

● PSF

State Dept.

Apr. - Dec. 1941

The Ambassador in the Soviet Union (Steinhardt) to the Secretary of State, Moscow, April 3, 1941. For the President, Secretary, and Under Secretary.

Describes a meeting which took place between Matsuo, Stalin, Molotov, and the Japanese Ambassador, and states that no "business" of any kind was discussed.

SEE: Foreign Relations of the United States, 1941, Vol. IV, The Far East, page 929.

The Ambassador in the Soviet Union (Steinhardt) to the Secretary of State, Moscow, April 8, 1941. For the President, the Secretary and Under Secretary.

Relates a conversation with Matsuoka in which he, Matsuoka, described an interview with Hitler and Ribbentrop. In this interview the Germans discussed at length their relations with Japan, Italy, and Russia.

SP: Foreign Relations of the United States, 1941, Vol. IV, The Far East, pages 932-934.

State Dept. folder
2-41
THE WHITE HOUSE (orig. in Buckle
WASHINGTON Folder
1-41)

April 8, 1941

~~CONFIDENTIAL~~

MEMORANDUM FOR

THE SECRETARY OF STATE

THE UNDER SECRETARY OF STATE

Please read and return.

The list of things is significant.

F. D. R.

(Copy of enclosures for The Under
Secretary)

COPY

EMBASSY OF THE
UNITED STATES OF AMERICA

RITZ HOTEL
London
March 26, 1941

My dear Mr. President:

We arrived here safely, after a splendid trip. We have installed ourselves in comfortable quarters at the Ritz Hotel, where we intend to continue living.

I have already been received by the King of Norway, and by the Belgian Government, and I await an audience with Queen Wilhelmina tomorrow, to present my credentials.

King Haakon sends you his warmest compliments and in response to my conveying your message regarding his son and daughter-in-law, has already cabled them to visit Norwegian-American areas, between now and the time of the Crown Prince's return to London. I shall write you more of this at a later date.

Already several leading members of the de Gaulle movement here have contacted me discretely. During my service with the Polish Government in France, as well as during the time that I served with the French Government at Tours and Bordeaux, I considered these particular individuals to be serious, loyal Frenchmen, and patriotic trustworthy officials of the French Government. They have established many sources of information through highly confidential channels, and I feel that the maintenance of discrete contact with them on my part would lead to enlightening intelligence, and a means of checking information received through other channels, regarding activities both in occupied and unoccupied France. They have already told me that they would consider it a privilege to give me, in strictest confidence, benefit of any and all information on this score.

In line with this, they conveyed to me the information contained in the attached memorandum, which I consider interesting in the light of its implications as to the extent of "imposed economic collaboration" on the part of unoccupied France with Germany.

With every good wish and with warmest personal regards, I am

Yours faithfully,

(signed) Tony Biddle, Jr.

COPI

COPY

MEMORANDUM

SECRET

According to information received through secret channels, the following program was imposed by the Germans, upon unoccupied France, from January 16 to March 1, 1941.* This program called for the shipment to Germany of the following items:

Bauxite clay - 30,000 tons

Aluminum - 10,000 tons

Magnesium - 8,000 tons. Absolute priority was demanded for this item.

"Special Clay" - 2,000 tons

Hematite (A special type of iron ore) - 38,000 tons

Pig Iron - 9,000 tons

Special extracts for tanning - 1200 tons

Carbite of calcium - 4,000 tons

Rubber (Transhipped via Marseille) - 1700 tons

Wool (From Algeria via Marseille) - 10,000 tons

Pyrates (From Spain via Irun) - 10,000 tons. Absolute priority

Zinc ore (From Spain via Irun) - 8,000 tons. Absolute priority

Other raw materials (From Spain via Irun) - 22,000 tons

Iron, North African (Previously stored) - 1960 tons

Manganese ore, North African - 1995 tons

Nitrates, Chilean (Via Cette) - 2200 tons

The size of the program is such that it made impossible delivery of French goods by French railroads; the Germans demanded total priority.

COPY

-2-

Beans, sardines, turtles etc. (From Portugal via Irun)
- 2800 tons

"Azote" (From Toulouse) 20,000 tons

Coffee (via Marseille) 3000 tons

Eggs (From unoccupied zone) 1200 tons

Sugar - 20,000 tons (From northern part of occupied France
and partly from unoccupied France)

Butter - 11,500 tons (From occupied and partly from
unoccupied France)

Dried vegetables - (From Marseille for army) 4,000 tons.

Note: The foregoing items are quite apart from those contained
in the "barter arrangement" just given publicity.

PSF - State

The Ambassador to the Soviet Union (Steinhardt) to the Secretary of State, Moscow, April 9, 1941. For the President, the Secretary, and the Under Secretary.

Transmits a letter from Matsuoka to himself (Steinhardt) asking for a paraphrased abstract of Steinhardt's cable to Washington discussing Matsuoka's views. Also discusses his views on Japan-China relations.

SEE: Foreign Relations of the United States, 1941, Vol. IV, The Far East, pages 934-935.

State folder
2-41

THE WHITE HOUSE
WASHINGTON

April 9, 1941

MEMORANDUM FOR

HON. SUMNER WELLES

Please read this. It really
goes with what Taussig reports.
Please return for my files.

F. D. R.

Enclosures

Confidential memo sent to FDR through
Secy Ickes 4/5/41 from Rex Tugwell
re Caribbean policy.

State folder
2-41

THE WHITE HOUSE
WASHINGTON

April 9, 1941

MEMORANDUM FOR

HON. SUMNER WELLES

I talked about this Caribbean Island situation with Lord Halifax informally.

I agree to the suggestions contained in the memorandum.

I told Lord Halifax that you would discuss with him, informally, the suggested steps, which meet with my approval. Please do this.

F. D. R.

Enclosure

THE UNDER SECRETARY OF STATE
WASHINGTON

April 5, 1941

My dear Mr. President:

I believe you agreed that the report rendered by Charles Taussig, as chairman of your committee to investigate conditions in the Caribbean, contained some valuable and desirable recommendations. So far no steps have been taken in carrying out these recommendations.

Charles Taussig has given me a memorandum, of which I am enclosing a copy, with the suggestion that should you approve the suggestions contained in this memorandum, it might be taken up informally with Lord Halifax in order to obtain the opinion of the British Government. Will you let me know if this suggested step meets with your approval and also whether the specific suggestions contained in the memorandum are satisfactory to you.

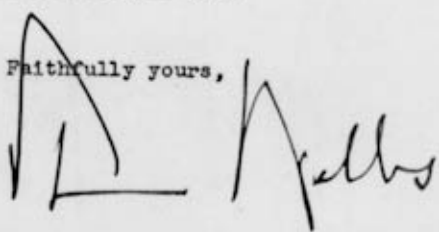
Believe me

Faithfully yours,

Enc.

The President,

The White House.



PSF *State Dept folder*
2-41

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

April 10, 1941.

MEMORANDUM FOR

THE UNDER SECRETARY OF STATE

Will you do what you
can?

F. D. R.

Note from Secretary Ickes,
dated April 8, 1941, enclosing
letter from Dr. Frank Kingdon
in re Franz Boegler.

The Ambassador in the Soviet Union (Steinhardt) to the Secretary of State, Moscow, April 11, 1941. For the President, the Secretary, and the Under Secretary.

Reports that he has read, orally, to MatsuoKa excerpts from his previous report to Washington, that MatsuoKa has categorically approved each of the sixteen statements and amplified a few.

SEE: Foreign Relations of the United States, 1941, Vol. IV,
The Far East, pages 936-937.

C
O
P
Y

DEPARTMENT OF STATE

The Secretary

April 11, 1941

MEMORANDUM FOR THE PRESIDENT

The attached aide-memoire has been approved by Treasury, Navy and Justice and I see no reason why it should not be transmitted to Lord Halifax. Before doing so, however, I would appreciate your returning the file to me with an expression of your views in the premises. I have had an indication from the British that this reply will be quite satisfactory to them.

CH

"President's notation:

O.K.

"VDR"

The original of this memorandum, with attached cable from Winant, 4/3/41 to the Secretary of State, copy of Aide-Memoire, a copy of which has been retained for our files, and copy of Aide-Memoire from British Embassy, 4/7/41, returned to the Secretary of State, 4/12/41.

C
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AIDE-MÉMOIRE

The Department of State refers to the aide-memoire of the British Embassy, dated April 7, 1941, stating that a considerable number of British merchant vessels are being equipped with fighter aircraft to be used solely for defensive purposes and inquiring whether such vessels will be treated as defensively armed merchant vessels in ports of the United States. It is stated that the crews of the aircraft will be entered upon the ships' books as members of the ships' crews.

The Government of the United States is of the view that merchant vessels of belligerent nationality may carry as part of their equipment fighter aircraft intended and used solely for defensive purposes without losing their status as merchant vessels. Instructions to this effect are being issued to the appropriate officers of this Government. These instructions state further that the fighter aircraft shall not be permitted to leave the vessels while the latter are within the territorial waters of the United States and that the crews of the aircraft may be treated as members of the crews of the merchant vessels.

Department of State,

Washington,

740.00111A Ports/35

The Ambassador in the Soviet Union (Steinhardt) to the Secretary of State, Moscow, April 12, 1941. For the President [and] the Secretary. [Transmitted at 5 p.m.]

The Ambassador in the Soviet Union (Steinhardt) to the Secretary of State, Moscow, April 12, 1941. For the President, the Secretary, and the Under Secretary. [Transmitted at 8 p.m.]

Discusses arrangements by which Ambassador Cripps (British) was enabled to meet with Malenkov "by accident" at the Moscow Art Theatre. Other discussion of the British position.

SEE: Foreign Relations of the United States, 1941, Vol. IV, The Far East, pages 938-940.

The Ambassador in the Soviet Union (Steinhardt) to the Secretary of State, Moscow, April 13, 1941 - 4 p.m. For the President, the Secretary and Under Secretary.

Relates the incident of the meeting between Matsuoka and Cripps at the Moscow Art Theatre during which Cripps transmitted a message from Churchill which Matsuoka "surreptitiously" slipped into his pocket.

SEE: Foreign Relations of the United States, 1941, Vol. IV, The Far East, pages 940-941.

The Ambassador in the Soviet Union (Steinhardt) to the Secretary of State, Moscow, April 13, 1941, 10 p.m. For the President, the Secretary and the Under Secretary.

Announces the signing of a treaty of neutrality between the Soviet Union and Japan and states his interpretations of the reasons underlying the negotiations. Includes the text of a confidential letter written in longhand by Matsuo to Steinhardt.

SEE: Foreign Relations of the United States, 1941, Vol. IV, The Far East, pages 942-944.

DEPARTMENT OF STATE
THE SECRETARY

April 14, 1941

*State Folder
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*file
personal*

MEMORANDUM FOR THE PRESIDENT

I am sending you copies of a paraphrase of 1470 from London should you desire to show them to other members of the Defense Council in view of the fact that this report is in our most confidential code.

*other copies filed
Harrison Folder
Great Britain*

CH

PARAPHRASE OF TELEGRAM NO. 1470 DATED APRIL 14

FROM LONDON

RUSH - ~~EXTREME CONFIDENTIAL~~ FOR THE PRESIDENT
FROM HARRIMAN.

For the purpose of evolving plans for the aggressive defense of Libya and Egypt Churchill had an all day meeting yesterday with Chief of Air Force, First Sea Lord, General Dill and Foreign Minister and it was decided to inaugurate active air and naval campaign to sever Hitler's line of supply to Tripoli even though naval losses might result. I was told by General Dill that the Commander in Chief of the Near East greatly needed all types of transport vehicles, tanks, armored cars and anti-aircraft and tank guns.

The development of Basra or Suez as base for imports and assembly of as many of our aircraft as is possible with as many mechanics and engineers from the United States is urgently requested by Air Force Chief.

Shall inform Hopkins on the foregoing two matters when I am furnished with additional data.

As strategy of combined action by Turkey, Greece and Yugoslavia with the cooperation of British expeditionary and Air Force had failed, military effectives sent to

Greece

-2-

Greece were a sacrifice to British honor and while this force will courageously continue to fight, the results are without their control.

*file
Confidential*

DEPARTMENT OF STATE

DIVISION OF PROTOCOL

MEMORANDUM

*State Folder
2-41*

*copy filed Navy Folder
2-41*

April 19, 1941

To: Miss LeHand
From: Mr. Summerlin
Subject: U.S.S. Milwaukee to Azores, St. Vincent, Canary Islands, and Lisbon.

