possibility of having the House now pass a resolution extending the Stabilization Fund for three or six months on the theory that if they could do that for us within the next few days it would help, and then later if the Bretton Woods legislation bogged down and the House went home, we could then get Senate action on the extension of the Stabilization Fund only, which would help us, assuming that Bretton Woods were held over until September, because the House would be gone.

Spence was not at all sympathetic with that. He doesn't want to do it. I couldn't get Wolcott, and we are waiting now to see if we can't locate Wolcott somewhere so Harry and I can have a further talk with him. I didn't want to approach Rayburn until we had talked to Spence and Wolcott, because if we can't get support from them, there is no use going to Rayburn. In any event, we will know better after we have talked with them. Spence felt that the Charter couldn't possibly reach the Floor next Monday and that in that event we would still be all right on Bretton Woods. He has been trying to reach both Connally and Barkley, and he tried again to reach Barkley after I talked with him, but so far as I know it was without success, to

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urge them--to urge Barkley particularly. First he wants to get an idea as to whether they think the Charter will be out by next Monday, and in any event, to put in a strong word for the importance of getting Senate action on Bretton Woods from the House point of view, partly because the House, of course, is getting very restless and is apt to be gone. He told me confidentially that even for their meeting tomorrow when they are going to take up in the Banking Committee the Export-Import Bank legislation in the House--he says he can only get eight Democratic Senators out of fifteen Democratic Members to be there tomorrow. The other half have already gone home, or at least they are not available. That is the same thing that worried Mayburn last week when he said that even though the House does not recess formally, it will be almost impossible to get a quorum in the House after this week.

That is not a very helpful report, but that is exactly where we stand.

H.M.JR: Somebody had the idea that we might start Wednesday.

MR. LUXFORD: Wagner called me Friday and told me that that was the plan, to start it Wednesday. But then he had this discussion with Connally, and Barkley said no, that he had already announced it was going to be next Monday. So Barkley wouldn't agree to shoving it forward.

Then apparently Connally has now changed his mind again, and there is apparently a real effort to try to get the Charter through by this week. If that happens, Wagner says he is licked so far as getting Bretton Woods ahead of the Charter. He does think that if he can get Bretton Woods started Monday they won't interrupt it to take care of the Charter, but it all depends on whether the Charter is ready by Monday and Barkley refuses to go forward until Monday.

Now, Tobey and Wagner are seeing Barkley again today to see if they can't change his mind. Wagner isn't very strong.

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MR. O'CONNELL: The Senate is in recess until Thursday, but if Barkley were willing to do it since the Senate is all here, he could change that Monday starting date to this Thursday.

H.M.JR: The Senate is in recess?

MR. O'CONNELL: Yes, until Thursday, but they are all in town. They are just in recess today and tomorrow, but they do meet again Thursday; and if Barkley were willing to do it, and if Wagner and Tobey could persuade him to do it, they could take Bretton Woods up this Thursday, and Connally has suggested on the Floor that they take Bretton Woods up this week.

MR. LUXFORD: That is when Wagner called me and said, "Do it Wednesday," because he had the support.

H.M.JR: Evidently you men are doing everything that can be done.

MR. LUXFORD: I don't see how we can do anything.

MR. O'CONNELL: Unless Spence and Wolcott are willing to take up a special resolution at their meeting tomorrow when they are taking up the Export-Import Bank, then there is nothing to do but to gamble entirely on the progress of the Charter, and I won't know about that until this afternoon.

H.M.JR: Thank you all.

July 10, 1945 15
12:31 P.M.

HMJr: Hello.

Mr. Ted
Gamble: Hello, Mr. Secretary.

HMJr: Look, we are just working on my schedule, and I'm --
are you working on a history of the War Finance, or
is it somebody over here who is working on it?

G: Over there, Mr. Secretary.

HMJr: Who?

G: George Haas's shop.

HMJr: You're not working on anything over there?

G: No, sir.

HMJr: O. K.

G: All right, sir.

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3:00 P.M.

HMJr: Hello.

Secy
Forrestal: Hello.

HMJr: Jim?

F: Yes, Henry.

HMJr: Jim, I wondered whether you were free for lunch
either Thursday or Friday?

F: Let me look -- I think I can make myself--either day,
I've got a luncheon on Thursday, but I can - if that's
more convenient, I think I can make it.

HMJr: Thursday?

F: Either one I think I can do.

HMJr: Well, you name it.

F: Let's say Thursday.

HMJr: I'll look forward around one o'clock. Is that con-
venient?

F: All right. How about lunch over here, the only thing
I've got a couple of birds coming in at two.

HMJr: Well, make it quarter of.

F: All right.

HMJr: Would you rather quarter of?

F: All right.

HMJr: That's at quarter of one Thursday.

F: O. K., Henry.

HMJr: Just like to have a kind of a bull session.

F: Right.

HMJr: Thank you.

F: All right.

July 10, 1945
3:00 p.m.

Re: THE MORGENTHAU PLAN

Present: Mr. White
Mr. Coe
Mr. Fehle
Mr. Gaston
Mr. Loth
Mrs. Klotz
Mr. Feltus

MR. WHITE: Is this on Germany, Mr. Secretary? If it is, I think Randolph Burgess could help us.

MRS. KLOTZ: I thought you were going to bring in Randolph Feltus.

H.M.JR: This is on Germany.

MR. GASTON: Mr. Fitzgerald, I understand, has been trying to get Loth all day and hasn't succeeded.

(Mr. Feltus enters the conference.)

H.M.JR: Well, where do we stand?

MR. WHITE: I don't know whether the chat I had with Loth would be very much in point. I glanced over the document. I didn't read it thoroughly except for a few particular chapters that interested me. I don't think there are many changes called for. There are less changes necessary than I had thought. Loth apparently came to the same conclusion. There are some changes called for, but not as many as I thought would be necessary in the light of new developments. So, I think what remains to be done is to whip it into shape as quickly as possible and get it ready.

I think that now every day's delay means something lost. The interest, I think, is most intense. Part of the articles could come out while the Big Three Meeting is going on. That would be particularly good.

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H.M.JR: I can't do that. He asked me not to do it.

MR. GASTON: They couldn't get them out anyway. We would have to make a sale first, and it would take a month after the sale was made. It would take a month from the time you make the sale before any paper or magazine would see the light. So, I think we ought to go ahead and put the book in shape so it will be satisfactory to everybody and get a publisher, if Cass Canfield don't want it, and then shape up a couple of magazine articles which will, I am sure, sell, and will attract future attention to the book.

MR. WHITE: Yes. Well, I think Loth expressed himself, and he may have done so to you, that if Harper's didn't want it, and he didn't think Harper's was the best anyhow, that he had a couple of other publishers and he was certain there would be no difficulty in that direction. He also felt, and I agree, that there should be as little delay as possible, because the minimum time it would take to get the book out would be two months.

MR. GASTON: The proposal is that this book is going to be printed as Secretary Morgenthau's book.

MR. WHITE: That is right.

MR. GASTON: Of course he will want to have time to read it pretty carefully, and the rest of us will want to read it very carefully to see that it is really worth-while, and the same thing would be true of the articles. Somebody should be authorized to go ahead and negotiate with the publishers.

MR. FELTUS: Do you have an agent?

H.M.JR: Yes. I have Morris Ernst. He is coming in this afternoon. He said he won't bother with any agent. He likes to do it directly with the publishers.

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MR. FELTUS: I should think it is a specialized job.

H.M.JR: I know. I can't argue with Morris Ernst. He insists on doing it himself. They are the attorneys for a number of these publishers.

MR. GASTON: He has had a lot of publishing experience.

H.M.JR: I can't take it out of his hands. If I wanted an agent, I would take Mrs. Roosevelt's agent, George Bye, who is very good.

MR. FELTUS: He is very good.

H.M.JR: I would take George Bye, but Morris has taken an awful lot of time on this thing, and he just won't have any part of an agent. If you have ever talked to him, you know he is very hard to convince.

(Mr. Loth enters the conference.)

H.M.JR: (To Mr. Loth) We have just been in the midst of a discussion and haven't gotten anywhere. You haven't missed anything. We have been talking about an agent, and I said that Morris Ernst was in town and was coming in to see me, and when I had this discussion with him originally, he would have no part of any agent. He has spent so much time on it that I don't want to, and I don't see how I can, take any part of it out of his hands.

MR. LOTH: He is as good as any agent, and better than most.

MR. GASTON: Dave, it was my idea that a couple of magazine articles would not hurt the sale of the book, but would help it. Is that right?

MR. LOTH: That is true. I am pretty sure that is true. Mr. Haas will agree that publication in one of the big magazines would probably help the sale of the book. I think that has been proven by a lot of cases in the past.

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H.M.JR: I wouldn't know about that. Rather than discuss how we are going to publish it, I would like to get the thing in shape. I have the time now to work on it. I told Mr. Truman that when he came back I was going to publish it. I asked him if he had any objections and he said no. He said he had read the thing and he was for it.

MR. GASTON: Get him to write an introduction.

H.M.JR: I am going to ask him.

MR. WHITE: He can only say no.

H.M.JR: That is right. I am going to ask him. He might say he wants to think it over.

MR. WHITE: Tell him to get his answer for the second volume.

MR. FELTUS: Do you want any newer material in it?

H.M.JR: Somebody suggested to me that we ought to start it off with the story of a leak.

MR. PERLE: Luxford feels that, unless there is something new, the news value isn't as good as it once was, and therefore, it ought to have something a little spectacular and new in it.

H.M.JR: But we don't know the leak. We can only say there was a leak. I don't see that there is any news value in it.

MR. WHITE: The sequence can be clear enough.

MR. PERLE: You could give the story of how the plan came to be and the fact that there was all this public clamor and that you are now in a position to defend your position at that time.

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MR. LOTH: My understanding was this: We talked about that with Luxford and I think you, Mr. Secretary. We thought that such a story would be an excellent foreword or preface for the book in which you would explain how the plan originated, how it leaked out, and then the body of the book itself would be what the plan is. I think that still the news value is what the plan is and how it is going to affect the settlement in Europe.

MR. GASTON: I agree with you, with no digressions.

MR. LOTH: I don't think that any trick we could possibly think of would be of as much news value as just, "This is the plan."

H.M.JR.: Well, I mean, just to talk out loud a minute, we could talk about White and I flying over in the plane and he saying, "Mr. Morgenthau, here is a plan that Volaky had in his committee, on July 4th, and I didn't want to pass on it without talking to you about it." Then, there is the plan that the State Department had. White and I discussed this thing for hours, and during that discussion I talked to White about turning Germany into an agricultural country. Then, there are the various discussions that we had abroad with the people over there. We could bring in Eisenhower, and the European Advisory Committee, Anthony Eden, and all that stuff, and how we gradually realized there was something wrong. So, he came back and started to develop this thing. We talked to Mr. Roosevelt and he appointed this committee. I think it is too recent. It was with Hull, Stimson, and myself, and we couldn't agree. Finally, he gave me twenty-four hours to give him a plan, which I did, and he departed with it.

Now, that is a very condensed version about the way it happened, isn't it, Harry?

MR. WHITE: Yes. I don't think that you changed any of your ideas after you left the plane, on the basis of what the others said.

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I thought your ideas were already crystallized by then, and you were just trying to get their ideas and telling them your ideas. But that is a minor detail. I think that one doesn't need to be gone into. You could begin later. You could begin, probably, with Quebec, although it is probably too early to talk about that.

I think what you can begin with is the assumption that there was a proposal and discussion among the various officials, and then on such and such a day there appeared the following story. The next day there appeared this story.

MR. GASTON: Harry, we have two different things here. We have a plan as to treatment of Germany with the statistical and logical support for it. Then, we have the story of how he came to be of that opinion, these different episodes that occurred, and they are two different things. You can weave them into the same book, or you could use the thing in an introductory way, or you could write a magazine article which tells the story of a plan, and incidentally tells something about the plan, and then leave it to the book to discuss the plan itself and to discuss the treatment of Germany.

MR. WHITE: The only object that would be served, it seems to me in a preface and should be served in a preface, is to get across two ideas: One, why does the Secretary of the Treasury have any direct interest or say in this? I take it that the thought is to show that he came by his interest in this quite legitimately. That is one thing. Now, that need not require much history. It can be very simply stated in a paragraph that, as a member of such and such a committee, these proposals come to him for approval. Secondly, it might heighten the interest a bit, and I am less certain of that, if the occasion of the leak was explained to show (a) that he wasn't responsible for it, and therefore implicitly defends himself against the criticism that was levied at that time against the revelation, and (b) it might be a matter of some interest to say why he couldn't speak about it at that time.

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If you do those three things--one to show that he has a legitimate official interest, and is not just butting in, and the other, that he was not responsible for the leak--those, in my judgment, would be the only two purposes that could be served by dwelling on the subject, and at most, they should be in the preface. It certainly ought not intrude itself in the book.

I don't think he has to explain how he came to these views or the philosophy behind them, as pre-dating the material that is in there.

H.M.JR: In my discussion Saturday with Eisenhower, about which I haven't had a chance to tell you, he immediately started off by saying, "You will remember when I met you in England a year and a half ago I told you how I felt about Germany." I said, "Yes." He said, "Well, I haven't changed one bit since then." I got the feeling, from his talk with me, that there isn't one iota of difference in his approach and mine, as far as this book goes. Mr. Truman said I could give him a copy of those two chapters.

MR. WHITE: A foreword from him would be better than that.

H.M.JR: In this thing I said to General Eisenhower--this is the point of my story--I said, "I want you to know the thing that motivates me is not revenge, but peace." He said, "I am so glad to hear you say that, because all the information was just a confusion." So, I think in some way or other if we can get this over, that this is a road to peace, and not a plan for revenge, it will be good.

MR. WHITE: I think that is made very clear.

MR. PERLE: It could even be put in the title. I mean, "The Morgenthau Plan, the Road to Peace," or something like that.

MR. LOTH: Leave the heading on the chapter as the "Road to Peace."

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H.M.JR: I think the, "Road to Peace," by Henry Morgenthau, Jr., would be good, and let the critics call it "The Morgenthau Plan."

MR. WHITE: Isn't there another book entitled "The Road to Peace"?

MR. FELTUS: There is one called "The Road to Plenty."

MR. LOTH: There probably is a book of that title.

MR. FELTUS: You could call it "Peace, Not Revenge."

MR. GASTON: The publishers have indices of titles that have been used in publications. You could run that down.

MR. FELTUS: I think you will find the publishers will think that "Peace" isn't a good title for the book.

MR. WHITE: I don't think the Secretary has to worry about what the title is. The book will sell on the subject matter and the name. You are not like an unknown writer who has to be concerned about a catchy title. The title should convey something of that character. Unless the title is pre-empted, I would think "The Road to Peace," even though it is a little trite, conveys the meaning. It meets that other issue which is important to meet, if you can, in the title.

MR. GASTON: Let other people call it, "The Morgenthau Plan."

H.M.JR: I don't think Eisenhower, as Governor of Germany, is going to give me a preface.

MR. WHITE: Well, he says he believes in it, and if he believes in it, it is important that the people know it. It is important that the people be convinced.

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MR. GASTON: There is only one position that he can take. He is in the Army, serving under a Commander-in-Chief. He does what he is ordered to do, and he can't do anything else.

H.M.JR: How are we going to knock this thing into final shape? Whether it is Harper or somebody else, I don't think we will have any trouble getting a publisher.

MR. LOTH: I had a couple of suggestions. One is the rather obvious one of Simon and Schuster, who do this sort of thing in a big way, and the other one is this: I think if George Brett, the President of Macmillan Company, personally got excited about this book, that Macmillan's would be a good house.

MR. FELTUS: You want a house that has a reputation for promoting its books and really going all out. Harper's doesn't.

MR. LOTH: Macmillan does though, when Brett gets excited.

MR. WHITE: Random House does, doesn't it?

MR. FELTUS: They are coming up in that respect.

H.M.JR: Who owns Simon and Schuster now?

MR. LOTH: Marshall Field.

MR. FELTUS: The only difficulty there, of course, is that it doesn't have the little stamp on it. You might want it to come out by a solid publisher to give it a little additional coloration.

MR. GASTON: Not necessarily a conservative publisher, but a publisher who has the habit of picking books for their sale value.

H.M.JR: Who would that be?

MR. GASTON: Simon and Schuster would be one.

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MR. WHITE: Macmillan is the most orthodox.

MR. GASTON: Macmillan would be all right if Brett wants to work on it.

H.M.JR: Macmillan just got out a best-seller.

MR. WHITE: What was that?

H.M.JR: "Forever Amber." (Laughter)

(Discussion off the record.)

H.M.JR: Could I make this suggestion: That we leave the publisher up to Morris Ernst, who is coming in this afternoon.

MR. LOTH: Yes, sure.

H.M.JR: He has taken such an interest in it.

MR. FELTUS: May I make one suggestion?

H.M.JR: Make two.

MR. FELTUS: I would suggest that he try to get into the contract a definite commitment on the amount of money to be spent in advertising the book. They will do that if they want the book badly, and a big advertising appropriation will make a lot of difference.

H.M.JR: What Morris suggested was this: Depending upon the contract I made with them, and how much royalty I wanted, that would make the difference. But I will make the suggestion.

MR. WHITE: The contract should also be drawn with the expectation that the thing will be translated in easily thirty or forty countries.

H.M.JR: Now, Dave, when can you go to work full steam? Let's turn the damned thing out. When can you

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work the way you did down on that balcony at Daytona?

MR. LOTH: Any time. I have to go to New York this week end. I mean, I have got to be there Friday morning and stay over through Tuesday, but what I was planning to do was that I can do quite a bit of work on it in sort of polishing it.

Meanwhile, I don't think you have ever read the thing from end to end.

H.M.JR: I read those two chapters on which I worked with you.

MR. LOTH: Yes. What I was hoping was that over this week end you might have the time to take the chapter that comes ahead of those--this historical chapter--and the rest of the book.

Then we could get together at your convenience.

H.M.JR: We have really got to work together. We were lucky on those two chapters.

MR. LOTH: They are very good.

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H.M.JR: Aren't they all-inclusive?

MR. LOTH: No.

MR. COE: If you are going to read it over, there are two or three things in connection with two or three people here. One is whether there is to be any reference at all to such things as the Yalta decisions, and the Crimean communique.

Now, in contrast with when this thing was first done, there are a number of official policy statements out. There is no reference in here to them. Of course, there is likely to be still another one after Berlin, and people are going to have in mind, "Well, what is the relationship of this to what has already been decided at Yalta or what they have just finished saying at Berlin?"

The other one is that there is already a considerable volume of stuff in the public print about what they are doing and not doing in Germany. I think it is to be considered whether we will use any of that sort of thing. The Kilgore hearings are putting a lot of the actual conditions in Germany before the public.

H.M.JR: In this book do we say what we want to do with the Ruhr and the Saar?

MR. LOTH: Yes.

H.M.JR: What do we say?

MR. LOTH: Broadly speaking we internationalize the Ruhr, making sure that its coal goes principally to France and to other liberated nations. The Saar goes to France, as I remember it.

MR. WHITE: What we would like to have had done--

MR. LOTH: I think we say the French should get it to give it its own coal resources.

H.M.JR: Eisenhower asked me the questions, and I answered just the way you did. He said, "Well, if you are

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going to give the Saar to France, what are you going to do with the people in it?" He said, "You had better take all the Germans out because they are so much more virile than the French. If you leave them in there, after a while they will be all Germans."

MR. WHITE: They should be moved out, but not for that reason. I don't think they are any more virile than the French.

MR. LOTH: Our thesis also in the book is that the Germans should be moved back out of all the territory we take away from the New Reich and there should be exchanges of population, that Germans should be sent back from the territory taken away into Germany proper, and that Poles and any others in Germany now should be taken out.

H.M.JR: What do we say about dismemberment?

MR. LOTH: We make two states out of Germany and explain the difference between our setup and Sumner Welles', which provides for three. He left the Ruhr. The Ruhr was the core of one of his three states.

H.M.JR: Supposing that instead of at Yalta and Teheran they duck these things. Supposing they really decide what they are going to do with these very things I have just brought up, in the next three weeks?

MR. WHITE: Well, you will get a page proof, and if by the time the page proof comes out there is a definite decision made, then you are faced with two alternatives. Either you delete all discussion of that decision, or you criticize it.

H.M.JR: Feltus is laughing at you.

MR. FELTUS: I was just laughing at your two alternatives.

MR. WHITE: There probably will be a lapse of almost six weeks before you get your final page proof, won't there?

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MR. LOTH: Easily.

MR. WHITE: So you are in a better position to decide what you want to do there.

MR. LOTH: Neither of those points would be such a problem in the book that they couldn't be handled so that it would be quite clear that we knew this had happened, but it is part of our plan. After all, we have to treat this plan as a whole.

H.M.JR: Of course, we may not know for months what they decide.

MR. WHITE: I think under those circumstances you ought to write down what you think should be done. If they don't agree with you, and you are right, history will demonstrate that.

MR. FELTUS: What the Secretary is driving at, though, is that they might pull the rope from under you, and the book becomes obsolete.

MR. FENLE: Just because they do it on dismemberment--that is a very small item. They are not going to adopt the whole Morgenthau plan as the result of this conference. I think that is highly unlikely.

MR. WHITE: Well, they might come to generalizations which would make it appear--

MR. FENLE: Then the book is that much more important.

MR. LOTH: I have never seen anything come out of an international conference so detailed as this. Even if they adopted the whole thing in general, the book then becomes a book, "That is what these fellows mean," and you will sell twice as many.

H.M.JR: Of course, the thing that simply amazed both Mr. Truman and General Eisenhower when I gave them the figure that there are five million people that you have to find something to do--there are enough acres and big

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estates to divide up and give to the five million, and they are all aghast at that.

Another thing is that Germany's production per hectare is more than that of her neighbors. But when it gets down to five million people, Mr. Truman told me there were only two plans. He says Jimmy Byrnes has one, and I have one. Nobody else has any. He didn't tell me what Byrnes' plan was.

MR. FELTUS: I think you are pretty certain it isn't like yours.

H.M.JR: Oh, no, I am pretty sure he wouldn't like mine. But, after all, that is really up to the publisher again, isn't it?

MR. LOTH: Yes. And I don't think any publisher who is on his toes would be worried by the fear that the Big Three decisions were going to make your book obsolete all of a sudden.

MR. WHITE: Not only that, but if they come up the same way you do, then it is bound to be controversial. There will be a lot of people that disagree with it, and yours becomes a defense of that proposal, which in itself makes it very valuable. If they come out differently from what you do, there has been no loss of interest, because you are criticizing a major program which has been made, and since no program that will be made, in my judgment, will persist anyway, it is still an open question. They are not going to close the question by any decision they make in Berlin, in my judgment.

H.M.JR: Let me give you Canfield's attitude. I didn't like it at all. Canfield asked to see me; I didn't ask to see him. He comes in here. Last time he couldn't get his hands on it quick enough. He said, "Well, Mr. Morgenthau, eight months ago the thing was a matter of great interest." He wanted me to sell it to him, but I wasn't going to sell it to him. He was just trying as hard as he could to put me in a position where I was going to sell him the book.

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He had his doubts. Well, if he is in that frame of mind, what I want to do is tell Morris Ernst to have him make up his mind and say yes or no.

MR. FELTUS: He is abroad, isn't he?

H.M.JR: No, he was here Friday afternoon.

MR. COE: Did Ernst suggest Canfield?

H.M.JR: Yes.

MR. GASTON: He really came in here last Friday to get free from his commitment, didn't he?

H.M.JR: No. What he came in here for last Friday was to see whether he could get a first option on my Treasury story.

MR. GASTON: The story of the rise and fall of the New Deal.

H.M.JR: And I gave him no encouragement. I told him that my lawyers thought that I had an obligation, and I read all the correspondence, and I can't see it. I mean, my lawyers in their conversation with Knopf told Knopf about the book. I don't think so. Eddie doesn't think so. I gave him the whole correspondence. It is his own firm. It is what they have said, not what I have said.

MR. GASTON: I would be willing to back his judgment.

MR. LOTH: Is that the Greenbaum that is the Times' lawyer?

H.M.JR: I don't think he is the Times' lawyer.

MR. GASTON: That is another one.

H.M.JR: Well, I don't know. You asked some questions, Frank. That was just what was bothering me.

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MR. GASTON: I kind of have a hunch that this is written with a background of an earlier time, and that it needs some bringing up to date. I have kind of the same feeling that Frank does. It needs to show more evidence of comprehension of what has gone on in the last few months.

MR. COE: This has the merit that it doesn't give away any official secrets. It could have been written by someone who hadn't been through all those things which you were speaking about--the airplane trips and fights with Hull and Stimson.

MR. GASTON: It is distinctly not the story of the plan, but it an exposition of an argument of a plan.

MR. WHITE: Which is the most important aspect of it.

MR. GASTON: The other is perhaps more settled.

MR. WHITE: Yes, but I mean the chief objective of the book is to try to mold public opinion in favor of a certain course of action, and it would have to stand on the quality of its argument.

MR. GASTON: As far as the book is concerned, I think an introduction can bring out enough of that to whet people's appetites.

MR. LOYE: I don't think that the story of how the plan came to be is nearly as salable as the plan itself unless you are prepared to spill an awful lot of inside conversation.

H.M.JR: It is too early.

MR. PERLE: You can do that in the Saturday Evening Post or some periodical later.

H.M.JR: Oh, I don't think so.

MR. LOYE: I certainly don't think you ought to do it in the book, and, therefore, I think what you could say about how the plan came to be is not nearly either as

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important or as salable as what the plan is.

Now, I think that the framework of this book as it is written is about the framework you would want, and that is why I thought if I take the time to bring this all up to date and put in the book all we think you want to say in it, I think we will lose a lot more time, because then there will still be the things to put in that you want to put in. And I think if you could look it over and say what kind of things we need to put in here to bring it up to date we will save an awful lot of time.

MR. WHITE: It is easy to exaggerate what is needed to bring it up to date, because most of the content of that document has little to do with current events. It has to do with the basic considerations in the evaluation of a program.

Now, you can pay your respects to the Yalta decision and the others at various points along in there without too much trouble and without much detail, and if they come out with anything at the Big Three, you can use what is publicly given. I don't think you can use the other.

MR. PERLE: But if you try to bring it up to date with factual stories on what is happening over there, that task will never be finished.

MR. WHITE: There are some things that have already been revealed. As an illustration, one of the things that has come to light is that there was no strong underground movement in Germany. That, everyone agrees on now. It wouldn't take much change in the writing.

MR. GASTON: That is what I am talking about. If there are things in the book that are, in the light of present events and what has happened, clearly impossible, then those things ought to be eliminated and changed.

MR. LOYE: If we say there were no signs that the underground existed, that could be changed with a stroke of the pencil.

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MR. COE: But that is pretty extensive. I wonder if there isn't general agreement on that, that this book has to sound like a book after the conquest of Germany. I think it guesses right, as you say, on the underground. I think it is correct on the destruction, and so forth.

MR. LOIN: There are very few of those things that we even anticipate in talking about the basic--the main part of the book is the basic strength and weakness of Germany in Europe, and whatever has happened during the war hasn't changed that.

MR. WHITE: Take that chapter on the question of the role that Russia plays in the decision. Now, that will have to be somewhat modified, but not a great deal, if you want to include it. But you have to go through it, having in mind that danger and that difficulty, and delete, replace, and bring up to date those things which are called for. I don't think that they reflect more than twenty percent of the volume of the writing, and my guess would be less than ten percent.

H.M.JR: Could I interrupt a minute? Eisenhower asked me a very pertinent question. He said, "Mr. Morgenthau, is this book a plan for the next year and a half, or a plan for after the next eighteen months?"

I said, "General Eisenhower, it is a plan wholly devoted to the next eighteen months."

MR. WHITE: I would have said that it was a plan devoted to the next twenty years, but you have to begin in the next eighteen months.

H.M.JR: I agree, but it is the long view rather than the short. That is what he asked me. He said, "Is this something that has to be done immediately, or in the long run?"

MR. WHITE: Well, it needs to be done immediately.

MR. LOIN: But it is going to take twenty years to complete it.

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H.M.JR: But he just meant short-run or long-run. I would say long-run.

MR. WHITE: It is a long-run plan from the very essence of your basic doctrine, but it has long-run effects which must be implemented in the next eighteen months. You are not likely to implement it thereafter. If a decision is not made with respect to the long-run objectives in accordance with that in the next year, then you are never going to get that. That would be my thought.

H.M.JR: Well, the way the thing is going to be left--is it up to me to read this thing? Is that the first move?

MR. WHITE: You needn't be mutually exclusive.

MR. LOIN: I had planned to take it with me and do some work on it along the lines that Frank was talking about. But the changes I will make on my own will be relatively slight. They are not going to affect the basic things about the book, and those are the things we are going to need your guidance on, Mr. Secretary.

H.M.JR: Who has read it in the room here?

MR. WHITE: We all have.

H.M.JR: I don't think Gaston has read it.

MR. GASTON: The copy I have is pretty old. I have read that. Well, that is the last one before the recent revisions.

MR. LOIN: And the recent revisions apply to only about four chapters in the book.

H.M.JR: Have you read it, Feltus?

MR. FELTUS: No, sir.

H.M.JR: Would you like to read it?

MR. FELTUS: I would like to very much.

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MR. WHITE: I am not sure we have the latest revisions.

MR. LOTH: I have some suggestions that came from several of you people on details that I have made notes of. All of them are matters of detail where you change a paragraph here or there. Then the big change was made when we did those two articles, and then there was a newspaper release.

MR. WHITE: And they replace what chapters?

MR. LOTH: They replace chapters two, three, four, and part of five.

MR. GASTON: What do you mean they replace them?

MR. LOTH: They are more in line with Mr. Morgenthau's ideas.

MR. GASTON: Do you mean they are going to go into the book in place of those chapters?

MR. LOTH: Largely.

H.M.JR: When I get to reading this thing--has it been changed? Have the magazine articles been substituted in here?

MR. LOTH: I don't know about that copy.

