

DIARY

Book 797

November 19-21, 1944

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See Appointments and Resignations: Collector of Customs, El Paso, Texas

11/19/44

1

Reading copy of Secretary's remarks introducing the President in the broadcast from the White house in connection with opening the Sixth War Loan Drive.

~~Ladies and Gentlemen:~~

We Americans have a lot to be thankful for.

Not the least of our blessings is that in times of grave national crisis, when the fate of our nation has hung in the balance, there has emerged from our midst leaders with the authentic stamp of greatness.

When our people's task was to create and weld together a nation, we had George Washington.

When the task later on was to preserve the nation from disruption within, we had Abraham Lincoln.

And when the task ^{today} - ~~which is absorbing the best of our talent and efforts today~~ - is to save the nation and its institutions from disruption from without, we have Franklin Delano Roosevelt.

It is ~~our~~ ^{my} pleasure to introduce the President of U. S.

In launching the Sixth War Loan Drive from the White House tonight, the President will address the nation on some of the broader aspects of the war finance program.

It is my ^{pleasure} ~~privilege~~, Ladies and Gentlemen, to introduce Our Commander-in-Chief.

TEXT of GENERAL EISENHOWER'S 4
REMARKS ON ARMY HOUR - 19 Nov 44

Allied fighting men have achieved in Europe since June sixth one of the remarkable military victories of all time. They have eliminated more than a million German soldiers. In the great breakthrough in Normandy in late July, and in the sweeping exploitation that carried them all the way to the German frontier, the tactical pattern was always the same: sudden and devastating air attack, followed by intensive artillery bombardment, and then the forward surge of infantry and tanks to break defenses, capture towns, and hurry forward once again. In their relentless advance, they liberated France, Belgium and Luxembourg. This achievement of your sons, brothers and husbands and their gallant allies was possible only through great expenditure of bombs and ammunition. The huge stocks that we had accumulated in England before the beginning of the invasion were rushed, by day and by night, to the front so that our fighting men would not be handicapped. All the way from the North Sea to the Mediterranean, tactical victories followed swiftly upon earlier ones, each worthy of its own chapter in our military history, but each adding to the inevitable drain upon the stocks of ammunition that you produced.

Your toil and skill share with the courage and stamina of the front line soldiers the credit for the stunning successes of the summer and fall. But today we are firing ammunition that we would not have used until next February or March if we had been content with slower advance, with less crushing victories, or if we had been ready to sacrifice soldiers to save materials. Now we are hammering at the massive crust of armor surrounding the German Fortress. Appalling conditions of rain, fog, snow and mud make difficult the employment of our Air Forces and the maneuver of our tanks, even of our foot soldiers. But wretched weather can not repeat not stop artillery shells. More than ever before we need ammunition. In the capture of Aachen the First Army used three-hundred-thousand rounds of 105 mm ammunition in a two-weeks ^{span} and, even so, the reduction of that place was delayed because of shortage of ammunition. In spite of all we continue to attack. Five-thousand pounds of ammunition are being poured every minute against the German defenses. Each month our guns are hurling six-million rounds against the hostile trenches, forts and pill boxes, while our mortars add two-million additional rounds to this figure.

Expenditures have raced ahead of our receipts from home but I know that you do not want us to give the enemy one second's rest. You do not want the leaders of American soldiers to substitute additional cost in lives for the ammunition that could so surely save those lives. I owe it to every G I American soldier in this greatest fighting force that America has ever put into the field, to urge upon you increased production of ammunition, signal equipment, winter clothing, engineering materials, vital medical instruments - and again, ammunition, always ammunition. We are well aware that this calls for superhuman effort on your part. But you have already accomplished miracles in war production. We know that when you understand that your increased work will shorten the war and save thousands of lives, you will perform this new and even greater miracle.

SECRET

OPTEL No. 375

Information received up to 10 a.m., 19th November, 1944.

1. MILITARY

WESTERN FRONT. French, after taking Montbeliard 17th continued to advance and reached points five miles south Belfort and three miles S.W. Delle. North of St. Die several villages have been taken.

U.S. troops have reached points two miles N.W. and three miles N.E. of Metz. Small gains made south and east of Monneren astride Aix la Chapelle. No further progress against strong opposition.

Second Army started new attack 6 a.m. yesterday east of Geilenkirchen and by noon had advanced a mile. In Venlo sector our bridgeheads across Canal de Derivation have been deepened and two villages captured. An attack westwards by German garrison Dunkirk during 17th/18th was repulsed.

EASTERN FRONT. Russians have made further progress N.E. of Budapest, have advanced up to 25 miles north and 22 miles N.W. of Inari.

BURMA. Mopping up operations around Kalemyo continuing. Our troops advancing from the north are now about 17 miles from Kalewa. Further north we have crossed the Chindwin to the east of Sittaung.

2. AIR OPERATIONS

WESTERN FRONT. 18th. 443 escorted Bomber Command aircraft dropped 1694 tons through complete cloud on Munster. One bomber missing and two crashed after collision. 374 U.S. fighters (8 missing) attacked four oil storage depots Munich, Hanau and Ulm, destroying and damaging oil cisterns. Successful attacks made also on two airfields Bavaria. 69 aircraft destroyed and 41 damaged on the ground. Rail traffic in Munich-Stuttgart area attacked and about 400 railway vehicles destroyed or damaged. German casualties in action 26, 2, 6.

345 light and medium bombers (5 missing) dropped 596 tons on German positions east of Aix la Chapelle. 90 attacked Venlo railway bridge and rail centre Kempen. 2418 fighters and fighter bombers (26 missing) operated over the battle areas destroying or damaging about 1100 railway vehicles.