Miss LeHand:

Supplementing the Secretary's memorandum for the President on the proposed visits of the U.S.S. Milwaukee to the Azores, St. Vincent and Lisbon, the Navy Department states that the Milwaukee has not sufficient fuel to make the visit to the Canary Islands, as planned, without refueling en route to Lisbon or on its return to American waters. The visit to the Canary Islands is, therefore, also necessarily in abeyance and I understand the vessel is now headed for home.

J. H.
G.I.S.

State Files
2-41

THE UNDER SECRETARY OF STATE
WASHINGTON

April 21, 1941

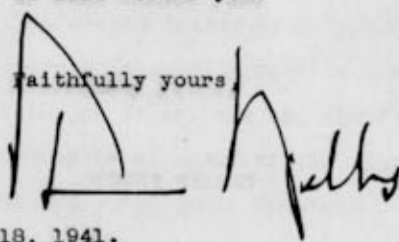
My dear Mr. President:

In accordance with our conversation of the other day, I have requested the F. B. I. to take certain further steps with regard to Mr. Axel Wenner-Gren. These additional steps are referred to in the last paragraph of the memorandum I am attaching herewith.

I am also enclosing a further memorandum concerning Mr. Wenner-Gren which will be of interest to you. As soon as I get any further more definite information I shall see that it is laid before you.

Believe me

Faithfully yours



Enclosures:
Memorandum, April 18, 1941.
Memorandum, February 17, 1941,
No. 425.

The President,
The White House.

DEPARTMENT OF STATE
FOREIGN ACTIVITY CORRELATION

April 18, 1941

MEMORANDUM

Subject: Axel Wenner-Gren

I. Basis for Report.

In accordance with the suggestion in Mr. Welles' memorandum to Mr. Berle of April 16, I have reviewed the whole State Department file on Axel Wenner-Gren, which dates back to 1936 and starts with a copy of Mr. Wenner-Gren's interview to a Stockholm paper on his return to Sweden in April 1936 in which he gives a full description of his weekend visit at the White House.

The State Department files also include F.B.I. reports, as well as letters from Department and consular officials in Rio de Janeiro and Nassau. There is also a "precis" from the British in London dated January 29, 1941, a copy of which is attached.

II. Conclusion.

Although there appears all through the files what Mr. Creel describes in a recent letter as a "queer smell", the bouquet never becomes sufficiently localized so that, based on the material in our files, one can state with certainty that Wenner-Gren is an agent of the German Government working primarily for their interest. At the same time practically all of the information in these files is subject to such an interpretation. The British obviously are suspicious despite the aid given by Wenner-Gren in the case of the S.S. Athenia, and despite his liberal contributions to local charities in Nassau, but their "precis" makes no clear charge and asks for any
information

information we can supply.

From the files a cumulative impression develops that, if Wenner-Gren is not a German agent, at least he thinks of himself as an amateur statesman, or, perhaps more aptly considering his business background, as a "high class" middleman anxious to use his connections on both the Axis and Allied sides to bring about a "deal" -- a compromise settlement of some kind. Certainly his various activities in South America and Nassau, on which there are detailed reports in the files, lend themselves to such an interpretation and do not conflict with his several past efforts to "mediate":

between Chamberlain and Goering, and between the Poles and Germany prior to September 1939;

between Finland and Russia in 1940 -- reportedly at Goering's suggestion;

and his effort to "assist" Mr. Welles in March 1940.

III. Other Activities.

Wenner-Gren's connections in the United States are numerous and varied. In addition to occasional discussions with high Government officials in Washington, Wenner-Gren appears to maintain wide business contacts in the United States touching the manufacture of airplane engines through the Mawen Airplane Motors, electrical products through his financial interest in Electrolux, as well as with American producers

producers and users of wood pulp and cellulose. Wenner-Gren also appears to have close contact with certain other individuals more or less suspect, including, for example, H. A. Brassert, an American engineer of German descent, born in England, who in the past few years designed and built the Goering Steel Works in Germany.

Also, through his frequent trips to Central America and northern South America he has been in increasingly close contact with Government officials and businessmen in Mexico, the West Indies, and Brazil. During this past week Wenner-Gren's participation in the Hastings' "\$100,000,000 group" came before the State Department. After consideration by Mr. Welles and Mr. Berle it was suggested to Mr. Hastings that, regardless of any State Department attitude on Wenner-Gren, his group "may desire to consider whether it would be to the advantage of an American group seeking to promote American investments in Mexico to permit the participation of any non-American investor." On the basis of this statement, Mr. Hastings said he would recommend to his associates that for the present they endeavor to get along without even the minority participation of Mr. Wenner-Gren.

IV. Further Intensive Investigations Planned.

In line with the President's suggestion, F.B.I., O.N.I., and M.I.D. are again being requested to give this matter special attention and Mr. Hoover has been ^{asked to arrange} // for an agent, ostensibly as a member of the crew, on board the Southern Cross.

H.B.H.
Harold B. Hoskins

FC:HBH:MHO:LBH

February 17, 1941

No. 425

~~Confidential~~

Memorandum

Attached hereto is a précis of information supplied by our friends regarding Axel Wenner-Gren, the Swedish industrialist who is known as the Rockefeller of Sweden. The authorities here would be grateful for any information which may be furnished regarding this man.

REGRADED UNCLASSIFIED by British
Govt., State Dept. tel., 2-29-78
By ~~H. H. Parker~~ GJ Date 5/29/75

Axel Wenner-Gren, the Swedish millionaire industrialist known as the Rockefeller of Sweden, owns a large house close to Nassau which he took in 1938 when he announced his intention of spending most of his time in the Bahamas in view of the imminence of war in Europe. He has also stated that he wished to avoid heavy Swedish taxation. He owns a large ocean going yacht, the S.S. "Southern Cross" in which he picked up some 200 survivors from the R.N.S. "Athenia" torpedoed on the outbreak of war.

2. Shortly after the "Athenia" disaster he arrived in the Bahamas and called on the Governor (Sir Charles Dundas) and spoke to him of his efforts to preserve peace and especially of certain conversations with Goering which had taken place with the concurrence of Mr. Chamberlain. His own account of these negotiations (which has been given in much the same form to more than one source) is that he hoped to arrange a settlement of the Polish-German dispute, and that he also discussed the colonial question with Goering. He then came to England and prepared a memorandum on his proposals which he sent to Goering. He says that he discussed the position with Mr. Chamberlain and that the late Prime Minister agreed with what he was doing. At about this time H.M.G. gave their guarantee to Poland, and as the situation deteriorated rapidly Wenner-Gren decided to go to the Bahamas "for the duration".

3. Later, during the Russo-Finnish war, Wenner-Gren went to Europe again, according to his own account with the object of exploring the possibility of a negotiated peace between the Allies and Germany, but according to other reports with the object of securing German mediation in the Russo-Finnish war. Before his departure he states that he interviewed Mr. Cordell Hull in Washington and informed him of his intentions. Mr. Hull suggested that he should travel on the same ship as Mr. Sumner Welles, who was then leaving on his mission to Europe, and discuss with him. In fact, however, Wenner-Gren says that though he travelled on the S.S. "Rex" with Sumner Welles he was unable to make any contact or discuss anything with him. In Washington officials denied that he had conferred with Mr. Sumner Welles, but were thought to be aware of his role in attempting to secure mediation in the Finnish war. His own account of the reasons for the change of attitude on the part of the United States authorities is that he had telegraphed to his brother in Sweden asking him to tell a man called Bigge, whom he had employed as an agent, to meet him in Rome. His brother misunderstood the message and thought that "Bigge" meant Goering and accordingly telephoned to Goering asking him to meet Wenner-Gren in Rome. Wenner-Gren thinks that the United States secret service must have become aware of this. On this information the consensus of opinion was that though it was not improbable that Wenner-Gren was well disposed towards us he was probably susceptible to that form of German propaganda which is not infrequently effective among Scandinavians in favour of a compromise peace on the basis that a strong Germany is necessary as part of a united front against Bolshevism. At the same time some sources have stated that he had shown definitely pro-German sympathies and it was also reported that he had arranged shipments of oil to Germany in the early part of this year.

The "big" man.

4. More recent reports have alleged that he is sponsoring an opposition movement in America for the overthrow of the present Swedish Government in favour of a National Socialist government which would collaborate closely with Germany. Wenner-Gren is also said to be attempting to form in America a cartel to control the wood trade, and this has been discussed with various persons who have got the impression that his real object is to cut off Britain's supply of wood. In confirmation of this it has also been reported that some of those associated with this project consider that Germany should join the proposed cartel. It is known that the United States authorities suspect Wenner-Gren of being in close touch with Nazi leaders, but they have no evidence to support the suggestion that he is endeavouring to secure the overthrow of the present Swedish Government.

5. In a letter which Wenner-Gren received from a friend in Rio the following passage occurred:-

"You will soon find there (Nassau) a new and interesting family with which I assume you will at once become very friendly. I have met an old acquaintance who formerly lived in the same street as your brother and he states that family hold sympathetic understanding for totalitarian ideas. This acquaintance and his fellow-countrymen have much consideration for people of that family. This should be of great significance for forthcoming development of events. They will gladly talk with you and furthermore those people have been prepared for talks".

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file 3-11
Confidential
DEPARTMENT OF STATE

THE SECRETARY

April 21, 1941.

Memorandum for the President

Re your memorandum of April 18, relative to reported German operations in Northeast Greenland, after conference I was told that the War and Navy Departments were drawing up plans for the defense installations in question, and that they would make their reports direct to you. There are no defense installations at the Scoresby Sound area at this time.

HP

100-100000
APR 27 1941
THE SECRETARY
DEPARTMENT OF STATE

THE WHITE HOUSE
WASHINGTON

APRIL 18 1941

~~SECRET - CONFIDENTIAL~~

MEMORANDUM FOR

THE SECRETARY OF STATE
THE SECRETARY OF WAR
THE SECRETARY OF THE NAVY

I am principally concerned over possible German operations in Scoresby Sound, northeast Greenland. That seems to be where the Germans are headed. Please let me have recommendations to counteract any possible establishment of military, naval or weather base at that point even if it be for the summer months only.

F. D. R.

DEPARTMENT OF STATE
RECORDED

APR 18 1941

OFFICE OF THE SECRETARY

State Folder
2-41

THE WHITE HOUSE
WASHINGTON

April 23, 1941.

MEMORANDUM FOR THE SECRETARY OF STATE:

In regard to Number 57 from Penfield, Godthaab, April 20th, 10:00 P.M., please advise the Secretary of War, the Secretary of the Navy and the Secretary of the Treasury, to inform their officers and men in or near Greenland, in regard to the feeling of the Government of Greenland, and to take steps accordingly.

F. D. R.

State Folder
2-41

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

April 21, 1941.

MEMORANDUM FOR
THE SECRETARY OF STATE

What do you think of
this?

F. D. R.

Letter to the President, dated
April 19, 1941, suggesting that it
might be a good thing if Colonel
Josiah Wedgwood could come over to
this country.

from Jones

State Folder
2-41

THE WHITE HOUSE
WASHINGTON

April 22, 1941.

MEMORANDUM FOR SECRETARY HULL:

Will you speak to me about
this tomorrow?

F. D. R.

Letter from Cong. John W. McCormack, 4/22/41 to
Gen. Watson, with enclosed memorandum for the
President, 4/22/41, in re talk he and President
had on the transfer of vessels to the Irish
Registry.

PSF; State Folder
2-41

THE WHITE HOUSE
WASHINGTON

April 24, 1941.

MEMORANDUM FOR

THE SECRETARY OF STATE
THE UNDER SECRETARY OF STATE

I notice that Costa Rica does not know what to do with its German prisoners. Neither do we. Neither do a number of other countries.

What would you think of asking Ecuador to allow the setting up of a detention camp for all of these people somewhere on one of the uninhabited Galapagos Islands -- this camp to be administered by a very small joint police force under an Ecuadorian "General"? It is really true that the climate of the Galapagos is delightful all the year round. Food and tents and clothing and cooking utensils would be the only cost.

There is one Island in particular which I have in mind, which would be practically inaccessible to any German rescuing ship.

F. D. R.

BF
State Dept. files
2-11
file
personal

THE UNDER SECRETARY OF STATE
WASHINGTON

April 24. 1941

My dear Mr. President:

I refer to your memorandum of April 10 which you forwarded with a note addressed to you by Secretary Ickes under date of April 8 and a letter to Secretary Ickes by Dr. Frank Kingdon concerning Mr. Franz Boegler.

Franz Boegler was one of four persons in whom Dr. Kingdon has been particularly interested and about whom the Secretary of the Interior has several times addressed you, and concerning whom you have communicated with me. The other three were named Lamm, Pfeffer and Tittel.