MR. COE: There are so many different editions circulating, Mr. Secretary, that we are all talking about different ones.

MR. WHITE: For example, I would like to read it over to make pencil notes on what I think should be deleted or brought up to date or changed. And I wouldn't like to spend time with an older edition.

MR. LOTH: If we can get those two magazine articles, I would like to substitute them in here for chapters two, three, four, and five. Then it goes off.

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Now, in the actual book itself I would expand those two articles a little bit with additional detail that we left out largely because we were trying to keep them to magazine size. For instance, when we talked about the cartels in the book, I would put a couple of more examples than we used in the magazine articles.

H.M.JR: Well, I think a lot of stuff has come to light on I. G. Farben that we could use.

MR. WHITE: I think you would probably have to confine yourself to material that is in Kilgore's findings.

In addition to those two chapters that you want us to go over--and I think we should go over them--if you would have several complete sets made of the latest revision, that is what we would go over.

MR. LOTH: There were a number of copies of what I had written. I haven't revised that, except on those chapters.

MR. WHITE: Could we have one complete set which is your revision? Some chapters we won't have to rewrite, and others we may.

MR. LOTH: You don't have a complete set?

H.M.JR: Mrs. McHugh has the last.

MR. WHITE: Well, if she has the last, when she is through we can have several complete sets made.

Now, they may call for retyping of only three or four chapters, or it may call for retyping them all.

MR. FELTUS: When somebody gets half way through, somebody else could start reading.

MR. WHITE: I also suggest, Mr. Secretary, that some symbol be put at the upper right hand corner of each page. The date is preferable, but if it is too long, a symbol would be all right. That is important, because there are

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so many copies extant that when we shift them around they get mixed up. "July '45" would be sufficient.

MR. LOTH: Tomorrow morning I can bring you a complete set of everything, except those two chapters.

MR. WHITE: I think while Feltus is here we might go over the particular parts.

H.M.JR: I am going to have to go into the four o'clock meeting. All you want from me, Mr. Loth, is what Mrs. McHugh will give you. Is that right?

MR. LOTH: Well, I want you to read it.

H.M.JR: I am going to read it, and I will be ready for you when you get back Tuesday.

MR. LOTH: Fine.

H.M.JR: Thank you very much.

July 10, 1945
3:04 P.M.

HMJr:

I have an idea which I'm sure both of you will be opposed to, so I thought you both might as well be on at the same time.

Mr. Ted Gamble:

It must be tough when we are both opposed.

HMJr:

Well, that is this. I don't know - let us just say for argument, the figures you have now are 25 billion and five.

G:

Yes.

HMJr:

Something like that - is that right?

Mr. Dan Bell:

Yeah, that's right last night, it may be a little higher tonight. Close to 25 - 6 I'd say.

HMJr:

Yes, well, for argument we'll say 25 - 5, but we have sold another billion dollars worth of bonds to the banks.

G:

Yes.

HMJr:

Which has been done during the 7th War Loan.

G:

That's right.

HMJr:

Now, while it isn't in the quota, in the over-all figures this evening that I announce, why don't I add them on?

B:

You haven't added anything on the banks -- for the banks?

HMJr:

No.

B:

I think a sentence ought to go in on that.

HMJr:

No, but I mean the grand total.

B:

Well, I think it ought to be separate. That outside of the Drive, the banks took under the formula a billion, three-hundred million, making total cash received during this period of some 26 billion.

G:

....and I would be against it.

HMJr:

Wait a minute it would be 25 - 6 plus a billion - three would be ...

B:

27.

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HMJr:

27.

G:

That's right. The reason I'm against it is because we are using the speech verbatim as a press release, and if we use the figure we are going to have to do a lot of explaining.

B:

Why doesn't it explain itself at the end of the sentence?

G:

I don't think it explains itself after we've used a different figure for sixty or seventy days, Dan. And I do think if we use the figure as a total after - in order to make it consistent with everything we have used not only in this drive, but in the two previous drives, that we would have to explain it. I think explaining it detracts from the non-bank total.

B:

Well, when are you going to give it out?

G:

We never give out the bank figures.

B:

Oh, yes, we have.

G:

Well, you give it out as....

B:

We give it out as a final total.

G:

We did not give it out in the grand total of the last two drives.

B:

It was given out somewhere along there in the press statement.

G:

We never gave it out in the grand total of the last two drives.

B:

Well, I should think one sentence would explain it, and I should think it ought to be part of the total. I don't know whether it detracts from the total statement or not. I shouldn't think so.

HMJr:

Well, I would have bet money that you fellows would have just the opposite.

G:

You thought that I would be for it and Dan would be against it, eh?

HMJr:

Yeah.

G:

(Laughs) I think it hurts your other story, Mr. Secretary, that's my only thought.

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HMJr:

I don't know - 27 looks pretty good.

G:

I think 26 sounds just as big.

B:

Well, I'll take the difference.

(All three laugh)

G:

Yeah, I think if you use it you'll have to explain it, because if we don't explain it papers could very properly use--they've used all these other figures as non-bank totals. I think it incumbent upon us if we use it to explain it, and I think the explaining of does not belong in your speech- the kind of speech you are making.

HMJr:

Well....

G:

We've mimeographed the speech verbatim you know, just to write in the figures and release it that way. You are stuck.

HMJr:

What?

G:

You're stuck.

HMJr:

Oh, no. What do we have mimeograph people for?

G:

Oh, we could mimeograph it over. I just want to imply by that, that if we are going to change the text of it, I think it detracts from the story - I think we have a great story.

HMJr:

Gee, I don't know. Will you hold the wire - there are a couple of people in here. Do you mind, both of you staying - talk to each other, I don't mind, but just a minute.

B:

Ted, I don't know what the rest of the speech is, but I shouldn't think something on the end- wherever you end up for the figures detracts from your total speech.

G:

He uses three figures, Dan, he says the grand total so much, individual so much and X Bonds.....

B:

And total for the Drive so much.

G:

Yeah.

B:

Now, the total that the banks took under the formula for the savings account under which they subscribed a billion- three, then you get a grand total of 27 billion.

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HMJr: Mrs. Klotz says a billion - three doesn't mean a thing to her.

B: (Laughs).

G: Well, I wouldn't use it that is my own judgment on it, and not because I'm not willing to have us say-claim everything we can claim, I'm for that, but I just think it will require explanation, and I don't think the explanation will help either your speech or the press release.

HMJr: Well, I know it is a little late to bring it up, but I knew there was around a billion dollars kicking around.

G: Well, the time part of it is not embarrassing, Mr. Secretary, we have plenty of time to do it, and we'd have time to do it if you decided in an hour from now.

HMJr: Well, I suppose in comparing it to 14, it would get everybody all haled up, wouldn't it?

G: Yes.

HMJr: Well, I will reluctantly disregard a billion - three, it doesn't exist.

G: O. K.

B: All right.

HMJr: All right.

July 10, 1946
4:00 p.m.

GROUP

Present: Mr. D. W. Bell
Mr. Pehle
Mr. Gaston
Mr. White
Mr. Feltus
Mr. Coe
Mr. O'Connell
Mr. C. S. Bell
Mr. Murphy
Mr. Bartelt

H.M.JR: What opus is this?

MR. D.W. BELL: It is reorganization.

H.M.JR: All those in favor stay, and those opposed leave. (Laughter)

Well, we got a plan for reorganizing the fiscal and all the agencies which we first gave to Mr. Roosevelt immediately after his re-election, thinking that he might want to start fresh. We got as far as getting Mr. Jones out of the Government. That is as far as it got. Then, we did another one for Mr. Truman. I think that it is a good plan. I think that the mess that UNRRA, Export-Import Bank, and Lend-Lease are in now has demonstrated that there is no boss, and when there is no boss nothing happens.

France isn't going to get the coal she needs. We haven't kept our bargain with England on the Quebec Agreement. There was a kind of over-all committee, which we recommended, where this Government could face other governments and do business. The idea was that the Secretary of the Treasury would be Chairman of a board with all these other people on it as members, and that the thing really would work.

- 2 -

MR. GASTON: I think it is a part of a bigger plan. It shows the lack of proper organization in the executive end of the Government that reflects strongly on the prior Administration because it wasn't organized and put into effect. I don't see how you can put out anything of the kind, in the first place, because as I say, it is only a piece of a larger plan that should have been put into effect. I don't believe you are in any position to put it out.

MR. D.W. BELL: If I understood what you wanted at last Saturday's staff meeting, you wanted consideration given to the publication of the last recommendation which you submitted to President Truman.

H.M.JR: That is right.

MR. D.W. BELL: We talked about it this morning, and we all felt that it might be bad to make that public. You weren't in a position to do more than make it public. We thought it might put you in a bad light, and it might put the Treasury in a bad light. It would build up opposition to it immediately from the agencies mentioned, and there would probably be some resistance from your successor to adopting it.

We tried to think of many ways that you could handle a thing of that kind if you did decide to make it public; whether you should write a letter to the President, making a recommendation; whether you should make a report to Congress; or whether you should just give out a statement. Then it came to light that Mr. Haas' office was preparing a review of the last twelve years. We thought maybe that could be handled in one of those three ways. You could either have the President make it public, or do it through Congress, but wind up by saying that you had made recommendations with respect to throwing the loose ends of the fiscal business of the Government into the Treasury, and that you had made the details of your reorganization known to your successor.

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H.M.JR: I haven't seen it, but I know that Frank Walker published a reorganization plan for the Post Office.

MR. D.W. BELL: That was in his annual report. He published his annual report for the fiscal year ending June 30, 1944, about the day that he left office. He is a whole year late. I just looked at it. It was just published the day before he left office. He included in that annual report, of course, as of June 30, 1944, recommendations for reorganizing the Post Office Department.

H.M.JR: Has anybody said that is funny?

MR. GASTON: Does that affect any other department of the Government?

MR. D.W. BELL: It is just the Post Office.

MR. GASTON: You are not recommending reorganizing the Treasury. What you are really recommending is reorganizing the fiscal function of the Government.

MR. BARTELT: With one exception, Mr. Bell. Where he refers to the fact that the Comptroller General keep his accounts.

MR. D.W. BELL: Yes, he recommends that something be done to give him a set of accounts too, I guess. But that is, in effect, a year old, although it wasn't published until June 30, 1945.

MR. PERLE: What would be gained by it, Mr. Secretary?

H.M.JR: The thing is this: It is a matter of possible personal pride which is rather an expensive luxury. I have worked on this thing with the assistance of other people for some time, and I don't want people, a couple of years from now, to say, "Well, Mr. Morgenthau had no vision. He didn't see how this thing should be run."

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I would like to point out that this is the way to run the financial end of the Government. After all, Mr. Beardsley Kuml got out a program as to how the various agencies should be run, including the budget.

I think that, unless something like this thing is done, as we go into a period of reorganization from war to peace, the thing is just going to be impossible.

MR. FAHLE: Do you think your publication of it is going to result in much more likelihood of its being done or not being done?

H.M.JR: Well, it is like everything else. Eight months ago I was way ahead of my time, and took an awful licking. If I had published it then, some people would have liked it and some wouldn't, but at least it would start the discussion. Most likely we will end up in getting something like it.

I went before the Byrd Committee, in the first instance. The Byrd Committee was my suggestion. I went before them and made suggestions as to how they could save a billion dollars. They saved a billion dollars. I think if, after twelve years, I say, "I think this is the way the thing should be done," it will bring attention to the weaknesses of the present system. Now, the fact that Herbert points out that the executive end is badly organized, that is granted, but that isn't up to me. This thing needs to be done very, very badly.

MR. GASTON: There are two ways I think you could do it. One is to respond to an invitation from a committee or a member of Congress, and the other is to wait until you are out of office and write an article or make a speech in which, with a view to helping your successor, you ask that he be given the necessary power so that he can discharge his functions. You could say that you never succeeded in getting it, although you recommended it to two different Presidents, and that you hope those powers will be given to your successor. You could do that the day after you got out. You could also do it in response to an invitation from a committee now, if the committee wanted to go into the thing.

H.M.JR: Why do you stress the day after I leave?

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MR. GASTON: Because then you are not doing it as Secretary of the Treasury.

H.M.JR: What is the difference?

MR. GASTON: Well, the difference is this: That I don't think that you could put out, without the direct sanction and order of the President, recommendations for Governmental reorganization as Secretary of the Treasury.

MR. WHITE: I think the other suggestion might have merit. It is easy enough to get a bid for a speech before some appropriate group and make the content of the speech reorganization of the Government or the fiscal branch of the Government, and then in it you can refer to the fact that those recommendations were submitted to President Roosevelt and President Truman and transmitted to your successor, and you hope, as you say, that he be given it because he could function more efficiently.

MR. GASTON: There is a third way, and possibly it could be done. That is, that you get out your report for the fiscal year ended June 30, 1946 as Secretary of the Treasury in view of the fact that you are going to retire. You can make it a partial report, which is your individual report as Secretary of the Treasury, and you can make that report to Congress. In that report you can go over the highlights of the financing and the main events of the year. It would be the first section of the ordinary annual report. You will go over the highlights of the financing, and so on, and you make recommendations as you are authorized to do by specific act of Congress with respect to the finances of the Government, which would include recommendations for reorganization.

MR. WHITE: You mean make a semi-annual report?

MR. GASTON: It is really your personal report as Secretary of the Treasury for the full fiscal year that has just ended because you won't be here in January to make it. It won't contain the details that your successor will later send up to be presented in January.

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MR. D. W. BELL: It won't carry all the detailed tables, because we couldn't get those ready.

MR. GASTON: It will entail some charts and some tables such as we ordinarily put into the first section, and it will go heavy on summary. You could incorporate not only your summary for this last year, but you could summarize your twelve years. Then you could have a chapter entitled "Recommendations."

Now, the question is, if somebody gets wind of it, whether it will be forbidden or not. I think it can be done in a way so we could get specific permission to do it.

H.M.JR: Who is going to forbid it?

MR. GASTON: The President.

H.M.JR: Oh, no. He won't forbid it.

MR. D. W. BELL: I recall the law says that the Secretary of the Treasury shall submit an annual report on the state of the finances covering each fiscal year, and it shall be laid before Congress on the opening day of each session. Is that right?

MR. BARTELT: Yes, and then he can submit them from time to time.

MR. GASTON: And he is the only member of the Cabinet who is authorized to make oral reports before Congress if he wishes.

H.M.JR: If anybody has any worries, I will tell Vinson that I am going to do it.

MR. GASTON: If you want to do it, I think there is just that way and a couple of others that I mentioned. There is still another one that I didn't mention, which is the leak, of course.

H.M.JR: No. Of course, I don't like that.

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MR. GASTON: I feel like the fellow in the gallery.

(Discussion off the record)

H.M.JR: I like what Herbert has.

MR. MURPHY: I have a draft here, Mr. Secretary.

H.M.JR: Then we could bring this thing in.

MR. D. W. BELL: It ought to be tied together. There shouldn't be two parts, it seems to me.

MR. GASTON: One would be a review of the fiscal year, two a review of the twelve years, and three, recommendations.

MR. O'CONNELL: When you specify recommendations, you don't mean to exclude things other than the reorganization?

MR. GASTON: I don't mean to exclude things, no.

MR. O'CONNELL: I would like to see something.

H.M.JR: Community property, state, municipal--

MR. O'CONNELL: You might even throw in the undisturbed profits tax.

MR. WHITE: Save that for the next war.

H.M.JR: That was a damned good plan, Mr. White.

MR. WHITE: I think so, but like a lot of other good plans, it wasn't accepted, and that is why we are having trouble now with the black market.

H.M.JR: I explained that to the President. He was wonderful. He said, "Now let me see. I have seventy-five servants in the White House, and under this plan I have to give each of them a cup of coffee in the morning and one at noon, and that is a hundred and fifty cups of coffee. Do you mean to say that under this plan I would have to spend so much? I am for it." (Laughter) He said, "I am

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for it. That is a wonderful plan."

MR. D. W. BELL: You know, this has a good advantage of having a real good annual report put out--this short version. When it comes to writing the annual report covering the fiscal year 1945, which you administered, it is going to be rather difficult for Mr. Vinson to send that report up. We had a little experience along that line when you were called upon to write Mr. Woodin's report.

MR. GASTON: I think this should have some economic review and forecast in it.

H.M.JR: Look what Vinson did in his report to Congress. He threw everything in except the kitchen stove.

MR. D. W. BELL: That report covered everything.

MR. PENLE: You have to summarize some of it for the press, point up the highlights and see that it got into the press.

MR. COE: Do you want to make any foreign financial recommendations, too?

H.M.JR: Anything.

MR. GASTON: I think seriously that everybody now ought to be charged with the duty of making suggestions for recommendations to go into this report.

H.M.JR: Let's sleep on this.

Eddie, how do you feel about it?

MR. BARTELT: I feel very good about it. You will remember I made some suggestion along that line Saturday.

H.M.JR: Somebody did. Was it you that made that suggestion?

MR. BARTELT: Yes.

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H.M.JR: Somebody said I should get out a report. Was that you?

MR. BARTELT: I said I thought you should give us some suggestions. I like this idea very much. We have never had a precedent.

MR. D. W. BELL: It will keep these fellows from resigning until the end of the calendar year.

H.M.JR: What do you think, Dan?

MR. D. W. BELL: I think it is about the only way you can do it and do it without being accused of trying to jump the gun and get ahead of Vinson. It is sort of a natural thing for you to want to supervise your own annual report. I think it is perfectly proper that you do that.

MR. C. S. BELL: Yes, sir, I think it is very sound.

MR. O'CONNELL: I am all for it.

MR. PELTUS: You will remember I suggested the day you resigned that you get out a report.

MR. D. W. BELL: I am afraid of just the plain press release or the letter to the President.

MR. MURPHY: I like it.

MR. PENLE: I like it.

MR. COE: I like it.

MR. WHITE: I am overwhelmed even if I didn't like it. (Laughter) I think it has definite possibilities.

H.M.JR: Well, let's go on the assumption that we are going to do it.

It was a good conference. The conference is adjourned.

July 10, 1945
4:37 P.M.

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HMJr: Yes.

Mr. Ted
Gamble:

Mr. Secretary, we've got three billion, 976 million dollars in E Bonds.

HMJr: Wait a minute - 3976, eh?

G: Right.

HMJr: We missed it by 14, eh?

G: We missed it by 24 million.

HMJr: 24.

G: 6/10s of 1%.

HMJr: Well, I think it is a wonderful performance, Ted.

G: Well, I do, too, and I tell you, as a matter of fact, I think it is better in many respects to be that close, which is less than a half of one per cent. I think it almost looks better than if we got 4 billion and one dollar.

HMJr: I agree.

G: And if we wanted to fudge, we could find 24 million dollars, but I don't think we ought to do it.

HMJr: Can you find it?

G: Well, the way we could do it, we could canvas the banks on their tonight clean-up, you see, like today a sales. But I don't think we ought to do it, people would never know to what extent it was done and they might think that we picked up a couple of hundred that way, and I wouldn't want the Feds themselves to even have that record against us.

HMJr: Well, the only difference is this - every paper in the United States is going to say we didn't make our E Bond quota.

G: I'm disposed to think that they will treat it as the terrific undertaking that it was.

HMJr: No, I don't agree with you.

G: I've tried it out on a dozen people here while I was waiting for you and all of them agree. That there is a lot of merit in - when it is so close. In other words,

- 2 -

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G: (cont) If we were fifty short or if we were 100 or 200 short, as we thought we might be at one time.

HMJr: Well, I don't agree with you.

G: (Laughs) Well, maybe I've just been kidding myself.

HMJr: No, I'm not going to belittle 3 billion 976, but there is all the difference in the world between 3 billion 976 and 4 billion 03.

G: Yes. We are also going to get 8 billion 640 million from individuals.

HMJr: But I still say if there was any way of legitimately showing it - it's the difference between success and failure.

G: Well, we might take a check and see just what the situation is in a couple of banks.

HMJr: No, I don't agree with you at all, and I'm not going to ask anybody's advice.

G: Yes.

HMJr: If there is anyway possibly of making it over 4 I'd like to see it.

G: Well, fine, I'll make a couple of checks on it.

HMJr: I wish you would, Ted.

G: I will right away.

HMJr: There's all the difference in the world.

G: I'll check right away.

HMJr: Please do.

G: All right, sir.

July 10, 1945
4:43 P.M.

HMJr: Gamble just called me. Has he spoken to you?

Mr. Dan Bell: No.

HMJr: Well, he said that E Bonds were 3, 976,000,000. Then he said, of course, they might put it across by counting today's sales. Well, I'm in total disagreement with him. I think if it is that close and there is any legitimate way of making it 4 billion, 03 - I'm for it. Because every paper in the United States is going to say we missed it, and if in some way we can put it across, it is success against failure. I'm very anxious if we can make it over four billion. Hello?

B: Yeah, I'm just trying to think. We've done about everything.

HMJr: Well, he said there are some sales that come in today yet that they haven't counted.

B: Well, sales for what?

HMJr: For last week and today.

B: Today's sales?

HMJr: Yeah.

B: I think we got everything up to scratch up to Saturday, and we took some of the corporation money, you know, for which bonds have not been issued.

HMJr: We're talking about E Bonds.

B: Yeah. Well, I mean corporations came in with their employees' money, and they haven't issued the bonds yet. And we credited that to yesterday, and we got quite a bit of money on that. -- Well, I don't know whether it can be done, let me try to think of something.

HMJr: Well, if there is any way of putting it over for us, I'm very anxious to do it.

B: You'd rather 4 billion and three, than have 3 billion 990?

HMJr: Yep.

B: It looks like it is plugged if you get 403.

- 2 -

HMJr: What's that?

B: Looks like it might have been plugged if you get 403.

HMJr: Well, I don't care. There would only be a handful of people that would know, but the country's success - in other words every paper in the United States is going to say we missed out E Bond quota. I haven't been around here so long --- I know the gist of it, and I haven't consulted with anybody, but this is the way I feel, and I feel very strongly on it.

B: Well, let me try it - I don't know. It is pretty late to get the Federals.

HMJr: See what you can do, and you'd better check with Gamble and see what he is doing.

B: All right.

HMJr: Will you call him?

B: Yep.

HMJr: Please.

July 10, 1945 59
5:17 P.M.

HMJr: Hello.
Operator: Judge Vinson.
HMJr: Hello, hello.
Operator: They told me he was on the line.
HMJr: Hello.
Operator: Here he is.
HMJr: Hello.
Mr. Fred
Vinson: Hello.
HMJr: Fred?
V: Yes, sir.
HMJr: Good evening.
V: How are you, sir?
HMJr: Fine, and you?
V: I'm pretty good.
HMJr: Fred, from 7 until 7:30 tonight we are having a
program over WTOP, I think it is - Columbia.
V: Yes.
HMJr: On the War Bonds, and the last six or seven minutes
I come on and make my farewell address to the War
Bond people.
V: Yes.
HMJr: I also mention you, and if you have nothing better to
do I would like you to listen.
V: I'll do it. What time is it?
HMJr: Well, the program is from seven to seven-thirty, but
I don't talk until the last six minutes.
V: I see.
HMJr: See?

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SCRIPT FOR BROADCAST
SECRETARY MORGENTHAU AND TED R. GAMBLE
ON TUESDAY, JULY 10
7:00 to 7:30 PM, EDT
over the Columbia Broadcasting System

July 10, 1945 57
5:17 P.M.

HMJr: Hello.
Operator: Judge Vinson.
HMJr: Hello, hello.
Operator: They told me he was on the line.
HMJr: Hello.
Operator: Here he is.
HMJr: Hello.
Mr. Fred Vinson: Hello.
HMJr: Fred?
V: Yes, sir.
HMJr: Good evening.
V: How are you, sir?
HMJr: Fine, and you?
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V: I'll do it. What time is it?
HMJr: Well, the program is from seven to seven-thirty, but I don't talk until the last six minutes.
V: I see.
HMJr: See?

- 2 -

V: All right, sir, I'll sure do it, Henry.
HMJr: And I want to again remind you that I'm here at your convenience, and so whenever you are ready to talk, I am.
V: Well, I just -- I've really got nothing to talk about. What I mean is, I'm sort of in a state of suspension. I want to see you, and what about our having lunch together, say Thursday?
HMJr: Well, I've got somebody Thursday, but I could do it Friday.
V: Well, let's - let's make it Friday.
HMJr: Will you come here?
V: I'd just be delighted to.
HMJr: One o'clock?
V: I'd be delighted.
HMJr: I'll look forward - because there is great restlessness here which I think that possibly together we might quiet.
V: Well, of course, you know of the position that I am in, and there is very little that I can do about it, fellow.
HMJr: Well...
V: But I'll just be more than glad to see you, and I'll join you at lunch on Friday at one o'clock.
HMJr: Very good.
V: All right, sir.
HMJr: Thank you.
V: Bye.

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SCRIPT FOR BROADCAST
SECRETARY MORGENTHAU AND TED R. GAMBLE
ON TUESDAY, JULY 10
7:00 to 7:30 PM, EWT
over the Columbia Broadcasting System

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ANNOUNCER: The Columbia Broadcasting System in cooperation with the United States Treasury presents the dramatic story of "The Seven Challenges," with

as narrator, with music by Jack Miller, and an exclusive final report on the Mighty Seventh War Loan by the Secretary of the Treasury, the Honorable Henry Morgenthau, Jr.

MUSIC: INTRODUCTORY - BG

NARRATOR: They said it couldn't be done. They said the people were too full of victory. They said the people were tired of war bond drives.

- 2 -

NARRATOR:
(cont'd)

They said the people were more interested in meat, gas rations, vacation spending. They were good people doing all this saying, substantial people and learned people - they believed they were of the people. But they lacked the faith of the people they so ardently claimed to represent. For the little people were still the people of the big faith. They were the busy people - the working people - they had no time to be cynics or skeptics or worrybirds. They could take anything and everything. Yes - they could take "The Seven Challenges." (MUSIC OUT)

- 3 -

MAN:

Yes, the Mighty Seventh War Loan which, of necessity, was planned months before VE Day, had to overcome what truly have been the most stupendous 90 days in the history of the war. When Secretary Morgenthau opened the Seventh War Loan, he said it would be a "challenge to our self-restraint, our self-discipline, our self-control - the greatest challenge to American democracy." There were in fact seven great stories and issues that were headline news. Some of them minimized the need for a war loan; some of them were so overpowering as to dwarf all other news.

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MAN:
(cont'd)

These, then, were the seven great challenges to the successful carrying out of the Seventh War Loan.

MUSIC: INTRODUCTORY...SHOULD HAVE A QUICK FEELING...
HOLD UNDER.

NARRATOR: The Homefront - sometimes placid, sometimes volcanic was the first great challenge. Complacent one moment, mad the next - full of bickerings and full of a unity sometimes profound - the homefront was the strange paradox. Aware of war - the homefront was also aware of peace.

MAN: Never mind Bonds! What's wrong with Washington! Where is all the meat? Who's getting it anyhow?

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NARRATOR: It's the black market. But he doesn't see how it matters if he buys a good steak say for twice the ceiling price. He's only one, he says, so it's everyone's fault but his.

MUSIC: BRIEF CRESCENDO

MAN 2: It's about time we had more gasoline. I'm getting tired of driving around the block and calling it a day.

NARRATOR: He's really a patriotic chap, but the warm weather is in him. He's got the urge to go spinning along the highway - even without gas coupons.

MUSIC: BRIEF CRESCENDO

- 6 -

MAN 3: I want to get back to manufacturing peacetime products. And if I can't get the material one way - then I'll get it another.

NARRATOR: His boy is at the front - and he'd call you a you-know-what if you said he wasn't back of him one hundred percent. These were typical remarks of the ninety days - though not necessarily representative of the people. And yet the discord made for a challenge.

MUSIC: CROSS FADES OVER ABOVE TO -

SOUND: TELEGRAPH KEY - HOLD UNDER

REPORTER: (OVER SOUND) Monday, April 23rd. The government today has taken action to increase the supply of meat for the public.

- 7 -

REPORTER 2: Friday, April 27th. Chester Bowles, Price Administrator, plans drastic fight on black market with help of Justice and Treasury agents!

REPORTER 3: Friday, May 11 - seventy-five War Production Board orders and schedules revoked by Chairman Julius Krug.

REPORTER: National brownout lifted! Curfew eliminated! Racing ban revoked! 50% more gas for "A" card holders in June!

SOUND: CROSS FADE TO

MUSIC: HOLD UNDER - MAINTAIN SPEED FEELING.

- 8 -

NARRATOR: Yes, some things are healed by VE Day. There'll be more cigaretts, a few more tires, and 200,000 new autos for passenger use by January 1st. And the biggest harvest of wheat in world history - and more fruit and the prospects for potatoes are good - and the Seventh War Loan has reached 30% of its goal.

MUSIC: FADES OUT UNDER

KID: Read all about it! Treasury out for tax cheaters. (FADING) Read it here. Secretary Morgenthau warns black market. Get your paper...

- 9 -

NARRATOR: Yes - in no time at all, 20,000 tax evasion cases are under investigation - arrests and indictments follow promptly. And President Truman endorses the Morgenthau request for 5,000 new Treasury agents!

MUSIC: PUNCTUATE - TO B.G.

NARRATOR: The Homefront is the first of the seven challenges. And through it rolls the Mighty Seventh. There is talk of reconversion cutbacks and unemployment. But the little people of big faith - back the Seventh - and in one year pour out \$46,000,000,000 in taxes to prosecute the war!

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NARRATOR: Yes, the people met the challenge of
(cont'd) the homefront!

MUSIC: THEMATIC BRIDGE SWEEPS UP TO BG

NARRATOR: April 9th. Remember that date? Remember
anything that happened on that date?
It's going to be a big challenge.

MUSIC: OUT

MAN: April 9th...guess the Allies were fighting
inside Germany.

NARRATOR: Sure - we all remember that. British
troops were shelling Bremen. The Red Army
was in Vienna. American Tanks were past
Hanover. But there was something else
that happened April 9th.

MAN 2: The Seventh War Loan pre-drive.