18th/19th. 433 Bomber Command aircraft despatched: Oil plant near Dortmund - 309 (1 missing); Wiesbaden - 31; Hanover 20; Bomber support, etc., - 73. At oil plant complete cloud conditions. Markers well placed and well maintained. Several large explosions reported, including three about 20 minutes after attack ended.

MEDITERRANEAN. 17th. 274 medium bombers (1 missing) and 789 light and fighter bombers and fighters (4 missing) successfully attacked railway bridges northern Italy and other objectives battle areas.

3. HOME SECURITY

To 7 a.m. 19th. Eight rocket incidents.

Casualties so far reported: 8 killed, 49 serious.

Carbon of reading
copy. as revised by
Mr. Gaston -

8

War is the greatest and grimmest of human endurance tests. The side that wins, in the final analysis, is the side that is in there working and fighting at the end - the side with the stamina and the spirit to endure the long and terrible ordeal. 11/20/44 -

The present war imposes its test no less upon civilians than upon the men in the armed services. For no modern army can fight without full support at home. Victory goes inevitably to the side whose men and women, in and out of uniform, stick longest and most unwaveringly to the performance of their jobs.

- 2 -

Our enemies believed that the democracies were soft and decadent. They believed that we who had lived our lives in freedom would not muster the self-discipline or the toughness to stick out the long, hard grind until the end. They believed that somewhere along the line we would flinch and falter, that we would grow tired and slacken in our stride, that we would hesitate to pay the total cost of total victory.

Well, they miscalculated. They have found out from the Americans they met in France and on Leyte, and at a score of other bridgeheads, that there is nothing either decadent or soft about us. But perhaps they still cling to the hope that we who have been left safe at home will be lulled into complacency and will quit our job before we have completed it. If so, they are wrong about this, too.

- 3 -

I have been talking lately about our job at home with one of the great architects of our victories overseas - the Chief of Staff of the United States Army, General George C. Marshall. Before each of our great War Bond campaigns, I have gone to General Marshall and asked him to tell me something of the needs of our fighting forces to gain the objectives immediately ahead - to tell me, in other words, what the men at the front expected of us here at home.

- 4 -

It has always given me reassurance and inspiration to talk with him - reassurance because I have come away with a fresh certainty that those who have to bear the real brunt of this terrible conflict will do all that we expect of them - and more; inspiration because I have come away with a clearer understanding of the vital part our own efforts play in the tremendous job that they are doing.

What I am going to tell you about the current needs of our armed forces is not based on any amateur or armchair strategy. It comes directly from General Marshall himself. He has authorized me to report it to you.

- 5 -

There has been a fundamental change in the nature of the war, both in Europe and in the Pacific. A year or two ago we were attacking the enemy only on the periphery of his farthest advance. Each time we attacked, we had a single, limited objective. Today, in the east and in the west, we are closing in on the enemy's homeland. There is no limited objective now. The objective is total victory.

In Europe, we have embarked upon the final push. It demands a concentration of materials and of effort immeasurably greater than any we have yet brought to bear. The nearer we drive toward the enemy's heart, the costlier the war becomes.

- 6 -

It requires, in its present phase, guns and tanks, trucks and bridges and pipelines and railroads in quantities far beyond anything called for in past offensives. The last barrage, that fearful tornado of high explosives which will knock, first Germany, and then Japan, out of the war, will make our previous expenditure of ammunition seem trivial.

We have moved into position for our final thrusts through a series of short, sharp blows. The last drive in Tunisia, for example, took only 18 days. Tarawa was captured in 10 days, Kwajalein in 8, Guam in three weeks, the Island of Sicily in a little over a month.

- 7 -

But the war has now settled down to a sustained, continuous attack. And sustained, continuous attack is costly in supplies. For we must now blast the enemy out of heavily fortified positions to which he clings with the tenaciousness of despair.

Let me illustrate the difference for you in terms of the weapons and munitions and equipment consumed by General Eisenhower in the three campaigns through which he has led our troops so brilliantly and so successfully - Tunisia, Sicily and the Battle for Germany.

The whole of the Tunisian battle lasted 96 days and cost 88 mortars. It took 38 days to overrun Sicily where we lost 47 mortars. But in a single month on the German front we expended no less than 700 mortars.

Page 8, 4th line from bottom word "much". Eliminate everything else on page.

"In the case of 155 millimeter ^{high explosive} shells, we fired during June 76,000 rounds at the German lines. In September we fired about 500,000 of these same shells -- again over six times as many as in June and almost as many as in the two preceding months combined."

Top of page 9, eliminate first paragraph and say:

"In the campaign on the Western Front more than 750 million pounds of ammunition have been expended. This was at the average rate of four to five thousand pounds a minute, every minute -- 24 hours a day. In the recent intense fighting around Aachen, the rate of expenditure was of course many, many times greater than this average."

A single month of combat on the German border destroyed 2400 of our trucks and jeeps - two and one-half times the rate of loss in the other two campaigns.

As we hem the enemy in, we naturally shoot more heavy ammunition. Last June, our 105 millimeter howitzers hurled a quarter of a million high explosive shells at the Germans. In September, just three months later, they fired a million and a half rounds - six times as much. ~~Our 155 millimeter cannon during September flung more than 130,000 big shells at the German lines - a greater total than during the preceding three months combined.~~

In the case of 155 mm high-ex shell, we fired during June, 76,000 rounds at the German lines. In Sept we fired about 500,000 of these same shells - again over 6 times as many.