Upon the receipt of your memorandum under acknowledgment, we communicated again with Vichy and have now been informed by them that Pfeffer and Tittel departed from France on a French vessel for Martinique, and that Boegler and Lamm are still at Camp le Vernet and that there is no intention of transferring either Boegler or Lamm to Africa as was stated by Dr. Kingdon.

The President,

We

The White House.

We are also informed in response to the long inquiry we sent that Boegler was interned on suspicion of being an "active Communist". He was once in a position of importance in the Social Democratic Party in Germany and he denied having engaged in political activity in France, but he entered France from Czechoslovakia in 1938 as a political refugee and has been under suspicion on the part of the French Government.

No additional information has been received as yet by the Vichy Embassy, but it is expected to be received shortly. The Embassy also reports that a Foreign Office official has stated that he is hopeful of obtaining a solution of the cases of Boegler and Lamm identical with that reached in the cases of Pfeffer and Tittel. The Foreign Office official added "the sooner these undesirables leave France the happier we shall be".

Each of them is in possession of an American visa which was issued to them last September under specific instructions.

The evidence furnished by Dr. Kingdon is very persuasive and should be considered in connection with their admissibility, but the persistence of the French

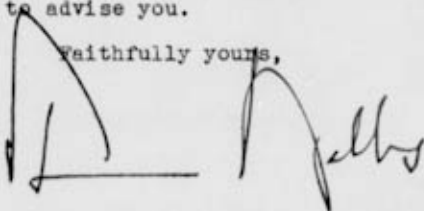
Government

- 3 -

Government in its attitude toward them and its statement in regard to their past activities should be given weight in the final determination as to their admissibility.

I shall keep Mr. Ickes informed of these developments and he will continue to keep Kingdon informed, and I will also continue to advise you.

Faithfully yours,

A handwritten signature in dark ink, appearing to read "D. M. Nelson". The signature is written in a cursive style with a large, sweeping initial "D" and a long horizontal stroke extending to the right.

Enclosures:
Original files.

Department of State

BUREAU
DIVISION

A-L

ENCLOSURE

TO

23

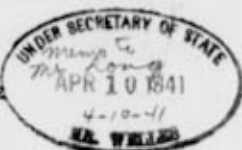
Letter drafted 4/17/41

ADDRESSED TO

The President

The White House.

THE WHITE HOUSE
WASHINGTON



April 10, 1941.

MEMORANDUM FOR

THE UNDER SECRETARY OF STATE

Will you do what you
can?

F. D. R.



THE SECRETARY OF THE INTERIOR
WASHINGTON

April 8, 1941.
THE WHITE HOUSE

APR 9 2 53 PM '41

RECEIVED

My dear Mr. President:

For your information I am enclosing a letter just
received from Dr. Frank Kingdon.

Sincerely yours,

Harold I. Rhodes

Secretary of the Interior.

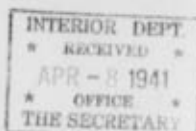
The President,
The White House.

Enc.

Emergency Rescue Committee
Incorporated

122 EAST 42nd STREET, NEW YORK, N. Y.

MURRAY HILL 3-4590



Chairman
Frank Kingdon
Vice Chairman
L. Hollingsworth Wood
Treasurer
David F. Seiferheld
Secretary
Mildred Adams
Executive Assistant to Chairman
Ingrid Warburg
National Committee
Mrs. Emmons Blaine
Elmer Davis
Dr. Robert Hutchins
Dr. Alvin Johnson
Mrs. Henry Goddard Leach
Dr. William Allen Neilson
Dr. Charles Seymour
Dr. George Shuster
Raymond Gram Swing
Dorothy Thompson

April 7, 1941

The Hon. Harold L. Ickes
Department of the Interior
Washington, D. C.

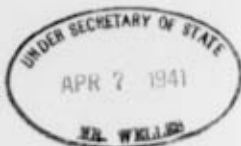
My dear Mr. Secretary:

We have just received word that Franz Boegler, one of the four men for whom you made personal intervention and one concerning whom no question was raised, is in danger of being transferred from the internment camp supposedly for construction work on the Sahara railway. We feel that this endangers his life. Every advice that I get about him guarantees his worthiness to be saved from this fate. Can you plead for him? I beg you to do what you can.

Cordially yours,

Frank Kingdon

THE WHITE HOUSE
WASHINGTON



April 5, 1941.

MEMORANDUM FOR
THE UNDER SECRETARY OF STATE

Will you speak to
Secretary Ickes about this?

F. D. R.

FILE COPY
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR
DIVISION OF INFORMATION
WASHINGTON

April 2, 1941

MEMORANDUM for Secretary Ickes.

One Paul Hagen (an anti-Hitler German operator and German citizen, with United States citizenship pending) whom I have known for some time, came to me unsolicited today and reported that you, at the instance of Frank Kingdon, Chairman of the American Rescue Committee, had sought unofficially through Admiral Leahy to secure the release of one Franz Bogler, a German, now held in Camp Duvernay in unoccupied France.

Hagen states that Bogler holds an emergency visitor's visa issued by the United States in July, but that he has not been able to get an exit visa from France. Such a visa has been sought unsuccessfully to date. Hagen says that unless Bogler is released by France, he (Hagen) is sure Bogler will be shipped to Germany shortly to be killed. Hagen wants you to renew unofficially your intervention via Leahy.

I made no commitment of any kind to Hagen. I gave as my opinion that such a renewed request for action by yourself should come from Frank Kingdon, who made the original request.

The above is for your information without recommendation.

MWS.
Michael W. Straus
Director of Information

*file
personal*

*State Folder
2-41*

ASSISTANT SECRETARY OF STATE
WASHINGTON

April 26, 1941.

My dear Mr. President:

I am returning Mr. Rosenblatt's letter dated April 21, 1941, in connection with which you have inquired regarding the latest information upon the status of Norwegian ships in French ports.

About a month ago the counsel for some of the Norwegian shipping interests called upon me and inquired regarding the status of the Norwegian ships in French ports, particularly French African ports, saying that he had in mind a plan similar to that outlined in Mr. Rosenblatt's letter to you. I informed him that the status of the ships had been and still was under discussion between the Department and the French Embassy; that the position of the French Government was that Article 10 of the Armistice Agreement (quoted below) covered all ships in French ports and that none could be permitted to leave those ports without the permission of the Armistice Commission. Article 10 of the Armistice Agreement provides that -

"the French Government will likewise prevent members of the French armed forces from leaving the country and weapons and equipment of any kind, ships, aircraft, et cetera, from being taken to England or other foreign countries."

According

The President,

The White House.

According to the French Embassy the Armistice Commission has taken the attitude that ships in those ports cannot leave, regardless of changes of flag or reigstration. I also explained that the obstacle in the way of utilizing the ships was either the French Government or the Armistice Commission or both and that the Department was trying to remove this obstacle through its discussions with the French.

Subsequently the Norwegian Minister, who had heard of this conversation, called upon me to inquire regarding the matter and I made the same explanation to him.

We subsequently learned that the Armistice Commission some time ago brought pressure upon the French Government to put these vessels into service under the French flag between metropolitan France and African ports. As a result of this we have learned of fifteen Norwegian ships which either have been or will be refitted and painted and given French names as the result of this prospective or executed requisition by the French Government. We have not been able to learn whether similar action has been taken regarding the remaining twelve Norwegian ships.

Recently in conversations with the French Embassy regarding the utilization of certain French ships on the West Coast, the Department has again taken up the matter of the release of the Norwegian ships in Africa. The French reiterate their position that the matter is out of their control.

This

- 3 -

This, I believe, is the present situation. The immediate difficulty is the French Government, which refuses to let the ships go under any flag, and which asserts that the fundamental difficulty comes from the Germans.

Respectfully,

Dean Nelson

Enclosure:

Letter from Honorable Sol A. Rosenblatt,
dated April 21, 1941.

believe, is the present situation. The difficulty is the French refuses to let the ships go and which asserts that the responsibility comes from the Germans.

- 3 -

SOL A. ROSENBLATT

April 21, 1941

Dear Boss:

To summarize the situation with respect to the Norwegian ships in French African ports:

(1) Commissioner Dempsey and the Maritime Commission have been most cooperative and helpful.

(2) An American corporation, properly financed, was organized to purchase the ships from the Norwegian authorities.

(3) I am advised that when the Norwegian Minister, Hon. W. M. de Morgenstierne, went to clear the matter with the State Department, he saw Messrs. Acheson and Atherton, who advised him that they did not consider the plan feasible as such an arrangement might conflict with the armistice terms between Germany and France.

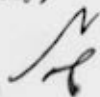
(4) His Excellency, being bound to communicate with his Government, did so, and received a reply in which they reported that they could not sanction the plan "which according to information received is not feasible".

(5) I have reason to believe that it is the Minister's opinion, however, that if the State Department withdraws its discouragement of such an enterprise, his Government would proceed immediately.

(6) I am stymied unless the State Department advises the Norwegian Minister that if his Government is willing, our Government has no objection to an American company purchasing those Norwegian ships and operating them.

My deepest affection to you, as always.

Sincerely,



Hon. Franklin D. Roosevelt
The White House
Washington, D.C.

State Folder
2-41

THE WHITE HOUSE
WASHINGTON

April 24, 1941.

MEMORANDUM FOR

HON. DEAN ACHESON

What is the latest on
these ships?

F. D. R.

Letter from Sol Rosenblatt
to the President, dated April 21st,
in re the Norwegian ships in
French African ports.

SOL A. ROSENBLATT

April 21, 1941

Dear Missy:

Will you please be good enough to
see to it that the Boss gets the enclosed,
which is highly confidential?

My thanks to you,

Sincerely,



Miss Marguerite A. Le Hand
The White House
Washington, D. C.

State Folder
2-41

COPY

April 26, 1941

MEMORANDUM FOR

THE SECRETARY OF WAR
THE SECRETARY OF THE NAVY

It is reported to Huddleston, our Consul in Curacao, that he learns from the Netherlands Intelligence Service in Curacao that twenty-five German officers are reported to be expected in French West Indian possessions.

This should be thoroughly investigated by one of the Intelligence Services, and should include not only Martinique and Guadeloupe but also the other smaller French Islands and French Guiana. *

This is coming pretty close to home.

F. D. R.

State Dept. Folder
2-41

THE WHITE HOUSE
WASHINGTON

April 30, 1941.

MEMORANDUM FOR
THE SECRETARY OF THE INTERIOR

FOR YOUR CONFIDENTIAL
INFORMATION.

F. D. R.

OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



*file
personal*

DEPARTMENT OF STATE
WASHINGTON

April 28, 1941

MEMORANDUM FOR THE PRESIDENT:

I have received your memorandum of April 21, which transmitted a letter dated April 19 received by you from the Secretary of the Interior suggesting, in connection with the desire of Josiah Wedgwood to come to this country, that you intimate to the British Ambassador that Wedgwood's coming here would be agreeable to you.

In response to your request to know what I think of this, I might say that with respect to the whole question of visits to this country on the part of prominent British persons, it seems to me that, to be consistent with our policy of full collaboration and assistance to the British Government in the present crisis, we should leave entirely to that Government the decision as to who should come over here, thus avoiding at the same time any responsibility for the sponsorship of any such visitors.

C H

AMERICAN EMBASSY

LONDON

Your 1753, May 3, midnight.

[1941]

FOR FORMER NAVAL PERSON FROM THE PRESIDENT.

In my message of May 1 I did not intend to minimize in any degree the gravity of the situation, particularly as regards the Mediterranean. I am well aware of its great strategic importance and I share your anxiety in regard to it.

I saw General Whiteley while he was here and heard from him the magnificent effort of Wavell's army and Cunningham's and Summerville's fleet. I have issued instructions that supplies in so far as they are available here are to be rushed to the Middle East at the earliest possible moment. Thirty ships are now being mobilized to go within the next three weeks to the Middle East. I want to emphasize we intend to continue the supplies and to get the ships to carry them until there is a final decision in the Mediterranean. I know of your determination to win on that front and we shall do everything that we possibly to help you do it.

REGRADED
UNCLASSIFIED

PSF: State Folder
2-41
C H + S W.
This seems better
than draft. If ok please
send - JRP.