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NARRATOR: That's it - not startling news to be sure
and instead of page one it landed on page
twenty-one. But without the pre-drive,
without the backing of the 27,000,000
workers enrolled in the payroll savings plan,
the stories on page one might have been
less cheering. Yet - page one was the
second great challenge. The challenge
of VE Day! Page one and the headline
news from the loudspeaker:

MUSIC: WITH PACE AND EXCITEMENT

ANNOUNCER: High Army officials told Senators today
that the end of organized fighting in
Germany probably would come within a few
days.

- 12 -

NARRATOR: The date - Friday, April the 18th.

MUSIC: BITING STING

NARRATOR: Not a good date for the Germans. Nor
the best time for War Loan Drives.
It's in the air now. Mass roundup of
prisoners is taking place.

VOICES: SNEAK IN EXCITED CROWD MURMURS

NARRATOR: The feeling of optimism blighted by the
Belgian Bulge of December grows. The
people are getting victory conscious.
They sense it. They feel it. Corks are
popping. Bells are pealing.

VOICES: IN QUITE LOUD HERE

- 13 -

EISENHOWER: (PROJECTS) Every enemy force must be
erased before we celebrate!

VOICES: GRADUALLY DIMINISH

NARRATOR: (over above) It's the voice of Eisenhower.
The people listen. They go back to work.
Back to waiting.

WOMAN: How much longer 'fore we celebrate VE Day?

NARRATOR: Not much longer - but how about putting
some of that overtime into extra Bond
deductions?

MUSIC: STING TO BG

NARRATOR: She does - because the plant foreman,
the workers, the unions are busy talking...

- 14 -

VOICES: Up your quota!...Take an extra hundred!
 Buy more Bonds! Up your quota!...
 (ALL JOIN HERE) Up your quota! Up your
 quota! Up your quota!

MUSIC: SWEETS IN WITH SAME EFFECT THEN TO BG

NARRATOR: One week later Adolf Hitler has a
 birthday. His last. The Allies celebrate
 it by capturing Nuremburg - the Nazis
 shrine city. The city where the party
 leaders stood in the gigantic stadium.

VOICES: (ON ECHO) Heil Hitler!

NARRATOR: But no more. Where once there were
 hundreds of thousands there is one.
 A lone G. I. goose-stepping for the fun
 of it.

- 15 -

SOUND: FADE ON LONE FOOTSTEPS THRU ECHO

NARRATOR: (OVER) And where once the Fuehrer stood,
 a U. S. soldier, Harold L. Hershey of
 Washington, D. C. stands. He places a
 comb to his upper lip - stretches out
 his hand - the final mockery - the retort
 courteous!

MUSIC: STING- CROSS FADE TO

VOICES: THEY GRADUALLY INCREASE IN VOLUME AND
 EXCITEMENT UNDER FOLLOWING

NARRATOR: It's coming now - the whole world is
 waiting.

EISENHOWER: Enemy doom is near.

NARRATOR: That's Eisenhower.

- 16 -

GOEBBELS: We must save Berlin - or die!

NARRATOR: That's Goebbels.

HITLER: My Western Armies are no more than guerrillas.

NARRATOR: Hitler. The Russians were inside Berlin. The Americans are nearby! Patton's tanks are running wild. But it's not yet time. One man can stop the rising tide - the thousand peace rumors. The man in the White House - Harry S. Truman.

VOICES: SUBSIDE TO SILENCE UNDER...

TRUMAN: I just got in touch with Admiral Leahy and had him call our headquarters Commander in Chief in Europe, and there is no foundation for the rumor. That is all I have to say.

- 17 -

MAN: Okay, Mr. President - we'll take your word and wait and see.

NARRATOR: Thus do the voices of a hundred million Americans speak. And ten thousand who gathered in New York's Time Square go home. But the irresistible tide sweeps on.

MAN: The Russian Flag flies tonight over the German Reichstag.

MAN 2: American troops have captured Munich!

MAN 3: Stand is built before Buckingham for King George's VE Day speech!

NARRATOR: The people are alert again - but there is no surprise. The war was over a week ago - the celebrations have been checked.

- 18 -

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NARRATOR: The fizz is gone. Except for a brief
(cont'd)

moment in New York.

VOICES: AD LIBS - "War is over! Hey - this time
it's VE for sure!"

NARRATOR: (OVER ABOVE) Yes - VE for sure. And a
handful of soldiers - casualties - alighting
from an Air Transport Command bow their
heads in prayer.

MAN: (OFF) Hey! Maybe now we can celebrate!

NARRATOR: Yes all the people go home. To "work,
work, work" and to pray like their
President asked them to. And to back the
Seventh.

- 19 -

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NARRATOR:
(cont'd)

And the people did and have - for in
one year they turned out the goods -
provided the money that gave thirty
billion dollars to the U.S. Navy. Yes -
the people met the second challenge - the
Challenge of VE Day!

MUSIC: THEMATIC BRIDGE SWEEPS UP TO BG

NARRATOR: But soon there comes a new cause for
celebration - a new challenge - for men
who have won the victories are coming
home.

MUSIC: OUT

MAN: The Army announces plans to discharge two
million veterans within year!

- 20 -

MAN 2: We've got to give our men and our
generals the kind of reception they're
entitled to.

NARRATOR: It's not easy to see that the Mighty
Seventh is the best way to demonstrate
one's enthusiasm.

WOMAN: I want to wave a flag and throw some
paper!

NARRATOR: How about waving a Bond?

WOMAN: Oh yes - I guess you're right.

VOICES: CHEERING

NARRATOR: Back home comes General Hodges - on his
way to the Pacific.

MAN: There he is! General Clark!

- 21 -

KID: Mama - do you think he'll wear his pearl
revolvers?

NARRATOR: The people lay out the welcome mat for
swashbuckling General George S. Patton -
the two fisted hardboiled gun-toting
leader. And the toughest soldier of
them all brushes aside the tears which
well up from his heart.

VOICES: OUT OVER ABOVE.

MOTHER: You're just my baby boy you know.

NARRATOR: That's a proud 78-year-old mother who
welcomes home her soldier boy in Boyerstown,
Pa. He's the Commander of U.S. Strategic
Air Forces in Europe - his mother's baby -
General Carl Spaatz.

- 22 -

NARRATOR: And now the whole world pours out its honor to Dwight David Eisenhower.

MUSIC: SNEAK IN "AMERICA" HOLD UNDER FOR ONE CHORUS

BRITISH: The people of London and England welcome you!

RUSSIAN: The people of Russia are proud to present to you this medal!

NARRATOR: And back home - in New York - Washington - Kansas City and Abilene there is more cheering - cheering such as America has never heard before.

VOICES: (OVER ABOVE) Hi Ike. Welcome home!
Good old Ike! etc.

- 23 -

NARRATOR: (OVER ABOVE) And the people of Washington turn out for Eisenhower Day - An "E" Bond for Eisenhower is the rallying call with tens of thousands waving paper - good paper - "E" Bond paper at General Ike. And in the Capitol of the United States - the man stands before the Congress.

EISENHOWER: My imagination cannot picture a more dramatic moment than this in the life of an American. I stand before the elected Federal law makers of our great Republic, the very core of our political life and a symbol of those things we call the American heritage.

- 24 -

EISENHOWER: To preserve that heritage, three million
(cont'd) American citizens at your behest, have
faced resolutely every terror the
ruthless Nazi could devise. (FADE)
I come before you as the representative
of those three million people -- their
commander -- because to them you wish this
morning to pay the tribute of a grateful
America for a military victory.

NARRATOR: (OVER FADE) And back in Abilene General
Ike's old friends gather in Ike's Corner at
Callahan's Drug Store to talk over the
town's reception.

- 25 -

FRIEND: Figure maybe we can have a big covered
wagon in the parade too.

FRIEND: And how 'bout Ike's old football team?

MUSIC: SNEAK UNDER

NARRATOR: Yes, they have the wagon- the football
team - and a key to the city - and another
mother - Ike's mother - has her son sitting
at her knees again, as do thousands
of other mothers of fighting men back home
for keeps. Yes, the Generals return -
Devers, Simpson, Truscott, Bradley - all of
them...and the people pour out their cheers
and their gratitude - they buy the Bonds
that help pour out fifty billion dollars to
the U. S. Army in one year!

- 26 -

NARRATOR: Yes - the people met the third challenge -
(cont'd) the challenge of the "welcome home,
soldier!"

MUSIC: THEMATIC BRIDGE SWEEPS UP TO BG

NARRATOR: April was a lovely month - People were
beginning to enjoy the soft breezes -
it was a time for things to grow and
bloom. It was a time for gathering new
strength. There was a man who felt
that need. He sat down - even as you
and I - to breathe in the new life for
the strenuous days ahead. He reached his
hand upwards to his head and said...

FDR: I have a terrific headache.

- 27 -

MUSIC: CROSS FADE TO

SOUND: SNEAK IN HEARTBEAT UNDER

NARRATOR: The President of the United States slumped
in his chair. Gently he was carried to his
bed. In the little cottage a doctor kept
his vigil while the big kindly heart
told out its final beat of history.

SOUND: IN CLEAR - THEN SUDDENLY STOPS

CHURCHILL: Its a loss, indeed a bitter loss to
humanity that these heartbeats are
stilled forever.

NARRATOR: (PAUSE) The President was dead. And
Winston Churchill was far from alone in
his sorrow. It was April 12, 5:49 P.M.
when John Daly CBS news correspondent
was handed a brief message.

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NARRATOR: Immediately he went on the air.
(cont'd)

DALY: We interrupt this program to bring you a special news bulletin from CBS World News. A press association has just announced that President Roosevelt is dead.

NARRATOR: There were the words. Now came the time to believe them. Now came the time to find out how deeply the real man was missed. Now came another challenge.

SOUND: BRING IN TRAIN - HOLD UNDER

- 29 -

NARRATOR: (OVER ABOVE) Once again a train pulls out of Warm Springs - slowly it moved through the lovely Southlands while the world wept.

CHINESE: Chiang Kai-Shek quit his meal when notified of the great tragedy. He left his food untasted to relapse into sorrowful meditation.

STALIN: Send this: Mrs. Eleanor Roosevelt, Washington: Please accept my sincere condolences on the case of the death of your husband and an expression of sympathy in your great sorrow. Sign it - Josef Stalin.

- 30 -

DeGAULLE: My order is - All the flags of France and the Empire are to be flown at half mast.

SOUND: CROSS FADE TRAIN AND BELLS

NARRATOR: And in the green hills of Hyde Park the church bells toll - and bring the news of the great loss to the President's neighbors.

CROSSFADE BELLS AND TRAIN

NARRATOR: The people lined the tracks through which the train passed to pay their final respects. Through the night they stood - by the thousands, and they wept for the man with the cigarette holder, the man with the Scottie, the man with the flowing cape, the patrician who was above all the man of the people.

- 31 -

SOUND: TRAIN FADES OUT OVER LAST ABOVE

FIR: All that is within me cries out to go back to my home on the Hudson.

MUSIC: SNEAK

NARRATOR: Home had come the voyager. Home to the green hills, the blue Hudson and the rose garden.

MUSIC: SWELLS UP TO SHARP CUTOFF

VOICES: ANGRY MURMUR

MAN: Why'd it have to be him!

WOMAN: Why couldn't it have been that Hitler!

NARRATOR: (OVER VOICES) Patience - patience.

Their time is at hand - Listen -

- 32 -

MUSSO: No...No...

SOUND: VOLLY OF FIRE CUTS HIM OFF

NARRATOR: It's Mussolini. And Hitler?

VOICE: Hitler committed suicide!

MAN 2: Hitler was shot by the SS!

VOICE 3: Hitler was killed by Russian artillery.

NARRATOR: Have it your own way - but Hitler is
dead!

MUSIC: STING - TO BG

NARRATOR: And Goebbels - and Himmler. And soon
Goering and Ribbentrop. The fourth
challenge was a big one. It was a
challenge to a country bereft of its
greatest leader. But it was met.

- 33 -

NARRATOR:
(cont'd)

There was the final broadcast to
remember - the final words - spoken to
the six million volunteer war finance
workers.

FDR: To save...to buy and to hold all we can of
war Bonds...this is a small service to
ask us who do not fight...yet it is one
of the biggest things we can do for our
fighting men.

NARRATOR: Yes 85,000,000 Americans hold bonds - and
in this one year have bought 57 and a half
billion dollars worth of government
securities. The people met the Fourth
Challenge as their fallen leader knew
they would.

- 34 -

MUSIC: THEMATIC BRIDGE SWEEPS UP TO B.G.

NARRATOR: The country quickly came to know a new figure - a new unfamiliar leader - who was its Fifth challenge. A man with a quick smile, and the country was to learn that he was also the decisive man, and a man you would feel at ease with anywhere.

MUSIC: OUT

TRUMAN: To the People of the United States...

NARRATOR: It's a new voice.

TRUMAN: It has pleased God in his infinite wisdom to take from us the immortal spirit of Franklin Delano Roosevelt, the thirty-first President of the United States.

- 35 -

TRUMAN:
(cont'd)

The leader of his people in a great war, (FADES) he lived to see the assurance of the victory but not to share it. He lived to see the first foundations of the free and peaceful world to which his life was dedicated...

NARRATOR: (OVER FADE) The voice is strictly Midwest - and good.

WOMAN: You know - I like his sound.

NARRATOR: People everywhere did.

TRUMAN: (FADES ON OVERLAST LINE)... and brings their hopes to task. (FULL ON)

- 35 -

TRUMAN:
(cont'd)

Now, therefore, I, Harry S. Truman,
President of the United States of
America, do appoint Saturday next,
April 14th, the day of the funeral
service for the dead President, (FADES)
as a day of mourning and prayer
throughout the United States.

NARRATOR:

(OVER FADE) It's said. There is a new
President. Now to get to know him -
to hear him - to see him. To get on
to him - that becomes a major interest
among the peoples of the United States -
and the world.

SOUND:

TELEGRAPH KEY - UNDER

- 37 -

TOM:

Hundreds of thousands lined the way
to the White House to watch the funeral
rites. The family and friends followed
the caisson. And so did President Truman.

DOUG:

President Truman - his face frozen in
grief - watched as Franklin Roosevelt
was returned to the soil.

SOUND:

KEY OUT

NARRATOR:

A new team was forming. And the President
was making other news - big news - in
familiar - decisive American fashion.

MAN:

President Truman has sent Harry Hopkins
to see Stalin.

MAN 2:

Joseph E. Davies has gone on another
mission - to London.

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MAN 3: President Truman meets with former

President Herbert Hoover.

SOUND: PLANE FADES IN

NARRATOR: And the President continues to hit the headlines. He flies to the West Coast - to Olympia, Washington, to fish - and to get his speech ready for the San Francisco Conference. And while he flies speculation - rumors fly with him - The answers come quickly. (PLANE OUT) The Big Three will meet - in Berlin. Mr. Stettinius gets the highest office within the President's gift - American representative on the Security Council.

- 39 -

NARRATOR:
(cont'd)

And James Byrnes becomes Secretary of State. Says the President at the closing session of the San Francisco Parley:

TRUMAN: By this charter, you have moved toward the goal for which that gallant leader in this second world struggle worked and fought and gave his life...Franklin D. Roosevelt.

MUSIC: HIT - then to B.G.

NARRATOR: The new President has come through with flying colors. And the country has met the Fifth of the Seven Challenges. Met it by ending the fiscal year with the largest Treasury balance in history - \$24,697 million dollars!

MUSIC: THEMATIC BRIDGE SWEEPS UP TO B.G.

- 40 -

NARRATOR: Decisive action was taking place in the preparations for the International Security Conference - the next challenge. The day the 7th War Loan pre-drive campaign began, there also began ten days of intensive preliminary meetings among the U.S. delegates. And decisions were made by that able group.

MUSIC: OUT

MAN 1: It is our desire that the majority shall rule our delegation at San Francisco.

MAN 2: We must be certain that justice shall be a basic part of the world charter.

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MAN 3: The Monroe Doctrine and Pan-American unity must not be infringed upon.

NARRATOR: Yes, there was argument and discussion - but unity was born out of it. And importance came when Britain's Eden and Russia's Molotov joined America's Stettinius.

SOUND: GAVEL

NARRATOR: The Conference had begun.

MAN: How to halt an aggressor looms as big issue.

MAN 2: Poland is stumbling block to agreement.

MAN 3: How can the veto problem be handled?

- 42 -

NARRATOR: Tough questions and tough problems - but each is settled and the Conference moves ahead. Finally June 7th, Russia yields on the veto row. The Conference is assured of success. There were still doubts of course but the doubts gave way to sudden hopes of a new world one day when the President of the United States took the charter under his arm - took it to Washington - to the floor of the Senate. Took it where the hopes of peace met failure a generation before and where the new hope gave strength to our fighting men - kept faith with those who died.

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NARRATOR:
(cont'd)

And the people kept the faith too - met this sixth great challenge in their support of the Mighty Seventh. But there was still another challenge. The war in the Pacific!

MUSIC: HIT TO B.G.

NARRATOR: It looked easy the first couple of days on Okinawa. It looked like the war was going to be a pushover. By wireless came the reports.

SOUND: OSCILLATOR

MAN: At the end of the first day's fighting Marine casualties could be counted on the fingers of two hands. So could the total counted Japanese dead!

- 44 -

NARRATOR: Meanwhile at home and on the beachhead we ponder the unfathomable ways of the Japanese. We had gone in several thousand yards those first days. But a few days later progress was measured by inches and the casualties were piling up.

MAN: Overall casualties of U.S. forces now total 16,994.

MUSIC: PUNCTUATE

NARRATOR: That was thirty days after we walked in - when it looked like a pushover.

SOUND: PLANE OVER ABOVE.

- 45 -

NARRATOR: And oh yes - the Japanese radio had been boasting about a special attack corps - called "Kamikaze." They were brushed off too - until

SOUND: EXPLOSION

MAN: Loss of 133 on Cruiser Nashville revealed!

SOUND: EXPLOSION

MAN 2: Loss of 123 on Carrier Saratoga announced!

SOUND: EXPLOSION

MAN 3: Loss of 392 on Carrier Bunker Hill admitted!

MUSIC: PUNCTUATE - TO B.G.

NARRATOR: Ever hear of Chocolate Drop Hill? Or Sugar Leaf Hill? Ask the 77th Division or the 6th Marines.

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NARRATOR:
(cont'd)

On May 17th Japanese dead totaled 46,506. Quite a lot to pay for a Chocolate Drop - but they paid it. Twenty-two days later, twenty-two thousand more had joined their ancestors. Fourteen days later another twenty-seven thousand!

MAN:

But it was no pushover. The Japs were doomed from the start. But they fought on. And too often they were counted out.

NARRATOR:

Yes - it took 82 days and more than 45,000 U.S. casualties to make the trip down Okinawa - unmolested you could go from one end to the other in ninety minutes!

MUSIC:

HIT TO B.G.

- 47 -

NARRATOR:

Oh, yes - Tokyo was laid waste by the B-29's ... and more bombs than ever fell on Germany were promised by General Arnold. And more troops were pledged by the President. And all that meant more bonds. The war with Japan was not over. We walked in on Okinawa - but not all walked out. We may walk in on the islands of Japan - we may walk in on the coast of China - but remember what the new President said...

TRUMAN:

Victory is but half won!

MUSIC:

HIT TO B.G.

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NARRATOR: They said the people were too full of victory. They said the people were tired of War Bond Drives. But the people doing all this saying, lacked the faith of the people they so ardently claimed to represent. For the little people are still the people of big faith. The people have met, faced, and overcome the seven challenges.

MUSIC: CURTAIN

NARRATOR: And now, speaking directly to you from his office in Washington, D. C., the Secretary of the Treasury, the Honorable Henry Morgenthau, Jr.

- 49 -

One of the pleasantest tasks I have ever had to perform as Secretary of the Treasury is to report to you tonight the final results of the Seventh War Loan. We set ^{for} ourselves, as you know, an overall goal of 14 billion dollars. The people of America have subscribed to the Mighty Seventh a total of ^{26,313} million dollars.

We asked for seven billion dollars in individual subscriptions. We have received a total of ^{8,681} millions.

Finally, and most important of all, we set for the wage earners of the country the difficult goal of four billion dollars in E Bonds. The final figures show that E Bond sales have amounted to ^{3,976} millions.

and we can all be mightily proud of this record.

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The War Bond Program has been, I think, a magnificent demonstration of the voluntary teamwork of a free people. Through this program, more than 85 million individual Americans have enlisted in the national cause -- ~~have engaged in~~ an act of faith.

It has seemed to me from the beginning that the essence of this program lay in its voluntary character. When I asked the Congress of the United States in January, 1941, for authorization to borrow from the general public through a defense savings bond campaign, I said:

- 51 -

"I can think of no other single way in which so many people can become partners of their government in facing this emergency. It is the purpose of the Treasury to raise money for national defense by methods which strengthen national morale."

To achieve its aims, the Treasury sought to make the American people understand the meaning *and* ~~of~~ the magnitude of the crisis that they faced. It endeavored to forge, through united action, the national unity needed to overcome our common problems.

How well this has been done the record will attest. I take particular pride in the knowledge that it was done throughout by wholly democratic means.

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There has been no resort at any time to coercion or intimidation or social pressure. Instead, the method pursued was to organize state by state, community by community, millions of volunteer war bond workers -- drawn from the ranks of business, of labor unions, of the professions, indeed from all the segments of our society -- and to let them carry the appeal to their fellow-citizens. Every American has been left free to contribute in accordance with his own conscience and his own capabilities. It is a kind of program which could have been undertaken, perhaps, in no other country in the world -- a kind of program ~~WELL~~ adapted to the democratic pattern of American life.

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Special praise is due, I think, to the part played in the War Bond Program by the men and women in our Armed Services. These Americans have not been content to bear the brunt of this nation's fight for freedom; they have also played a mighty part, as citizens, in helping to finance ^{their own} the war weapons, ~~they have wielded~~.

The War Bond Program stands, I believe, as a powerful bulwark to the economy of this nation, both now and in the future. The savings of the American people, set aside during a time when most of our productive energy had to be devoted to making materials of war, played an indispensable part in averting the danger of inflation.

- 54 -

The economy of the United States has been kept sound and secure, so that the men who have fought for us overseas can return to a land of opportunity. And in the difficult days of reconversion which lie ahead, these savings will provide an invaluable backlog of mass buying power to start civilian production on its way.

Pause
My talk to you this evening is, as you know, somewhat in the nature of a valedictory. I should like, therefore, to say a few words directly to the men and women who have so long and so faithfully and so generously given their time, their skill and their energy to the War Bond Program.

- 55 -

To ~~them~~^{you} belongs the full credit for what has been achieved. The service ~~they~~^{you} have rendered is beyond my praise; the gratitude ~~they~~^{you} have earned is beyond my power of expression. But ~~they~~^{you} have found, I know, the only reward that ~~they~~^{you} have ever sought: the sense of partnership in a great national undertaking.

I want to pay special tribute to the men and women who have been the leaders of the War Finance Division. Under the captaincy of Ted R. Gamble, they have worked ~~tirelessly~~^{hard} and devotedly to bring about the magnificent record of the War Bond Program. My warm appreciation goes also to my chief fiscal aid, the Undersecretary of the Treasury, Daniel W. Bell.

- 56 -

I thank all of you from the bottom of my
heart for the cooperation you have given to me.
I know that your cooperation will be continued
with the same devotion and zeal under the able
leadership of my successor, Judge Fred Vinson.

Pause There is still a titanic task before us.

In taking leave of you, I should like to
express one thought, one testament of faith.
Whatever the tasks, whatever the problems of
the future, I know that we shall meet and overcome
them as we have in the past through the methods
of freedom, ^{and} through the voluntary unity of
free men.

End

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MUSIC: FINAL BRIDGE

ANNOUNCER: The Treasury Department wishes to thank
the Columbia Broadcasting System for
making this time available in bringing
you Secretary Morgenthau in the final
report of the Seventh War Loan. Your
narrator tonight was

Other members of the cast included

Music was
under the direction of Jack Miller and
the program was directed by Lester Vail.
The entire production was under the
supervision of Harry Ackerman. This is
CBS, the Columbia Broadcasting System.

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July 10,
1945

Mr. White
Secretary Morgenthau

If you can get a good, readable summary of the San Francisco Charter, I would like to have several copies of it.

117

JUL 10 1945

Dear Admiral Russey:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

(Signed) H. Morgenthau, Jr.

Rear Admiral G. F. Russey, Jr.
Chief of the Bureau of Ordnance
Navy Department
Washington 25, D. C.

SGL:eb

7-6-45

117
JUL 10 1945

Dear Admiral Fitch:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

(Signed) H. Morgenthau, Jr.

Vice Admiral A. W. Fitch, USN
Deputy Chief of Naval Operations
Navy Department
Washington 25, D. C.

SGL:eb

7-6-45

117
JUL 10 1945

Dear General Heybold:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

(Signed) H. Morgenthau, Jr.

Lieut. Gen. Eugene Heybold
Chief of Engineers, U.S. Army
The Pentagon
Washington 25, D. C.

SGL:eb

7-6-45

JUL 10 1945

Dear General Kirk:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

(Signed) H. Morgenthau, Jr.

Major General Norman T. Kirk
Surgeon General, U.S. Army
The Pentagon
Washington 25, D. C.

SGL:eb

7-6-45

JUL 10 1945

Dear General Gregory:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

(Signed) H. Morgenthau, Jr.

Lieut. General E. B. Gregory
Quartermaster General, U.S. Army
The Pentagon
Washington 25, D. C.

SGL:eb

7-6-45

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JUL 10 1945

Dear General Arnold:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

(Signed) H. Morgenthau, Jr.

General Henry H. Arnold
Commanding General, Army Air Forces
The Pentagon
Washington 25, D. C.

T-6-45

SGL:eb

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JUL 10 1945

Dear Admiral Bagley:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

(Signed) H. Morgenthau, Jr.

Vice Admiral D. W. Bagley, USN
Hawaiian Sea Frontier Commandant
Fourteenth Naval District
Navy Department
Washington 25, D. C.

SGL:eb

T-6-45

124
JUL 10 1945

Dear Admiral McIntire:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

(Signed) H. Morgenthau, Jr.

Vice Admiral (MC) Ross T. McIntire
Chief, Bureau of Medicine & Surgery
Navy Department
Washington 25, D. C.

SGL:eb

7-6-45

125
JUL 10 1945

Dear General Wedemeyer:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

(Signed) H. Morgenthau, Jr.

Lieut. Gen. A. C. Wedemeyer
Commanding General, U. S. Forces
China Theater
The Pentagon
Washington 25, D. C.

SGL:eb

7-6-45

126
JUL 10 1945

Dear Admiral Lockwood:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

[Signed] H. Morgenthau, Jr.

Vice Admiral C. A. Lockwood, Jr.
Commander Submarine Force
U. S. Pacific Fleet
Navy Department
Washington 25, D. C.

SGL:eb

7-6-45

127
JUL 10 1945

Dear General Del Valle:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

[Signed] H. Morgenthau, Jr.

Brig. Gen. Pedro A. Del Valle
Commanding General
1st Marine Division
Navy Department
Washington 25, D. C.

SGL:eb

7-6-45

12"

128
JUL 10 1945

Dear General Campbell:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

(Signed) H. Morgenthau, Jr.

Lieut. Gen. Levin H. Campbell, Jr.
Chief of Ordnance, U. S. Army
The Pentagon
Washington 25, D. C.

SGL:CB

7-6-45

129
JUL 10 1945

Dear General Stilwell:

I want to thank you most sincerely for the excellent statement you made available to the Treasury for our use in promoting the 7th War Loan Drive. The newspapers of the nation gave it splendid front page coverage, and I am sure it will be helpful to us in reaching our high quotas for the drive.

Sincerely,

(Signed) H. Morgenthau, Jr.

General Joseph W. Stilwell
Commanding General, 10th Army
APO 357
c/o Postmaster
San Francisco, Calif.

SGL:dk

7-6-45

SCRIPT FOR BROADCAST
SECRETARY MORGENTHAU AND TED R. GAMBLE
ON TUESDAY, JULY 10
7:00 to 7:30 PM, EDT
over the Columbia Broadcasting System

Don Lane 130
First Draft.

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ANNOUNCERS:

The Columbia Broadcasting System in cooperation with the United States Treasury presents the dramatic story of "The Seven Challenges," with Martin Gabel as narrator, with music by Jack Miller, and an exclusive final report on the Mighty Seventh War Loan by Ted R. Gamble, National Director of War Finance and the Secretary of the Treasury, the Honorable Henry Morgenthau, Jr.

MUSIC:

INTRODUCTORY - BG

GABEL:

They said it couldn't be done. They said the people were too full of victory. They said the people were tired of war bond drives. They said the people were more interested in meat, gas rations, vacation spending. They were good people doing all this saying, substantial people and learned people - they believed they were of the people. But they lacked the faith of the people they so ardently claimed to represent. For the little people were still the people of the big faith. They were the busy people - the working people - they had no time to be cynics or skeptics or worrybirds. They could take anything and everything. Yes - they could take "The Seven Challenges." (MUSIC OUT) Listen for a moment to the Secretary of the Treasury, Mr. Henry Morgenthau, Jr., speaking from Washington, D. C.

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MORSETHAU:

Thank you, Mr. Gabel. You know a lot of people think the Treasury Department just gets an idea, all of a sudden, that maybe this month or next month would be a fine time to have a war bond drive. I wish it were that easy to decide upon. It has not been easy - either on you or on us, and by us I mean the six million volunteer war bond salesmen and the staff of the War Finance Division of the Treasury. Planning a war bond drive is as complex work as planning a military campaign. It's hard work....grueling work. It means contact with every phase of our national life. Am I right, Mr. Gable?

GABLE:

You certainly are, Mr. Secretary. No program of the government is in more intimate contact with all people of every race, creed and color than the War Bond Drives these past years. And it's been the very faith of the Treasury Department in the people that has led us to undertake the drives we have, and to set the high quotas necessary to finance the war.