○ as in June and almost as many as in the two preceding months continued

In the campaign on the western front more than 750,000,000 pounds of ammunition have been expended. This was at the average rate of 4 to 3000 lbs a man every minute, ^{at the present interest rate} ~~at~~ ^{the rate of} ~~the rate~~ expenditure was ^{many, many times greater} ~~greater~~ than this average

○

In the Aachen sector alone in two weeks last month, our artillerymen fired 300,000 shells from their 105 millimeter howitzers. This is at the rate of 900 big, high-explosive shells an hour - one every four seconds, day and night, for two weeks.

Now, remember this: Aachen is just a sample. A hundred other Aachens lie spread along the front from the North Sea to Switzerland. We have encountered the same thing at Metz. We shall have to encounter and overcome it at every waypoint on the long road to Berlin and Tokyo. There are no short cuts to victory and no bargain prices for the purchase of it.

Ever since our troops landed in Normandy on the sixth of June we have been able to supply them only through the battered, inadequate port of Cherbourg and by the use of floating harbors on the Norman beaches. This bottleneck has prevented the United States Army from deploying its full strength against the enemy. It is this factor, and no other, which has been responsible for the pause in our advance into Germany. We have had to wait until tanks and guns and munitions could be put ashore and moved up to our front lines.

- 11 -

But with the help of our Allies the handicap will soon be overcome. When the great port of Antwerp comes into operation, the tonnage of materiel shipped to American forces in Europe is expected to double. It is expected to be twice as great as it has been during October of this year.

And in the Pacific, the supplies moving to General McArthur must be half again as great as those he received at the beginning of the year. The Navy, too, must be given greatly increased quantities of ships and planes and shells for its final obliteration of the Japanese fleet.

- 12 -

These are the needs of the men on the firing lines. The nearer we come to victory, the greater these needs will be. And the more quickly we meet them, the more quickly can victory be achieved.

I know that Americans need no appeal to meet these needs beyond a simple knowledge of the facts.

The way for each of us here at home to meet them is through unceasing devotion to his job and through the purchase of War Bonds to the limit of his individual ability. The Sixth War Loan offers to every American an opportunity to play his part in the great offensives now being launched against the enemy.

- 13 -

There have been many demands made of you in the three long years that we have been at war. You have met all of them faithfully and generously. If you are tired now or feel that you have done your utmost, then think for a moment of the men in battle. Think of the men who come out of the foxholes drained of their last physical resources, cold and grimed and hungry, their nerves pulled taut to the breaking point by the incessant whine of bullets and the shattering roar of unseen high-explosive shells. And think of their response when they are asked to go into the firing line again - to find inside themselves new sources of courage and of strength and of endurance.

- 14 -

One indispensable source of spirit to these men is the knowledge that we at home are backing them up with all we have - with nothing less than the fullest consecration of our wealth and strength. This is our endurance test as well as theirs. Our response to the Sixth War Loan drive will be the vindication to these men of their faith in us.

24

11/20/44

Two pages from reading copy of New York
speech as changed by HM, Jr

- 8 -

A single month of combat on the German border destroyed 2400 of our trucks and jeeps - two and one-half times the rate of loss in the other two campaigns.

As we hem the enemy in, we naturally shoot more heavy ammunition. Last June, our 105 millimeter howitzers hurled a quarter of a million high explosive shells at the Germans. In September, just three months later, they fired a million and a half rounds - six times as much. ~~Our 155 millimeter cannon during September flung more than 130,000 big shells at the German lines - a greater total than during the preceding three months combined.~~

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11/20/44

Reading copy of Secretary's speech
in New York opening Sixth War Loan Drive

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I did not give this page

1493
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- 3 -

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1385
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- 4 -

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In Europe, we have embarked upon the final push. It demands a concentration of materials and of effort immeasurably greater than any we have yet brought to bear. The nearer we drive toward the enemy's heart, the costlier the war becomes.

1089
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974

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868
130
738

A single month of combat on the German border destroyed 2400 of our trucks and jeeps - two and one-half times the rate of loss in the other two campaigns.

As we hem the enemy in, we naturally shoot more heavy ammunition. Last June, our 105 millimeter howitzers hurled a quarter of a million high explosive shells at the Germans. In September, just three months later, they fired a million and a half rounds - six times as much.

In the case of 155 millimeter high explosive shells, we fired during June, 76,000 rounds at the German Lines. In September, we fired about 500,000 of these same shells -- again over six times as many as in June, ~~and almost as many as in the two preceding months combined.~~

738
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611

In the campaign on the Western front, more than 750,000,000 pounds of ammunition have been expended. This was at the average rate of 4,000 to 5,000 pounds a minute, every minute, -- 24 hours a day.

In the recent intense fighting around Aachen, the rate of expenditure was, of course, many, many times greater than this average.

Now, remember this: Aachen is just a sample. A hundred other Aachens lie spread along the front from the North Sea to Switzerland. We have encountered the same thing at Metz. We shall have to encounter and overcome it at every waypoint on the long road to Berlin and Tokyo. There are no short cuts to victory and no bargain prices for the purchase of it.

611
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498
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- 11 -

But with the help of our Allies the handicap will soon be overcome. When the great port of Antwerp comes into operation, the tonnage of materiel shipped to American forces in Europe is expected to double. It is expected to be twice as great as it has been during October of this year. $\frac{3}{4}$

And in the Pacific, the supplies moving to General McArthur must be half again as great as those he received at the beginning of the year. The Navy, too, must be given greatly increased quantities of ships and planes and shells for its final obliteration of the Japanese fleet.