My previous message merely meant to indicate that should the Mediterranean prove in the last analysis to be a ^{im}possible battle ground ~~that~~ I do not feel that ^{such} ~~the~~ fact alone ^{would} ~~mean~~ the defeat of our mutual interests. I say this because I believe the outcome of this struggle is going to be decided in the Atlantic and unless Hitler can win there he cannot win ~~at all~~. *anywhere in the world in the end.*

I cannot speak too highly of the admiration which the American people hold toward your generals, admirals, troops, airmen and sailors who fought in Greece and are now fighting in the Mediterranean and Africa. I think the feeling in America is that the efforts which your country made to stem the tide in Greece was a worthy effort and the delaying action which you fought there must have ^{greatly} weakened ~~your army~~. *the axis*

I have now received through Ambassador Leahy a reiteration of Marshall Petain's assurances that he does not intend to agree to any collaboration by France that is beyond the requirements of the armistice agreement; that he has publicly stated that he will not consent to any offensive action against his former ally. While he states that Germany has no need of a passage for its troops through unoccupied France to

the Spanish frontier, ^{and} that he is endeavoring to limit the number of Germans in the African colonies, Leahy points out that it is accepted at Vichy that a refusal of the Marshall to agree to German demands would have little or no deterrent effects upon the Germans. Petain had no comment to make upon the British Government's offer of assistance transmitted through Leahy and I gather that he feels that France can do nothing to prevent the arrival of German troops in Spanish Morocco which he, Petain, considers imminent. Leahy believes that Petain has the genuine support of all of the French people but that they do not share the same confidence in Darlan. He further believes that most of the people are openly or secretly supporting your cause. We are sending instructions to Leahy to urge Petain to issue orders to all French authorities ^{especially} to resist Germany in any attempt to violate French territory or to use it as a base for military operations.

in French colonies

Our patrols are pushing farther out into the Atlantic. I have just added all of our ^{Leahy's} units of the Coast Guard to the Navy for the purpose of implementing that patrol. Other steps to strengthen that patrol will be taken soon.

With this message goes my warm personal regards to you.

*State Folder
File 2-41
Personal*

THE WHITE HOUSE
WASHINGTON

2

5-5-41

MEMORANDUM FOR THE PRESIDENT:

Sumner Welles phoned that he has drawn up the drafts of messages to Churchill and Petain requested by you in your telephone conversation this morning.

He has talked with Secretary Hull who has not yet arrived in Washington. Sumner said that he strongly recommends you allow him to hold the drafts until tomorrow, at which time he will show them to Secretary Hull.

Emm
E.M.W.

State Folder
2-41

THE WHITE HOUSE
WASHINGTON

May 5, 1941.

MEMORANDUM FOR

MR. SUMMERLIN

What are you going to do
about this?

F. D. R.

Dispatch from Frost at Asuncion,
dated May 2, 1941, saying Senara
Morinigo expressed a desire to visit
Washington and call on Mrs. Roosevelt.

Published in
Pearl Harbor
Hearings

PART 20 PAGES 4332 -
4333

THE WHITE HOUSE
WASHINGTON

*file
Confidential*

May 14, 1941.

~~CONFIDENTIAL~~

MEMORANDUM FOR THE

SECRETARY OF STATE:

For your information and
return.

F. D. R.

*Given attention
CH*

THE WHITE HOUSE
WASHINGTON

May 6, 1941.

MEMORANDUM FOR THE PRESIDENT:

Clarence Dillon, of Dillon and Reid, 'phoned the following:

"The Japanese have in this country two insurance companies, one of which is the Standard Insurance Company of New York, an excellent little company doing a good business. Mr. McCain of my office happens to be on the board of these companies, and has been for a good many years.

"The Japanese were over here last December exploring the possibility of selling the companies, or something, and to see what the situation was. The other day we got a cable from them asking if we could arrange for the sale of these companies in sixty days. Then, a few days later, their manager over here asked us if we could make them an immediate bid: so we spoke to the Aetna in Hartford, and we cabled them on Friday, making them a bid, and a very low bid for immediate reply. We got a cable from them this morning, accepting the offer.

"I thought that this might be of real interest to the President, as it looks like the Japanese are selling out their assets over here in a hurry. We had purposely cabled them a low offer for immediate acceptance, to see what would happen, and they accepted immediately.

"If the President wants any details on this, McCain can be in Washington today to give details to anybody designated."

E2M.W.

BF State Folder

THE WHITE HOUSE
WASHINGTON

May 14, 1941.

~~CONFIDENTIAL~~

MEMORANDUM FOR THE

SECRETARY OF STATE:

For your information and
return.

F. D. R.

Memorandum for the President from Gen.
Watson, 5/6/41, quoting telephone message
he received from Clarence Dillon, in
re Standard Insurance Company of New York,
one of two Japanese insurance companies in
this country. Calls attention to the desire
of the Japanese to sell these two companies.

*file
journal*

*State Dept. Folder
2-41*

THE WHITE HOUSE
WASHINGTON

5-15-41

MEMORANDUM FOR THE PRESIDENT:

The Secretary of State and
Sumner Welles desire very much to come
over at five o'clock and discuss a state-
ment they have prepared in relation to the
French Government's statement released a
few minutes ago, practically and in effect,
according to Sumner Welles, joining the
Germans in their efforts against England.

*EW-
J.E.W.*

*See France Folder for
Petain's statement, etc.*

State Folder

*file
personal*

THE AMERICAN EMBASSY
HABANA

May 23, 1941.

Dear Mr. President:

I received the other day, through the Department, the letter which you were good enough to write to Dr. Cortina, the Minister of State of Cuba, acknowledging the copy of the address which he made several years ago in Habana and which copy I had the pleasure of leaving with you when I recently saw you in Washington. I delivered your letter to Dr. Cortina and I should tell you how deeply grateful he was that you, with all your occupations, should have taken the time to make this gracious acknowledgment.

In these days when men of capacity, courage, understanding and vision are so necessary, not only in our own country but in all of the Americas, it is a great fortune for Cuba, and I may say for us, that a man of Dr. Cortina's capacity and understanding is serving as Minister of State in this neighboring Republic. He is laboring for the closest relationships in the political, economic and defense sphere between Cuba and the United States. He and the Prime Minister, Dr. Saladrigas, are undoubtedly the most sound and wise advisers whom President Batista has at this time. I am glad to say that increasingly Dr. Cortina and Dr. Saladrigas have the confidence of President Batista, and increasingly their counsels are being heeded by him.

You have

The President
The White House,
Washington.

You have been good enough to refer in your very generous note to me of May 5th to what we have been able to accomplish here during the past year and my part therein. Our relationships with Cuba and the settlement of many of our problems, long-standing, have proceeded on very satisfactory lines during the last fourteen months, and I think I should tell you that I consider that a great deal of the progress which we have made is due to the understanding friendship for our country, and of inter-American problems, which Dr. Cortina has, and to the assistance which Dr. Saladrigas has given him in measures of cooperation.

During my recent visit at home when I had the privilege of seeing you, the Export-Import Bank accorded to Cuba a credit of \$25,000,000 for public works and agricultural diversification projects approved by the two Governments. This is an important step forward and it will be most helpful in cementing our situation and in maintaining the economy of this Island which is so important for us. I told the Secretary and Sumner Welles while I was home that there was one further step which we must in all justice take with respect to Cuba, and which in many respects is as important as the credit we have extended - and this is the negotiation of a supplementary trade agreement with Cuba at the earliest possible moment. It is possible that the Secretary may in the near future take up with you the approval of such negotiations and the bases thereof for a supplementary trade agreement, and I wish to take this opportunity to tell you that it is my considered opinion that we should proceed

with the

with the negotiation of this agreement at the earliest possible moment. I realize that there are internal considerations which might make us prefer to put this matter off longer, but I do not believe that we can do so with wisdom or safety. In so many of these problems, the external factors are for the moment more important than the internal.

With all good wishes,

Always faithfully yours,

Withfully yours,

[Signature]



DEPARTMENT OF STATE
WASHINGTON

June 9, 1941.

MEMORANDUM FOR THE PRESIDENT:

The State and Treasury Departments have drafted and discussed various provisions for inclusion in a Lease-Lend Agreement with the British. Certain points have seemed clear to both Departments, certain other points less clear. It had been hoped that Secretary Hull and Secretary Morgenthau could have discussed these with you today. In view of Secretary Hull's indisposition and the urgency of initiating discussions with the British, it is recommended that the State Department be authorized to open with the British today discussion on the clear points noted below, informing them that the matter of consideration for non-returnable military items and certain other matters are being reserved for a few days.

Clear Points

1. The Agreement should not include provisions relating to economic and other problems of the emergency, of post-war relief and of reconstruction. Provision shall be made in this Agreement for the designation of a British-American

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PSF: State #146

American commission which will sit continuously for the purpose of formulating solutions not only of those international economic problems which confront both governments, but also of those larger problems involved in a post-war relief and reconstruction. Such commission will seek to work out problems with existing inter-American bodies.

2. The Agreement should include the following:

- (a) An undertaking by the British to supply similar aid to us should our defense at any time require it.
- (b) An undertaking by the British to examine sympathetically our needs for additional bases, with a view to giving full support and assistance to the strengthening of our defense.
- (c) An undertaking by the British to return to the United States, upon request of the President, all material transferred which is in existence at the end of the war, whereupon the charge therefor shall be written off.
- (d) Against their obligation to the United States for non-military materials, food, and similar items, the British shall receive credits for property, services, information, facilities, or other considerations

(c) Keep, as at present, what is essentially an
considerations or benefits accepted or acknowledged
by the President, the value of which considerations
and benefits shall have been determined by the
President. The terms and conditions of liquidating
the balance of the British obligations for such
non-military materials shall be determined by the
President, perhaps after receiving recommendations
of a joint United States and United Kingdom commis-
sion.

Unresolved Points

1. The principal material that will be lease-loaned to
the British will be military material which will be destroyed
or used up in the war. The question arises what, if any,
compensation shall be received by the United States for such
military material.

Alternative ways of handling this matter are:

- (a) Write off the value of such materials upon their
being consumed or destroyed.
- (b) Britain to furnish the United States war mater-
ials or articles not produced in the United States
for such of the war materials transferred to Britain
and consumed or destroyed which are not, in the
opinion of the President, offset by one or another
form of consideration or benefit received or accepted
by the United States.

(c) Keep, as at present, what is essentially an open account, leaving for determination at some later time the question of what, if any, compensation shall be paid therefor by the British.

Considerations Affecting the Selection
of One of These Alternatives

(1) It will unquestionably have a good effect on British morale to know that the cost of that part of the hose which is destroyed in putting out the fire is not a mortgage on Britain's future.

It also seems probable that the consideration for amounts as large as the unreturnable military items are likely to be must be looked for in the political field rather than in the commercial field. The idea of lease-lend was to obviate the necessity of payment in cash. Repayment in commodities, if pushed far enough to compensate for a large amount of destroyed military items, would deprive the British in the post-war period of foreign exchange with which to buy from us and others necessary imports. Such a situation might provide the cause or the excuse for a British control over their foreign trade and foreign payments equalling or exceeding the pre-war restraints of continental countries.

As

As against this must be weighed the reaction, particularly at the present time, of the Congress and the American public to our receiving no consideration or payment for the bulk of the materials lease-loaned to Britain other than the use of such materials, when Britain has islands and investments in the Western Hemisphere.

The State Department believes that opinion at the present time is more inclined to accept the writing off of destroyed items than it would be in the future, if and when the crisis is over, and that it would be wise now to eliminate a fruitful source of bitterness and difficulty between the two nations.

(11) To wipe off the obligation will keep the total British obligations within more manageable proportions and will thereby reduce the post-war settlement and adjustment problems.

The alternative is to make clear to the British that they will not be expected to repay dollar for dollar for such war materials. Because of the inability now to foresee an appropriate basis of settlement, flexible powers are
given

given to the President so that he may determine what, depending on future circumstances, may fairly be required of the British in compensation for such materials.

(iii) If, because of the foregoing, this is not a propitious time to crystallize the nature of the obligation of Britain for used-up war materials, then the matter can continue to be dealt with as at present, i.e., through the continued maintenance of the open account for such materials.

2. Shall the value of the consideration and benefits received by the United States from Great Britain be determined by:

- (a) The President.
- (b) The President acting with the advice and recommendations of a joint British-American Commission.
- (c) A joint British-American Commission.



PSF
State

DEPARTMENT OF STATE
THE SECRETARY

file
personal

June 19, 1941.

MEMORANDUM FOR THE PRESIDENT

In connection with your memorandum of May twenty-ninth regarding the alleged assistance being rendered the Nazis by diamond shipments to the United States, I enclose, as of possible interest, a memorandum covering the preliminary investigation which has been undertaken by the State Department.