MORSETHAU:

Yes, that faith of the people in their country has never wavered, and we, in turn, have never lost faith in the people. That fact alone has made our burdens lighter than they might otherwise have been. We knew before the Seventh War Loan began, that many people felt that once the war was over in Europe there would be less need for bond buying. But we knew too that once we

MORSETHAU:
(cont'd)

GABLE:

MORSETHAU:

GABLE:

MORSETHAU:

explained why the need was still as great the people would listen and understand.

Of course, that's where the cynics scoffed - for they claimed that with one war out of the way it would be hard for Americans to understand why the costs wouldn't go down.

And out of our long discussions with the Army, the Navy, and all those charged with the prosecution of the war came the reasons for the urgency and the need to support the Seventh.

Yes - for we told facts only. That Iwo Jima was only an outpost of the Japanese Empire. That Japan's manpower was still largely untouched by the war. We told the story of the battle of supply - how it takes three ships in the Pacific to do the work of one in the Atlantic. Once these facts became clear the people understood.

And yet the Mighty Seventh War Loan which, of necessity, was planned months before VE Day, had to overcome what truly have been the most stupendous 90 days in the history of the war. When I opened the Seventh War Loan, I said it would be a challenge to our self-restraint, our self-discipline, our self-control - the greatest challenge to American democracy. There were many

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MORSETHAU:
(Cont'd)

great stories and issues that were headline news. Some of them minimized the need for a war loan; some of them were so overpowering as to dwarf all other news. In effect, there were seven great challenges to the successful carrying out of the Seventh War Loan. What they were and how well you carried them out, you will now hear.

MUSIC: INTRODUCTORY ... SHOULD HAVE A QUICK FEELING ... HOLD UNDER.

GABEL:

The Homefront - sometimes placid, sometimes volcanic was the first great challenge. Complacent one moment, mad the next - full of bickerings and full of a unity sometimes profound - the homefront was the strange paradox. Aware of war - the homefront was also aware of peace.

MAN:

Never mind Bonds! What's wrong with Washington! Where is all the meat? Who's getting it anyhow?

GABEL:

No - it's the black market. But he doesn't see how it matters if he buys a good steak any for twice the ceiling price. He's only one, he says, so it's everyone's fault but his.

MUSIC: BRINY CRESCENDO

MAN 2:

It's about time we had more gasoline. I'm getting tired of driving around the block and calling it a day.

GABEL:

He's really a patriotic chap, but the warm weather is in him. He's got the urge to go spinning along the highway - even without gas coupons.

MUSIC: BRINY CRESCENDO

-5-

MAN 3:

I want to get back to manufacturing peacetime products. And if I can't get the material one way - then I'll get it another.

GABEL:

His boy is at the front - and he'd call you a you-know-what if you said he wasn't back of him one hundred percent. These were typical remarks of the ninety days - though not necessarily representative of the people. And yet the discord made for a challenge.

MUSIC:

CROSS FADES OVER ABOVE TO -

SOUND:

TELEGRAPH KEY - HOLD UNDER

REPORTER:

(OVER SOUND) Monday, April 23rd. The government today has taken action to increase the supply of meat for the public.

REPORTER 2:

Friday, April 27th. Chester Bowles, Price Administrator, plans drastic fight on black markets with help of Justice and Treasury agents!

REPORTER 3:

Friday, May 11 - seventy-three War Production Board controls revoked by Chairman Julius Krug.

REPORTER:

National brownout lifted! Curfew eliminated! Racing ban revoked! 50% more gas for "A" card holders in June!

SOUND:

CROSS FADE TO

MUSIC:

HOLD UNDER - MAINTAIN SPEED FEELING.

GABEL:

Yes, some things are healed by V-E Day. There'll be more cigarettes, half again as many tires, and 200,000 new buses for passenger use by January 1st. And the

-6-

GABEL: biggest harvest of wheat in world history - and more fruit and the prospects for potatoes are good - and the Seventh War Loan has reached 30% of its goal.

MUSIC: FADES OUT UNDER

KID: Read all about it! Morgenthau out for tax cheaters.
(FADING) Read it here. Morgenthau warns chisellers.
Get your paper...

GABEL: (OVER FADE) The New York Times, Friday, June 1st:

HUBEY: Listen to this, dear,

WIFE: What is it?

HUBEY: It says here - "The Government set a grim watch on cash deals throughout the country today to catch tax cheaters.

WIFE: Well!

HUBEY: Secretary Morgenthau ordered all financial institutions in the country to report the name and address of anybody engaging in a suspiciously large currency transaction.

WIFE: Good! I don't like buying bonds when other people don't even pay taxes!

GABEL: Yes - in no time at all, 20,000 tax evasion cases are under investigation - arrests and indictments follow promptly. And President Truman endorses the Morgenthau request for 5,000 new Treasury agents!

MUSIC: PUNCTUATE - TO B.G.

GABEL: The Homefront is the first of the seven challenges. And through it rolls the Mighty Seventh. There is talk of

-7-

GABEL:
(Cont'd)

reconversion cutbacks and unemployment. There are tax cheats and racketeers - speculators and profiteers. And yet, while they are being tracked down and punished, the little people of big faith - the honest people back the Seventh - and in one year pour out \$40,000,000,000 in taxes to prosecute the war! Yes, the people met the challenge of the homefront!

MUSIC: THEMATIC BRIDGE PICKS UP TO B2

GABEL: April 9th. Remember that date? Remember anything that happened on that date?

MUSIC: CUT

MAN: April 9th...guess the Allies were fighting inside Germany.

GABEL: Sure - we all remember that. British troops were shelling Bremen. The Red Army was in Vienna. American Tanks were past Hanover. But there was something else that happened April 9th.

MAY 2: The Seventh War Loan pre-drive.

GABEL: That's it - not startling news to be sure and instead of page one it landed on page twenty-one. But without the pre-drive, without the backing of the 27,000,000 workers enrolled in the payroll savings plan, the stories on page one might have been less cheering. Yet - page one was the second great challenge. The challenge of V-E Day! Page one and the headline news from the loudspeakers

MUSIC: WITH PAGE AND EXCITEMENT

ANNOUNCER: High Army officials told Senators today that the end of organized fighting in Germany probably would come within a few days.

- 8 -

GABEL: The date - Friday, April the 13th.

MUSIC: BITING STING

GABEL: Not a good date for the Germans. Nor the best time for War Loan Drives. It's in the air now. Mass roundup of prisoners is taking place.

VOICES: SNEAK IN EXCITED CROWD MURMURS

The feeling of optimism blighted by the Belgian Bulge of December grows. The people are getting victory conscious. They sense it. They feel it. Corks are popping. Bells are pealing.

VOICES: IN QUITE LOUD HERE

RISENHOVER: (PROJECTS) Every enemy force must be erased before we celebrate!

VOICES: GRADUALLY DIMINISH

GABEL: (Over above) It's the voice of Eisenhower. The people listen. They go back to work. Back to waiting.

WOMAN: How much longer 'fore we celebrate V-E Day?

GABEL: Not much longer - but how about putting some of that overtime into extra Bond deductions?

MUSIC: STING TO BG

GABEL: She does - because the plant foreman, the workers, the unions are busy talking...

VOICES: Up your quota!...Take an extra hundred! Buy more Bonds!

Up your quota!...(ALL JOIN HERE) Up your quota! Up your quota! Up your quota!

MUSIC: 5 STEPS IN WITH SAME EFFECT THEN TO BG

- 9 -

GABEL: One week later Adolf Hitler has a birthday. His last. The Allies celebrate it by capturing Nuremberg - the Nazis shrine city. The city where the party leaders stood in the gigantic stadium.

VOICES: (ON ECHO) Heil Hitler!

GABEL: But no more. Where once there were hundreds of thousands there is one. A lone G. I. goose-stepping for the fun of it.

SOUND: FADE ON LOW FOOTSTEPS THRU ECHO

GABEL: (OVER) And where once the Fuehrer stood, a U. S. soldier, Harold L. Marshby of Washington D. C. stands. He places a comb to his upper lip - stretches out his hand - the final mockery - the rotort courteous!

MUSIC: STING- CROSS FADE TO

VOICES: THEY GRADUALLY INCREASE IN VOLUME AND EXCITEMENT UNDER FOLLOWING

GABEL: It's coming now - the whole world is waiting.

RISENHOVER: Enemy doom is near.

GABEL: That's Eisenhower.

GOOSEBLS: We must save Berlin - or die!

GABEL: That's Goebbels.

HITLER: My Western Armies are no more than guerrillas.

GABEL: Hitler. The Russians are inside Berlin. The Americans are nearby! Patton's tanks are running wild. But it's not yet time.

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GABRIEL: One man can stop the rising tide - the thousand peace rumors. The man in the White House - Harry S. Truman.

VOICES: SUBSIDE TO SILENCE UNDER...

TRUMAN: I just got in touch with Admiral Leahy and had him call our headquarters Commander in Chief in Europe, and there is no foundation for the rumor. That is all I have to say.

MAN: Okay, Mr. President - we'll take your word and wait and see.

GABRIEL: Thus do the voices of a hundred million Americans speak. And ten thousand who gathered in New York's Time Square go home. But the irresistible tide sweeps on.

MAN: The Russian Flag flies tonight over the German Reichstag.

MAN 2: American troops have captured Munich!

MAN 3: Stand is built before Buckingham for King George's VE Day speech!

GABRIEL: The people are alert again - but there is no surprise. The war was over a week ago - the celebrations have been checked. The fizz is gone. Except for a brief moment in New York.

VOICES: AD LIBS - "War is over! Hey - this time it's VE for sure!"

GABRIEL: (OVER ABOVE) Yes - VE for sure. And a handful of soldiers - casualties - alighting from an Air Transport Command bow their heads in prayer.

MAN: (OFF) Hey! Maybe now we can celebrate!

-11-

GABRIEL: But the people go home. To "work, work, work" and to pray like their President asked them to. And to back the Seventh. And the people did and have - for in one year they turned out the goods - provided the money that gave thirty billion dollars to the U.S. Army. Yes - the people met the second challenge - the Challenge of V-E Day!

MUSIC: ~~THEMATIC BRIDGE SWINGS UP TO BG~~

GABRIEL: The celebrating gets a new lease - for men who have won the victories are coming home.

MUSIC: ~~CUT~~

MAN: The Army announces plans to discharge two million veterans within year!

MAN 2: We've got to give our men and our generals the kind of reception they're entitled to.

GABRIEL: It's not easy to see that the Mighty Seventh is the best way to demonstrate one's enthusiasm.

WOMAN: I want to wave a flag and throw some paper!

GABRIEL: How about waving a Bond!

WOMAN: Oh...all right.

CHATTERING

Back home comes General Hodges - on his way to the Pacific. There he is! General Clark!

MAN: Mama - do you think he'll wear his pearl revolver?

The people lay out the welcome mat for swashbuckling General George S. Patton - the two fisted hardboiled gun-toting leader. And the toughest soldier of them all brushes aside the tears which well up from his heart.

-12-

VOICES: OUT OVER ABOVE.

MOTHER: You're just my baby boy you know.

GABEL: That's a proud 78-year-old mother who welcomes home her soldier boy in Boyertown, Pa. He's the Commander of U.S. Strategic Air Forces in Europe - his mother's baby - General Carl Spaatz.

GABEL: And now the whole world pours out its honor to Dwight David Eisenhower.

MUSIC: SPEAK IN "AMERICA" HOLD UPDER FOR OUR CHORUS

BRITISH: The people of London and England welcome you!

RUSSIAN: The people of Russia are proud to present to you this medal!

GABEL: And back home - in New York - Washington - Kansas City and Abilene there are plans.

VOICES: (OVER ABOVE) Hi Ike. Welcome home! Good old Ike! etc.

GABEL: (OVER ABOVE) And the people of Washington turn out for Eisenhower Day - An "E" Bond for Eisenhower is the rallying call with tens of thousands waving paper - good paper - "E" Bond paper at General Ike. And then to the Capitol of the United States - he stands before the Congress

EISENHOWER: My imagination cannot picture a more dramatic moment than this in the life of an American. I stand before the elected Federal law makers of our great Republic, the very core of our political life and a symbol of those things we call the American heritage. To preserve that heritage, three million American citizens at your behest, have faced resolutely every terror the ruthless Nazi

-13-

EISENHOWER: could devise. (FADE) I come before you as the representative of those three million people -- their commander -- because to them you wish this morning to pay the tribute of a grateful America for a military victory.

GABEL: (OVER FADE) And back in Abilene General Ike's old friends gather in Ike's Corner at Callahan's Drug Store to talk over the town's reception.

FRIEND: Figure maybe we can have a big covered wagon in the parade too.

FRIEND: And how 'bout Ike's old football team!

MUSIC: SPEAK UPDER

GABEL: Yes, they have the wagon - the football team - and a key to the city - and another mother - Ike's mother - has her son sitting at her knees again, as do thousands of other mothers of fighting men back home for keeps. Yes, the Generals return - Devers, Simpson, Truscott, Bradley - all of them...and the people pour out their cheers and their gratitude - they buy the Bonds that help pour out fifty billion dollars to the U. S. Army in one year! Yes - the people met the third challenge - the challenge of the "welcome home, soldier!"

MUSIC: THEMATIC BRIDGE SWEEPS UP TO BG

- 14 -

GABEL: April was a lovely month - People were beginning to enjoy the soft breezes - it was a time for things to grow and bloom. It was a time for gathering new strength. There was a man who felt that need. He sat down - even as you and I - to breathe in the new life for the strenuous days ahead. He reached his hand upwards to his head and said...

FDR: I have terrific headaches.

MUSIC: CROSS FADE TO

SOUND: SNEAK IN HEARTBEAT UNDER

GABEL: The President of the United States slumped in his chair. Gently he was carried to his bed. In the little cottage a doctor kept his vigil while the big kindly heart tolled out its final beat of history.

SOUND: IN CLEAR - THEN SUDDENLY STOPS

CHURCHILL: It's a loss, indeed a bitter loss to humanity that these heartbeats are stilled forever. So commented Winston Churchill.

GABEL: (FUSE) The President is dead. It was April 12, 5:49 P.M. when John Daly CBS news correspondent was handed a brief message. Immediately he went on the air.

DALY: To interrupt this program to bring you a special news bulletin from CBS World News. A press association has just announced that President Roosevelt is dead.

GABEL: There were the words. Now came the time to believe them. Now came the time to find out how deeply the real man was missed.

SOUND: BRING IN TRAIN - HOLD UNDER

GABEL: (OVER ABOVE) Once again a train pulls out of Warm Springs:

- 15 -

GABEL: COM'T. - slowly it moved through the lovely Southlands while the world wept.

CHINESE: Chiang Kai-Shek quit his meal when notified of the great tragedy. He left his food untasted to relapse into sorrowful meditation.

STALIN sent this: Mrs. Eleanor Roosevelt, Washington: Please accept my sincere condolences on the case of the death of your husband and an expression of sympathy in your great sorrow. Sign it - Josef Stalin.

DeGULLE: My order is - All the flags of France and the Empire are to be flown at half mast.

SOUND: CROSS FADE TRAIN AND BELLS

GABEL: In the White House Mrs. Franklin Roosevelt tells Harry S. Truman the news.

TRUMAN: What can I do?

MRS. FDR: Tell us what we can do - Is there anyway we can help you?

GABEL: And in the green hills of Hyde Park the church bells toll - and bring the news of the great loss to the President's neighbors.

CROSSFADE BELLS AND TRAIN

GABEL: The people lined the tracks through which the train passed to pay their final respects. Through the night they stood - by the thousands, and they wept for the man with the cigarette holder, the man with the Scottish, the man with the flowing cape, the patrician who was above all the man of the people.

SOUND: TRAIN FADES OUT OVER LIST ABOVE

FDR: All that is within me cries out to go back to my home on the Hudson.

MUSIC: SNEAK

GABEL: Home had come the voyager. Home to the green hills, the blue Hudson and the rose garden.

- 16 -

MUSIC: SWELLS UP TO SHARP CUTOFF

VOICES: ANGRY MURMUR

Man: Why'd it have to be him!

Woman: Why couldn't it have been that Hitler!

Gabel: (OVER VOICES) Patience - patience. Their time is at hand

Mussol: I beg you to spare me...I can give you a kingdom...I will give you anything...(FADE) But no...no...you must not do this...

Gabel: (OVER FADE) It's Benito Mussolini...and the Partisans.

Mussol: No...No...

SOUND: BOLLY OF FIRE CUTS HIM OFF

Gabel: Done for. And Hitler?

Voice: Hitler committed suicide!

Man 2: Hitler was shot by the SS!

Voice 3: Hitler was killed by Russian artillery.

Gabel: Have it your own way - but Hitler is dead!

MUSIC: STING - to B.G.

Gabel: And Goebbels - and Himmler. And soon Goering and Ribbentrop. The fourth challenge was a big one. But it was met. There was the final broadcast to remember - the final words - spoken to the six million volunteer war finance workers.

FIR: To save...to buy and to hold all we can of War Bonds... this is a small service to ask of us who do not fight... yet it is one of the biggest things we can do for our fighting men.

- 17 -

Gabel: Yes 85,000,000 Americans hold bonds - and in this one year have bought \$7 and a half billion dollars worth of government securities. The people met the Fourth Challenge as their fallen leader knew they would.

MUSIC: THEMATIC BRIDGE SWELLS UP TO B.G.

Gabel: The country - vigorous and resilient - quickly came to know a new figure. He was a dapper little man with a quick smile, and the country was to learn that he was also the decisive man, and a man you would feel at ease with anywhere.

MUSIC: OUT

Truman: To the People of the United States...

Gabel: It's a new voice.

Truman: It has pleased God in his infinite wisdom to take from us the immortal spirit of Franklin Delano Roosevelt, the thirty-first President of the United States. The leader of his people in a great war, (FADES) he lived to see the assurance of the victory but not to share it. He lived to see the first foundations of the free and peaceful world to which his life was dedicated...

Gabel: (OVER FADE) There are no Groton - Harvard overtones. The voice is strictly Midwest - but good.

Woman: You knew - I like his sound.

Gabel: People everywhere did.

Truman: (FADES ON OVER LAST LINE) ...and brings their hopes to task. (FULL ON) Now, therefore, I, Harry S. Truman, President of the United States of America, do appoint Saturday next, April 11th, the day of the funeral service for the dead President, (FADES) as a day of mourning and prayer through-

- 18 -

Truman: out the United States.

Gabel: (OVER FADE) It's said. There is a new President. Now to get to know him - to hear him - to see him. To get on to him - that becomes a major interest among the peoples of the United States - and the world.

SOUND: TELEGRAPH KEY - UNDER

Tom: Hundreds of thousands lined the way to the White House to watch the funeral rites. The family and friends followed the caisson. And so did President Truman.

Doug: President Truman - his face frozen in grief - watched as Franklin Roosevelt was returned to the soil.

SOUND: KEY OUT

Gabel: A new team was forming. And the President was making other news - big news.

Man: President Truman has sent Harry Hopkins to see Stalin.

Man 2: Joseph E. Davies has gone on another mission - to London.

Man 3: President Truman meets with former President Herbert Hoover.

SOUND: PLANE FADES IN

Gabel: And the President continues to hit the headlines. He flies to the West Coast - to Olympia, Washington, ostensibly to fish - and to get his speech ready for the San Francisco Conference. And while he flies speculation - rumors fly with him - The answers come quickly. (PLANE OUT) The Big Three will meet - in Berlin. Mr. Stettinius gets the highest of fice within the President's gift - American representative on the Security Council. And James Byrnes becomes Secretary of State. Says the President at the closing session of the San Francisco Parley:

- 19 -

Truman: By this charter, you have moved toward the goal for which that gallant leader in this second world struggle worked and fought and gave his life...Franklin D. Roosevelt.

MUSIC: HIT - then to B.G.

Gabel: The new President has come through with flying colors. And the country has met the Fifth of the Seven Challenges. Met it by ending the fiscal year with the largest Treasury balance in history - \$24,697 million dollars!

MUSIC: THEMATIC BRIDGE SWEEPS UP TO B.G.

-20-

GABEL: Decisive action was taking place in the preparations for the International Security Conference. The day the 7th War Loan pre-drive campaign began, there also began ten days of intensive preliminary meetings among the U.S. delegates. And decisions were made by that able group.

~~MUSIC: OUT~~

MAN 1: It is our desire that the majority shall rule our delegation at San Francisco.

MAN 2: We must be certain that justice shall be a basic part of the world charter.

MAN 3: The Monroe Doctrine and Pan-American unity must not be infringed upon.

GABEL: Yes, there was argument and discussion - but unity was born out of it. And importance came when Britain's Eden and Russia's Molotov joined America's Stettinius.

SOUND: BRING IN TRAIN AND LATER CROSS FADE TO PLANE.

GABEL: (OVER ABOVE) The trains roared across the country. From the North, the South, through the great Central States the delegates came. And overhead, across the rivers, the farm belt, over the Grand Canyon - from the Atlantic to the Pacific came other delegates, and on April 25th

SOUND: GABEL

GABEL: The Conference had begun.

MAN: How to halt an aggressor looms as big issue.

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MAN 2: Poland is stumbling block to agreement.

MAN 3: How can the veto problem be handled?

GABEL: Tough questions and tough problems - but each is settled and the conference moves ahead. Finally June 7th, Russia yields on the veto row. The Conference is assured of success and an important announcement comes from the White House.

MAN: The Big Three will meet within the next forty days.

GABEL: Meeting place - Berlin!

~~MUSIC: OSCILLATOR~~

GABEL: Daily the people of the world read the conflicting reports. There was doubt - but all were dissipated. For the President of the United States took the charter under his arm - took it to Washington - to the floor of the Senate. Took it where the hopes of peace met failure a generation before and where the new hope gave strength to our fighting men - kept faith with those who died. And the people kept the faith too - met this sixth great challenge in their support of the Mighty Seventh. But there was another challenge. The War in the Pacific!

~~MUSIC: HIT TO B.D.~~

GABEL: It looked easy the first couple of days on Okinawa.

It looked like the war was going to be a pushover. By wireless came the reports.

SOUND: OSCILLATOR

-22-

MAN: At the end of the first day's fighting Marine casualties could be counted on the fingers of two hands. So could the total counted Japanese dead!

GABRIEL: Meanwhile at home and on the beachhead we ponder the unfathomable ways of the Japanese. We had gone in several thousand yards those first days. But a few days later progress was measured by inches and the casualties were piling up.

MAN: Overall casualties of U.S. forces now total 16,994.

MUSIC: ~~EXPLOSION~~

GABRIEL: That was thirty days after we walked in - when it looked like a pushover.

SOUND: PLANE OVER ABOVE.

GABRIEL: And oh yes - the Japanese radio had been boasting about a special attack corps - called "Kamikazei." They were brushed off too - until

SOUND: EXPLOSION

MAN: Loss of 832 on Carrier Franklin revealed!

SOUND: EXPLOSION

MAN 2: Loss of 123 on Carrier Saratoga announced!

SOUND: EXPLOSION

MAN 3: Loss of 392 on Carrier Bunker Hill admitted!

MUSIC: PUNCTUATE - TO E.O.

GABRIEL: Ever hear of Chocolate Drop Hill? Or Sugar Loaf Hill? Ask the 77th Division or the 6th Marines. On May 17th

July 11, 1945
10:05 P.M.

Secretary
Forrestal:

....yesterday in my chucking my luncheon dates around that I had invited Charlie Wilson to come in here tomorrow and I ought to go through with that. I'd be delighted, incidentally, to have you join us, we are talking this-Hap Arnold's air power league is putting on a high-pressure campaign and trying to get Charlie to back it, so out of my duty to the Navy requires that I try to finesse it a bit.

HMJr: I see.

F: And I would be delighted to have you join us - there's nothing secret about it, and your opinion would be of some use.

HMJr: Well, I don't think I'd exactly fit in on that. I really wanted a little....

F: We'd be glad to have you as -- well, hell, the Navy has got to have you as one of its advocates.

HMJr: (Laughs)

F: So we would like to have you know the case.

HMJr: Oh, you've got this thing with him - I mean you don't have to --- you know.

F: I know I'm not being -- I'm being perfectly honest about it, I'd be delighted to have you.

HMJr: Well, I tell you....

F: Or if that isn't convenient, I can come to lunch on Friday.

HMJr: Friday I've got Vinson, I wouldn't want to change him.

F: No, I think you shouldn't. Well, why don't you come tomorrow anyway, just....

HMJr: Are you in town Saturday, or are you going out of town?

F: I expect to be here Saturday. Let's see - maybe we can do it Saturday?

HMJr: How are you fixed Saturday?

F: Well, the only thing - to be perfectly honest, the only thing I do Saturday is play golf at lunch time.

- 2 -

HMJr: Well, then I wouldn't....tell you what...

F: How about coming to breakfast some morning, or my coming to breakfast with you?

HMJr: Good, or.....

F: How's about coming to breakfast Friday morning at my house? Get an early morning look at the river.

HMJr: Do you eat alone?

F: Yeah.

HMJr: What time?

F: Eight o'clock.

HMJr: What?

F: Eight.

HMJr: Eight o'clock.

F: Or I'll be there any time you say. Eight-fifteen?

HMJr: That's a novel idea. I'll come to you Friday morning for breakfast.

F: O.K.

HMJr: Don't misunderstand I think you've just got some other things to cook with Wilson.

F: No, there's nothing that we wouldn't be delighted to have you know -- I'd like to have your opinion on it, as a matter of fact.

HMJr: Well, we can talk about it Friday morning.

F: All right, Henry.

HMJr: I'll be down to your house at eight o'clock.

F: Fine.

HMJr: Thank you.

F: O.K.

July 11, 1945
10:05 A.M.

Operator: McKellar

HMJr: Hello.

Senator
McKellar: Hello.

HMJr: Senator, I need help and I don't think anybody else up there but you can give it to me.

M: What kind is that?

HMJr: Well, there is something going on about this Bretton Woods which I just don't understand. Have you got a moment?

M: Yes, sir.

HMJr: Senator Wagner has tried every way he can to get it on to the floor, see? And he told our boys yesterday there was something funny going on, and I understand that Senator Wagner wants it also, but for some reason or other Senator Barkley doesn't want it until Monday. Now the schedule is so tight...

M: Was it to come up tomorrow?

HMJr: Well, that is when I'd like it to come up. Hello?

M: Yeah.

HMJr: Because I think, you see, with the House going away there is a chance that we'll get - we'll just get sidetracked and forgotten.

M: Well, I'll tell you what I'll do - I don't know anything about it - that doesn't come before any of my committees and I don't know anything about it, but I'll find out about it and call you back.

HMJr: Well, as the President told you have one of the most influential positions there.

M: Well, I'll look into it and see.

HMJr: And I assure you I can be very appreciative.

M: All right, thank you very much.

July 11, 1945 156
12:37 P.M.

HMJr: Hello.

Senator
McKellar: Mr. Secretary.

HMJr: Yes, Senator.

M: This is McKellar.

HMJr: Yes, sir.

M: I'll tell you what -- they were all up in conference - not conference, in the hearings on the San Francisco....

HMJr: Letter...

M: And I've just been able to talk to them, and I've talked to several.

HMJr: Yes.

M: Now, they plan to take up the Bretton Woods on Monday, and they are going to dispose of that before they take up the San Francisco Charter.

HMJr: I see.

M: And Barkley says that he is convinced that the Bretton Woods conference won't take over three days.

HMJr: I see.

M: And he said that he was going to keep the Senate here to pass the Bretton Woods agreement first, and then take up the San Francisco and pass that, and there is no danger in the world -- he has already given out notices and they are obliged to take that proof this week, in the hearings in the other case, but it will be promptly taken up on next Monday. I believe that is correct.

HMJr: Well..

M: I don't think you need to have any apprehension at all that the Bretton Woods conference won't go through.

HMJr: Well, my only worry was that there might have been a little shell game there, and...

- 2 -

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N: Oh, no. I don't think there is the slightest doubt about it. I talked to him, George and Connelly.

HMJr: Yeah.

N: They said that if we took up the Bretton Woods tomorrow, we would have to postpone the hearings and they expect to get through the hearings on this this week and that next week they'll take up Bretton Woods on Monday and dispose of that before they take up the other.

HMJr: Well, that is the first time I've heard it in a clean-cut manner.

N: Well, that is what they told me.

HMJr: I believe it now.

N: Well, I'm glad - that's all right. I'm sure it will work out that way.

HMJr: Well, I'm ever so much obliged.

N: And if you hear anything else that is dissonant about it, let me know.

HMJr: I'll do that right away.

N: All right.

HMJr: Ever so much obliged.

July 11, 1945 158
12:45 P.M.

HMJr: Lux.

Mr. Luxford: Yes, Mr. Secretary.

HMJr: We had a little argument here. Would you mind telling me which one of these things you thought would come first next week? Hello?

L: The way things look now....

HMJr: Yeah - no, what did you say this morning?

L: You mean on the Charter?

HMJr: Yeah.

L: I told you this morning that it looked like the Charter would come first....

HMJr: Yeah.

L: But that isn't by any means certain.

HMJr: But that was your impression?

L: Well, that's right, but on the basis of the information now, it is pretty close to neck and neck.

HMJr: No, it's not.

L: No?

HMJr: No, my plan worked out.

L: Did it?

HMJr: It's no neck and neck.

L: Good enough.

HMJr: Bretton Woods is definitely slated Monday morning, no if, and, or buts.

L: Good enough.

HMJr: No if, and, or buts.

L: I'm glad to hear that - very much.

HMJr: Well, I just wanted to check with you as to what you thought it was.