403
102

- 12 -

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The way for each of us here at home to meet them is through unceasing devotion to his job and through the purchase of War Bonds to the limit of his individual ability. The Sixth War Loan offers to every American an opportunity to play his part in the great offensives now being launched against the enemy.

311
112

- 13 -

There have been many demands made of you in the three long years that we have been at war. You have met all of them faithfully and generously. If you are tired now or feel that you have done your utmost, then think for a moment of the men in battle. Think of the men who come out of the foxholes drained of their last physical resources, cold and grimed and hungry, their nerves pulled taut to the breaking point by the incessant whine of bullets and the shattering roar of unseen high-explosive shells. And think of their response when they are asked to go into the firing line again - to find inside themselves new sources of courage and of strength and of endurance.

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00

U.S. TREASURY DEPARTMENT
WAR FINANCE COMMITTEE FOR NEW YORK
1270 Sixth Avenue, New York 20, N.Y.

11/20/1227

Circle 6 - 4300

FOR RELEASE: TUESDAY, NOVEMBER 21

ADDRESS OF FREDERICK W. GEHLE,
STATE CHAIRMAN, WAR FINANCE COMMITTEE FOR NEW YORK
AT COMMERCE AND INDUSTRY DIVISION DINNER,
WILDORF-ASTORIA, NOVEMBER 20, 1944

Mr. Chairman, Mr. Secretary, Honored Guests, Ladies and Gentlemen:

From the distinguished speakers who have preceded me you have heard what an important place the Sixth War Loan has in the financing of America's part in World War II. Following these gentlemen, I find it hard to know what to say and how to say it.

As a matter of fact, the significance of all that the Sixth War Loan means has been on the hearts and minds of my associates for a long time.

There are three fundamental periods in a campaign such as the Sixth War Loan Drive.

There is, first, the quota period.

Then the period of organization to meet the quota.

And lastly, there is the period of final results.

Secretary Morgenthau has an able assistant in Mr. Ted Gamble, who is National Director of the War Finance program. No one holds Mr. Gamble in higher esteem than I do, but at one of our meetings in Washington that preceded this Loan I backed away from him when he approached me and said to me, "I have a pleasant surprise for you. I have in my pocket a piece of paper on which is New York's quota for the Sixth War Loan. It is so low that even
(more)

I was surprised when it was figured out." "Honestly," he said, "I could not have given you a more just quota if you were my own brother."

Well, after hours of pondering over the paper he gave me, I concluded that, to arrive at the figure he had written, Mr. Gemble must have adopted an extraordinary formula. As I saw it, he must have taken all of the 48 states of the Union, eliminated 9, and assigned to the remaining 39 states all that they could reasonably raise in the Sixth War Loan. He must then have placed the result on two identical pieces of paper, giving one of them to me. Not, mind you, by mistake...he must have had it in his mind that New York should duplicate the quota of those 39 states, with Alaska, Hawaii and Porto Rico thrown in for good measure.

Well, the truth is that New York State has a great responsibility in the Sixth War Loan. Its quota is \$4,226,000,000, which represents 30% of the national goal. In fact, it is almost precisely that of California, Illinois, Massachusetts, Pennsylvania and Ohio combined, and these five States are the "runners-up" to the Empire State.

Adding this War Loan to the two which have preceded it this year, New York State in this single twelve months of 1944 -- if we achieve our Sixth War Loan goal -- will have advanced to the government through War Loans, over and above tax payments, the gigantic sum of \$15,000,000,000.

This prospective achievement presents some interesting comparisons. The financial records of the Civil War show that as of April 1, 1865, the ^{direct} total/ cost of that war, for the Union and the Confederacy together, was \$4,750,000,000. In other words, the cost of preserving the Union and abolishing slavery was only a little more than the New York State quota of the Sixth War Loan, for which we have the next 27 days to achieve.

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We talk about the Spanish-American War as having marked the emergence of the United States as a world power. Yet the cost of that war was short of \$2,000,000,000, less than the quota of Manhattan Island alone in this present Loan by $1\frac{1}{2}$ billions.

As for World War I, the comparisons are especially interesting. There was not a nation in the world that called on its people in that war in amounts equal to the \$15,000,000,000 which New York State will subscribe, if all goes well, in this single year. Not England, not Germany, not France, not Russia. Not even the United States. The two Liberty Loans of 1917 for which many of us here worked, yielded the United States a total of \$7,650,000,000. The two Liberty Loans of 1918 yielded \$11,170,000,000. All four of those Loans together drew from the American people only 25 per cent more than we of New York State by ourselves are subscribing this year.

These figures are significant of the enormous scale of the present war, of the enormous demands on our finances to support it to the utmost. So, as the famous war correspondent Ernie Pyle says, "Here is Your War." In terms of war financing, as in all other terms, America has indeed come of age.

The speakers before me have shown their faith in our capacity to meet the task that is before us. They feel with me that before the Sixth War Loan Drive is over, we shall have achieved the goal assigned to us. My own conviction is based on many elements, all of which merge themselves into one element, namely, New York's determination that it will meet the nation's demand for war, whatever that demand may be.

If organization and hard work mean results, you can have faith that we shall succeed.

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Tens of thousands of our workers have already begun their job. Our Payroll Savings Division is organized to reach every salaried worker. The members of our Blue Star Brigade, including the solicitors who are organized in our Community Sales activities, have started on their rounds, so that no city dweller will fail to be approached. Our workers in agricultural communities, right through to the mail carriers, are organized so that no farmer shall be overlooked. The boys and girls of our cities, the Boy Scouts, Girl Scouts, Campfire Girls, members of various youth organizations...all are canvassing their areas. In our schools, thousands of boys and girls are organized into bond selling teams.