CH

THE B
DEVELOP
S COPY:MA

State Folder

Department of State
Foreign Activity Correlation

June 13, 1941

The Secretary:

With reference to the article in The Hour of May 24, referred to your office from the White House for checking up, there are annexed hereto a memorandum based principally on the material in the files of the Department, together with a very short summary of the said memorandum for use if time is lacking to read the latter.

IMPORTANT

The Treasury Department is actively contemplating taking measures against the Pioneer Import Corporation and von Clemm, and it states that it considers the information contained in the attached memoranda as extremely confidential and requests that it be treated as such.

George A. Gordon

PRELIMINARY MEMORANDUM

June 10, 1941.

Re: Alleged German Shipments of Precious Stones
to this Country as Described in May 24,
1941 Copy of "The Hour".

The substance of the report mentioned above is correct, although a number of the details cannot be substantiated from the files of this Department. Perhaps the simplest way of presenting the matter contained in the files of this Department on this specific matter is to do so chronologically. It should be pointed out that the subject discussed in "The Hour" is, of course, tied in with the whole question of the sources from which agents and representatives of the German Government obtain funds in this country. For the purpose of simplicity, this memorandum will deal only with the importation of precious and semi-precious stones through the Pioneer Import Corporation.

Several years ago the Eurotank Company of New York, which is a company controlled by the well known William R. Davis, established a subsidiary in Berlin known as Eurotank Handelsgesellschaft m.b.H. The purpose of this corporation was to deal in petroleum products of all kinds. The
business

1047 Coll. of J. H. H. H. H. H.
To the Committee on Un-American Activities
Re: Wiretap of the Communications of the

INTERNATIONAL MORTGAGE INVESTMENT CORPORATION

-2-

business of both the New York parent concern and the Berlin subsidiary grew rapidly and into unrelated fields, and, as a result, there was created in Berlin another corporation to handle all the Eurotank business other than the petroleum business. This company was called International Mortgage Handelsgesellschaft m.b.H. There was likewise formed under the laws of the State of Maryland, a corporation called the International Mortgage and Investment Corporation. This last-mentioned corporation is in turn the parent of the Pioneer Import Corporation. One of the managers of the International Mortgage concern in Berlin is Carl F. von Clemm. It should be noted that this individual, who was in the United States for a substantial period during the Twenties, and was formerly married to an American girl, was a vice president of Davis and Company, Inc., whose president was William R. Davis. The manager of the Pioneer Import Corporation in New York is the twin brother of this individual, Werner von Clemm, a naturalized American citizen who is said to have been employed by the above-mentioned Davis and Company, Inc.

On February 20, 1941, two members of the crew of the S.S. Excambion, which had docked in Jersey City on February 17 from Lisbon, were apprehended trying to smuggle off the pier a number of papers including three large envelopes addressed

addressed to Pioneer Import Corporation. These envelopes contained detached coupons of American issues of German bonds. They also contained copies of consular invoices certified at Berlin covering merchandise consisting principally of semi-precious stones purchased by the Pioneer Import Corporation through the International Mortgage Handelsgesellschaft in Berlin, to which were attached notations from the Reichs-Kredit-Gesellschaft of Berlin debiting the accounts of Pioneer and the International Mortgage and Investment Corporation (the American Corporation) for payment of the merchandise. The most enlightening document seized, however, was a personal letter of Carl von Clemm to his brother, Werner von Clemm, which discussed, among other things, the business relations between the two brothers and their principals. The difficulties of financial transactions between Europe and this country were discussed, and apprehension was expressed that there might be further blocking of European funds. To avoid this, efforts had been made to find a dummy to act for the German consignor of the jewels. It was said that an attempt had been made to obtain the services of a Swiss or of a South American, but there had been difficulties although "the Reichsbank and Reich Economic Council will approve this". Unsuccessful efforts had also been made to

to have a Portuguese firm act as consignor and creditor. Apparently a scheme had been worked out to have a Swiss principal sell the stones through a Portuguese agent for the letter said:

"The connection with the Geneva firm has been established so that I hope you will be able in the future to buy Swiss stones from a Portuguese firm. Of course, the debit memos of the Erka must now be done away with. Considering that you will soon fail to receive even the trace of any merchandise, this is perhaps not so bad."

Reference is made to previous shipments of precious stones which have been made via Russia. The letter then goes on to indicate that this business setup would be used as an agency for selling Belgian diamonds for the account of the German army. The following is a further quotation from this intercepted letter:

"Now the Belgian diamond business has been added and has been transferred to us but as a matter of principle for the time being we cannot connect you with it. But the first exception is the Jew Alster who will call on you with a letter from me. The business has been approved by the Reichs Ministry of Commerce, The Army High Command, etc., and has been accepted by the Diamanthehandel New York and Rio on the following basis: 11% cash in advance in dollars on the account of Erka Guaranty Trust for IMICO DEKANA (so that this business and the funds of the Reich for which we are the intermediary remain separate from our current Pioneer business). As soon as they arrive the diamonds will be sent insured to the bank as consignee for the American buyers. All pertaining thereto by way of Denker. The bank will deliver the merchandise only upon payment of the balance of 89%. The dollars are going to the Army High Command and we receive:

only

only the commission. Do you wish to tie up with Alster? If so, cable to OCIMINA not to IMICO because we keep entirely separate books and files for this Belgian business. Of course, the other German diamond business runs on as the first, you know that the second shipment is on the way via Russia."

(Note: IMICO is the International Mortgage Handelsgesellschaft m.b.H.)

The Embassy in Berlin has reported that during the period from July 1, 1940 to March 31, 1941, very substantial shipments of synthetic and semi-precious stones was sent by the International Mortgage Handelsgesellschaft to the Pioneer Import Corporation via Russia. Likewise over \$150,000 worth of diamonds were either sold or consigned by the same German corporation to the Pioneer Import Corporation. Some of these were shipped via Lisbon. The Pioneer Company is said to have practically a monopoly on the import into this country of synthetic and natural semi-precious stones. Apparently a substantial part of these stones are actually of German origin, but, as pointed out above, the diamond business may well be for the account of the German army and the diamonds may have been seized in occupied countries.

Investigations of Werner von Clemm have not linked him directly with any German espionage activities in this country. He lives quietly in Syosset, Long Island. There has, however, been suspicion directed towards him in

connection

connection with subversive activities and improper business transactions. The Federal Bureau of Investigation received information in May and June of 1940 that the business of importing flower bulbs from Holland and Germany had in effect been turned over to Werner von Clemm and that the importation of such articles had to be carried on through the Pioneer Import Corporation.

The von Clemms are said to have some family connection with von Ribbentrop and that this connection has been the basis of their present careers.

In May 1940, Werner von Clemm attempted to obtain a passport to travel to Italy and Germany for business. After an investigation his request for a passport was refused.

The files of this Department indicate that matters related to the importation of diamonds by Pioneer Import Corporation, the illegal attempt to smuggle securities into this country, as mentioned above, and the possibly subversive activities of the individuals involved, are receiving the attention of the Treasury Department, the Federal Bureau of Investigation, and the United States Attorney's Offices in New York City and Newark, New Jersey. If it is desired, the information and activities of these various branches of the Government can be coordinated and

a fuller report on this whole matter prepared.

It may be noted that there are several other lines of inquiry relating to the importation of diamonds into this country which could be followed. These include attempts on the part of American industry to obtain French commercial diamonds, negotiations between Brazilians and parties in this country for the sale of Brazilian diamonds, and questionable activities of certain diamond merchants in this country who have recently arrived from Belgium and Holland. The investigations to date, however, do not indicate that these matters are tied in with the principal subject of this memorandum.

June 11, 1941.

Summary of Memorandum Re: German Shipments
of Precious Stones to this Country.

A substantial business is being done between Germany and this country in precious and semi-precious stones. This business is done through corporations which may be controlled by William R. Davis. There is no evidence in our files of smuggling. The stones are either sent via Russia or Lisbon and are covered by sworn consular invoices. Papers, which were intercepted during an attempt to smuggle them into this country, indicate that these corporations are acting for the account of the German army, probably in disposing of diamonds seized in occupied countries. Plans have apparently been perfected to effect these transactions through Swiss and Portuguese dummies because of fear of freezing of German credits.

The principal agency for the disposal of jewels in this country is Pioneer Import Corporation in New York City, whose head is Werner von Clemm, a naturalized American citizen. His twin brother in Germany is the
most

most active German participant in this business. These brothers are said to have a family connection with von Ribbentrop. Our files do not directly link Werner von Clemm with subversive activities in this country. However, there is no question but that his business is done in close collaboration with German authorities in Germany. These matters are receiving active consideration of various Government agencies.

198-A

THE WHITE HOUSE
WASHINGTON

May 29, 1941

MEMORANDUM FOR THE

SECRETARY OF STATE: x 20

You might have these alleged
shipments checked up.

F.D.R.

Mimeographed copy of "The ^{*}Hour", No. 98, 5/24/41,
Edited by Albert E. Kahn, 100 E. 42nd St., NYC,
referring to "Diamond Shipments to U.S. Aiding
Nazi Cause". x

x 463-c

PSF: State Folder

PSF Box 22

(State Dept
1041, 1943)

File
personal +
confidential

June 26, 1941

MEMORANDUM FOR HON. ADOLF BERLE

I have not the slightest objection towards your trying your hands at an outline of the post-war picture. But for Heaven's sake don't even let the columnists hear of it.

When I saw Keynes three weeks ago, I told him I did not like the proposed speech of Eden's because while we could all agree on objectives, we could all fight about the machinery to attain them. He got Eden to eliminate the methods -- and we should follow that idea over here.

Don't forget that the elimination of costly armaments is still the keystone -- for the security of all the little nations and for economic solvency. Don't forget what I discovered -- that over ninety percent of all national deficits from 1921 to 1939 were caused by payments for past, present and future wars.

F. D. R.

fdm/tmb

DEPARTMENT OF STATE

ASSISTANT SECRETARY

June 21, 1941

Mr. President:

When Winant was here he took occasion to say to me that he hoped we would make no move to state peace aims unless and until we join England in fighting the war. Twelve hours later Anne O'Hare McCormick came in to express the hope that before we became involved in the war we would make a statement which could be taken as a standing description of a peace basis, since later we would not be able to do so lest it be taken as a sign of weakness.

The Germans with customary aggressiveness are now seeking to preempt the field. This I take it is their reason for announcing now Hitler's new book on the proposed new world order.

On consideration I think I agree with Anne O'Hare McCormick, if only because it will be physically increasingly difficult to get any general knowledge of what we have to say before the European populations.

This feeling is strengthened by the universal testimony that no one in Europe wants the old system

back

back. They would really like to be under a system analogous to our inter-American system, but better and more generously organized. The picture which Europe has of the United States is the picture of the United States in 1928; and it would be useful to dispel that notion also.

Would you let some of us here try our hands at an outline? Even assuming we did not hit it within miles, and that neither the time nor the political realities permit its use, it is clear that somebody ought to start grappling with the underlying issues now rather than later. On the record of the past twenty years and of the present conflict, it hardly seems that the British can make any statement of program; and their highly opportunist policy leaves her with little moral authority outside her own territories.

A. A. Berle
A. A. Berle, Jr.

The Acting Secretary of State to the Ambassador in Japan (Grew), Washington, July 4, 1941. (Approved by President Roosevelt on July 3, 1941)

Delivers a message from the Secretary of State for the Prime Minister of Japan indicating alarm concerning reports that Japan plans to attack the Soviet Union and requesting an assurance from the Prime Minister that such is not the case.

SEE: Foreign Relations of the United States, 1941, Vol. IV, The Far East, pages 994-995.

Copy

PS F
Stat. Sept.
1941

THE WHITE HOUSE
Washington

July 12, 1941

MEMORANDUM FOR

WAYNE COY:

For your information.

F.D.R.

DEPARTMENT OF STATE
WASHINGTON

July 10. 1941

My dear Mr. President:

With reference to your memorandum of June 25, 1941 asking for recommendation on a memorandum to you from Mr. Wayne Coy dated June 24 in regard to a project of the American Friends Service Committee to utilize drafted conscientious objectors in Mexico, I believe that it is advisable to outline the facts in this situation in some detail.

The American Friends Service Committee has sent units of volunteers to Mexico to do construction and reconstruction work in the past two years. It is not my understanding that the Friends were asked by the Mexican Government to do this, as stated in Mr. Coy's memorandum, but rather that these projects were originated by the Friends themselves. In any event, however,
the

The President,
The White House.

the work of the units involved in this activity, using solely volunteers, has apparently been productive of good relations.