- 2 -

L: Well, that is what I told you.
HMGJr: Yeah, but you also thought it was hopeless.
L: I never think it is hopeless.
HMGJr: Well, hopeless as far as my doing anything.
L: Yeah, I do agree to that.
HMGJr: Yeah. Well, I think I made a little contribution.
L: Well, keep your fingers crossed now.
HMGJr: No, I think on this thing - this fellow went to Connelly, Barkley, - (who else did he say) - George, Connelly and Barkley.
L: It's good enough.
HMGJr: And they all four of them agreed this same Monday morning first.
L: Good enough.
HMGJr: And would be put through.
L: Good enough.
HMGJr: And the other thing is sidetracked.
L: Good enough. That's very nice.
HMGJr: What?
L: That's very nice.
HMGJr: But I wouldn't say anything to Wagner - let him hear that himself.
L: Yeah.
HMGJr: It would be interesting to let him hear it and let him tell it to you as a great secret.
L: Yeah, I will.
HMGJr: But it was Connelly, Barkley, George and McKellar agreed that ours comes first.
L: Swell.

- 3 -

HMGJr: And something else has happened here. Fehle will talk to you when he comes down.
L: All right, sir.
HMGJr: Bye.

July 11, 1945
1:05 P.M.

HMJr: Hello.

Mr. Ted
Gamble:

Mr. Secretary?

HMJr:

Speaking.

G:

I just wanted to tell you that in my absence, Lane and Little will both be available for anything that you want them for, and I've given Pitts the story on who is in charge, so that if you want anything over here.

You're going to be in New York?

HMJr:

I'm going to be in New York tonight and tomorrow, and then I'll be back here Sunday night.

G:

How did you finagle the thing to get New York and Washington over?

HMJr:

G:

Well, it was very easy. They were within a very close margin, you see, and we have the jurisdiction over the allocation of money raised through the Armed Services when we allocate it to the various states.

I see.

HMJr:

G:

That's an arbitrary matter and we do it on the basis of the populations that they have represented in the services. We also do it on the basis of Naval establishments that they have in their states, and we do it according to a formula, but it is subject to some variations - some flexibility, so it was perfectly proper.

I see. O.K.

HMJr:

G:

All right, sir.

HMJr:

G:

Thank you.

Goodbye.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

July 11, 1945.

TO : Mr. Chas. F. Stueffer

FROM : The Translation Pool, Foreign Funds Control

In accordance with your request of July 7, 1945,

there is attached hereto a translation of an article concerning Mr. Morgenthau which was published in the "Harod" of July 6, 1945.

Ernest M. Wiener

12"

TranslationSecretary Morgenthau and Justice Roberts Have Resigned.The Secretary Is Expected to Receive an Office With the World Organization.

Washington D. C., July 8-

Secretary of the Treasury, Henry Morgenthau and Supreme Court Justice, Owen J. Roberts have announced their decisions to resign from their offices. This announcement was made by President Truman.

The President said that Morgenthau will remain in office until his return from the conference of the Big Three, which is expected to take place in July. The President was asked whether there is any truth in the unconfirmed report circulating here, that Morgenthau will be appointed American representative in the International Financial Council, created pursuant to the Bretton Woods Agreement. The President said that he could not give an answer to this question at the present time. Inasmuch as the administration of the Treasury has been very satisfactory, it is quite probable that Morgenthau will be given a very high and important office.

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22. PŘÍLOHA — 1944. 30. — STAVBY DOK.

Sekretář Morgenthau a sudí Roberts odstoupili

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lečtí Americanism
jako osvoboditel

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Pro sekretáře se očekává
úřad světové organizace

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Státy a Anglie jsou
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Japonci na Bernu
hledají skrytí

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CHICAGO TAP & LABEL CO., 515 N. Grand
Stavby DOK. KONKURAT MNOHÉ DOP. VE SVĚTĚ VÁLKY

RADAR RADIO ELECTRONIC, 1100 N. Dearborn
Stavby DOK. KONKURAT MNOHÉ DOP. VE SVĚTĚ VÁLKY

NATIONAL TRA, 4015 Northwest Highway, Irvine
Stavby DOK. KONKURAT MNOHÉ DOP. VE SVĚTĚ VÁLKY

SHERMAN REYNOLDS, 415 N. Atlantic, 300 N.
Stavby DOK. KONKURAT MNOHÉ DOP. VE SVĚTĚ VÁLKY

HEAT ENGINEERING CO., Western Springs 1945,
Stavby DOK. KONKURAT MNOHÉ DOP. VE SVĚTĚ VÁLKY

COOPER & COOPER, 1000 N. Dearborn, 1000 N. Dearborn
Stavby DOK. KONKURAT MNOHÉ DOP. VE SVĚTĚ VÁLKY

MINNEAPOLIS-SCHWYLL, 220 N. Dearborn, 220 N. Dearborn
Stavby DOK. KONKURAT MNOHÉ DOP. VE SVĚTĚ VÁLKY

BEAVER BEAUTY SALON, 220 N. Dearborn, 220 N. Dearborn
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NORTHWESTERN NATIONAL BANK, 220 N. Dearborn
Stavby DOK. KONKURAT MNOHÉ DOP. VE SVĚTĚ VÁLKY

CONGRESS HOTEL, 220 N. Dearborn, 220 N. Dearborn
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Hopkins přelí nový
význam úřad

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Z Chicaga lety
do Evropy

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22. PŘÍLOHA — 1944. 30. — STAVBY DOK.



POCAST

Nejnovejší katolické události

KNEŽ VYPRAVUJE, JAK KARMEL BYL UŠETŘEN V BOJI O LISIEUX

Řád Karmelu byl v minulosti znám především svou mystikou a duchovním životem. V současnosti se však řád vyznačuje i svou bojovou činností. V minulosti byl řád Karmelu znám především svou mystikou a duchovním životem. V současnosti se však řád vyznačuje i svou bojovou činností.

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NĚKTERÉ ZAJÍMAVOSTI O NÁBOŽENSKÉ ČINNOSTI

BISKUP YU-PIN POCTEN PŘI HOSTINĚ PŘED ODCHODEM Z WASHINGTONU

Biskup Yu-Pin byl poctěn při hostině před odchodem z Washingtonu. V minulosti byl řád Karmelu znám především svou mystikou a duchovním životem. V současnosti se však řád vyznačuje i svou bojovou činností.

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MOONLIGHT BRIGHT LAMPHILL VS. BRIGHT



POI. HONORABLE GUNTER LUTHERMAYER



WILSONIAN AN. HONOR

WILSONIAN AN. HONOR. In the past, the Wilsonian An. Honor has been a significant event in the life of the Wilsonian An. Honor.

Zatím za deset minut po úspěchu

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Are Your Savings Earning 2 1/2%?

OPEN AN ACCOUNT BY MAIL

HOME FEDERAL

166
July 11, 1945

Ted Gamble

Secretary Morgenthau

I surely want a record of last night's show for my collection, please.

167
July 11, 1945

Mr. White
Mr. Coe

Secretary Morgenthau

Will Clayton called me up last night and he wanted to know whether Glasser could be in London on the first of August. Will you please speak to me about it? I told him I thought that the whole matter was settled. Then he asked whether it was all right with me if he talked with the English about the future of their finances. I said that I thought that was up to my successor to say. He said, "No, you are still in charge." I said that he should use his own judgment because I knew he would do what he wanted to anyway.

STANDARD FORM NO. 64

WH-36976-8

Office Memorandum • UNITED STATES GOVERNMENT

DATE: July 11, 1945.

TO : Chief, Washington, D. C.

FROM : AIC Fitzgerald, Protective Research Section, The White House

SUBJECT: Preliminary report on analysis of bacon sprayed by an "Edick Anti-Virus" and analysis of the liquid itself alleged to be the Anti-Virus

CONFIDENTIAL

Preliminary report was received by telephone from Mr. John F. Williams, Chief, Division of Laboratories, Bureau of Customs, Washington, D. C., relative to chemical analysis of two sides of bacon shipped by express to "Secretary of the Treasury, U.S.A. Treasury Bldg., Washington, D. C.," by Ed. R. Mayer, Sr., of the Mayer Laboratory and Clinic, Amarillo, Texas. One of the sides of bacon was said to have been sprayed as a test with an alleged "Edick Anti-Virus" claimed to be a preventive of mold and an Anti-Virus for Polio, Measels, Mumps, Pox, Flu, etc. Chemical analysis was also made of the so-called liquid "Edick Anti-Virus" itself, 50 bottles of which were also shipped to the Secretary on June 29, 1945 for demonstration. It was suggested in a cover letter that the Secretary supervise the administering of the Anti-Virus by Army or Navy Doctors to 50 or more cases of Polio, Flu, etc., and unknown fever, and observe that the cases so treated would promptly recover.

Mr. Williams stated that the bacon was found to contain the normal elements in both slabs and that no arsenic or other metallic poison was present.

Analysis of 3 four oz. bottles of liquid alleged to contain the "Edick Anti-Virus" developed that it is a cough syrup expectorant containing menthol and peppermint oil, non alcoholic. No opium or narcotic drug was present and no arsenic or metallic poison. It contained 35% sugar, 5% protein (nitrogen) glucoside.

Mr. Williams will submit a written report on receipt of complete analysis estimated to take about two weeks time.

John F. Fitzgerald
Agent in Charge Fitzgerald

Approved:

George C. Drescher
George C. Drescher,
Supervising Agent

12"

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ASSISTANT SECRETARY OF STATE
WASHINGTON

July 11, 1945

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

Dear Henry:

This is just a note to remind you of our telephone conversation last evening about Harold Glasser. I hope you will see to it that Harold arrives in London about August 1st to assist in certain conversations with the British prior to the UNRRA Council meeting.

If agreeable to you, I will appreciate it also if you will tell Harold what you told me last night that so far as you are concerned, you are willing to leave to my discretion whether and to what extent I may discuss tentatively and informally British financial problems.

With renewed assurances of my high esteem and hoping that you and Mrs. Morgenthau will have a good summer, I remain

Sincerely yours,

Will

W. L. Clayton

July 12, 1945
9:56 A.M.

HMJr: Hello.
Mr. Sidney Hillman: Hello. Mr. Secretary, Sidney Hillman calling.
HMJr: How are you?
H: I'm very good. I'm in town and I just wanted to say hello.
HMJr: Well, that is very nice. How have things been with you?
H: Very good...exceptionally, really things are moving quite satisfactorily in the things I'm interested in.
HMJr: Well, anytime you have time, I have time.
H: Well, you know, -- would it be all right for me to drop in on you sometime today?
HMJr: Surely.
H: All right, what time would it be?
HMJr: Eleven-thirty.
H: Eleven-thirty - I'll drop in on you at 11:30.
HMJr: Be glad to see you.
H: Fine. Bye.
HMJr: Bye.

July 12, 1945
2:16 P.M.

HMJr: ...so the Senators are getting busy.
Mr. Luxford: Yeah.
HMJr: I don't know whether there is anything I can do about that, but I saw a statement that Taft was trying to postpone the thing because Byrnes didn't know anything about Bretton Woods.
L: Byrnes didn't, eh?
HMJr: No. If my memory serves me correct, in his report that he made on the third of January Byrnes recommended Bretton Woods.
L: January 3rd.
HMJr: See? That's a pretty good memory.
L: That's a perfect memory.
HMJr: And if that is true I would get that to Wagner, see?
L: Surely.
HMJr: And I think you --- well, of course, what's his name --- Byrnes and Vinson haven't expressed themselves. This is a delegate..
L: He testified.
HMJr: What?
L: Vinson testified in the House.
HMJr: Well, the other thing, I'll send back this thing to you, but the Byrnes thing - I'm almost sure it is in his annual report.
L: I will check it right away.
HMJr: Right.
L: All right, sir.

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July 12, 1945
2:26 P.M.

HMJr: Hello.
Judge Rosenman: Hello.
HMJr: Hello.
R: Yes, Henry.
HMJr: Sam, if you are free tomorrow morning, I would like to continue that discussion.
R: All right. Let's see - I have an appointment with General O'Dwyer at 10, and then I have another one at 12.
HMJr: How about eleven?
R: Eleven is all right.
HMJr: I'll look forward to seeing you.
R: All right, fine.
HMJr: Eleven o'clock.
R: Yes.
HMJr: Thank you.
R: O. K.

July 12, 1945/73
2:35 P.M.

HMJr: Hello.
Mr. Stuart Shotwell: Hello, good afternoon.
HMJr: Hello, Mr. Shotwell, good afternoon. Look, Mr. Shotwell, did Mark call you up about all of our securities?
S: Well, he called up but he was very vague about it, he didn't say anything except that you were going to call up.
HMJr: He's been in the family 50 years. For the first 40 years he was with Mr. Patman, I guess it taught him to be very secretive - or maybe he was born that way. Anyway, he is a good man. Well, the point is, we have them here in the Treasury and I want to send them up to New York, and I would like to send them up to you. It seems to me that is the sensible thing to do.
S: Yes.
HMJr: If you will agree to take care of them for me.
S: I'd be delighted to, sir.
HMJr: I don't know what the charge is, but whatever it is you let me know later on.
S: Yeah. Well, that will be all right. At least I'll -- we'll wait until Bob Lehman gets back and see what he thinks. We'll get him in on it.
HMJr: O. K.
S: All right, sir, fine. Now, you are just going to send them....
HMJr: I think we will send them up Monday. I've got a truck going up anyway with a guard on it, you see?
S: I see.
HMJr: Can those things be insured?
S: Oh, we can have them insured here at our end under our blanket policy, but I don't know about transportation by truck.
HMJr: No, I mean in transit.

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S: They can be insured if they come by registered mail.

HMJr: Well, there are so many of them.

S: I never heard of insuring them by trucks, but I don't know why not if it is a Treasury truck. I would assume that it could be, but I'll have to check that up, sir, I can't tell you off-hand.

HMJr: Well, if they came by registered mail, they'd be insured?

S: If you will tell me what day they will be sent and the approximate total value of them, I can have them insured at this end, sir, by registered mail, yes.

HMJr: Well, don't we insure them at this end?

S: Well, I mean I can have them insured under our policy.

HMJr: Oh, I see. Well, they will be going most likely Monday, I guess.

S: Yes.

HMJr: Anyway, Mrs. Klots will contact you on that.

S: All right.

HMJr: And we'll let you know. There is quite a batch of them.

S: Maybe we can insure them if they come by trucks, but I never heard of such a thing. I never had that experience of handling them that way before, and I don't know frankly whether that comes under our insurance policy, or not.

HMJr: Would you inquire?

S: I will. I will be prepared to tell Mrs. Klots when she calls.

HMJr: Thank you.

S: All right, sir.

HMJr: Bye.

July 12, 1945
3:17 P.M. 15

Mr. Cass
Canfield: Hello.

HMJr: Morgenthau.

C: Yes, this is Cass Canfield.

HMJr: Yes.

C: You got the messages I passed on to Mrs. Klots yesterday?

HMJr: That's right. Now let me just tell you where we stand.

C: Yeah.

HMJr: Either-by tomorrow Morris Ernst will have drawn up this - I can't think of any other name.

C: Yeah.

HMJr: Who will sign the contract between you - you will sign the contract for the trust fund. Hello?

C: Yeah.

HMJr: Because the trust fund will be the recipient of all monies.

C: Yeah.

HMJr: And he ought to be ready by tomorrow.

C: Fine.

HMJr: The delay has been on us trying to get time to telephone a couple of friends to go on as trustees.

C: Yeah.

HMJr: Well, I think by tonight I'll have those.

C: Fine.

HMJr: Then the other thing is - Loth will be in New York tomorrow for three or four days.

C: Oh, good.

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HMJr: And he's going to get in touch with you.

C: Well, I'll be very anxious to see him.

HMJr: And I gathered from Morris that you want to go ahead.

C: Well, I do, yes. And, as I told Mrs. Klotz yesterday, I was greatly impressed by what I read at the tremendous difference between that material, and what I read in February just before I went abroad.

HMJr: Yes.

C: And there's lots of factual material which I haven't seen anywhere else. I think that it will make a fine book.

HMJr: Good. The so-called chapters one and two "On the Road to Peace." Hello?

C: Yeah.

HMJr: That I let you have. Those are the only part that I have worked on myself.

C: Yeah. Well, I can see a difference between those and the rest of it, but even the rest of it was a lot -- very different, as I say, from what I saw.

HMJr: Well, the thought we have here now is that Loth, and I and some of my friends here are going to push this thing right through. We ought to be able to do it in a couple of weeks.

C: That's wonderful.

HMJr: Couple of weeks. Now when it gets down to things like names and that sort of thing, well, we can talk about that anytime.

C: Yeah.

HMJr: But is that enough for today?

C: I didn't quite catch what you said. I mean, what?

HMJr: When it gets down to picking a name for the book.

C: Yeah. Well, we ought to --- yes, that doesn't have to be decided finally now, but we would, within the next few days, like to give some information to our

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- 3 -

C: (cont) salesmen so they can start selling it.

HMJr: Well, I would say that if you, Morris and Loth could get together up there maybe you people would have some ideas.

C: Yeah. Well, all right. What would you think for the moment? This would just be a tentative title, of calling the book, "Germany: Problem No. 1"

HMJr: Well, it didn't hit me so well. Mrs. Klotz mentioned it. She gave me your whole message.

C: Yeah.

HMJr: It didn't hit me right.

C: We just want something to go on now. We can change it all right.

HMJr: Well, if you wouldn't mind doing it, get hold of, see if you and Loth and Morris couldn't have lunch together or something like that.

C: Yeah, all right.

HMJr: And then give me another ring.

C: Yeah.

HMJr: Will you do that?

C: All right.

HMJr: When it comes to things like titles - I mean I'll bow to you, I'm not - that is your profession.

C: Yeah.

HMJr: I'm just -- I don't know what.

C: (Laughs)

HMJr: What?

C: All right, fine.

HMJr: I'm just the author.

C: Well, that is pretty important-- thing to be.

- 4 -

HMJr: All right, but I'm awfully happy you are going to do it, and I expect to get some fun out of association with you.

C: Well, I'm very excited about it, and I think we can do a good job.

HMJr: And if I get a little time, I will come up myself.

C: Well, that's grand and I can expect Loth to probably call me tomorrow?

HMJr: Loth is going to call you tomorrow.

C: Swell.

HMJr: Yeah.

C: All right, good.

HMJr: Thank you.

C: Right.

July 12, 1945
3:55 p.m.

PRE-PRESS

Present: Mr. D. W. Bell
Mr. Gaston
Mr. O'Connell
Mr. Fussell
Mr. Shaeffer
Mr. Little
Mr. Pehle
Mrs. Klots

MR. FUSSELL: Mr. Secretary, there are going to be a lot of questions asked on the basis of stories in the paper this morning. One is going to be asked on this Lustig case by several people. We have nothing that indicates any more than what you have said before. That is two million two hundred thousand plus several hundred thousand which would bring it up in the neighborhood of between two and three million, but nowhere near five million.

MR. O'CONNELL: But it is also true that the Secretary has never mentioned Lustig's name. We have never said we had a case on Mr. Lustig.

MR. FUSSELL: You will probably be asked several questions about the Roosevelt-Hartford case, and we have given a report of progress to the Committee on the Hill. We have not reported the things in the paper this morning we were supposed to have said. I think all we want to say is that we have reported progress.

MR. O'CONNELL: We have reported progress, and the Ways and Means Committee said they were satisfied.

H.M.JR: Who went up?

MR. O'CONNELL: Norman Cann. He called me when he came back.

- 2 -

H.W.JR: And the Committee is satisfied?

MR. O'CONNELL: They are satisfied and issued a general press release yesterday which indicated that your Internal Revenue officials had indicated they were not ready and it would take a few days for us to make a definite report to the Committee. The article in the paper this morning had a lot of off-the-record statements attributed to various Congressmen which didn't jive very well with each other, and I think the less said about them would be better.

MR. FUSSELL: You will probably be asked about Bretton Woods.

MR. O'CONNELL: Taft has just finished making a long speech on the Floor of the Senate opposing Bretton Woods and suggesting that action on it be postponed and attacking both the Bank and the Fund. I just read another item on the ticker from Berkley. In answering Taft, he rather ridiculed Taft's position and indicated we were going to take Bretton Woods up on the Floor of the Senate next Monday, which is one of the most encouraging direct words we have had in some time.

H.W.JR: I may not have time to report my conversation with McKellar, who assured me of it. I asked McKellar, and he assured me yesterday.

MR. WHITE: You are not going to mention that, are you?

H.W.JR: Yes, I am going to tell them what the payoff is.

MR. WHITE: They will probably ask you about the Export-Import Bank. It is a different bill from the one that went in.

MR. O'CONNELL: They didn't go into Executive Session until two o'clock this afternoon, and the Senate Finance Committee reported the Interim Tax Bill exactly as we wanted it. They cut out an amendment which we inserted in the House, but they agreed this morning, and are reporting to the Senate a new tax bill exactly as it was introduced by Doughton.

- 3 -

MR. FUSSELL: Judge Vinson has been designated since you held your last press conference. You might be asked for comment on that.

In connection with the Seventh War Loan you might be asked how you feel about the proportion of subscriptions as to individuals and banks.

The Senate Finance Committee has approved the Reconversion Tax Bill with the exception of that railroad section. They are drafting a new one on that.

H.W.JR: What else have you got?

MR. FUSSELL: I have this flock of new cases here.

H.W.JR: Gaston, do you think I should give them some new cases?

MR. GASTON: I think it would be a good idea. That thing about the Purple Heart box is a striking thing, but they are bound to find out who it is, I should think. It is about as dirty a case as I have seen.

H.W.JR: What is this one?

MR. FUSSELL: It is the Crucible Steel Castings Company. It is a Milwaukee company.

MR. O'CONNELL: The investigation isn't quite completed yet, but it has been referred to for six weeks.

H.W.JR: Didn't we refer to that once before?

MR. O'CONNELL: No, sir.

MR. GASTON: Instead of saying he is the man who makes wooden boxes for Purple Heart Medals, I would say it is a man who makes containers for medals for war heroes. I wouldn't identify him so closely.

MR. FUSSELL: There are two there from one state, Mr. Secretary. I didn't think perhaps you would want to use more than one of them.

- 4 -

H.M.JR: No, I will just pick out this one. Is this a good one?

MR. FUSSELL: It is fair.

Now, that other material there, I think, Mr. Secretary, could be given as a very welcome contrast to these gyps. They are people who have been going right along making donations ever since the war started. Now, there is a series of cases where voluntary disclosures were given.

I wouldn't give out the Purple Heart one if you are going to change it.

MR. HELL: We haven't given out any figures on what the banks took for their savings accounts. We won't get the final report until Saturday. The figures we have will be substantially correct if you want to give them, a billion three hundred million dollars.

H.M.JR: They could subscribe up to how much?

MR. HELL: They could subscribe up to ten percent of their savings accounts or five hundred thousand, whichever was smaller. If you want to give out that total, this is a good time to give it out.

MR. SHAEFFER: Sylvia Porter is here. She would like to say hello to you after the conference.

July 12, 1945 183
4:34 P.M.

H.M.Jr: Hello.

See Henry
Wallace:

Hello, Henry.

H.M.Jr: Yeah.

W: If you are going to be free this afternoon, I thought I might drop over and gase with you a moment.

H.M.Jr: Well, Henry, I'm always free, but tomorrow afternoon would be much better.

W: Tomorrow's Friday.

H.M.Jr: Yeah, are you going to be out of town?

W: No, I'm going to be here. Let's see, I've got oh, yes, -- going over to the Ex-Im Bank, and then going over to Brookings' Institution at four where they are discussing Russia.

H.M.Jr: Are you free at three?

W: I would be at 3:30.

H.M.Jr: 3:30, Henry.

W: That be o.k.?

H.M.Jr: I'd love to see you.

W: All right, I'll be there at 3:30.

H.M.Jr: Thank you.

W: Swell.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE July 12, 1945

TO Secretary Morgenthau

FROM Charles S. Bell *CSB*

Please note the attached, which was sent to all members
of the 9:30 Staff.

C
O
P
Y185
TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE July 12, 1945

TO Members of the 9:30 Staff

FROM Charles S. Bell

Attached is an outline of suggested topics which might be covered
in arranging the twelve-year accomplishment story of Secretary Morgenthau's
administration. It is thought desirable that all material be coordinated
in one office, and Mr. Haas has already started assembling the material.

It is understood that Mr. Haas will call upon certain members of the
staff to furnish specific information and will, to an extent, use the
attached outline as a guide.

SUGGESTED TOPIC OUTLINE FOR THE STORY OF
SECRETARY MORGENTHAU'S ADMINISTRATION OF THE
TREASURY DEPARTMENT

FEDERAL FINANCING PROGRAM

A. SCOPE AND VOLUME

1. Summary paragraph giving the total picture for the years of Secretary Morgenthau's service; i.e. total borrowing, total expenditures, total receipts by classes.
2. Paragraph on the controlling policies of the period; including, steady movement toward lower interest rates, theory of war financing by taxation to the greatest possible extent, spreading the base of the debt starting with the "Baby Bonds" program in 1934.

B. TECHNIQUES OF WAR FINANCE

1. Baby Bonds become Defense Bonds then War Bonds
2. Voluntary system pursued....Secretary's opposition to any compulsory savings program
3. Origin and development of the War Finance staff
 - a. operating methods....patriotic service... advertising...volunteer aid by the citizenry, the banking community, etc.
 - b. Records of the War Loan Drives

- 2 -

INTERNAL REVENUE ADMINISTRATION

A. LEGISLATIVE ACTION

1. "Loophole" plugging of 1937
2. Elimination of Tax exemption on Federal Securities
3. Rate changes and widening of the tax base during the period...summary figures on number of returns, total receipts, etc.
4. Collection at the source
5. Simplification legislation 1943, 1944.
6. Salary Stabilization program administered by Internal Revenue

B. ORGANIZATIONAL DEVELOPMENT OF THE BUREAU

1. Total figures on the size of the Bureau during the period
2. Decentralization of the Revenue Agents and Technical Staff
3. Current drive to expand and strengthen the Bureau

INTERNATIONAL MONETARY PROBLEMS

A. STABILIZATION POLICY

1. Summary statement on the policy approach to international money problems
2. "Gold Legislation"

- 3 -

(Stabilization Policy - Continued)

3. Agreements with nations....France, England, China, Mexico, Ireland, etc.
4. Inter-American Conference results
5. Lend-Leasing of Silver
6. Technical assistance to other nations

B. PERMANENT INTERNATIONAL STABILIZATION AND BANKING MACHINERY

1. Origin and development of the Bretton Woods agreements:
 - a. early plans; b. preparations for conference;
 - c. the Conference; d. legislative action

ECONOMIC WARFARE

A. FOREIGN FUNDS CONTROL

1. Summary on the origin and development of the organization:
 - a. early committee approach; b. first licensing controls; c. control of property prior to creation of Alien Property Control; d. expansion of license system; e. census of foreign owned property; f. liberated areas program
2. "Defrosting" operation...policy pattern, etc.

- 4 -

B. CURRENCY

1. Hawaiian and North African currency
2. Allied Military currency

C. GENERAL ANILINE CASE

NATIONAL DEFENSE PROGRAMS

A. ORIGIN OF LEND-LEASE LEGISLATION

1. Treasury participation and policy direction

B. PRELIMINARY STEPS FOR OPA SETUP

1. Donald Nelson and the airplanes and machine tools

C. PROCUREMENT OF WAR MATERIALS

1. Strategic and critical materials stockpile
2. Procurement of Lend-Lease goods
3. Procurement of war relief supplies

LAW ENFORCEMENT PROGRAMS

- A. ALCOHOL CONTROL....PROHIBITION DRIVE
- B. NARCOTICS ENFORCEMENT
- C. CUSTOMS AGAINST THE SNUGLERS
- D. SECRET SERVICE "KNOW YOUR MONEY"

- 5 -

(Law Enforcement Programs - Continued)

- E. INTELLIGENCE UNIT AND THE BIG TAX EVADERS
- F. "CO-ORDINATION" OF TREASURY LAW ENFORCEMENT
- G. CURRENT TAX DRIVE

EMERGENCY RELIEF WORK

- A. PROCUREMENT OF WPA SUPPLIES
- B. ACCOUNTING FOR RELIEF EXPENDITURES

ORGANIZATIONAL DEVELOPMENTS

- A. ESTABLISHMENT OF PROCUREMENT DIVISION - E.O. 6166
- B. ESTABLISHMENT OF DIVISION OF DISBURSEMENT
- C. REORGANIZATION PLAN III

1. Fiscal Service Development

- a. Federal Accounting Improvement - E.O. 8512

WAR REFUGEE BOARD

A. SECRETARY'S PARTICIPATION

1. Contributions to Problem of handling War Criminals

SURPLUS PROPERTY DISPOSAL

- A. E.O. 9286, 9425, and the Surplus Property Act
- B. TRANSFER TO COMMERCE

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

JUL 12 1946

TO Secretary Morgenthau

FROM Mr. O'Connell

Re: Henry Lustig; Broadway and 41st Street Corporation;
624 Madison Avenue Corporation; New York, N. Y.

I have been furnished with a copy of a special agents' report recommending prosecution of Henry Lustig, E. Allan Lustig, Wallace Platt, Martin Platt, and Joseph Sobel in connection with the above two corporations. The additional taxes, penalties, and interest computed is almost \$900,000 as to these two. There are five other corporations. Reports on three of them, which will recommend an additional million dollars, should be forthcoming in the next two weeks.

The following is quoted from the report:

"It is considered that Henry Lustig, E. Allan Lustig, Wallace Platt, Joseph Sobel and Martin Platt were confident that the adopted scheme of deception and concealment was so skillfully planned and played out by each one of them that detection would be quite improbable, if not impossible. That might have been so if the Government had not learned from independent sources that currency in large denominations was traced to the taxpayers named in this case * * * *, particularly in view of the fact that most of the involved returns filed by the various corporations had already been subjected to routine field examinations by revenue agents and that such examinations failed to uncover the understatements of taxable income.

You will recall that this case originated on information furnished to the Bureau by the Department of unusual currency deposits by Lustig. If nothing else, this case aptly illustrates the advantage of the application of new methods and new techniques in tax investigations.

Joseph J. O'Connell

July 13, 1946
9:30 a.m.