All of these activities are, for you here tonight, a definite challenge. The majority of our bond salesmen cannot approach the totals that you can achieve. They for the most part will sell E Bonds, the so-called "People's Bonds," which are in denominations of \$25, \$50, \$100, \$500 and \$1,000, which no individual can buy in excess of \$5,000 in a single year.

Their challenge to you is in the spirit with which they have approached their task. They are following the injunction of our late Governor, beloved Alfred E. Smith, whose admonition always was that the way to make sales was to "get out and pound the side walks."

The success of this Loan must be assured by you, our Commerce and Industry and our Banking and Investment leaders. You will secure the subscriptions of corporations and business firms, and the professions. You will secure the subscriptions of savings banks, insurance companies, and organizations where large sums are available. We look to you to secure the large subscriptions. So, plainly, you cannot afford to let your interest fall below that of the men, women, boys and girls who are seeking the \$25 and the \$100 subscriptions.

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Have no misgivings; the money for this Loan is available. Never before has America been so busy, so prosperous. According to records compiled in Washington, our gross national income in this final quarter of 1944 will be approximately \$52,000,000,000. Out of this, after every deduction, there will be a large percentage available for investment.

One of the interesting sidelights of the present year has been the way in which our people's savings, over and above War Loan subscriptions, have increased. The mutual savings banks in New York State are increasing their deposits on an average of \$75,000,000 a month. Checking accounts in our commercial banks are increasing, and the income of our business enterprises provide a wide market for the Sixth War Loan.

Yes, the money is available.

But....we have reached a dangerous time in the war. Certain friends have told me that this Sixth War Loan drive would be the most difficult of all.... that the public mind had swung away from the battlefields...had lost interest in the fight...and that a large percentage of our people were occupied with a consuming desire to feather their nests in the post-war period.

True, we are tired of the war...we want to see it ended...it may be that in this strong desire some of us are inclined to let up a bit.

This is a period in war which is more important than all other times. Up to now, the war to us has been everything. Now with the peace looming, even though far distant, there is a tendency to turn our gaze away from the fight and toward reconversion.

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Beware of this. It is fraught with greatest peril. If we let down now it simply means that the peace we hope for will slip further and further away.

Our task at home is identical with the task of our fighting forces -- to work and work and work.

And so, as we begin this third campaign of 1944 in behalf of the greatest peace of all, our hearts are filled with pride in America...with confidence in our people...with conviction that we will do the job, as surely as our boys, with our great Allies, are closing in on Berlin on the East, and Tokyo on the West.

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U.S. TREASURY DEPARTMENT
WAR FINANCE COMMITTEE FOR NEW YORK
1270 Sixth Avenue, New York 20, N. Y.
Circle 6-4300

11/14/1945

FOR RELEASE: TUESDAY, NOVEMBER 21

ADDRESS BY WALTER S. GIFFORD, PRESIDENT,
AMERICAN TELEPHONE AND TELEGRAPH COMPANY,
AT WAR FINANCE COMMITTEE'S
COMMERCE AND INDUSTRY DIVISION DINNER
OPENING SIXTH WAR LOAN AT WILDORF-ASTORIA HOTEL
MONDAY, NOVEMBER 20, 1944

Tonight we are inaugurating the Sixth War Loan. At the close of the successful Fifth War Loan early last summer, there was hope that, before our next War Loan, the war in Europe would have been over. Although such has not proved to be the case, our progress since the Fifth War Loan has been extraordinary. In fact, with each successive War Loan, the war has shown definite and favorable progress. It is a remarkable record that every American can be proud of -- there have been no major setbacks and the march continues forward to ultimate victory.

At the time of Pearl Harbor, now almost three years ago, Russia's back was to the wall. The Germans were at the gates of Moscow. Leningrad was besieged. In the Crimea, Sevastopol was under attack. Stalingrad was yet to come as the confident Nazis aimed for the Near East. The German press chief gloated: "For all military purposes, Soviet Russia is done with. The British dream of a two-front war is dead."

In North Africa fighting seasawed across the desert. The British were in Tobruk, holding fast, but their naval lifeline through the Mediterranean was dangerously threatened by air and sea attack.

In the Atlantic the U-boats were learning the wolf-pack technique and the sinkings mounted.

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In the Far East the Japs were developing their plans for establishment of a new order in East Asia. President Roosevelt personally appealed to Hirohito to avoid conflict -- and the answer he got was Pearl Harbor.

A year later, in December, 1942, we had our First War Loan. By then, the initiative had passed to the United Nations. Our American Forces were sweeping across North Africa while British desert troops pushed Rommel toward his Tunisian trap. The German high tide had broken against the Russian wall at Stalingrad. In the Southwest Pacific, Guadalcanal was now firmly in our hands and General MacArthur's men were starting the fight for New Guinea.

Only four months later, in April, 1943, at the time of our Second War Loan, American and British Forces had made contact in Southern Tunisia and the end of the African campaign was in sight. In Russia the great summer offensive was gathering momentum and place-names such as Smolensk, Kherkov and Belgorod began again to appear in the dispatches. The Japs on Attu and Kiska were being bombed by our flyers. American bombs were falling on Japs at Rabaul, Munda, Newak, Milne Bay and other South Pacific objectives.

Another four months later, in September, we had our Third War Loan. Sicily was in Allied hands and our invasion of Italy was underway. Our leap-frog sweep up the northern coast of New Guinea put us before Lae and Salamaua. "Bloody Tarawa" and our invasion of the Gilbert Islands was still two months away. The Russians continued to roll back the Germans. Day and night, Allied bombers were plastering German industry and communications.