Some time ago, Mr. Paul Comly French, the representative of the American Friends Service Committee on the National Service Board, and the representatives on that Board of the similar organizations of the Mennonites and Brethren approached the Department of State to request its approval of plans to extend this work by using drafted conscientious objectors in possible projects not only in Mexico but in other American Republics.

After careful consideration and consultation with me, it was decided that the utilization of conscientious objectors abroad might have unfortunate effects. One of the most fertile fields for Nazi propaganda in the other American Republics is the stressing of any evidence of dissension in the United States and the twisting of facts to give the impression that such dissension is widespread.

It seems obvious that the presence abroad of groups of young men who have objected to performing the normal military service required by our laws, even if such objection is a matter of conscience, could be made use of in a most detrimental manner by Nazi propagandists.

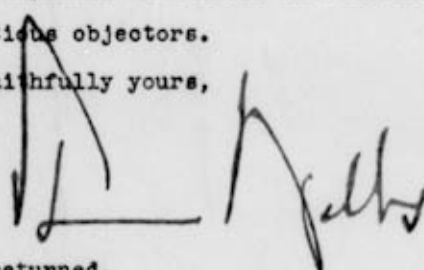
Regardless

Regardless of how well chosen the conscientious objectors might be or how impeccable their conduct, their presence would not be easily understood by most Latin Americans in any other way than as implying weakness in the United States defense effort.

After Mr. French was informed of the attitude of the Department of State regarding the question in general, he suggested that the projects of the National Service Board for the other American Republics as a whole might be kept in abeyance and asked that approval be given to the use of conscientious objectors merely in the American Friends Service Committee's work in Mexico. I feel that this limited proposal is open to the same objections as the wider one.

While the volunteer work which the American Friends Service Committee has been doing in Mexico is estimable and has had good results, it is my definite opinion that it should not be expanded to include the services of drafted conscientious objectors.

Faithfully yours,



Enclosure:

Memorandum returned.

*file
Confidential*

State 2-41

DEPARTMENT OF STATE
ASSISTANT SECRETARY

July 17, 1941

MEMORANDUM TO THE PRESIDENT

Peace Commitments

The London Foreign Office advises (London's cable 3048, July 17) that:

1. The Russian Government have recognized the provisional Czechoslovak Government in London;
2. They have pledged restoration of pre-Munich frontiers for Czechoslovakia;
3. The British Government was not consulted; will probably recognize the Czechoslovak Government under Benes; will, however, make reservations with respect to future frontiers.

I gather we have been advised, but not consulted.

ACS
Adolf A. Berle, Jr.

PSF: State Folder

file

San José, Costa Rica,
August 7, 1941.

Personal & confidential

Dear Mr. President:

I beg to acknowledge the receipt of your more than kind cablegram under date of August 5th, and thank you sincerely for the generous sentiments therein contained.

I am sure you understand that under no conditions would I have "stepped out" in this emergency had it not been for the present state of my health.

Competent physicians in the United States should have no difficulty, in a month or two, in correcting my present condition, which is a result of a tropical disease. After such time I shall again be at the service of the United States Government in the event such service is desired, either at home or abroad.

I have no plans for the future and am yours to command during this critical time in international affairs.

With kindest personal regards and my very best wishes for your continued success, I am, my dear Mr. President,

Cordially and sincerely yours,

The President
The White House,
Washington.

Wm H. Harribook
Wm H. Harribook

Published in Pearl
Harbor Hearings,
Part 14, p. 1254
(Exhibit 22)

ATLANTIC FLEET

①
OUTGOING

121645

~~SECRET~~~~SECRET~~ROUTINE

IT SEEMS HIGHLY DESIRABLE THAT YOU AND I SHOULD SEE NOMURA
AS SOON AS I GET BACK X PLEASE ASK THE AMBASSADOR TO BE READY
TO COME TO THE WHITE HOUSE EITHER SATURDAY OR SUNDAY X I SHALL
LET YOU KNOW THE EXACT TIME AS SOON AS POSSIBLE X WHITE TWENTY X
FOR SECRETARY OF STATE FROM THE PRESIDENT

TOD:

ECM - 30
GOPOF

FROM:

AUGUSTA

Date
AUG 12 1941

Originated

Released

ACTION:

OPNAV WASHINGTON

ROUTINE:

All Despatches Considered
DEFERRED Unless Originator Checks Higher Classification.

INFORMATION:

PRIORITY:

00 Admiral	01 Chief of Staff	05 Flag Secretary	11 Operations	12 War Plans	13 Asst. for Operations	15 Flag Lieutenant	20 Communications	70 Material	86 Marine	90 Gunnery	95 Aviation	99 Staff Duty	Special	CWO	
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Published in
Pearl Harbor
Hearings

PART 14 PAGE 1254

N. C. R. 387

U. S. NAVAL COMMUNICATION SERVICE

①
[Aug. 16, 1941]

SRS

FROM: THE PRESIDENT

TO : OPNAV

"160115"

WHITE 38

RESTRICTED

FOR SECRETARY HULL X I LAND SATURDAY AFTERNOON AND HOPE TO
REACH WASHINGTON SUNDAY MORNING. I SUGGEST YOU COME TO WHITE HOUSE
ABOUT ELEVEN OR ELEVEN THIRTY SUNDAY AND THAT YOU ASK NOMURA
TO SEE US AT WHITE HOUSE ABOUT FOUR THIRTY IN AFTERNOON ALL WELL
BEST REGARDS

ROOSEVELT

PSF; State Folder

DEPARTMENT OF STATE

THE SECRETARY

August 18, 1941.

file personal

Memorandum for the President

I herewith enclose the article of Dr. Harry Hawkins, Chief of the Trade Agreements Division, on the British economic situation and related questions of great importance. I do hope you will find time to read it. This is the article about which I spoke to you on Sunday.

CH

PSF: *State*

DEPARTMENT OF STATE
DIVISION OF COMMERCIAL TREATIES AND AGREEMENTS

August 4, 1941.

A-A
Mr. Acheson:

U
Mr. Welles:

S
Mr. Secretary:

Recent discussions with British officials regarding a proposed revision of the trade agreement with the United Kingdom have brought out an issue of major importance, the solution of which will determine our trade position and commercial policy in the post-war period and will have a vital relationship to efforts to reconstruct the world on a peaceful basis.

Mr. John Maynard Keynes, the noted British economist, has recently been in this country on British Government business, and there have been conversations with him on the lease-lend agreement and other subjects. The major issue above referred to arises from the position taken by Mr. Keynes on basic questions of economic policy. Mr. Keynes contemplates the adoption after the war, as a deliberate policy of the United Kingdom, of bilateral commercial and economic arrangements with foreign countries. Although Mr. Keynes presumably is not presenting the views of the British

Government on questions of basic economic policy, his standing and influence are such that any views he may have are bound to receive consideration in the United Kingdom and hence are of real concern to us here. Moreover, it is believed that the views expressed by Mr. Keynes are shared by some other influential British officials, particularly those whose principal preoccupation is with fiscal and monetary matters as distinguished from trade matters.

It is essential that we should consider with an open mind the objects which Mr. Keynes has in view, the difficulties under which the British will be laboring after the war, and the courses open to us if those difficulties should in fact require that they adopt the policy advocated by Mr. Keynes.

1. It is first necessary to endeavor to get a clear understanding of Mr. Keynes' viewpoint, the essentials of which seem to be as follows:

a. After the war the United Kingdom will find itself in need of large quantities of imported goods for reconstruction and rehabilitation. It will need food, machinery and equipment for reconstruction, building material for repairing the destruction of bombs, and raw materials to get its factories running on a peace-time basis. The standards

standards of living of the British people will depend directly upon obtaining these needed supplies.

b. At the same time, Great Britain's means for purchasing them will be seriously reduced. Its foreign investments will have been drastically reduced as a result of war expenditures. A substantial part of its merchant fleet will have been destroyed or incapacitated, and the income from this source will have become seriously shrunken. An expansion of its exports as a means of providing the wherewithal to buy what it needs will be difficult not only owing to destruction of plants and difficulty of supplying them with needed raw materials, but because of the weakened competitive position of British producers resulting from high costs induced by heavy taxation and other factors (such as reconverting factories to civil purposes).

c. A close control of British international trade and payments will, in Mr. Keynes' opinion, be necessary in order that the United Kingdom may (1) make fullest use of its shrunken sources of income and keep its purchases within its means, and (2) increase those sources of income to the maximum by facilitating the exportation of British goods.

2. Mr. Keynes seems to feel, not only that close control will be necessary, but that bilateralistic arrangements with foreign countries will be necessary to serve the

the above ends. He apparently considers them necessary on the assumption that other countries will have foreign exchange control which will limit the use by the United Kingdom of funds in foreign currencies to the purchase of imports from the countries in which such funds are accumulated, or to discharge other obligations due those countries. Obviously, considering the urgent need of the United Kingdom for all kinds of imported goods, any such funds cannot be invested or allowed to lie idle in the countries in which they accumulate. He seems also to consider bilateral arrangements necessary because, in view of its urgent need of finding means of paying for imports, the United Kingdom by this means can increase its purchasing power by forcing an increase in its exports; the procedure being, of course, to block balances to the credit of foreign countries in the United Kingdom and thereby force such countries to buy British goods and services to the full amount of such balances.

The foregoing may be illustrated as follows:

If Brazil's balance of payments with the United Kingdom is such that balances in milreis accrue in Brazil to the credit of the United Kingdom, and if in consequence of Brazilian exchange control these

milreis

milreis will not after the war be convertible into dollars, the United Kingdom, which will need (e.g.) cotton, will buy in Brazil rather than in the United States; this on the further assumption that the United Kingdom will be short of dollars. In other words, if the United Kingdom has inconvertible milreis and no dollars and needs cotton, it must buy it in Brazil rather than in the United States.

Argentina normally has an export balance in its trade with the United Kingdom and sterling accrues to its credit there. By preventing the conversion into dollars or other foreign funds of sterling funds thus acquired in the United Kingdom, the United Kingdom places Argentina under the necessity of leaving the funds in the United Kingdom or of buying British goods or services. In this way, Argentina is given a strong inducement to favor British goods. Argentina's preferential treatment of British as compared with American products has resulted from just this situation, and even in our trade agreement with Argentina we have thus far been unable to surmount the obstacle thus created.

3. Under the bilateralistic control system envisaged by Mr. Keynes, therefore, British goods would receive preferential

preferential treatment in Argentina and other countries with which the United Kingdom has an unfavorable balance of payments, and in the United Kingdom products of Brazil* and other countries with which the United Kingdom has a favorable balance of payments would be given preferential treatment over ours. In brief, if the system envisaged by Mr. Keynes became general, as it presumably would if Great Britain adopted it, and on the further assumption that we remain entirely quiescent, we would find our exports placed in an inferior competitive position in all countries with which we normally have a favorable balance of payments, including the United Kingdom.

4. What the attitude of the United States would and should be if this policy were adopted by the United Kingdom has been the subject of a good deal of discussion in the Department in recent weeks, and with Mr. Keynes. Mr. Keynes seems to feel that we should not object to his plan a) because the British will be under the necessity of adopting such a policy because of the grave difficulties in which they will find themselves after the war, b) because it would not really be a matter of serious concern to us, and c) because, as a creditor nation with an export balance, we have made any

contributions by the United States, and become general

* On the above assumption respecting the balance of payments situation between the United Kingdom and Brazil.

general international system unworkable, and we should not object or obstruct if the British adopt measures which have the effect of cutting down our exports and giving us the kind of a merchandise balance requisite to having the kind of international system we seem to want.

a) With reference to a) it seems quite clear from conversations with Mr. Keynes that in making his plans he had given little, if any, thought to what the effects of such a system would be on Anglo-American commercial relations. He seems, quite naturally, to have been completely absorbed in finding a way out of the mess in which the British most certainly will find themselves after the war. Mr. Keynes, as an economist, has been preoccupied with the problem of unemployment which dominated the depression period. His economic theory pertains to conditions existing under economic depression. He has felt a need for economic controls in such circumstances. Since a national government has been the only authority which could exercise such controls, he approaches the problem from a nationalistic point of view and has tended to disregard the effect of such an approach on international economic relations. Perhaps because he feels that any scheme of cooperation would involve further contributions by the United States, and because of hesitancy in suggesting this, he tends to disregard the possibility

of

of instituting through cooperative measures international economic controls which, in taking into account world-wide betterment, might better serve ultimate British national interests. If, indeed, he has considered this, he apparently assumes that we must adjust ourselves to whatever scheme the United Kingdom adopts.