GROUP

Present: Mr. D. W. Bell
Mr. Bartelt
Mr. Gaston
Mr. O'Connell
Mr. White
Mr. Blough
Mr. Fursell
Mr. Hass
Mr. C. S. Bell
Mr. Pehle
Mr. Luxford
Mrs. Klets

H.M.JR: I see that Bretton Woods is on for Monday.

MR. O'CONNELL: I think we fooled Senator Taft. He got himself in disfavor by making a very strong speech against Bretton Woods. He got Barkley to take a very strong position the other way, which was all to the good.

H.M.JR: Then I think I had better pay my debts. We will make Mr. Pehle Agent at Large.

MR. LUXFORD: Has anyone called Wagner yet? Wagner couldn't find out. Nobody would tell him whether it was on for sure for Monday.

H.M.JR: Are you being funny?

MR. LUXFORD: Yes, sir.

H.M.JR: Well, I just figured that I don't have to go into all the detail, but I think McKellar unquestionably brought this to a head. Let's go over it. I don't know whether you know the story.

- 2 -

MR. LUXFORD: As far as Wagner is concerned, he didn't know.

H.M.JR: Well, McKellar spoke to Connally, George, and Barkley.

MR. O'CONNELL: I didn't know that. I knew you had spoken to McKellar. Then I had better tell the Commissioner to send over a recommendation on that.

H.M.JR: Yes, today. When it comes over, I will give McKellar a ring. I don't think there is any question that that is what did it. I don't think it is too expensive. I don't see any sense in holding it. I think it is what did do it. Does anybody want to argue?

MR. LUXFORD: The whole atmosphere changed right at that point.

H.M.JR: Did you sense it?

MR. LUXFORD: There was a complete change, because at that point Wagner couldn't get any assurance at all. In fact, the whole story was that Bretton Woods was going in second.

H.M.JR: It shows that virtue has its own reward.

MR. O'CONNELL: I didn't want to argue about it, but there is certainly no way of assuming that Mr. McKellar had it in, and that was true from the time it went in, and all you had to have was you speaking to McKellar and the bill going on the Floor next Monday. And Mr. McKellar can understand that we claim a certain amount of credit, and I thought it would have gone on the Floor whether you spoke to McKellar or not. But the debt is there, anyhow.

H.M.JR: Well, I feel I have a debt.

There is nobody here from War Bonds.

Herbert, have you got something?

- 3 -

MR. GASTON: I can't think of anything, no.

H.M.JR: Joe, do you have anything?

MR. O'CONNELL: I can't think of anything in particular.

H.M.JR: Roy, how about you?

MR. BLOUGH: I am just back from a fine vacation, thank you.

MR. D. W. BELL: He almost got called back.

H.M.JR: Well, we might as well stop right at Roy.

Who has got a law that says I should report to Congress if and when I feel like it, and so forth?

MR. O'CONNELL: I can get it in a minute.

(Mr. O'Connell leaves the conference temporarily.)

H.M.JR: Roy, we are going to get out a report. We are in the process of getting it out immediately. I wonder if we wanted to put anything in it like this. There are going to be recommendations in it. Do you have any tax recommendations you would like to put in?

MR. BLOUGH: How far ahead do you have in mind speaking here? Is it for immediate action?

H.M.JR: For the rest of my life.

MR. BLOUGH: It very well may be. I haven't given it any thought. It just came to my attention a few minutes ago.

MR. D. W. BELL: Post-war taxes.

MR. BLOUGH: Yes. I have nothing immediate, except of a minor character, on which you would wish to waste time.

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H.M.JR: On a rather broad scale?

MR. BLOUGH: I rather think it would be, Mr. Secretary. I would like to talk it over with the others in the next few hours.

H.M.JR: Then go to work on it?

MR. BLOUGH: Oh, absolutely.

H.M.JR: I don't think there would be any harm in talking and possibly consulting with Mr. Paul, Roy.

MR. BLOUGH: All right.

H.M.JR: That might be helpful. If you don't mind telling him--tell him you are doing it at my suggestion.

MR. BLOUGH: All right, sir.

H.M.JR: Fussell, I think we got away all right with that yesterday, didn't we?

MR. FUSSELL: I think so. We didn't get any play in the Washington papers, but the ones in Baltimore used the story.

H.M.JR: My idea in getting away with it is that I get no publicity.

MR. FUSSELL: I would like to start out right now if I could with a localized plan for getting publicity in each section on the cases dealing particularly with that section. I would like to be able to follow that up by getting a little help from collectors in passing out material that we will prepare for them.

H.M.JR: It is all right with me if it is all right with O'Connell and Numan.

MR. O'CONNELL: I have mentioned it to Numan. We will have to dish something up to them all ready, but he will not use the collectors, except on the basis that we give them something to do through the collectors, but on that basis I

- 5 -

think he will without question go along on anything.

MR. FUSSELL: We have already given some material to the collectors to hand out.

MR. O'CONNELL: But I thought the first idea was to use local newspaper people to funnel stuff of interest to the people in the community and to them. That doesn't involve collectors.

MR. FUSSELL: No, but at the same time we have prepared to use four collectors.

MR. O'CONNELL: There is no trouble about things like that because we have to work through the Commission. The only thing he was reluctant about was giving collectors who know probably nothing about what goes on in their areas any kind of a free hand with respect to choosing the sort of publicity they give out. With that general proposition, I think he might have some sympathy.

H.M.JR: It is all right with me. What else do you have?

MR. FUSSELL: That is all.

I have a very nice little story from Vanderpoel I want to show you. Perhaps you will want to write a little letter.

MR. O'CONNELL: Here is the section you want: "The Secretary of the Treasury shall make report, and give information to either branch of the Legislature in person or in writing as may be required respecting all matters referred to him by the Senate or House of Representatives or which shall pertain to his office, and shall generally perform all such services relative to the finances as he shall be directed to perform."

MR. D. W. BELL: That isn't the one. The one we had in mind was the one that says he shall submit an annual report on the state of finances from time to time. It was on the annual report of the state of finance.

MR. GASTON: This gives him general power to report at any time on anything he wants to in person or in writing.

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MR. O'CONNELL: This is the one you were talking about.

MR. GASTON: That is the one I was talking about.

H.M.JR: Have you got the right statute?

MR. O'CONNELL: I have the statute that Herbert was talking about and I was talking about, but Dan was apparently referring to the one on the annual report.

H.M.JR: Is there one on the annual report?

MR. O'CONNELL: I haven't found it, but I assume there is.

MR. D. W. BELL: The one that requires you to report on the state of finances annually and at any other time.

MR. LUXFORD: I just wondered whether your political will is going to have the chapter on full employment or a section on that.

H.M.JR: This isn't my political will; this is my political coming-out party.

MR. D. W. BELL: We do have a request from Senator Wagner for a report on the Full-Employment Bill which has been kicking around. Would you like to sign that before you leave as Secretary of the Treasury?

H.M.JR: Yes.

MR. D. W. BELL: We have two versions of it, and I think we can get together today and tomorrow and get it out. This is a thirteen-page letter that has been prepared and is rather technical. It is for your signature. Mr. Luxford suggested that you merely write a short letter hitting the high spots and then enclose the letter that has been prepared in the form of a memorandum by the technicians of the Department, which appeals to me.

MR. LUXFORD: I would like to retract from that letter a little bit. I would like to see a stronger letter. If it is a political coming-out party, I think it should be a stronger letter.

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H.M.JR: Is there anything else?

MR. LUXFORD: No, sir.

H.M.JR: I am prepared Saturday and Sunday to read anything in this report as fast as you feed it to me.

MR. D. W. BELL: I doubt if you will have it by Saturday night, will you, George?

MR. HAAS: We will have a piece by Saturday night. He will get the tenor on finances. We are pretty well along on that.

H.M.JR: I am prepared to read it and send it to the printers as fast as you can feed it to me.

MR. D. W. BELL: I doubt if you should send it to the printers. I think you ought to multilith it and sign it.

H.M.JR: Luxford, what I think you should do in view of these ten silver Senators meeting is, I think that the letter which I wrote and President Truman O.K.'d to issue the silver certificates--I think a copy of that should be given to Wagner and Barkley. Have you seen it, White?

MR. WHITE: I don't remember. Yes, I did, I remember it now.

H.M.JR: Well, I personally think that Barkley, Murdock, and Wagner should all have copies of it.

MR. D. W. BELL: Murdock has a copy of the memorandum on which the letter was based. And, by the way, we have done nothing on that. We are just kind of biding our time until Bretton Woods is through. I understood you didn't want it to show up in the dailies right away. We have to re-value the silver as we put out the silver certificate, and it would immediately show up that that silver is being re-valued. That raises a question.

H.M.JR: What we told Murdock was that we could begin right away.

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MR. D. W. BELL: I think we said it would take several days before, and I think we had an understanding among ourselves afterwards that we would go slowly and not explain it publicly.

H.M.JR: Joe, I think if that letter could be addressed on the silver certificates--to whom did I address that letter?

MR. D. W. BELL: That letter was addressed to the President approving it. It is for our files.

MR. O'CONNELL: What do you want me to do?

H.M.JR: I said it should go to Barkley, Wagner, and Murdock. Each should have a copy of it.

MR. O'CONNELL: I will do that.

H.M.JR: White and you fellows get together and decide how it should be done. Are you here, Harry?

MR. WHITE: I was listening fully.

MR. O'CONNELL: I have the annual report section. "It shall be the duty of the Secretary of the Treasury annually to lay before Congress, on the first day of the regular session thereof, an accurate, combined statement of the receipts and expenditures during the last preceding fiscal year of all public moneys, including those of the Post-Office Department, designating the amount of the receipts, whenever practicable, by ports, districts, and States, and the expenditures, by each separate head of appropriation."

Now, the other provision, of course, is much more apropos.

MR. D. W. BELL: That still isn't it.

MR. HARVELT: That is a special report.

MR. O'CONNELL: Here is one: "The Secretary of the Treasury shall each year prepare and submit in his annual report to Congress estimates of the public revenue and the public expenditures for the fiscal year current, and also for the fiscal year next ensuing at the time said report

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is submitted, together with a statement of the receipts and expenditures of the Government for the preceding completed fiscal year."

Here is another one: "The Secretary of the Treasury shall lay before Congress at the commencement of each regular session"--there are probably sixteen others in here.

MR. D. W. BELL: I will have that for you before lunch time.

H.M.JR: I was pleased that I remembered that Byrnes said he was ready for Bretton Woods.

MR. O'CONNELL: It is too bad that Barkley didn't know in answering Taft that Vinson was the Vice Chairman of the delegation.

MR. WHITE: Tobey did. Tobey took him to task on that point.

H.M.JR: Was it public on the Floor?

MR. WHITE: On the Floor Senator Taft said that it ought to be postponed and the new Secretary given an opportunity to become acquainted with Bretton Woods legislation. Senator Tobey answered him and said that it didn't matter how much the Senator understood, but that it was the Secretary of the Treasury's business, and he reminded him of Vinson's role in the Bretton Woods proposal.

MR. LURFORD: Mr. Secretary, there is one other point. We got word yesterday that Crowley has apparently been kicking up the traces on the Export-Import Bank in the management of that bank. I got word last night that that was reported out to the House Committee, and in some respects it conflicts with the Council we were working on.

MR. D. W. BELL: I don't think it is the same Council. I saw Burgess yesterday, and he said that the Council in control of the organization would be more or less in charge of this.

MR. WHITE: When did you hear that?

- 10 -

MR. D. W. BELL: At lunch yesterday.

MR. WHITE: I don't know definitely, but yesterday afternoon I heard about it. I think you ought to take some measures on it or call Vinson on it. From what we heard, they are bailing the thing all up.

MR. O'CONNELL: Maybe we can find out the facts this morning.

H.M.JR: Here is what the paper says: "The bill revises the bank's administrative setup, dropping the Secretary of Commerce and Secretary of Treasury, among others, from the board of directors."

MR. WHITE: That isn't all; there is something else. The Bretton Woods Council was supposed to have had advisory authority over the Export-Import Bank. Now, the bill is substituting some other advisory--

H.M.JR: Well, Harry, will you get me something before one o'clock?

MR. WHITE: I think that will be too late. Has the report come out?

MR. LUXFORD: I understand they voted it out eighteen to two last night.

MR. D. W. BELL: It has to go to conference, anyhow.

MR. O'CONNELL: It hadn't even been at the Senate yesterday.

MR. LUXFORD: It isn't too late, but I should think Vinson was right in on the middle of that deal.

H.M.JR: Could anything happen between now and one o'clock?

MR. O'CONNELL: No, nothing that we could stop.

H.M.JR: Then will you give me a memorandum?

- 11 -

MR. WHITE: I will find out if I can what has been done.

MR. BARTELT: Mr. Secretary, the only thing that I have is that arrangements have been completed with the Federal Reserve Bank of New York to turn over the balance of those ten million dollars of yellow seal dollars to the Chinese representative, and Chi was told to contact the Bank.

MR. D. W. BELL: By the way, did anybody tell you that two hundred thousand of that was lost on the first shipment?

H.M.JR: Yes.

MR. D. W. BELL: General Richards called me this morning and asked me if this arrangement had been made. He said he had heard rumors, and he questioned the advisability of circulating yellow seal dollars over in China. He wondered how that would interfere with the Army's program over there. They sell other kinds of currency. I told him that they would circulate side by side with other currency there. But he wondered if Doctor Kung would sell yellow seal dollars and then turn the yuan over to us.

H.M.JR: Wasn't the Army informed?

MR. D. W. BELL: I don't recall that we informed them.

H.M.JR: Well, every time they see one of those yellow seals they say, "There goes a Kung dollar."

MR. WHITE: The first time we wanted to recommend that there be a different arrangement which the Army would be in on in granting the dollars.

H.M.JR: Well, it is dollars over the dam, so what the heck! It is done!

MR. BAAS: I have nothing, Mr. Secretary.

H.M.JR: George, if there are any reports of the War Manpower Commission, weekly or monthly, showing what the unemployment situation is, would you find out what they get out?

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MR. HAAS: Yes, we have gotten into that.

H.M.JR: Have you got private citizens?

MR. HAAS: Yes, we have.

H.M.JR: Would you see what they have and bring it in?

MR. HAAS: Yes, sir. They have a weekly bulletin; they keep changing it.

Do you know what you were doing five years ago today?

H.M.JR: No.

MR. HAAS: You were trying to get Allison engines up to Curtiss-Wright. I happened to know because I moved into a house and you were calling me on the telephone. I remember that day very distinctly. It is hard to realize that five years have gone by.

MR. D. W. BELL: A lot of dollars have gone over the dam, too, since then.

H.M.JR: I had breakfast with Jimmy Forrestal this morning. He said, "Well, as we say in Wall Street, we are getting the top of the market."

MR. FENLE: I have nothing, Mr. Secretary.

MR. WHITE: The French arrangement is practically finished. We are going to send it off today.

MR. D. W. BELL: By the way, General Richards was in last night. He has told the story to the Sub-Committee on Appropriations of the House. They like it, and they will defend it on the Floor if it comes out. He is going to see Cannon, the Chairman, and Senator McKellar, the Chairman of the Senate Appropriations Committee, this morning. He has seen the General Accounting Office and has received the Comptroller General's approval. He is also going to the Budget this morning to tell them the story so that everybody will know about it that can possibly object when the thing comes out.

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H.M.JR: When will it come out?

MR. WHITE: I don't know.

H.M.JR: Do you have anything else, Harry?

MR. WHITE: No.

H.M.JR: Dan, do you have anything?

MR. D. W. BELL: On June 23 you signed a letter to the President asking him to approve issuance of notes to the Foreign Service Retirement Disability Fund. They have lost that letter at the White House and have asked you to sign two duplicates. (Hands Secretary two letters to the President dated June 23, 1946, which the Secretary signs.)

(Secretary holds a telephone conversation with Mr. Gamble.)

H.M.JR: If you fellows will take care of Mr. Hale and let me know, I will call up Senator McKellar; and as rapidly as you give me the report, I will work on it.

MR. D. W. BELL: Well, George can give you this preliminary draft. I don't know whether he has gone over it.

MR. HAAS: It was a little different type of document. It has to be changed quite a little.

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JUL 12 1945

Dear Ed,

Thank you for your letter of July 5, and for your generous comment on my contribution to the work of the War Refugee Board.

It is my understanding that it is unnecessary to take any formal action by way of resignation from the War Refugee Board. The Executive Order of January 22, 1944, establishing the Board, named as members the Secretary of State, the Secretary of the Treasury, and the Secretary of War. The persons holding such positions automatically are members of the Board so long as they continue to serve in such positions, and upon a successor being named the successor automatically becomes a member of the Board.

It has been a great pleasure for me to work with you on this task and I personally appreciate very much your fine support and cooperation.

Most sincerely,

(Signed) Henry

The Honorable
Edward R. Stettinius, Jr.
The White House

JWP:lhk 7-10-45

THE WHITE HOUSE
WASHINGTON

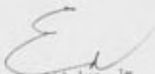
July 5, 1945

Dear Henry,

On June 27th the President accepted my resignation as Secretary of State, and I now wish to lay before you and the Secretary of War my resignation as a member of the War Refugee Board. It has been a privilege to have been associated with you in this most important work and I feel that the Board, largely through your efforts, has played a most important role in assisting these unfortunate persons.

With kindest regards,

Sincerely yours,


E. A. Stettinius, Jr.

The Honorable

Henry Morgenthau, Jr.

Secretary of the Treasury

206
Mr. Calt.
Please prepare
reply.

HOLD FOR RELEASE

HOLD FOR RELEASE

HOLD FOR RELEASE

2820

January 22, 1944

CAUTION: The following MUST BE HELD IN CONFIDENCE until released.

NOTE: Release is for ALL REGULAR EDITIONS of MORNING NEWSPAPERS of Sunday, January twenty-third, 1944.

Release by radio commentators, newscasters, etc., NOT EARLIER THAN 9:00 P.M., E.W.T., Saturday, January 22, 1944.

STEPHEN EARLY
Secretary to the President

The President today, by Executive Order, set up a War Refugee Board consisting of the Secretary of State, the Secretary of the Treasury and the Secretary of War, to take action for the immediate rescue from the Nazis of as many as possible of the persecuted minorities of Europe -- racial, religious or political -- all civilian victims of enemy savagery.

The Executive Order declares that "it is the policy of this Government to take all measures within its power to rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war".

The Board is charged with direct responsibility to the President in seeing that the announced policy is carried out. The President indicated that while he would look directly to the Board for the successful execution of this policy, the Board, of course, would cooperate fully with the Intergovernmental Committee, the United Nations Relief and Rehabilitation Administration, and other interested international organizations.

The President stated that he expected to obtain the cooperation of all members of the United Nations and other foreign governments in carrying out this difficult but important task. He stated that the existing facilities of the State, Treasury and War Departments would be employed to aid Axis victims to the fullest extent possible. He stressed that it was urgent that action be taken at once to forestall the plan of the Nazis to exterminate all the Jews and other persecuted minorities in Europe.

It will be the duty of a full-time Executive Director of the Board to arrange for the prompt execution of the plans and programs developed and the measures inaugurated by the Board.

The Executive Order follows:

(OVER)

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- 3 -

range for the prompt execution of the plans and programs developed and the measures inaugurated by the Board, to supervise the activities of the special attaches and to submit frequent reports to the Board on the steps taken for the rescue and relief of war refugees.

6. The Board shall be directly responsible to the President in carrying out the policy of this Government, as stated in the Preamble, and the Board shall report to him at frequent intervals concerning the steps taken for the rescue and relief of war refugees and shall make such recommendations as the Board may deem appropriate for further action to overcome any difficulties encountered in the rescue and relief of war refugees.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

January 22, 1944.

EXECUTIVE ORDER

ESTABLISHING A WAR REFUGEE BOARD

WHEREAS it is the policy of this Government to take all measures within its power to rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war;

NOW, THEREFORE, by virtue of the authority vested in me by the Constitution and the statutes of the United States, as President of the United States and as Commander in Chief of the Army and Navy, and in order to effectuate with all possible speed the rescue and relief of such victims of enemy oppression, it is hereby ordered as follows:

1. There is established in the Executive Office of the President a War Refugee Board (hereinafter referred to as the Board). The Board shall consist of the Secretary of State, the Secretary of the Treasury and the Secretary of War. The Board may request the heads of other agencies or departments to participate in its deliberations whenever matters specially affecting such agencies or departments are under consideration.
2. The Board shall be charged with the responsibility for seeing that the policy of the Government, as stated in the Preamble, is carried out. The functions of the Board shall include without limitation the development of plans and programs and the inauguration of effective measures for (a) the rescue, transportation, maintenance and relief of the victims of enemy oppression, and (b) the establishment of havens of temporary refuge for such victims. To this end the Board, through appropriate channels, shall take the necessary steps to enlist the cooperation of foreign governments and obtain their participation in the execution of such plans and programs.
3. It shall be the duty of the State, Treasury and War Departments, within their respective spheres, to execute at the request of the Board, the plans and programs so developed and the measures so inaugurated. It shall be the duty of the heads of all agencies and departments to supply or obtain for the Board such information and to extend to the Board such supplies, shipping and other specified assistance and facilities as the Board may require in carrying out the provisions of this Order. The State Department shall appoint special attaches with diplomatic status, on the recommendation of the Board, to be stationed abroad in places where it is likely that assistance can be rendered to war refugees, the duties and responsibilities of such attaches to be defined by the Board in consultation with the State Department.
4. The Board and the State, Treasury and War Departments are authorized to accept the services or contributions of any private persons, private organizations, State agencies, or agencies of foreign governments in carrying out the purposes of this Order. The Board shall cooperate with all existing and future international organizations concerned with the problems of refugee rescue, maintenance, transportation, relief, rehabilitation, and resettlement.
5. To the extent possible the Board shall utilize the personnel, supplies, facilities and services of the State, Treasury and War Departments. In addition the Board, within the limits of funds which may be made available, may employ necessary personnel without regard for the Civil Service laws and regulations and the Classification Act of 1923, as amended, and make provisions for supplies, facilities and services necessary to discharge its responsibilities. The Board shall appoint an Executive Director who shall serve as its principal executive officer. It shall be the duty of the Executive Director to ar-

12"

John W. Pehle

Secretary Morgenthau

(Signed) H. Morgenthau, Jr.

July 12, 1945

Under date of May 15th I requested you to assume, as an Assistant to the Secretary, a series of special assignments under me, and in order to assure your full time on these assignments I assigned the supervision of the Procurement Division to Charles Bell, my Administrative Assistant, until further notice.

My resignation from the Treasury Department, dated July 5, 1945, to take effect in the near future, brings to a conclusion the tasks which you have been working on for me. I am, therefore, issuing Treasury Department Order No. 61 returning the supervision of the Procurement Division to you with the request that the reorganization which was commenced by you in April, 1945, and carried on by Mr. Bell, be continued under your supervision.

CSB/mhg
7-12-45

DEAR Mr. Aldrich:

When we last talked I said that after our report of the investigation of the French branches of the Chase was completed, I would get in touch with you.

The report is now completed. If one of your representatives will call upon Mr. Frank Cox, Director of Monetary Research, he will, in accordance with my instructions, inform you of the findings of the investigation.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Mr. Winthrop Aldrich, President,
Chase National Bank,
New York City, New York.

FC:rl 7/3/45

JUL 12 1945

My dear Mr. Secretary:

I am enclosing for your information a copy of a letter which I am sending to the Secretary of War regarding a settlement which we have reached with China on U. S. Army expenditures in China during the last quarter of 1944.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

The Honorable,

The Secretary of State.

HMP/efs 7/5/45

My dear Mr. Secretary:

I am pleased to inform you that we have reached an agreement with Mr. Kung in respect to the settlement of U. S. Army obligations in China for the fourth quarter of 1944. I am attaching a copy of my letter to Mr. Kung of June 27, 1945 which sets forth the terms of our agreement, together with a copy of his reply thereto.

I would like to take this occasion to express my appreciation for the assistance we received from General Richards and the members of his staff throughout these negotiations with the Chinese. The cooperation and support which we received from General Richards considerably facilitated these difficult negotiations.

We have already taken the preliminary steps to begin the negotiations for a settlement for U. S. Army obligations in China for the first quarter of 1945.

Sincerely yours,

The Honorable,

The Secretary of War.

HMP/efs 7/5/45

12"

213
27 JUNE 1945

Dear Dr. Kung:

I am informing the War Department that we have successfully terminated the negotiations with respect to U. S. Army yuan obligations in China for the last quarter of 1944. The terms of the settlement of these negotiations as agreed upon at our conference on last Friday afternoon, June 22, are as follows:

1. The War Department shall transfer to the account of the National Government of China or the account of such agency of the National Government of China as the National Government of China designates a sum of forty-five million U. S. dollars (US\$45 million) in settlement for all U. S. Army obligations in China for the period October 1, 1941, to December 31, 1944, amounting to the sum of eight billion forty-two million eight hundred ten thousand five hundred sixty-three Chinese National dollars (CN\$8,042,810,563).
2. This settlement does not include any yuan expended by the Government of the Republic of China for board and lodging of American armed forces in China. Such sums will be credited to the National Government of China as reciprocal aid under Article VI of the Mutual Aid Agreement of June 2, 1942 at the request of the National Government of China.
3. It is understood that counterclaims may be made by the U. S. Treasury for reimbursement in U. S. dollars for expenditures by the U. S. Army on behalf of China for which deductions were not made at the time of settlement. Reimbursements for such counterclaims will be made by China at rates corresponding to the rates of settlement covering the periods of time during which the expenditures were actually made.

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I am pleased to express to you at this time my appreciation for the fine spirit of cooperation you have always shown in your relations with the Treasury. I am sure that you will continue to do all possible to strengthen the bonds of friendship between our two countries.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Honorable H. H. Kung,
Room 4201,
Waldorf-Astoria Hotel,
New York, New York.

12"

EXECUTIVE YUAN
NATIONAL GOVERNMENT OF CHINA

June 28, 1945

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

Dear Mr. Secretary:

I am in receipt of your letter of June 27, 1945 in which you stated that you were informing the War Department of the successful termination of the negotiations with respect to U. S. Army yuan obligations in China for the last quarter of 1944. The terms of the settlement of these negotiations as agreed upon at our conference on last Friday afternoon, June 22, are as follows:

- "1. The War Department shall transfer to the account of the National Government of China or the account of such agency of the National Government of China as the National Government of China designates a sum of forty-five million U. S. dollars (US\$45 million) in settlement for all U. S. Army obligations in China for the period October 1, 1944 to December 31, 1944 amounting to the sum of eight billion forty-two million eight hundred ten thousand five hundred sixty-three Chinese National dollars (CN\$8,042,510,563).
- "2. This settlement does not include any yuan expended by the Government of the Republic of China for board and lodging of American armed forces in China. Such sums will be credited to the National Government of China as reciprocal aid under Article VI of the Mutual Aid Agreement of June 2, 1942 at the request of the National Government of China.
- "3. It is understood that counterclaims may be made by the U. S. Treasury for reimbursement in U. S. dollars for expenditures by the U. S. Army on behalf of China for which deductions were not made at the time of settlement. Reimbursements for such counterclaims will be made by China at rates corresponding to the rates of settlement covering the periods of time during which the expenditures were actually made."

With reference to paragraph 2, you will recall that in our last settlement I had the pleasure to undertake for my

Page: 2
To: Honorable Henry
Morgenthau, Jr.

government to provide for this item as mutual aid, and I am glad to be able to include a like provision in respect of the period October 1, 1944 to December 31, 1944. You will of course appreciate that after this date, and as to the future, with the number of American troops increasing considerably and likely to become very much greater and the lack of supplies needed by American troops, I am not in a position to commit the Chinese Government to a continuation of this arrangement.

I wish to take this opportunity to express to you my appreciation for your close cooperation in the difficult years of the war and feel confident that you will continue your splendid work of promoting and strengthening the friendship between our two countries.

Yours sincerely,

/s/ H. H. Kung

H. H. Kung

12"

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JUL 12 1945

My dear Mr. Secretary:

Enclosed is a copy of a letter which I have sent to Senator Reed, Chairman of the Special Committee Investigating the National Defense Program, containing my comments on the Committee's proposed report on Investigations Overseas.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Honorable James F. Byrnes,
Secretary of State.

Enclosure.

HFM:jls 7/4/45

July 13, 1945 218
11:35 A.M.

HMJr: Hello.
Mr. Fred Vinson: Hello.
HMJr: Fred?
V: Yeah.
HMJr: Henry talking.
V: Yes, sir.
HMJr: Fred, Judge Samuel I. Rosenman is here at my desk with me.
V: I see.
HMJr: I think you know who he is.
V: Let me see, he's the young man who has been around.
HMJr: He's been around.
V: For a while.
HMJr: That's right. Well, he and I have been going over something that affects you and me, see?
V: I see.
HMJr: And I suggested that before he do anything about it, he show all the papers to you to be sure that everything contained therein is -- that you like it. See?
V: I see.
HMJr: So if it is agreeable to you, he'd like to come back to the White House right now and show it to you.
V: All right, Henry, I'll be glad to see him.
HMJr: O. K.
V: And I'm due over there at one?
HMJr: One o'clock.
V: All right, fellow.

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HMJr: But he is going to show you and tell you about it.
V: I see. Well, I'll be glad to see whatever you want me to see.
HMJr: Righto.
V: All right.
HMJr: Thank you.

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220
July 13, 1945
12:26 P.M.

HMJr: Hello.
Judge Sam Rosenman: Henry.
HMJr: Yes.
R: I want to read this thing to you.
HMJr: You want to tell me first what happened when you saw Fred.
R: Well, he thought it was wonderful. And he said - about the other thing - he's going to talk to you about it at lunch. He was afraid that if his name was included in the recommendation, it would look as though -- it would give more of an idea that it was some sort of a deal he had made.
HMJr: Well, that doesn't sound right to me. Why was he afraid that you mention his name?
R: Well, just that. That he would think - it was as though he had talked with you about it. Then at the end he said, "Now I would like to handle this second thing my own way."
HMJr: I'd like to know what he means by that.
R: He said, "I would like to help, and I would like to do it my own way and not this way that you suggest."
HMJr: Well, in other words, he doesn't want to O.K. it - that is what it amounts to.
R: He doesn't want me to say that I've shown it to Fred and it is O.K.
HMJr: He doesn't want you to say that you have shown the whole thing to the President?
R: Oh, no -- well, I didn't ask him about the other thing. The only thing I wanted his O.K. on was this third one.
HMJr: Oh.
R: The other one I don't think we need any O.K. from him on that.
HMJr: Is he going to raise the question about that letter from the President to me?