In January, 1944, two years after Pearl Harbor, at the time of the Fourth War Loan, General Eisenhower, in the Mediterranean, had just been named Commander-in-Chief for the European assault which was being made ready. The Russians crossed the old Polish border. General MacArthur landed at Cape Gloucester and Arawa on New Britain.

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Just last spring, in June, at the time of the Fifth War Loan, Rome fell to General Mark Clark's Fifth Army and, as if at a signal, D-Day came at last and Allied invasion Forces poured across the English Channel into France. Saipan was stormed and won, threatening the inner line of Japan's defense. Our B-29 superfortresses bombed industrial cities of Japan.

Tonight, as we start the Sixth War Loan, Germany is cornered. Her Balken empire has crumpled. The Russians have crushed the invaders and flung them back across their borders. France is liberated. Greece is free once more and Allied might is poised at the German frontier for a knock-out blow.

In the Pacific we have returned to the Philippines. The Japanese outer ring of island defenses lie far behind us. Ahead are the main objectives. A long, hard, bloody business is in front of us, to be done.

This is a thrilling record of progress but the war is not yet won. Our men and women on the fighting fronts will keep on to the end whether it be near at hand or far off and so will we here at home. Our five War Loans were oversubscribed by some thirty per cent. Let us keep up with the good record with this, the Sixth War Loan.

We who are here tonight have great responsibilities for the success of this Sixth War Loan. We are well organized for the job but success requires more than organization; it requires determination, will, enthusiasm and hard work. I confidently look forward to a job well done. No one knows how many more War Loans we may need before final victory is ours -- but come what may, we, here at home, must and will continue to do our full part in helping our Forces on the fighting fronts to continue their march to complete victory.

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U.S. TREASURY DEPARTMENT
WAR FINANCE COMMITTEE FOR NEW YORK
1270 Sixth Avenue, New York 20, N.Y.

11/20/1231

Circle 6-4300

FOR RELEASE: TUESDAY, NOVEMBER 21

REMARKS OF IRVING S. OLDS, CHAIRMAN OF BOARD
OF DIRECTORS, UNITED STATES STEEL CORPORATION,
AT DINNER OF THE COMMERCE AND INDUSTRY DIVISION
OF THE SIXTH WAR LOAN DRIVE AT THE WALDORF-ASTORIA
HOTEL, NOVEMBER 20, 1944.

Businessmen throughout the nation - I am convinced - appreciate the realities of this war in terms of the enormous sacrifices of human life and property. But that is not enough. Business must also be cognizant of its own responsibilities.

American industry - both management and workers - has been closely concerned with the home-front conduct of the war. To it has fallen the task of providing munitions and fighting equipment for our armed forces on many fronts. As a representative of business, I may be permitted to say that American business can be proud of a production job well done.

We must be realists, however, and recognize that many things are yet to come. The end of the war in Europe is yet to come. The final fight to liberate Japan's stolen empire and to conquer that treacherous foe is yet to come. Let no one say that the war has already been won. Even after victory, there will be demobilization and all that involves in the way of costs and problems. The longed-for day of victory cannot be bought with money. On the other hand, a victorious war cannot be fought without money.

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Commerce and Industry can add to an already existing chapter of outstanding service to the nation by supporting this Sixth War Loan Drive even more extensively than has been true in the past. The New York Commerce and Industry Division raised one billion, eight hundred million dollars for the Fifth War Loan. Business concerns in this district must do equally as well or better this time. To reach such a goal, all of us in commerce and industry must take an active interest in this drive. We must exert our energies and influence toward the largest possible purchases of bonds by corporations, firms and business executives. We must make the Sixth War Loan Drive the first order of business during these coming twenty-seven days. We must aid and cooperate with the Treasury Department and the Commerce and Industry Division in every way in order to insure the full success of this campaign. If we so act, I am confident of the eventual result.

As Admiral King and General Eisenhower have pointed out within the past few days, the future conduct of the war depends in large measure upon the favorable outcome of this drive. Now is the time for everyone at home to back up the high courage and great accomplishments of our men at the front by providing the funds to enable them to have what they need to bring about a speedy and complete victory.

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U.S. TREASURY DEPARTMENT
WAR FINANCE COMMITTEE FOR NEW YORK
1270 Sixth Avenue, New York 20, N.Y.

11/20/1230

Circle 6- 4300

FOR RELEASE: TUESDAY, NOVEMBER 21

ADDRESS OF MOST REV. FRANCIS J. SPELLMAN, ARCHBISHOP OF
NEW YORK, AT OPENING DINNER, COMMERCE & INDUSTRY DIVISION,
WAR FINANCE COMMITTEE, AT WILDORF-ASTORIA, NOVEMBER 20, 1944,
7:00 P.M.

We are here tonight to serve our country. The ^{contribution} ~~service~~ asked of us is small in comparison to the ^{service} ~~contribution~~ demanded of others. For at this very moment many Americans are offering and giving their lives. We are asked for the loan of our money. They pay the price of freedom in precious blood. We are asked to lend that which now we do not need, to provide food, clothing and equipment for them, so that they may gain victory for us and thus save not only our possessions, but also our lives.

The inescapable conclusion of this comparison is crushing. Ours is the smallest contribution an American can make. We are asked for the temporary use of our temporal possessions and in return we are to receive more than we lend. And at the same time we pay a debt to the men and women in our armed forces, a debt of gratitude both to the dead and the living, a debt to re-born America and to Americans yet unborn.