It is true that in the course of one conversation with Mr. Keynes, he did touch briefly on the possibility that our position might be one of developing, parallel with the British, a closely planned internal and external economy, in connection with which we would have a predetermined volume of imports and exports of each commodity, keeping in mind a creditor country's need of having its total imports larger by a predetermined amount than its total exports. This plan presumably would then be fitted into the British plan.*

With reference to b) Mr. Keynes seems to feel that the effects of such a system would be of only academic concern to us, and that to the limited extent that our interests might be adversely affected by it, we should accept the situation and not put any obstacles in the way

of

* It is necessary to draw inferences rather than state explicitly Mr. Keynes' views on this phase of the subject because he has said very little as to the effect of his scheme on the position of the United States. I have a clear impression that he had devoted very little, if any, thought to this phase of the subject prior to his discussions here.

of British efforts to salvage their economy. He has stressed the fact that British standards of living are directly at stake. When it was pointed out to him that there would be discrimination against American trade, he argued at some length that this term is a vague, ambiguous and largely meaningless one, handed down to us from a dead past, and implied that we should set up new standards of international conduct in the trade field.

c) With reference to c) Mr. Keynes has in mind the fact that as long as a nation like the United States, heavily a creditor nation, refuses to take full payment in goods, we will continue to draw to ourselves all of the gold or any other medium for settling international accounts; deprive other countries of the means of making such settlements on a multilateral basis; and leave each country in the position of being unable to settle such accounts except by adopting exchange control and keeping its payments on a bilateral basis. He also might argue with some cogency that the necessity of foreign countries acquiring dollars to meet their commitments to us tends to result in an excessive drain on their foreign exchange resources, leaving little, if any, for the purchase of British and other foreign goods. He apparently assumes that we will not ourselves correct this situation by adopting an import policy appropriate to

our

our creditor position and sufficiently liberal to maintain our accustomed volume of exports. Hence, he would argue, we should not complain if the British and other countries take matters into their own hands and adopt measures which will effect a proper relation between our imports and exports by cutting down the latter and thereby facilitating the creation of conditions which will make possible the kind of international system we seem to want.

5. Mr. Keynes' plans deserve careful analysis by ourselves in order to determine their effects on our own policies and interests. There was a good deal of discussion with Mr. Keynes as to the meaning of the term "discrimination". Setting such quibbling over terminology to one side as wholly unproductive, it is perfectly clear that Mr. Keynes' plan would result in preferential advantages to British and foreign goods in many markets including the United Kingdom, or place our goods at a competitive disadvantage, or whatever synonymous terminology one may choose to describe the situation. It is hardly necessary to argue that preferential treatment of our competitors is a matter of concern to us, since the consequent displacement of our products in foreign markets means curtailed production and employment and lower standards of living in this country. Even if we had a closely controlled internal and external economy

such

such as Mr. Keynes on one occasion mentioned as desirable, the quantity of our exports is of concern to us. If British or other foreign goods displaced our own in foreign markets, we would have to curtail our production to the extent of such displacement with consequent painful readjustments in our domestic economy. It seems superfluous to argue the point further. If one country, having in mind its own national interests, adopts a policy independently of and without regard to the effects of that policy on another country's interests, the interests of such other country inevitably will suffer.

6. If bilateral trading arrangements having the above results were adopted by the United Kingdom, it seems inevitable that the United States would be forced to consider a revision of its own commercial policy. Mr. Keynes apparently does not realize that there is grave danger that the adoption by Great Britain of export-forcing devices essentially similar to those employed by the Germans will ~~almost~~ ~~certainly~~ necessitate the adoption of similar devices by ourselves, with the result that a virtual state of trade warfare would exist. No matter how benevolent an attitude this Government might take toward British efforts to solve its admittedly serious difficulties (and benevolence

obviously

obviously is called for), political pressures would in all likelihood be so strong as to force us to adopt counter-acting measures.

7. The foregoing statement is based on the following considerations: At some stage in the immediate post-war period we are likely to find ourselves in another acute economic depression. Unmarketable surpluses of all kinds of goods will accumulate and export markets will be sought to relieve the situation and to stay the decline in the standards of living of our people. In many lines the pressure for export outlets will be directly proportionate to the expansion of plant facilities resulting from the war and to the increase in the body of industrial labor resulting from the present efforts of industries to keep up with the war-time demand. With standards of living of our own people at stake and under the political pressures thus generated, this Government could not, if it would, look with a tolerant eye at the one-sided trade warfare inherent in Mr. Keynes' plans. If our producers for export found themselves unable to meet the competition of British producers owing to the special advantages enjoyed by the latter in the markets of third countries, or by our competitors in other foreign countries in the British market, this Government would be compelled to cast about for means

of

of overcoming such disadvantages or of obtaining compensating advantages.

8. Given such a motive, means would readily be found. We might be forced, for example, to adopt in some cases the kind of policy initiated by the British. Wherever we have an import balance in our trade with a foreign country, as for example Brazil, we could require that dollar balances accruing to the credit of such countries be used for the purchase of American goods or services. In this way, what the British would gain at our expense in Argentina would be in some measure offset by what we would gain at their expense in Brazil. However, the British would be able to employ this particular device in many more instances than could we because we have an import balance in our trade with relatively few countries. The British, therefore, would enjoy a net gain, provided we confined ourselves to employing only the type of measures employed by them. If, however, under the political pressures to which we would be subject, a particular device did not fully serve our purpose, it would in all likelihood, rightly or wrongly, unsound or not, be supplemented by others such as the granting of loans and blocking the dollar proceeds, export subsidies, or other devices for carrying on trade warfare.

9. It

9. It seems altogether likely that in any such commercial struggle as that described above, we should be able to hold our own in the dubious sense that we would suffer less than the British, in general because we are less dependent on foreign trade. But no person in his right mind could contemplate the development of such a situation with equanimity. If our post-war economic relations with the United Kingdom should consist of trade warfare involving a contest for markets with no holds barred, such bitterness would be created as to make very difficult, if not wholly impossible, the collaboration in the economic and other fields which is so essential to the reconstruction of the world on a peaceful basis. Even prior to the war, the application of British bilateralistic policies to such countries as Argentina with consequent preferential treatment of British exporters and corresponding handicaps for exporters of the United States, was seriously resented by the American exporters concerned. How much more intense such resentment would be if these policies were continued in the post-war period and carried to the point of causing discrimination against American exporters even in the United Kingdom itself, can easily be imagined. Despite the fact that our aid to Great Britain in the war, and the heavy burden of taxation which this imposes on all of our people,

has

has been based on considerations of our own defense, our producers who have borne the burden of these taxes will feel that discrimination in the United Kingdom, and elsewhere as a result of British policy, is poor compensation for the help which they have given to that country. Collaboration with the British in the post-war period would be very difficult, if not impossible, in the atmosphere of bitterness which would exist.

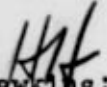
10. It follows, from all of the foregoing, that our own and the British interests will best be served if we can dissuade them from adopting the kind of policies advocated by Mr. Keynes. It likewise follows that we must give due weight to the points of real cogency in Mr. Keynes' position and take whatever steps are possible in this regard. Unless some means can be found whereby currencies will be made convertible into one another, the British may in fact find it necessary to give preferential treatment to our competitors in order to utilize their foreign funds for obtaining much-needed imports. It may also be true that, in the longer run, unless we can bring our import policy into line with our creditor position, no system for multilateral settling of international accounts can be worked out. Since it is believed that Anglo-American collaboration
after

after the war may be at stake, with all that this implies in terms of creating a prosperous and peaceful world, all the talent and resources of this Government should be devoted to the finding of solutions to these problems. Provision for collaboration in finding such solutions in order to make possible the avoidance of discriminatory or preferential treatment, is provided for in Article VII of the draft of a preliminary lease-lend agreement recently handed to the British (copy attached). This work should go forward immediately. In line with these objectives discussions regarding the revision of our agreement with the United Kingdom and the negotiation of agreements with Australia, New Zealand and South Africa are now in progress. In connection with these negotiations, we must constantly bear in mind that they go to the root of the problems and that our tariffs on the products of the countries concerned must, considering the vital issues at stake, be reduced to the utmost possible extent.

11. The appropriate instrument for crystallizing and, if possible, settling the issue presented is the lease-lend agreement now under discussion with the British. Article VII of the draft agreement which has been approved by this Department and by the President and submitted to the British, provides in effect that the two countries
should

should collaborate in solving post-war economic problems on a sound basis; but specifies, as a part of that basis, that neither should discriminate against the other. Moreover, recognizing that measures would need to be taken by the United States as well as the United Kingdom to make it possible for the latter to meet this requirement, the Article stipulates that the two countries shall collaborate in formulating measures to this end. It is possible that someone may seek to confuse the issue with a view to evading it by arguing that we tacitly admit that certain unspecified and unknown measures must be taken to enable the United Kingdom to adopt a nondiscriminatory policy and yet ask in the agreement that the United Kingdom in advance of the formulation of and agreement on such measures commit itself to such a policy. The answer is, of course, that a nondiscriminatory policy on the part of the United Kingdom and the United States is a sine qua non to any post-war system which will be acceptable to us but that if we fail to collaborate in making it possible, it is clearly implicit in the Article that the British would be released from their undertaking. This is so because the undertaking on our part to collaborate is as much a part of the Article as the British agreement not to discriminate. Failure by either to perform its part would release the other.

12. A practical consideration to be kept in mind in connection with the attitude of the British Government on an issue of this kind is the composition of the present British Government. It includes membership of all parties and was formed not to determine peace-time economic policy but for the sole purpose of winning the war. It includes, among others, such professed advocates of Imperial Preference as Mr. Amery and Lord Beaverbrook, who presumably serve not because of but in spite of their views on economic problems. Preoccupied as they must be with day-to-day war problems, it would in any case be difficult for them to apply their minds to the study of post-war economic problems with the care which it requires. But these difficulties must be greatly increased by the widely divergent opinions known to be held on peace-time economic policies by different ministers. In such a situation it might easily happen that British policy, under the influence of Mr. Keynes and others, will be permitted to drift in a direction wholly opposed to ours unless we take pains to make our position clear on every suitable occasion.


TA:Hawkins:MJK

State Dept

THE WHITE HOUSE
WASHINGTON

August 20, 1941.

WINANT
LONDON

PRESIDENT DELIGHTED TO SEE PRIME
MINISTER OF NEW ZEALAND TUESDAY
NEXT AT NOON

Hull
~~Wash. D.C.~~

TEM

This telegram must be closely paraphrased before being communicated to anyone. (SC)

London

Dated August 20, 1941

Rec'd 2:00 p.m.

Secretary of State,

Washington.

TRIPLE PRIORITY.

3769
August 20, 7 p.m.

TO THE PRESIDENT AND SECRETARY,

Mr. Peter Fraser, the Prime Minister of New Zealand is leaving London tomorrow evening and expects to reach New York by Saturday. He wants very much to see the President and would greatly appreciate it if a time could be cabled back here before he leaves as his schedule will depend upon it.

Knowing the uncertainty of air travel, I would suggest Monday or Tuesday. He is a quiet man of fine character and good sense.

WINANT

WSB

(Tuesday now)

The Ambassador in the Soviet Union (Steinhardt) to the Secretary of State, Moscow, September 22, 1941. For the President, the Secretary and Under Secretary.

Steinhardt reports on his discussion with the Japanese Ambassador in Moscow regarding those matters which are the subject of negotiation between Japan and the Soviet Union.

SEE: Foreign Relations of the United States, 1941, Vol. IV, The Far East, page 1019.

State Folder

THE WHITE HOUSE
WASHINGTON

Hyde Park, N. Y.,
September 28, 1941.

MEMORANDUM FOR

HON. ADOLF A. BERLE, JR.

I approved the letter which Frances Perkins has written suggesting Mr. Phelan as Acting Director, on the general ground that in the present state of things the I.L.O. can well use his financial ability, but that there is not much else that is active.

F. D. R.

DEPARTMENT OF STATE
ASSISTANT SECRETARY

Confidential

September 25, 1941

MEMORANDUM

Mr. President:

Today I talked informally with Secretary Perkins about the forthcoming meeting of the International Labor Office.

Among other things, the question came up as to whether the I.L.O. should elect a director. Miss Perkins was of the impression that perhaps the best thing to do might be to continue Phelan as acting director for the time being.

Lubin observed that we should be asked pretty soon whether we wanted to have a director elected now, and whether we had a candidate. *The British object to Phelan, who is indubitably Irish*

I said that I thought Miss Perkins might want to consult you on the matter. Miss Perkins said that she did want to do that as soon as possible.