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R: Raise it with you?
HMJr: Yes.
R: I don't know, but I think you ought to bring it up in some way, and then hear it from his own lips.
HMJr: Did you put it to him as your own idea?
R: Yes, sir. And I'm sending it over as my own suggestion.
HMJr: And he wouldn't let you say, "and I showed it to Vinson."
R: Well, I didn't ask him that. He didn't want me to say "I showed it to Vinson and he joins in the recommendation."
HMJr: Yeah, well, it is another straw in the wind.
R: I don't think so, Henry.
HMJr: Yeah.
R: I think he is very friendly.
HMJr: Well, up to the point, eh?
R: Well, let me read this to you.
HMJr: All right.
R: First, would be* as per your instructions I have spoken with Henry Morgenthau and he has been perfectly splendid in the whole matter. I suggest the following exchange of cables, which he has approved, be released at the White House as soon as you approve,*and then will come the two cables.
HMJr: Yeah.
R: Then, * the foregoing two cables are to be exchanged without any strings or conditions of any kind. Henry wants me to make that perfectly clear to you. However without having made any promises or representations of any kind, on my own initiative and with the idea that you would want to do something substantial after 12 years of fine service in the Treasury, I am suggesting the following cable to Henry, which is not to be made public. You will note that the publicity involved in the following

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R: (cont) cable would come at the time when Bretton Woods legislation is signed, and that it would apply to the governorship of the fund and bank. I repeat that this cable is in no way to be treated as a part of the foregoing exchange of two cables, and that Henry wants to make it perfectly clear that it is not to be considered as in any way. If you do approve then, of course, the foregoing two cables are to be released anyway.

HMJr: Yes. The only suggestion - I think you protested a little bit too much. What? You say in the beginning there there are no strings or conditions.

R: Yes.

HMJr: And I don't think you've got to bring in the quo there at the end.

R: I see.

HMJr: I mean I think you overdo it a little bit.

R: I see. Well, I wanted to make it perfectly clear.

HMJr: Well, you do when you say there are no conditions, no strings.

R: All right.

HMJr: Don't you think so?

R: Well,

HMJr: You can't say anymore than that..there are no conditions and no strings attached to it.

R: And I say - I repeat this cable is in no way to be treated as a part of the foregoing exchange of two cables and that Henry wants to make it perfectly clear.

HMJr: Now, that is the part - I think you are putting it on a little too thick there.

R: I see. All right.

HMJr: But if in this thing you could get in an extra sentence that if he decided to do this thing, it would be pleasing to me.

R: Yes.

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HMJr: Would you say that or do you think that is a mistake? I don't think so, on second thought.

R: Well, I agree with you. I think it is better to be left out.

HMJr: No, on second thought, no - then I'm asking for it, no. leave it off. But I think that last part - I don't know just where that starts, Sam.

R: "I repeat that this cable is in no way"

HMJr: Yeah, from there on - where you say, "I repeat..." If you don't mind, I think I would leave it off.

R: All right.

HMJr: Then how would it read without that?

R: "That would come at a time when the Bretton Woods legislation is signed, and that would apply only to the governorship of the fund and the bank. Then I repeat that this cable is in no way to be treated as a part of the foregoing exchange of two cables, and that Henry wants to make it perfectly clear that he is not to be considered, and if you do not approve the foregoing two cables are to be released anyway."

HMJr: If you don't mind - where you started, "I repeat..." I think it is repetition.

R: Yeah, but I want to make --- well, that could go out. Then it would be "the foregoing two cables to be exchanged without any strings or conditions of any kind and he wants me to make that perfectly clear to you. However without having made any promises or representations of any kind on my own initiative with the idea that you would want to do something substantial after 12 years of fine service, I am suggesting the following cable to Henry, which is not to be made public."

HMJr: Yeah.

R: "You will note that the publicity involved in the following cable would come at the time when the Bretton Woods legislation is signed and that it would apply to the governorship of the fund and the bank." Then I think I ought to leave that last sentence in. "If you do not approve, then, of course, the foregoing two cables are to be released anyway."

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HMJr: That's right.
R: Yes.
HMJr: That's right.
R: Is that all right? Any other suggestions?
HMJr: None.
R: O.K.
HMJr: But I'm bothered about Vinson.
R: I don't think you should be. Maybe I should hold this up until after you have had your lunch with him, it wouldn't make any difference you know. It wouldn't get there probably ---
HMJr: It is six hours later there now anyway.
R: About five o'clock there now anyway.
HMJr: Yeah, I'd hold it.
R: O. K.
HMJr: Yeah.
R: All right.
HMJr: Thank you.
R: All right. Call me, will you?
HMJr: I'll certainly call you. Thank you very much.
R: All right.

July 13, 1945
2:26 P.M.

225

HMJr: Hello.
Judge Sam Rosenman: Hello.
HMJr: Sam, Henry talking.
R: Yeah.
HMJr: Fred gave me his explanation why he didn't want to do it.
R: Yes.
HMJr: And that's his business, so I think we will just go ahead without it.
R: Henry, I wanted to add this. I've just been writing out in long hand, "to do this would be analogous to the Stettinius case, and I personally believe would be mutually helpful." What do you think?
HMJr: Well, I just - do you mind trying to sell it to me?
R: Well, it was along the lines of what he said, you know, that he wanted you to go out the way Stettinius did, and by helpful, I really mean that you would be helpful to him. I really believe that. You know what I mean, personal reaction, etc.
HMJr: Well, I just don't know, Sam.
R: Well, then, let me do it on my own.
HMJr: That's all right.
R: I think it will be helpful.
HMJr: Well, I'll leave that to you.
R: O. K. Did Fred indicate to you what he did to me that he wanted to do something some other way.
HMJr: Not particularly, no. He said he was very vague, and no, I don't know..... he seemed to be worried that the President might think that there was co-clusion between us, you know.
R: Yes. That is what he told me. He didn't use that word.
HMJr: No, but a deal I think...

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R: A deal - that is the word he used.
HMJr: Well, they are synonymous, aren't they?
R: Yes, (Laughs) they are.
HMJr: What?
R: They are.
HMJr: And - but what he had to do in the other way,
I don't know.
R: Well, all right.
HMJr: It is all very interesting to see these people
react, and see how they react.
R: Well, let me do it on my own then.
HMJr: O. K.
R: Fine.
HMJr: I thank you.
R: O.K., boy.
HMJr: Bye.
R: Bye.

July 13, 1945
3:23 P.M.

227

HMJr: Yes.

Mr. Harry
White:

I've got these French documents relating to the
adjustments that have to have your approval today.
If we don't get it today, then it will postpone
by a month what the soldiers can get.

HMJr: Oh, Michel,

W: That's right - one month's pay.

HMJr: Oui, oui.

W: All right, and the reason I'm calling now is
because I'm supposed to be up
to discuss those silver amendments with Joe at
four so it will have to be within the next ten
or fifteen minutes.

HMJr: Well, why don't you come in now?

W: O. K. I'll come in with some of the boys.

HMJr: You had better bring Russell so -- it there going
to be publicity?W: There will be subsequently, yes. It won't be
clearly decided, but it will be Monday, Tuesday
or Wednesday, I don't know when.

HMJr: They'll probably have to be - don't wait too long.

W: O. K. (Laughs) Right. I'll come around.

July 13, 1945
4:55 P.M.

228

HMJr: Hello.

Senator McKellar: Hello, Mr. Secretary.

HMJr: Senator?

M: Yes, sir.

HMJr: I thought you'd like to know that we are appointing Mr. Hale to that position.

M: Well, that is grand. Thank you so much.

HMJr: And I thought you might like to tell him yourself.

M: I certainly will. I'll call him right away.

HMJr: To show you how wet the ink is, the papers have not yet arrived here but are on the way over from Internal Revenue.

M: Well, that's grand. Thank you so much.

HMJr: Not at all.

M: All right, I appreciate it more than I can say.

HMJr: Well....

12"

July 13, 1945

Secretary Morgenthau

Mr. White

It is our understanding that the bill on the Export-Import Bank which was voted out of the Banking and Currency Committee of the House yesterday afternoon made the following important alterations compared with an earlier version:

1. The Board of Trustees of the Export-Import Bank provided for in the bill now includes five members named by the President and approved by the Senate--not more than three of which can be members of one political party. The head of the FEA is designated Chairman of the Board. The Secretary of State is the only other person named as member of the Board. (Congressman Spence told me that the Secretary of State was included at the last moment because Dean Acheson made a fight for such inclusion.)

2. In addition to the above Board, there is created an Advisory Board consisting of the same members as make up the Bretton Woods Council, i.e., the Secretary of State, Secretary of the Treasury, Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Trustees of the Export-Import Bank.

When this Council meets as the Bretton Woods Council, the Secretary of the Treasury is the Chairman. When, however, the same group of individuals meet as the Advisory Council to the Export-Import Bank, the Chairman of the Board of Trustees, namely the head of FEA, acts as Chairman.

HMM:ims

July 13, 1945

My dear Mr. President:

When I wrote to you on July 5th, submitting my resignation as Secretary of the Treasury, I agreed, at your request, to remain in office until your return from Europe.

I have been giving further thought to this matter, and now take the liberty of suggesting that you may wish to reconsider this arrangement. Since you have now made your decision as to my successor, it seems to me that the delay we contemplated is no longer necessary but, on the contrary, may prove a handicap to Judge Vinson for whom I have the highest admiration. It is my earnest desire to be of every assistance to him in taking over the great responsibilities of this office.

Such matters as the continuation of war financing, the tax enforcement drive, revenue legislation, and many other Treasury problems call for prompt decisions. My successor should be given the opportunity to make these decisions, since it will become his duty to carry them out.

These considerations are given added weight by the possibility of a recess of the Senate, which would delay Judge Vinson's confirmation.

Accordingly, I urge that you appoint my successor at your earliest convenience, and make my resignation effective upon his appointment and qualification.

Sincerely yours,

[Signed] Henry Morgenthau, Jr.

The President,

The White House.

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7/13/45

Excellency:

I recently received, from Mr. McKittrick of the Bank for International Settlements, a letter, dated May 2, 1945, and a copy of a letter of the same date which Mr. McKittrick sent to the British Chancellor of the Exchequer.

I do not contemplate answering the letter addressed to me. Since you likewise participated in the United Nations Monetary and Financial Conference, which unanimously recommended the liquidation of the Bank for International Settlements at the earliest possible moment, I am sending herewith copies of these letters to you for your information.

Very sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

His Excellency,
Mr. Carlos Sanz de Santamaría,
Minister of Finance,
The Republic of Colombia,
Bogota, Colombia.

RRShwartz:gb 7/5/45

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JUL 18 1945

My dear Senator:

I want to thank you for your letter of July 9 regarding reports of loans made to Mr. Elliott Roosevelt. You may be assured that the Department welcomes any credible information bearing on the tax status of any individual. As you have previously been advised, the Department is proceeding intensively with this investigation, the results of which will be presented to the Committee of the Ways and Means of the House of Representatives.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Honorable Raymond A. Willis
United States Senate
Washington, D. C.

TJL/hkw

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July 13, 1945

Dear Mr. Latta:

I understand that request has been made for submission of duplicates of the letter transmitted to the White House on June 23, 1945, as the first ones were mislaid. I am glad to transmit such duplicates herewith.

Sincerely,

for D. W. Bell

Mr. Maurice Latta
The White House

HLE

JUN 23 1945

My dear Mr. President:

Under Section 18 of the Act approved May 24, 1924 (43 Stat. 144), establishing the Foreign Service Retirement and Disability Fund, deductions from the salary, pay or compensation of employees entitled to the benefits of the Act shall, in effect, bear interest at the rate of 4% per annum. In pursuance to recommendations of the Acting Secretary of the Treasury, approved by President Coolidge under date of August 6, 1927, such portion of the fund not needed for immediate payments is invested in special 4% obligations of the United States.

Section 3 of the Act of April 24, 1939 (Public Law 40, 76th Congress), amended the Act of May 24, 1924 (43 Stat. 144), by providing that any Foreign Service Officer may, at his option and under such regulations as may be prescribed by the President, deposit additional sums to be returned, at the date of his retirement, in a lump sum, or to be used to purchase additional annuities. These additional deposits bear interest at the rate of 3% per annum, compounded on June 30 of each year.

On May 28, 1945 the amount of \$6,000, representing additional deposits not needed for immediate payments, became available for investment for account of the Foreign

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Service Retirement and Disability Fund. In order that there might be no loss of interest to the fund, this amount was invested in special series of Treasury notes, maturing June 30, 1949 and bearing interest at the rate of 3½ per annum, which corresponds to the earning requirements of the Act. It is anticipated that from time to time as additional funds become available, investments will be made in similar Treasury issues for the purpose outlined above.

Since the Second Liberty Bond Act provides that notes may be issued only with the approval of the President, I trust that the method of investment which became effective May 26, 1945 in connection with the amount of \$6,000, meets with your approval.

Faithfully,

(Signed) H. Morgenthau, Jr.

The President

The White House

Approved:

WTH:nlb 7-12-45

swB

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JUL 13 1945

Excellency:

I recently received, from Mr. McKittrick of the Bank for International Settlements, a letter, dated May 2, 1945, and a copy of a letter of the same date which Mr. McKittrick sent to the British Chancellor of the Exchequer.

I do not contemplate answering the letter addressed to me. Since you likewise participated in the United Nations Monetary and Financial Conference, which unanimously recommended the liquidation of the Bank for International Settlements at the earliest possible moment, I am sending herewith copies of these letters to you for your information.

Very sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

His Excellency,
Mr. Carlos Leonidas Acevedo,
Minister of Finance,
The Republic of Guatemala,
Guatemala City, Guatemala.

RRShwartz:gb 7/5/45

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MEMORANDUM FOR THE SECRETARY

July 13, 1945

Mail Report

Overshadowing all other topics, the resignation of the Secretary dominated the mail of the past week. The chorus of good will and approval of his record from Treasury representatives in the field, particularly War Bond Chairmen and workers, included also many letters from obscure and unknown citizens who spoke both intelligently and warmly about the record of the last few years. Nasty personal attacks were negligible, with only 5 abusive ones, and 2 unpleasant in tone.

It must be admitted that the box score was a resignation week casualty. Most of the letters about the resignation have been abstracted; omitted being the more strictly personal letters, and those which came in the end of the week. Now that the Secretary is acknowledging all such letters personally, a separate abstract on them will not be kept for the coming week, but outstanding ones will still be quoted.

This does not mean that the week was without its complaints. There were a number of gripes in the

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Memorandum for the Secretary.

July 13, 1945.

various classifications of the mail, and the rewriting of checks over a year old reached a high-water mark. In all, 129 were sent to the Secretary, many of them being only a month or so over the year. More than three quarters of these were from service men -- some had been in this country on furlough long enough for the checks to catch up with them, and urged that a good check be sent promptly so that they could have their money while here. Charging for the cashing of Government checks was reported 5 times; there were 2 complaints on unwillingness to cash bonds; and 1 complaint on refusal to change a \$50 bill since the owner did not have an account in that bank.

On the bond front, "Here's Your Infantry" had unanimous praise in the 10 letters speaking of it. Only twice were adverse rumors on the value of bonds reported, while 16 service men, or their families, complained of nonreceipt of bonds, and 2 others in civilian life were short in their receipts. There

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Memorandum for the Secretary.

July 13, 1945

were scattered complaints of interest delays, and a great many inquiries about matured bonds, Adjusted Service Bonds, etc. Of the latter, 27 were sent in to be cashed, while 15 War Bonds were received.

A number of reports on the 7th Drive and suggestions for the 8th reached us from the field. There are still requests for some sort of insignia to indicate purchase of bonds, and also suggestions in regard to the Roosevelt memorial bond. The most frequent of these is that a recording of the late President delivering one of his speeches be given with each memorial bond purchased.

The tax evaders drive received much less attention, with very few applications for jobs either from service men or others, and with dwindling reports of evaders. Complaints from those who have applied for jobs and have not got them began to appear this week. One man (letter abstracted) listed experience for which Civil Service gave him no credit. Another letter was from a woman who asked why women who had taken and

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Memorandum for the Secretary.

July 13, 1945.

passed the examination for agents' appointments a year ago were steadily refused such jobs. This letter particularly criticized the Boston office as antagonistic to women. There were in all, 15 letters giving names and addresses of evaders -- 10 were anonymous, 5 signed. One of each reported more than one evader in the town or city from which the letter was written. The Roosevelt-Hartford loan elicited 4 letters, all naturally deeply critical. There were half a dozen requests for refunds; several complaints that information on by-gone returns could not be obtained although more than one request had been filed with Internal Revenue; and similar scattered protests.

The Roosevelt bond and the Roosevelt dime each had one or two letters favorable, and one or two unfavorable. There were 3 anti-England outbursts, and 1 protest on the 48-hour week. The writer said that even the Post Office can work out a 44-hour week, so why not the Treasury.

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Memorandum for the Secretary.

July 13, 1945.

A bank criticized interest rates as too low, and by inference blamed the Secretary for the fact that, according to the writer, banks are losing their savings deposits because of the way they are treated in the new financing.

A New Orleans citizen sent in the clipping of an advertisement from local papers announcing the sale of U. S. Savings Bonds, Series E, by the sheriff at auction, seized from the owner by Judicial Writ. The sender asked if this did not contradict statements in the Departmental circular in regard to seizure of Series E Bonds.

In general, the mail totalled between three and five hundred pieces a day. Receipts from the White House, on the other hand, were very low and a page analyzing the subject matter is attached.

J. G. Forbush

Favorable

Comments on Secretary's Resignation

J. R. Fain, President, The City National Bank of Winston-Salem, Winston-Salem, North Carolina. It is with a great deal of regret that I read of your resignation as Secretary of the Treasury. Although I regret your resignation, I am writing to extend congratulations to you for the most outstanding service that you have rendered to the Nation as Secretary of the Treasury. You have had a most outstanding success and deserve the appreciation of the greatest majority of citizens. Since 1941 I have been the local County Chairman of the War Bond Committee, and in this way I have had an opportunity to know you and to follow a large number of your policies and recommendations as Secretary of the Treasury. Your stand on the question of voluntarily selling bonds to the American citizen goes down to your credit and has proven to be the successful method in selling the "E" Bonds to patriotic citizens. As you retire from this important position, I send best wishes to you for any future plans that you might undertake.

Bruno Shaw, Commentator, WJZ, The Blue Net Work, New York City. The news of your resignation comes as a great shock to all Americans who have at heart the best interests of our country. The tremendous ability you have brought to the important task to which you have devoted yourself for the past eleven years will long be remembered with gratitude by all. For myself, I want to express my own regret that the nation in these critical days will no longer be able to continue to benefit from your services, and my hope that long years of happiness ahead will in some measure compensate for the busy and hard-worked ones from which you are now retiring.

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Pfc. Albert C. Wilkerson, Newport News, Virginia.
I was very sorry to hear that you have given up your
post as Secretary of the Treasury. I just can't see
how another man can walk in and try to fulfill your
position. * * *

Mrs. Rufus Flood, Concord, New Hampshire. * * *
Your service to our country as the Secretary of the
Treasury has truly been second to none. These dark
war days certainly have been most difficult. You
are deserving a much-needed rest from such a burden
that you have been carrying for eleven years. Our
best wishes to you in all your fields of endeavor,
along with a very happy and peaceful future for both
you and Mrs. Morgenthau. I have had the pleasure of
meeting you both when I was in Washington for a War
Bond conference. This conference was for the purpose
of establishing Women's Divisions in all the states.
* * *

R. E. Dougherty, Vice President, New York Central
System, New York City. You may recall the undersigned
from the Albany days and one or two meetings since
1932. On the occasion of your retirement from the
Treasury, let me express to you my sincere admiration
of your administration under the most difficult of
circumstances and my very best wishes for future
success and happiness.

Herbert Bayard Swope, New York City. You have carved
a place in history which will always be yours, and
always be shining.

Fred C. Pabst, Collector of Customs, Galveston, Texas.
* * * I take this occasion to congratulate you on your
remarkable accomplishments during your tenure of
office. Your contribution through the war years

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assures you a place of glory in the history of this
Government. It has been a distinct pleasure for me
to serve under your leadership in the Treasury
Department.

Donald P. Ross, State Chairman, Delaware War Finance
Committee, Wilmington, Delaware. We have learned with
regret of your resignation as Secretary of the Treasury,
following the return of the President from the Big
Three Meeting. Both personally and on behalf of my
associates in the Delaware War Finance Committee,
I want to express to you our appreciation of your
cooperation with our Committee since the beginning
of the War Finance Program and to extend to you our
best wishes for any future responsibilities that you
may undertake. * * *

Mark E. Carroll, Pier 18, Staten Island, New York.
(U.S.C.G. Patrol Base) I was very sorry indeed to
learn of your having tendered your resignation to
the President, but I can fully appreciate your reasons.
At this time I want to tell you that I think you have
turned in an outstanding job to the people of the
country and deserve a vote of thanks from the entire
country. * * *

Lt. Joseph L. Wolf, USNR, Hoboken, New Jersey. I, and
all other men and women of the armed forces, of our
faith, are proud of your achievements. We thank you
and wish you the future health and happiness that you
so deserve.

Henry A. Taylor, State Chairman, War Finance Committee,
Henderson, Kentucky. * * * I am sincerely sorry to
hear of your resignation from your Cabinet post,
Mr. Secretary. You have rendered a distinct service

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to your country and as one "in the ranks", I am deeply grateful for your contribution. I only hope that your knowledge and ability will now be put to work in the international field where it is so sorely needed. * * *

Earle Morris, St. Louis, Missouri. The news announcement of your resignation came as a shock to me. I do not like to see the men that have given this country such good guidance in the past troubled times stepping down and out. I think I reflect the ideas of many others when I state that these changes cause us to feel that things are slowly falling apart; that we are getting set for another Republican Depression, this time under a Democratic Administration. I want you to know that I am deeply grateful to you for your valuable service to our country in the past, and I hope most sincerely that you may enjoy both rest and peace back there on the Hudson. * * *

Joseph Wheeler, Chicago, Illinois. I am just one of the many millions in the country that appreciate the wonderful job you have done as Secretary of the Treasury, and I want to sincerely wish you the very best of luck in the future, which you so richly deserve, and hope that you will live long and be happy always.

Benjamin C. Marcus, South Norwalk, Connecticut. I was saddened to hear that you had resigned as Secretary of the Treasury. It must, however, give you great satisfaction to know you will be leaving the U. S. Government with a magnificent record. * * *

Henry P. Rising, Henry Rising Paper Company, Los Angeles, California. As you are retiring from your office as Secretary of the Treasury, I wish to thank you

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for the splendid manner you have conducted this important post and for the fine ability you have shown in carrying on the War Loan Drives. The people of this nation owe you a great debt for your work and for your patriotism in helping them when the safety of our Government was so threatened by the Germans and the Japs, and some by the Italians. * *

Donald A. Dailey, Postmaster, Rochester, New York. * * * You have carried out the duties of your office in a most commendable way during the trying times our country has been through and I want to congratulate you on the excellent job you have done. You have earned a well-deserved rest and I trust you will be blessed with good health for many years to come.

E. Blumenstine, Blumenstine Electric, Harrisburg, Pa. If it be true that you are going to leave your present position, I, as one of the many millions are going to feel very regretful, as it is going to take any man put in your position a long time to fully grasp the situation as it now stands. * * * Never in the history of our country has the call been so urgent for men of developed minds to operate every phase of our Federal Government, and you have one of our very most important positions, since, if our financial structure goes wrong (breaks down), our everything is affected and our entire country will be thrown back many years to come, and since you saw our national debt grow from its many sources from a baby to a giant, I do think you should stay on and work and see it diminish to a dwarf, and you can do it, if you only will. * * *

G. Cernak, Chicago, Illinois. Another friend goes home. We will miss you, Mr. Morgenthau.

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Chester Bryant, Knoxville, Tennessee. It is with regret that I read that you may resign as Secretary of the Treasury. Congratulations on the fine job you have done while serving these fateful years for your Government. Hoping that you may not resign and that you may have many more years to serve as Secretary of the Treasury.

F. R. VonWindegger, President, The Plaza Bank of St. Louis, St. Louis, Missouri. In retiring from the position which you have so adequately and nobly filled during the most critical years in our history, it must be a great satisfaction to you to feel that your service has been of such inestimable benefit to the economy, not only of our country, but of the world. You retire with our gratitude for your unselfish efforts and our utmost admiration for the success of those efforts. May the balance of your life be a happy and peaceful one. You have well earned such a reward.

Harold J. Vogler, Day & Zimmermann, Inc., Engineers, Packard Building, Philadelphia. It is with great regret that I note in the public press you have resigned as Secretary of the Treasury. I feel that we have lost a splendid executive and a real guardian of our Treasury. * * *

Moses Lipson, Brooklyn, New York. Congratulations on your projected assumption of the office of the "Acting President of the United States of America". It is indeed a most fitting tribute for the years of unpretentious service you are rendering to your country. * * * Please accept the wishes of one who would like for you best of health, happiness, and prosperity.

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Gale F. Johnston, New York City. Your resignation as Secretary of the Treasury puts a tinge of sadness in my heart. America and the world owe so much to you for the way in which you have guided our finances through this trying period. I know the time comes when great public service must end, but history forever will record the greatness of the task you performed. * * *

William S. Rainey, National Association of Manufacturers, New York City. To those of us who worked with you during the exciting days of the War Bond Campaign the news of your desire to resign brings back many happy and nostalgic memories. I am sure the majority of Americans recognize and appreciate the great service you rendered to this country during the most difficult and critical period. I consider it to be one of the richer portions of my life to have worked under your guidance and inspiring direction. * * *

W. J. Storen, Collector of Customs, Charleston, South Carolina. I read in this morning's paper with great regret that you have resigned from the office of Secretary of the Treasury. I know that it will be a great relief for you to be rid of the responsibility and worry that goes with that office, but I feel, as an American citizen, that our country is losing one of its ablest administrators. You have held the office during the most critical time in the history of the United States and under your direction seven of the largest war loans that the world has ever seen were successfully put over. Your management of the country's finances was really remarkable. I, therefore, feel that you will go down in history as the best Secretary of the Treasury that our country has had. * * *

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Samuel R. T. Very, Tucson, Arizona. (Architect) * * *
You have the unique honor of being a living servant
of our nation whose selfless devotion to duty, and
whose ability is attested unanimously by the grati-
tude of every living citizen. * * * Well done,
Mr. Secretary.

Jerry Sullivan, New York City. Please don't go away
from the white house. You no you are wanted there
and who can do your work as good as you do. I am
sure no one can. why are all the men resigning.
I heard in the radio six men resigned - don't ye like
it there any more. I wish I was big. I would like
to be in the white House. I am only nine years old
now. * * *

J. U. Reisman, Surgical Selling Company, Atlanta, Ga.
Without doubt you are receiving many, many thousands
of letters just like this one, yet I write to tell
you for Mrs. Reisman, as well as for myself, that we
have watched your good work and were made to feel
proud that you were doing what you did, and which now
brings you such praise as evidenced by the attached
editorial. You have proved yourself to be a leader,
and it is good that such great universal tribute is
being paid to you. You well deserve it. We salute
you with sincere esteem and respect.

W. W. Waymack, Editor, The Register and Tribune,
Des Moines, Iowa. * * * I guess the real reason for
taking now the dictaphone, equivalent of a pen in
hand, is that your resignation has been announced
and I want to thank you, as a citizen, for a long
period of excellent public service. I could mention
various other things, but, to attest my sincerity,
I choose one about which I have to confess that your

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judgment was good and mine was rotten. I'd have
been willing to bet, and give odds, that the attempt
to sell enough Government Bonds during the war with-
out adopting some form of "compulsory savings" would
fail. Obviously, I miscalculated your determination
and a number of other things. So I take my hat off.
I may add that, while some aspects of the tremendous
bond-selling drives have seemed to me to involve a
bit of exaggeration, I'm inclined to think that there
have been quite important national values wholly
aside from the job of getting the money. * * * This
was one patriotic effort that everybody could work
at, Democrats and Republicans, liberals and conserva-
tives, everybody. It occurs to me that the country
needed something like that.

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UnfavorableComments on Secretary's Resignation

Miss Dollie Hobbs, The Hobbs Farm, Louisville, Ill.
"Praise God from whom all blessings flow!" You've
resigned! Now when will Grandpa Ickes step out?

Bill Goehrin, Chicago, Illinois. Thanks, Hank, ol' horse!
And, on your way out will you pul-leer snatch that
palooka, Dickstein, of the immigration department and
take him with you!! Back to nic-nacs and notions,
me lads, and g'luck.

Harry Snyderman, Baltimore, Maryland. I am very
glad that you have resigned. Why? Because it may
help to overcome certain expressions made by some of
our Anti-Semitic and ignorant, so-called Americans.
Need I say any more? Best wishes.

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General Comments

W. B. Plaster, Worthington, West Virginia. Pursuant
to your radio appeal to men who had the necessary
training and experience to fit them for use as income
tax examiners, I filled out a civil service blank
entitled Special Agent, CAF-7, and in order that you
can see the result, I enclose their "opinions".
Please note that they allow me nothing for my former
training planned and executed by the F.B.I., and given
to officers in order to fit them for greater useful-
ness as investigators; for my former studies and
experience in making out income tax reports, I drew
another zero; as a former honorably discharged U. S.
soldier, another zero; for my ability to operate a
typewriter, still another, although I only claimed a
speed of sixty words or a little better a minute.
May I ask in just what way am I ineligible? Certainly,
I do not seek to pose as a high-class specialist -- on
the contrary, I am just a plain ordinary citizen, an
ex-service man with the sort of experience that is
possessed by thousands of others who once served the
U. S. and if we are to be shunted aside because in
filling out a long and cumbersome blank, somewhere in
the closely crowded space we failed to dot an i or
cross a t, then much experience may be lost and many
others ignored. * * *

Master Michael Dennehe, Streator, Illinois. Will you
please send me your signature? Please send it to me
in a week or when you get to it.