If gratitude and generosity do not prompt us to invest in the government of the United States of America—the only organization of men's making that preserves value in our possessions—then selfishness itself should impel us to do so. Americans enjoy numberless freedoms, but included among them there must be no freedom to be disloyal to America. In our country's service all must be loyal and united. We should have that unity that is demonstrated on every battlefield where Americans are striving, suffering and supremely
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sacrificing in defense of the sacred liberties that characterize and symbolize America.

For despite differences of color, race and belief, despite variances in circumstances of birth, position or earthly possessions, despite diversity in thoughts and opinions, there is unity among our military forces, a unity in objective, effort and action that is exemplary and effective. The ever-lengthening list of casualties is mute but eloquent testimony of all the types of blood that have been fused and transfused into United America. This unity of our boys in sacrifice should be an inspiration to us at home to emulate them, and to unite ourselves with them in the support of our country. Our ~~boys~~^{men} are entitled to the most and the best that we can give them; and anything less than the most and the best will lengthen the war and cost more lives.

Most Americans, especially those with loved ones in the armed services, are understanding, patriotic and devoted. They wish to give everything possible to the war effort ^{So} that victory may come soon, that peace with justice may follow and that our boys may be returned to their homes.

Some Americans, however, are thoughtless and careless, and to their intelligence and conscience I make appeal. We Americans have a choice of how to spend our money. We may invest it wisely and generously or we may spend it wildly and selfishly; and in these alternatives we help or hurt our boys, we help or hurt ourselves, we help or hurt our country. Our ~~boys~~^{men} want to come back to a land of opportunity and security. Like ourselves they want America to be a peaceful country and a country at peace, progressive and prosperous. But if heedlessly and recklessly we spend and squander what we should save and invest in America, we are not helping our boys,
(more)

ourselves or our country.

War not only exposes our soldiers to risks of life and limb; it exposes all of us to the economic danger of inflation through the easy flow of money, and the spiritual danger of profligacy in extravagant indulgences. This war is a challenge to us as a free people to invest freely and wisely. We are asked to accumulate our spending power in war bonds to save and to be able to share with our boys a post-war prosperity in the world of tomorrow.

With what spirit should we meet this challenge? We cannot meet it with the spirit of our soldiers, for as General Huebener, the Commanding General of the First Division of the First Army said to me, "ninety-nine percent of my men are heroes." Nor can our contribution be made with the sublimity of sacrifice smilingly personalized by a soldier with whom I attempted to sympathize in the loss of his leg. It has been my sacred privilege and heart-scarring experience to have met and talked with thousands of our wounded, mangled men. And it is always difficult to know what to say to the wounded despite their calmness, cheerfulness and courage. This particular soldier was lying beneath the protecting shadow of the wing of a plane waiting ~~for~~ evacuation to a ^{station} hospital. What he said has been said before and will be said again but this man said it to me, not boastfully, not bravely, but calmly and softly, "Father, I did not lose my leg; I gave it." My thoughts flashed back to home, to his home, to every American home, with the hope and prayer that all might realize how dearly others have paid to preserve our country; and how precious therefore is our heritage.

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Let us not make a mockery of their martyrdom. For they who have paid the costs of war in blood, in broken bodies, broken homes, broken lives and blasted hopes deserve all that all of us can do and give.

- / Dear God, grant us in this grave hour to see
- 2 The value beyond value in our gifts,
- 4 To help our nation's and our brother's need,
- 3 To lifeless gold transfusing life itself.

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**U. S. TREASURY
WAR FINANCE COMMITTEE
FOR NEW YORK**



Commerce and Industry
DINNER

Monday Evening, Nov. 20, 1944

WALDORF-ASTORIA HOTEL
NEW YORK, N. Y.

Menu

CRABMEAT LOUIS

NEW ORLEANS GUMBO

ROAST STUFFED TURKEY

CAPE COD CRANBERRIES

MARSHMALLOW SWEET POTATOES

SMOTHERED NEW PEAS

FROZEN SOUFFLE ALASKA

PETIT FOURS

DEMI TASSE

Program

"Star-Spangled Banner"

MISS NADINE CONNOR

Invocation

CHAPLAIN JOSHUA L. GOLDBERG
Lt. Comdr., U.S.N.R.

Opening Address

MR. WILLIAM E. COTTER
Director Commerce and Industry Division

Addresses by

HON. HENRY MORGENTHAU
Secretary of the Treasury

MR. WALTER S. GIFFORD
Chairman Advisory Committee Commerce and
Industry Division

MR. IRVING S. OLDS
Chairman of the Board U. S. Steel Corporation

MR. LEON FRASER
President First National Bank of New York

MR. FREDERICK W. GEHLE
Chairman War Finance Committee for New York

MOST REVEREND FRANCIS J. SPELLMAN, D.D.
Archbishop of New York

"My Country 'Tis of Thee"

AUDIENCE

Benediction

CHAPLAIN PERRY H. SMITH
Captain, U.S.A.

Exit March

Organist

MR. HARRY GILBERT



UNITED STATES



TREASURY

WAR FINANCE COMMITTEE FOR NEW YORK

COMMERCE AND INDUSTRY DINNER

Monday Evening, November 20, 1944

WALDORF-ASTORIA HOTEL

NEW YORK, N. Y.

ALPHABETICAL LIST OF TABLE ASSIGNMENTS

Table with 10 columns: Name, Table, Name, Table, Name, Table, Name, Table, Name, Table. Lists names and table numbers for the dinner.