For your confidential information, a good deal of sentiment is developing here about electing Miss Perkins herself. It seems likely that the British would follow the attitude of the American Delegation in the matter.

WAB
A.A.B., Jr.

State Folder

THE WHITE HOUSE
WASHINGTON

October 2, 1941.

MEMORANDUM FOR

THE SECRETARY OF STATE

What are we replying to
this message from Queen Wilhelmina?

F. D. R.

State Department dispatch
to the President re forces to be
sent to Surinam.

*file
personal*

*State Folder
7-41*

ASSISTANT SECRETARY OF STATE
WASHINGTON

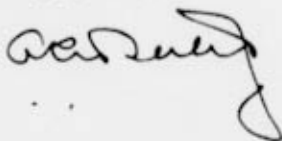
November 5, 1941

My dear Mr. President:

Please let me thank you for your extremely kind help to LaGuardia in the campaign which has just finished. Without it I doubt if we should have pulled through -- though our losses seem to have arisen chiefly from the defection of the Republicans.

I know that to come out for LaGuardia as you did was anything but easy; and I merely wish to add my personal word of gratitude.

Faithfully yours,



The President,

The White House.

State Folder

*file
personal*

DEPARTMENT OF STATE
WASHINGTON

November 17, 1941

MEMORANDUM FOR THE PRESIDENT

The attached letter from Congressman Klein was obviously intended to be passed on.

In the job of doing what I could with the New York City delegation, assigned to me by Sam Rayburn, I feel bound to say that one of the very useful men was Joe Gavagan. I am grateful to him and to Mike - and also ^{Heffernan} Kennedy because both of them were under heavy pressure, including, I regret to say, pressure from their parish priests.

adB
Adolf A. Berle, Jr.

Attachment

ARTHUR G. KLEIN
14th Dist. New York

COMMITTEES:
PATENTS
CLAIMS
REVISION OF THE LAWS
ELECTIONS No. 1

Congress of the United States
House of Representatives
Washington, D. C.

November 14, 1941

Hon. Adolf A. Berle, Jr.,
Assistant Secretary of State,
Washington, D.C.

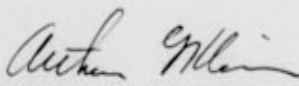
Dear Mr. Berle:

I am happy to report that all of our work yesterday was not in vain. It was a tough job and I personally take credit for influencing at least three Congressmen to vote our way.

The constituents of the District which I represent feel that the greatest man living today is Franklin Delano Roosevelt, and I must say I am with them. In my opinion "the King can do no wrong" and if there is anything I can do in the future to help the Administration, or you personally, do not fail to call upon me.

I trust I will soon have the pleasure of meeting you in person and with kind regards

Sincerely,


Arthur G. Klein

PSF: State Dept.

file confidential
PSF: State Folder

copy

DEPARTMENT OF STATE

"A.A.B.Jr.

O.K.

November 25, 1941

F.D.R."

MEMORANDUM

Mr. President:

On November 21 John Carter sent you a memorandum asking whether you would authorize the United States Government to accept information from a Polish intelligence service regarding opinion among United States citizens of Polish extraction; names of possible saboteurs, etc. Behind this was the Polish desire to organize a secret intelligence service in this country, working among Polish groups.

Word came back that you approved. John Carter and I have been discussing this. We assume that your approval does not extend to the organization of a secret Polish intelligence service operated under the orders of the Polish Government in London, and working among residents of the United States of Polish extraction. Certainly policy to date has not been to let foreign intelligence services operate here any more than is necessary; and certainly not to let foreign nations turn their secret agents loose on blocs of Americans, even though related to them by ties of blood.

I assume accordingly that what was really meant was that the Polish Embassy might attach a couple of intelligence officers to its staff as other embassies do; and that these might be in regular liaison with the intelligence services. Unless otherwise instructed, I propose to limit the action to that.

If a special intelligence is needed for Polish Americans, we could organize that in our own services; I assume we do not need the Polish Government for that. Any advice or assistance the Polish attaches might give us would, of course, be welcomed and evaluated.

Other governments in exile are manifesting an undue desire to organize a service to spade around among Americans of their kindred, thus tending to unify the foreign-born second generation groups. In some cases they are already at loggerheads: the Czech crowd are already trying to cut the throats of the Free Hungary Movement.

If I misinterpret your views, please let me know.
John Carter agrees with this memorandum.

Adolf A. Berle, Jr.

State folder

THE WHITE HOUSE

WASHINGTON

December 3, 1941.

MEMORANDUM FOR

THE SECRETARY OF STATE

OR

THE UNDER SECRETARY OF STATE

I think it is well worthwhile that this aspect of closing the Burma Road should be brought out. The Burma Road is China's life-line for goods going in, but it is also a very important life-line for our very much needed tungsten and tung oil.

F. D. R.

Unsigned, undated, memorandum "The Burma Road is our life-line as well as China's. Two-thirds of all our imports of tungsten come out of Free China over the Burma Road. This Chinese Tungsten is essential for hardening steel, therefore for making high-speed tools or armor plate for tanks. Also over the Burma Road we
(over)

President Roosevelt to the Secretary of State [Washington,],
December 6, 1941

"Proposed Message from the President to the Emperor of Japan."

SEE: FDRL, Master File of Speeches, FDR Message to Congress
on American-Japanese Relations, Dec. 15, 1941.
(This message to the Emperor of Japan appears as an
Annex to the Message to Congress)

SEE, Also: Foreign Relations of the United States, 1941, Vol. IV,
The Far East, pp. 723-725.

PSF- State

The Secretary of State to President Roosevelt, [Washington,]
December 6, 1941.

Transmits a draft of a message from the President to
the Emperor of Japan

SEE: Foreign Relations of the United States, 1941, Vol. IV,
The Far East, pp. 721-723, 726.

[The message was not sent to Japan but was superseded by one
drafted in the White House]

RJ 12/6/56

258- 5421

The Secretary of State to the Ambassador in China (Gause),
Washington, December 9, 1941.

Transmits a message from the President to Generalissimo
Chiang Kai-shek pledging support in the war against Japan.

SEE: Foreign Relations of the United States, 1941, Vol. IV,
The Far East, p. 739.

State Folder

THE WHITE HOUSE
WASHINGTON

December 12, 1941.

MEMORANDUM FOR

THE SECRETARY OF STATE
THE UNDER SECRETARY OF STATE

I see by tonight's bulletins that the Government of Slovakia has declared the existence of a state of war with the United States.

Also, that the Government of Hungary has done so, or is about to do the same thing.

Other puppet governments may join.

It is my present thought that the United States should pay no attention to any of these declarations of war against us by puppet governments.

F. D. R.

file

State Folder

THE WHITE HOUSE
WASHINGTON

12-13-41

MEMORANDUM FOR THE PRESIDENT:

The following has been phoned to me
from the State Department:

"The Prime Minister informed
me, the American Minister at Budapest,
at five-thirty this afternoon, that
Hungary considers war to exist between
Hungary and the United States.

(signed) PELL."

ELL

Confirming my phone
message to G. T.-
ELL

State folder

*Loss
Rhetoric*

file

THE WHITE HOUSE
WASHINGTON

December 22, 1941.

MEMORANDUM FOR GENERAL WATSON:

Mr. Summerlin 'phoned the following and wants you to telephone him, or he will come over and talk it over.

"Mr. Welles states the President wants to see on Friday next, all the Chiefs of missions of the American Republics.

"Also on Friday: The Chiefs of Missions of Refugees Governments, and all the Chiefs of Missions whose governments have declared war against the Axis powers, such as China, and the Chiefs of Missions of all the Dominions."

Mr. Summerlin left the lists of those to be invited to these conferences. (attached)

Roberta

Two Delegations Friday hour?

DEPARTMENT OF STATE

DIVISION OF PROTOCOL

Sometime on Friday - 26th
~~Instruction~~ All the Chiefs of
Missions - Ambassadors &
Ministers - of all of the
American Republics - No
distinction between those
who have declared war
against Axis powers and
those who have not

The first
A Reception by the President of the Chiefs of Mission
of the American Republics on Friday, December 26, 1941
at an hour to be determined later.

His Excellency
Señor Don Manuel de Freyre y Santander,
Ambassador of Peru.

His Excellency
Señor Don Felipe A. Espil,
Ambassador of the Argentine Republic.

His Excellency
Señor Dr. Don Francisco Castillo Nájera,
Ambassador of Mexico.

His Excellency
Señor Capitán Colón Alfaro,
Ambassador of Ecuador.

His Excellency
Carlos Martins,
Ambassador of Brazil.

His Excellency
Señor Dr. Don Diógenes Esculante,
Ambassador of Venezuela.

His Excellency
Señor Dr. Gabriel Turbay,
Ambassador of Colombia.

His Excellency
Señor Don Rodolfo Michels,
Ambassador of Chile.

His Excellency
Señor Dr. Aurelio F. Conchoso,
Ambassador of Cuba.

His Excellency
Dr. Juan Carlos Blanco,
Ambassador of Uruguay.

His Excellency
Señor Don Ernesto Jaén Guardia,
Ambassador of Panama.

The Honorable
Señor Dr. Don Adrian Recinos,
Minister of Guatemala.

The Honorable
Señor Dr. Don Hector David Castro,
Minister of El Salvador.

The Honorable
Señor Dr. Don Luis Fernando Guschalls,
Minister of Bolivia.

The Honorable
Señor Dr. Don León DeBayle,
Minister of Nicaragua.

The Honorable
Señor Dr. Don Julian R. Caceres,
Minister of Honduras.

The Honorable
Señor Dr. Don Luis Fernández,
Minister of Costa Rica.

The Honorable
Señor Dr. Don Juan José Soler,
Minister of Paraguay.

The Honorable
Fernand Dennis,
Minister of Haiti.

The Honorable
Señor Dr. J. M. Troncoso,
Minister of the Dominican Republic.

DEPARTMENT OF STATE

DIVISION OF PROTOCOL

At another time on Friday next, all of the Chiefs of Missions of the Refugee Governments, all who have declared war against Axis Power, such as China and all Chiefs of Missions of the Dominions.

DEPARTMENT OF STATE

DIVISION OF PROTOCOL

December 23, 1941.

In connection with the list of the Chiefs of Mission of Refugee Governments, all who have declared war against the Axis Powers and all Chiefs of Mission of the Dominions, you may wish to consider whether the Minister of Iceland should be invited. Although the names of all Dominion Ministers have been included on the list, Ireland, which does not have Dominion status but which has a Minister in Washington, has been omitted. The name of the Minister of Denmark likewise has been omitted from the list, inasmuch as Denmark is occupied territory but has not declared war against the Axis Powers. If my understanding is correct, there is no Danish Government in exile similar to that of the Belgian Government in London, and for that reason the name of the Danish Minister has been omitted. In view of his peculiar status in this country, you may wish to consider whether his name should be added to the list. ✓ OK

The names of the Egyptian and Iranian Ministers have been omitted from the list, although these countries are occupied by the Allied Forces and the countries are apparently working in unison with the British. Although they have not declared war upon the Axis, they have broken off diplomatic relations with the Axis and you may wish to include them in the list. ✓ OK

The Record.

A Reception by the President of the Chiefs of Mission
of the Allied Powers and the Refugee Governments
on Friday, December 26, 1941, at an hour
to be determined later.

His Excellency
Count Robert van der Straten-Ponthoz,
Belgian Ambassador.

His Excellency
Dr. Hu Shih,
Chinese Ambassador.

His Excellency
Maxim Litvinoff,
Ambassador of the Union of Soviet Socialist
Republics.

His Excellency
The Right Honorable
The Viscount Halifax, K.G.,
British Ambassador.

His Excellency
Jan Ciechanowski,
Ambassador of Poland.

The Honorable
Ralph William Close, K.C.,
Minister of the Union of South Africa.

The Honorable
Wilhelm Munthe de Morgenstierne,
Minister of Norway.

The Honorable
Constantin Fotitch,
Minister of Yugoslavia.

The Honorable
Vladimir Hurban,
Minister of Czechoslovakia.

The Honorable
Dr. A. Loudon,
Minister of the Netherlands.

* (The Minister of Denmark)

The Honorable
Cimon P. Diamantopoulos,
Minister of Greece.

The Honorable
The Right Honorable Richard G. Casey, D.S.O., M.C.,
Minister of Australia.

The Honorable
Hugues Le Gallais,
Minister of Luxembourg.

The Honorable
Leighton McCarthy, K.C.,
Minister of Canada.

✧ The Honorable
Henrik de Kauffmann,
Minister of Denmark.

The Honorable
Thor Thors,
Minister of Iceland.