Marvin G. Hill, Nashville, Tennessee. This check
was issued to me when I left employment of the O.P.A.
office in Nashville, Tennessee, and was mailed to my
home address. Someone followed the postman and took
this check out of the mail box. He bought a used
car with it and was caught that night. The Secret

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Service Department here in Nashville had me fill out some papers and said they would have to hold the original check for evidence in the case, but that the Treasury would issue to me a duplicate check for this amount. It has been almost seven months now, since this incident and I will appreciate it very much if you can have someone take the time to find out what is holding this check up, or to see if they can't get it mailed to me sometime in the near future.

Favorable Comments on Bonds

Mr. George Brown, Bronx, New York. I am a World War Veteran. On June 15 I received my check for the bonds which amounted to \$635.00, which you advised me to invest in War Bonds. I did buy 7th War Loan from all my check I received and I hope all the 1st World War Veterans will follow that advice and all the 130,000,000 Americans will keep buying BONDS, until the final victory and that will bring our boys back home sooner victoriously for us and our Allies. P.S. I have my only son overseas now for 18 months.

Lieutenant (USN) Horace D. Mann, New London, Conn. On behalf of myself, officers and men, I wish to thank you for the splendid cooperation received from you and your associates during our brief, but very enjoyable stay in the Nation's Capital. It was very kind of you to take part in the broadcast in the opening ceremonies, and I feel sure this act on your part was instrumental in making our mission the huge success that it was. * * * It has been a real pleasure to work for the Treasury Department during this great Seventh War Bond Drive. The Treasury representatives in all six cities that I visited did an excellent job and it was a real pleasure to be associated with them. I wish to thank you again for the aid given the U-505 by your office. * * * To a Navy man there is nothing so pleasing as the completion of a successful mission.

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Unfavorable Comments on Bonds

Mrs. Fanny Moss, Cleveland Heights, Ohio. When I heard of your plan to issue War Bonds with the likeness of the late President Roosevelt printed upon them, I was immediately interested in purchasing one for each of my two grand-daughters. However, when I discovered that the intention of the Treasury Department was to issue them in \$200 denominations, I decided to write you a letter, voicing my opinion in the matter. You see, Mr. Morgenthau, there are many of us who are desirous of purchasing these Roosevelt Memorial War Bonds as historic keepsakes, with no intention of disposing of them at any time in the future. * * * Therefore, I should like to make this suggestion -- would it not be possible to print the Roosevelt Memorial War Bond in \$25 denominations, or at the most, \$50 units? This would make it possible for many people to buy them who would be unable to invest in the \$200 issue. I believe that this would substantially increase your total sales, and would provide a means for many, many Americans like myself to be the proud possessors of the late President's likeness.

Al. Balfour, A Disillusioned Veteran, San Jose, Calif. Here is one reason the 7th War Loan is having such a hard time going over. My experience is representative. I tried to operate a small apartment house in San Jose. It paid a very small profit, but still a profit. I put that profit into War Bonds. Now I am compelled to close up because the local OPA agents refuse to admit there is any inflation, and at my registered prices, which the OPA won't allow me to increase to meet my increased expenses, I must operate at a loss. This I cannot do, so I am closing up -- thus throwing out several military personnel and defense workers and their families, and it is in a locality already overburdened with more population

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than can be adequately housed. I am gradually cashing in the War Bonds already bought so as to live until I get a good job. The OPA at San Jose denies there is any increase in costs, yet real estate selling at \$3,200 in 1942 brings \$9,000 today; celery 12¢ in 1942 costs 35¢ today; lettuce 5¢ in 1942 costs 15¢ today; clothing, shoes, etc., the same. The Bureau of Labor Statistics admits an increase of over 50% in living costs. Isn't that inflation?

W. H. Whittekin, Dallas, Texas. A press report states that you propose to have printed on a forthcoming issue of Series E Savings Bonds a rather platitudinous statement of the late President Roosevelt. * * * I am writing this respectful protest against giving such recognition to that man, who all but wrecked this great country and who doubtless would have finished the wrecking job had the good Lord not intervened and put in the White House a man, who, as the Hon. James A. Farley says, has COMMON SENSE. In connection with the plan mentioned, you have perhaps overlooked the fact that more than twenty millions of our citizens voted against Mr. Roosevelt in the last election and millions more likely would have voted to oust him. * * * When I think of F. D. Roosevelt, I always think of BROKEN PROMISES -- lies to get into office, then the lavish expenditure of PUBLIC funds to perpetuate himself there. * * * I repeat, I want no security or promise of any kind with the F. D. Roosevelt name on it.

A. D. Harrison, First Vice President, Coconut Grove Exchange Bank, Miami, Florida. On June 28, the writer entered a subscription for \$100,000, 2 1/2% Treasury Bonds of 1967-72. The subscription was declined by the Jacksonville Branch, Federal Reserve Bank of Atlanta. They gave as their reason that it did not conform in all respects with the request made by you in your letter dated March 20, 1945. Prior to entering my subscription for these bonds, I received the proceeds from a loan of \$100,000.00 from the First National Bank in Palm Beach. The bank was perfectly agreeable to extending

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the loan, and I am reluctant to say whether or not it will run thirty days or six months. It is my intention to buy these bonds for a future and permanent investment, and I do not feel that I should liquidate other securities at this time. However, I can assure you that I do not intend liquidating the loan from the sale of the government securities. It is my opinion that had the First National Bank in Palm Beach felt that I was speculating in the government bond market, my application for the loan would have been declined. * * *

John M. Holbach, Seattle, Washington. I mad an application last month for 1 Gallon Coal Oil-Kerosin. to rashen Bord 909 Madison Str and Brodway, Seattle. The told me et is not Essential. I Should get Cleanning Floud or Something els. I suport the American Government with 70,000.00 dollar bonds and War Bonds. I cant see why the refuse me for 1 Gallon Coal Oil-Kerosin. I was ready to buy 5,000.00 7 Loan E Bonds. If I cant get 1 Gallon, I buy no Bonds. you better Send me a Coupon for 1 Gallon and I by 5,000.00 dollar 7 Loan E Bonds. I dont like to buy more Bonds to pay Peopels sallery what have no pratical ex-spiriance to be in Government Office...tell me et is not Essential...go and buy Cleanning Floud or somthing els.

Report on White House Correspondence

July 6 to July 12, 1945, incl.

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July 14, 1945 259
9:54 A.M.

HMJr: Good morning.

Mr. Dean Acheson: Did you have a good rest while you were away.

HMJr: Well, yes.

A: (Laughs) You had to think that over quite carefully.

HMJr: Yeah, just like that. I'd love to see you sometime.

A: I want very much to see you.

HMJr: When would you like to do it?

A: Anytime you say. We are having Bretton Woods on the floor next week - I don't know whether they will want us up there all the time.

HMJr: Do you want to come over today, or do you want to go until next week?

A: I'd be delighted to come over today. When would you say?

HMJr: Oh, how about three o'clock? Do you work.....

A: No, I wanted to get away this afternoon.

HMJr: Well, how about 11:30?

A: 11:30?

HMJr: Yes.

A: Fine. 11:30 it is.

HMJr: I'll look forward to seeing you.

A: I was going to speak with you over the phone, but I'll bring this with me. I've got something that Clayton left here that he wanted me to ask you to join him in sending to Brand, which is - the general of it is to ask the British Government to make a public statement on loosening up on the dollar-control. I think Frank Coe has been working with them over at your place. I thought I had better take it over and leave it with you.

HMJr: Good. I'll look forward to seeing you.

A: At 11:00, Henry.

HMJr: Yes, bye.

July 14, 1945
12:40 p.m.

SECRETARY'S DIARY

Present: Mr. D. W. Bell
Mr. Pehle
Mr. Gaston
Mr. White
Mr. C. S. Bell
Mrs. Klotz

H.M.JR: This is what I was planning to do: In connection with this diary of mine, from 1941 to date, I don't think anybody can criticize my taking it with me. If anybody in the room has any questions about my taking the diary, or if anybody has any doubt, official or otherwise, please express it. It is from 1941 to date, and I only have copies of official documents.

MRS. KLOTZ: There isn't a single original. The only things that are in here are photostats and meetings. We took several books and found that all originals and copies of every original document is in the official files of the Treasury. I am positive of that. I can speak for that.

H.M.JR: Has anybody got any questions?

MR. D.W. BELL: I don't think anybody will criticize you for taking the diary for your personal use. I think legally speaking, probably somebody might question it, it is Government property in a sense, but I don't think anybody will criticize you for taking it. It is something that has never been kept by any other Secretary.

MRS. KLOTZ: Everybody knows about it, Mr. Bell. Everybody knows about Mr. Morgenthau's diary. That is public information.

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H.M.JR: There are fifty people in the Treasury who know I am getting ready to move. I would like anybody who wants to, to speak his piece now.

MR. D.W. BELL: I think it is unfortunate that you can't take out all the personal references to people and keep a copy of it for official reference to back actions in history, because some things that are going to be done here are going to be very important in the future, which will not be explained.

H.M.JR: As to the period prior to 1941, just as rapidly as they can over the week end, they are going to remove all official originals. The originals will stay here in the Treasury, and they will be photostated and I will get the photostats, which I will put back into my book.

I have a micro-film, which I obtained. It amounts to some four thousand dollars, and I am going to pay for it. I am writing my attorney today to add a codicil to my will, saying that I want my diary and the micro-film to be left to the Roosevelt Memorial Library, which is a Government institution.

MR. WHITE: I hope you don't die for at least twenty-five years.

H.M.JR: --and it shall not be opened for ten years after my death. Now, that is the program, and, both as Government officials and my friends, I would like to ask your advice and any suggestions as to what I might do other than that. I understand that all Secretaries of the Treasury have taken copies of papers with them heretofore.

MR. D.W. BELL: I don't know of any.

H.M.JR: They have a copy book right out there.

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MR. D.W. BELL: That is copies of official letters that they signed. They used to have a copy book in front of every Secretary, Under Secretary, and Assistant Secretary, and as they signed the mail, it was recorded in the book. As they went out, they just took the reply that was signed by them.

In your letter you have ten years after your death, and it is none of my affair, but I would like to see you put, say, twenty-five years as a limit on it, not before twenty-five years.

MR. PERLE: You mean twenty-five years from now.

MR. D.W. BELL: Yes.

H.M.JR: Twenty-five years from now?

MR. D.W. BELL: Or ten years after your death, whichever is the later.

There are some things in there that I think would be embarrassing to a lot of people. We have talked quite frankly in your conferences about a lot of people.

MRS. KLOTZ: It would be very embarrassing.

MR. D.W. BELL: We have talked about some of our friends and neighbors.

MR. WHITE: Yes, and particularly since the copy is in the hands of only one man, and not all the people present at the conferences.

H.M.JR: But that was understood all the time.

MR. GASTON: Maybe we can get copies at four thousand dollars apiece, Harry.

MR. WHITE: You can have mine for a nickel. (Laughter)

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MR. FEHLE: Do you want me to read this memorandum and letter, Mr. Secretary?

H.M.JR: Yes.

MR. FEHLE: This is a proposed memorandum which the Secretary would send to Charlie Bell.

(Mr. Fehle quotes Attachment A.)

H.M.JR: All right?

MR. D.W. BELL: Yes, sir.

H.M.JR: Herbert?

MR. GASTON: All right.

H.M.JR: Harry?

MR. WHITE: Yes.

(Mr. Fehle quotes Attachment B.)

H.M.JR: That is very good.

MR. GASTON: You could express the thought that Dan expressed. "Ten years after my death, providing that date does not occur--"

MR. FEHLE: Why make it complicated? Twenty-five years covers all the eventualities.

H.M.JR: Twenty-five years from my death or from now?

MR. FEHLE: From now. I think I would just say twenty-five years from now. I don't think anybody here is going to care twenty-five years from now.

MR. WHITE: I just want time enough to get out of town. (Laughter)

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MR. WHITE: You have your next ten years taken care of, Mrs. Klois.

MRS. KLOTZ: I will do anything anybody wants me to do. (Laughter)

H.M.JR: I don't think you are right.

MR. FEHLE: I don't think that would ever happen, Mr. Secretary.

MR. D.W. BELL: But he is just pointing out that it could happen, and they do have the power of subpoenas, and you can't ignore it if they want those records.

MR. WHITE: Mr. Secretary, I gather you asked me if I have any objections to that procedure. The answer is definitely no. You are not asking me whether it is legal or wise. That, I don't know. But as far as objections are concerned, I have absolutely none.

H.M.JR: Anyway, we won't argue about whether a Congressional committee has the right of subpoenas or not.

MRS. KLOTZ: It is the legal opinion that they have.

MR. FEHLE: I am not the legal officer of the Department, but I should think that a Congressional committee, who had a broad charter from the Congress to investigate what went on here in the Treasury during the Roosevelt Administration, could get these documents.

MR. D.W. BELL: I don't think you have to cross that bridge right now. It is a possibility, but we will just ignore it at the moment.

H.M.JR: Fix this thing up for me in your office, will you?

- 5 -

MR. PERLE: If the Republicans got in and were investigating the Roosevelt Regime, I don't know whether they could ask you for papers or not.

MR. GASTON: If the official records were all left here, they can't ask him for anything.

H.M.JR: Well, as an attorney, are you sure?

MR. PERLE: I am not at all sure that, if a Congressional committee with the power of subpoena went after these records, they couldn't get them. I think they could.

MR. D.W. BELL: I think they could, too.

MR. PERLE: That is why I think, if this material was carefully edited and the personal and flippant matters deleted, it would be in your own interest and in the public interest.

MR. D.W. BELL: They would be very valuable documents for the Department if you took out all of the personal references.

H.M.JR: I am proposing to take out all of the official letters.

MR. D.W. BELL: I was thinking of the memoranda of the verbatim stuff in the conferences that we have had in the past twelve years.

H.M.JR: Who is going to spend twenty-five thousand dollars doing that? With nine hundred volumes I would have to get five or six people to spend several years at it.

MR. D.W. BELL: I was hoping that they might be left here, and Mrs. Flots might be in charge of editing. She knows what has gone on and what is personal and what is not personal.

ATTACHMENT B

266

July 14, 1945

Dear Morris:

During my tenure as Secretary of the Treasury I have kept, as protection against any possible personal litigation or personal attacks on me, a diary covering important official acts in which I have participated.

As protection against fire or other accidental destruction I have had prepared, at my expense, a micro-film of these papers.

These personal notes, memoranda, and other documents, in my judgment will provide an important historical perspective on the Roosevelt Administration.

In order that this material may be appropriately kept and dealt with after my death, I would like to have you prepare, as soon as convenient to you, a codicil to my will instructing my executor to deposit such papers, and the micro-film copies thereof, with the Board of Trustees of the Franklin D. Roosevelt Library; to be kept sealed for a period of twenty-five years after my death, and then to be dealt with as in the judgment of the trustees is in the best public interest.

Sincerely,

Mr. Morris Ernst,
285 Madison Avenue,
New York, New York.

ATTACHMENT A

267

July 14,
1945

Mr. Charles Bell
Secretary Morgenthau

As you know, during my tenure of office as Secretary of the Treasury I have kept a personal diary covering all important matters which I have handled.

I understand that in the volumes of this diary are some original incoming letters addressed to me as Secretary of the Treasury, covering official matters. There probably are also in the diary copies of some outgoing official letters. In most cases I believe there are photostats or other copies of such letters in the Department files but it may not be possible to locate such copies readily.

Accordingly, before my papers are removed from the Department, please arrange to have the original letters referred to above removed from the diary and placed in the regular Department files. The same procedure should be followed in regard to copies of outgoing official letters, and any other documents which should be in the official files.

Replacement copies should of course be made of all documents removed.

12"

Assistant Secretary of the Treasury 268

Date.....July 14,.....19 45

To: Mrs. McHugh - For your files.

The attached letter was sent to:

Sir John Anderson
Chancellor of the Exchequer
H. M. Treasury
Great George Street
London, S. W. 1, England

His Excellency Rene Flaven
Minister of Finance
Paris, France

George Mantsavinov
Minister of Finance
Athens, Greece

Dr. G. W. M. Hyskens
Minister of Finance
Royal Netherlands Government
c/o Planners Hall
Great Winchester Street
London, E. C. 2, England

Mr. Gaston Hyskens
Minister of Finance
Brussels, Belgium

Mr. Juraž Butej
Minister of Finance of the Fed. Government
Belgrade, Yugoslavia

Mr. White
Room 3434

JUL 14 1945

Excellency:

I recently received two letters from Mr. McKittrick of the Bank for International Settlements, each dated May 8, 1945. I note from one of these letters that you received a similar communication.

I do not contemplate answering the letters addressed to me. Since you likewise participated in the United Nations Monetary and Financial Conference, which unanimously recommended the liquidation of the Bank for International Settlements at the earliest possible moment, I would appreciate your advising me how you expect to treat this communication.

Very sincerely yours,

Wendell H. Morganthau, Jr.

Secretary of the Treasury

His Excellency,
Mr. Juraž Sutej,
Minister of Finance of the Federal Government,
Belgrade, Yugoslavia

HRSchwartz:gb 7/6/45

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Assistant Secretary of the Treasury 270

Date.....July 14.....1945

To: Mrs. McHugh - For your files.

The attached letter was sent to:

Mr. Macasse Lemna
Min. General of Finance
Addis Ababa, Ethiopia

Mr. Pablo Ramirez Rodriguez
Minister of Finance
Republic of Chile
Santiago, Chile

Mr. Alvaro Bonilla Lara
Secretary of Finance
Republic of Costa Rica
San Jose, Costa Rica

Mr. Manuel Fernandez Supervielle
Minister of the Treasury
Republic of Cuba
Habana, Cuba

Mr. Norcio A.A. Febles
Secy of State for Treasury
Dominican Republic
Santo Domingo, Dom. Republic

Mr. Julio L. East
Minister of Finance
Republic of Peru
Lima, Peru

Carlos A. Quirola
Minister of Finance
San Salvador, El Salvador

Mr. White
Room 3434

Dr. Vavro Srobar
Minister of Finance
Prague, Czechoslovakia

Mr. J. L. Halsey
Minister of Finance
Dominion of Canada
Ottawa, Canada

Mr. Rodolfo Rojas
Minister of Finance
United States of Venezuela
Caracas, Venezuela

Mr. Gunnar John
Minister of Finance
Oslo, Norway

Mr. Joseph Benedict Chifley
Treasurer
Canberra, Australia

Mr. Victor M. Teixeira
Minister of Finance
Republic of Panama
Panama City, Panama

Mr. Juan Plata
Minister of Finance
Republic of Paraguay
Asuncion, Paraguay

Assistant Secretary of the Treasury 271

Date.....19

To: - 2 -

Mr. J. Ramon Sevilla Sacasa
Minister of Finance
Republic of Nicaragua
Managua, Nicaragua

Mr. Walter Nash
Minister of Finance
Wellington, New Zealand

Mr. Eduardo Suarez
Secretary of Finance
United States of Mexico
Mexico City, Mexico

Mr. Petur Magnusson
Minister of Finance
Reykjavik, Iceland

Mr. Abel Lacroix
Secretary of Finance
Republic of Haiti
Port-au-Prince, Haiti

Mr. Makram Pacha Ebeid
Minister of Finance
Cairo, Egypt

Mr. Arthur de Souza Costa
Minister of Finance
United States of Brazil
Rio de Janeiro, Brazil

Mr. Salih Jabur
Minister of Finance
Bagdad, Iraq

Mr. William A. Dennis
Secretary of the Treasury
Monrovia, Liberia

Sir John Rowlands
Minister of Finance
Government of India
New Delhi, India

Mr. Urbano Quesada
Secretary of Finance
Republic of Honduras
Tegucigalpa, Honduras

Mr. O. K. Tui
Minister of Finance
c/o Ministry of Finance
Chungking, China

Mr. Jan Hendrik Hofmeyr
Minister of Finance
Union of South Africa
Pretoria, U. of South Africa

Mr. Pierre Dupong
President of the Government
Minister of Finance, etc.
Luxembourg, Grand Duchy of
Luxembourg

Mr. White
Room 3434

Assistant Secretary of the Treasury

Date.....19

To: - 3 -

Mr. Mariano Suarez Veintimilla
Minister of Treasury
Republic of Ecuador
Quito, Ecuador

Mr. Hector Alvarez Cina
Minister of Finance
The Oriental Republic of Uruguay
Montevideo, Uruguay

Arseni Grigoryevich Dvarev
People's Commissar of Finance
Moscow, Union of Soviet Socialist Republics

Mr. Jaime Hernandez
Secretary of Finance
Commonwealth of the Philippines
1617 Massachusetts Ave., N.W.
Washington, D. C.

Mr. Victor Paz Estenssoro
Minister of Finance
Republic of Bolivia
La Paz, Bolivia

Mr. White
Room 3434

12"

272

Excellency:

I recently received, from Mr. McKittrick of the Bank for International Settlements, a letter, dated May 2, 1945, and a copy of a letter of the same date which Mr. McKittrick sent to the British Chancellor of the Exchequer.

I do not contemplate answering the letter addressed to me. Since you likewise participated in the United Nations Monetary and Financial Conference, which unanimously recommended the liquidation of the Bank for International Settlements at the earliest possible moment, I am sending herewith copies of these letters to you for your information.

Very sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

His Excellency,
Mr. J. Ramon Sevilla Sacasa,
Minister of Finance,
Republic of Nicaragua,
Managua, Nicaragua.

B:Shwartz:gt 7/5/45

273

JUL 14 1945

My dear Mr. Secretary:

Reference is made to Mr. Grew's letter of July 5, 1945 concerning the transfer on July 3, 1945 of the Polish Embassy property in Washington, D. C., by the Polish Ambassador to an organization known as the American Polish Congress and requesting that this Department take what steps it can to prevent the consummation of the transfer and particularly to prevent the recording of the deed in case it has not already been recorded.

As a result of the telephone conversations referred to in the above letter, an examination was made on the morning of July 5th at the Office of the Recorder of Deeds for the District of Columbia. The records disclose that Jan Ciechanowski, Ambassador to the United States from Poland, for a stated consideration of \$17,500 transferred the Polish Embassy property at 2840-16th Street, N. W., Washington, D. C., to the Polish American Congress, a corporation organized under the laws of Illinois. The deed was filed for recording on July 3, 1945 at 12:51 p.m. Apparently, the transaction had been consummated even before your Department was advised of the transfer by the Polish Ambassador.

This Department confirms your understanding of the application of Executive Order No. 8389, as amended, to the transfer in question. We have been orally advised by members of your Department that in consequence of the above-mentioned telephone conversations the Polish Ambassador was duly informed of the effect of the freezing Order with respect to the transfer and that on July 5 the Ambassador stated that he had persuaded the transferee to reverse the transaction.

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A further examination was made of the records at the Office of the Recorder of Deeds for the District of Columbia and it appears that the Polish American Congress, Inc., by quit-claim deed dated July 5th and acknowledged on that day, re-transferred the Embassy property to the Republic of Poland for the stated consideration of \$1.00. This quit-claim deed was filed for recording on July 6 at 1:16 p.m.

Accordingly, it does not appear that an affirmative action on our part is now required. We should appreciate being informed of any further developments.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

The Honorable

The Secretary of State.

IMoskovitz:joc 7/9/45

July 5, 1945.

MEMORANDUM FOR THE FILES:

Re: Republic of Poland

An examination of the records at the office of the District of Columbia Recorder of Deeds at 9 a.m., July 5, 1945, disclosed that Jan Ciechanowski, Ambassador to the United States from Poland, signed a deed on July 3, 1945, conveying the property at 2840 Sixteenth Street, Washington, D. C. (Polish Embassy) to the Polish American Congress, a corporation organized under the laws of Illinois, in consideration of \$17,500. The deed recited: "The Republic of Poland acting herein by its duly appointed Ambassador to the United States, by order of the Prime Minister, Minister of Finance, and Minister of Foreign Affairs meeting in executive session, party of the first part, etc." The deed was filed for record at 12:51 p.m., July 3, 1945.

Thomas H. Carolan

THCARolan/me
7/5/45

276
July 9, 1945.

MEMORANDUM FOR THE FILES:

Re: Polish Embassy

An examination of the records of the Recorder's Office of the District of Columbia made on July 9, 1945, revealed that on July 6, 1945, at 1:16 p.m. a quitclaim deed bearing the Recorder's number 22483 was filed for record. By such deed, the Polish American Congress, Inc., a corporation organized under the laws of the state of Illinois, as party of the first part and grantor, in consideration of the sum of \$1, quitclaimed the premises on which the Polish Embassy stands to the Republic of Poland. The deed was dated July 3, 1945, and was acknowledged on the same day. It bore no U. S. revenue stamps.

These are the same premises which were conveyed by the Republic of Poland to the Polish American Congress, Inc., by warranty deed on July 3, 1945, for a reported consideration of \$17,500.

Thomas H. Carolan

McCarlane
6/29/45

277
July 14, 1945

Charles Bell

Secretary Morgenthau

The phone in the country, long distance 20, I imagine that's on a monthly contract. If it is on a monthly contract, you better have the phone taken out at the end of the month. If it is not on a monthly contract, have it taken out right away, please.

278

July 14, 1945

Charles Bell

Secretary Morgenthau

Please don't forget that I want to say something
as a goodbye to the 90,000 Treasury employees.

279

JUL 14 1945

My dear Senator:

Your letter of June 27, 1945, refers further to our correspondence concerning special refunds of employment taxes overpaid by employees. You point out that pending legislation you have introduced may make it possible to further simplify obtaining such refunds but urge that something be done now to help those who according to your understanding are not getting refunds under present procedure.

The Commissioner of Internal Revenue, Mr. Joseph B. Egan, Jr., advises me that he has directed a careful examination of the present routines and that he is hopeful that procedures with respect to "special" refunds of overpaid employment taxes may be adjusted to eliminate unnecessary complexities. When a decision has been reached you will be further advised.

Sincerely,

(Signed) H. Morgenthau Jr.

Honorable Robert F. Wagner
United States Senate
Washington, D. C.

280
JUL 14 1945

Dear Mr. Fountain:

Accept my thanks and commendation for the help you have been to me on official voyages of Coast Guard Transport 12453.

I appreciate all that you have done to make my travel pleasant and send you my personal good wishes.

Sincerely,

(Signed) H. Morgenthau, Jr.

Stacy Fountain, Jr., ACRM
U. S. Coast Guard
Through the Commandant U. S. Coast Guard
Washington, D. C.

HEG:nja

281
JUL 14 1945

Dear Mr. Buckner:

Accept my thanks and commendation for the help you have been to me on official voyages of Coast Guard Transport 12453.

I appreciate all that you have done to make my travel pleasant and send you my personal good wishes.

Sincerely,

(Signed) H. Morgenthau, Jr.

Francis B. Buckner, ACRM
U. S. Coast Guard
Through the Commandant U. S. Coast Guard
Washington, D. C.

HEG:nja

282
July 14,
1945

Mr. Charles Bell
Secretary Morgenthau

As you know, during my tenure of office as Secretary of the Treasury I have kept a personal diary covering all important matters which I have handled.

I understand that in the volumes of this diary are some original incoming letters addressed to me as Secretary of the Treasury, covering official matters. There probably are also in the diary copies of some outgoing official letters. In most cases I believe there are photostats or other copies of such letters in the Department files but it may not be possible to locate such copies readily.

Accordingly, before my papers are removed from the Department, please arrange to have the original letters referred to above removed from the diary and placed in the regular Department files. The same procedure should be followed in regard to copies of outgoing official letters, and any other documents which should be in the official files.

Replacement copies should of course be made of all documents removed.

(Signed) H. Morgenthau, Jr.

283
JUL 14 1945

Dear Mr. Powell:

Accept my thanks and commendation for the help you have been to me on official voyages of Coast Guard Transport 12453.

I appreciate all that you have done to make my travel pleasant and send you my personal good wishes.

Sincerely,

(Signed) H. Morgenthau, Jr.

Raymond E. Powell, AMM1c
U. S. Coast Guard
Through the Commandant U. S. Coast Guard
Washington, D. C.

12"

284
JUL 14 1945

Dear Mr. Kincaid:

Having enjoyed safe and pleasant voyages aboard Coast Guard Transport 12453, I write to thank you officially for your care, your skill, your courtesy and your efficient attention to duty.

I shall always remember our association with pleasure and I wish you good fortune.

Sincerely,

(Signed) H. Morgenthau, Jr.

Lieutenant James W. Kincaid
U. S. Coast Guard
Through the Commandant U. S. Coast Guard
Washington, D. C.

285
JUL 14 1945

Dear Mr. Gray:

I write to thank you and to commend you for your fine service as an officer of Coast Guard Transport 12453 on official voyages with me.

It has also been a pleasant personal association which I shall remember. I send you my good wishes.

Sincerely,

(Signed) H. Morgenthau, Jr.

Lieutenant Wilfred C. Gray
U. S. Coast Guard
Through the Commandant U. S. Coast Guard
Washington, D. C.

12"

TO THE FISCAL ASSISTANT SECRETARY:

You are hereby authorized in the exercise of your duties as Fiscal Assistant Secretary of the Treasury.

- (1) to approve or to take such other action as may be required in connection with matters relating to the Fiscal Service which are not required by law to be personally exercised by the Secretary of the Treasury, and
- (2) to waive the provisions of Treasury regulations, orders, etc., governing the administration of matters under the jurisdiction of the Fiscal Service, whenever in your determination such waivers are necessary or desirable from the standpoint of orderly administration of Treasury functions.

(Signed) M. Morgenthau, Jr.

Secretary of the Treasury.

July 17, 1945.