ALPHABETICAL LIST OF TABLE ASSIGNMENTS—Continued

Table with 10 columns: Name, Table, Name, Table, Name, Table, Name, Table, Name, Table. Lists names and their corresponding table assignments across multiple columns.

TABLE ARRANGEMENT

FIRST BAI (From left to right facing southeast)

- Robert E. Brown
Earl Schram
Vice Admiral Herbert F. Lavery, USN
Thomas W. Watson
William K. Dinstein
Nestor Ford
W. Randolph Burgess
Leas Frazier
Frederick W. Gella
Hon. Nancy Morgenthau
William E. Carter
Archbishop Francis J. Spellman
Walter B. Colford
Wendrop W. Aldrich
Living S. Oida
Floyd H. Magner
Richard E. Smith
William K. Wible
Waynet F. Pope
Allan Spord
James A. Parly
John V. Stevens, Jr.
John T. Walden

SECOND BAI (From left to right facing southeast)

- Russell Levin
Henry Brown
Franz M. Toman
Mrs. Lyell Hall
Joan T. Troup
Samuel C. Longwell
Mrs. Cornelia D. Brown
Stephen F. Vonshon
Seamus Peres
William F. Finn
Charles Brown
Allen M. Page
John E. Herby
Walter C. Tinsley
Lewis B. Frenson
Mrs. William H. Dineen
Thomas L. Parkins
Walter Herrod
Ernest Harlow
J. C. B. Mitchell
William B. Green, Jr.

THIRD BAI (From left to right facing southeast)

- Walter H. Johnson
De. Channing H. Tobin
Joseph A. Bower
J. W. Schwab
John C. Hegeman
Guy Emerson
Edgar Koch
Regional Robinson
John G. Halt
Douglas Gilbert
Gen. John J. Mangin
Samuel Zahn
Major Lewis E. Thompson
Kopern B. Black
Herbert Collins
Nedra Conner
Henry Gilbert
Stanley B. Kirk
Mrs. Stanley B. Kirk
Miss Helen Kracke
Guest

FOURTH BAI (From left to right facing southeast)

- William E. Blumenthal
Capt. Perry H. Smith, Chaplain, USA
Herold B. Thomas
Joseph M. Byrne, Jr.
Captain Henry H. Makinson
E. Chester Gerstein
Lt. Colm. R. B. Burlington, USNR
Corina E. Collier
John C. Kelly
Nagatani Fukui
Henry W. Brown
Lt. Comdr. Joshua L. Goldberg, USNR
William F. Adler

TABLE NO. 1
Press

TABLE NO. 2
Mr. & Mrs. Charles H. Baidar
Mr. & Mrs. Richard Feld

TABLE NO. 3
RCA Communications, Inc.
Radioactive Corp. of America
Call T. H. Mitchell
L. G. Hill
J. F. Gibbons
James Frauman
A. B. Taitle
Dorothy Butler
Lyons J. Pazano
Charles A. Carney
Lyons La Rocco
Lyons A. Karinsky

TABLE NO. 4
Voorhees, Walker, Foley & Smith

TABLE NO. 5
National Distillers Products Corp.
J. W. Baile
M. J. MuraMurphy
Lak Thomas F. Brown
Eric Magowan
John M. Hockson
Raymond B. Howard
Alan Macdonough
Robert Barry
William T. Brigham
Alice Shilling

TABLE NO. 6
Marty
Mrs. W. J. Cotter
Albert J. Viles
Mrs. Albert L. Viles
James I. Gutman
Mrs. James J. Guisane
Lyons James F. J. H.
Lyons
J. S. Barrett
Mrs. E. J. Barrett
Mrs. Robert J. Hoffman

TABLE NO. 7
Mr. Tom Monaghan Shea
Francis Lyette
Harvey V. Baffard
Mrs. Harvey V. Baffard
James J. Hunter
Mrs. James F. Hunter
Leo Thompson
Mrs. Earl Thompson
Mrs. John Hegeman
Robert J. Hoffman

TABLE NO. 8
Hon. John W. Casper
Mrs. J. C. B. Mitchell
Miss Helen Millard
Nedra M. Mitchell
Honorable Felix A. Muldoon
Mrs. Felix A. Muldoon
Miss M. Melroe
Mrs. M. Thompson Edward
S. Nix
Joseph John E. McGeehan
Mrs. John E. McGeehan

TABLE NO. 9
Miss Thersma M. Reible
Miss Margaret McGrath
Miss Betty Melcher
Mrs. Elmer Barfield
Miss Edith Hammerly
Miss Corrin Hopkins
Miss Elva McKee
Guests

TABLE NO. 10
Hansie F. Bulkeley
Mrs. Harold F. Bulkeley
DeWitt Osborne
Mrs. DeWitt Osborne
Miss Margaret Kemer
J. V. Tolson
Miss Eleanor Meyer
Guests

TABLE NO. 11
Lt. William E. Carter, Jr.
Miss Mary Carter
Mrs. James W. McLoughlin
Mrs. James W. McLoughlin
William F. Rank, Jr.
Mrs. William F. Rank, Jr.

TABLE NO. 12
Johna-Maville Corp.
F. A. Brynson
A. J. Clark
E. O'Connor
S. F. Moyle
George F. Bahs
C. E. Witherspoon
R. D. Golden
A. P. Green
F. C. Allen
Edward P. M. Hershman

TABLE NO. 13
The Fifth Ave. Association
Harry A. Dunn
Capt. William J. Patrick
Douglas L. Gilman
I. M. Wheeler
Douglas B. Solomon
Thomas W. Hughes
John C. Whelan
A. Wells Peck
Guests

TABLE NO. 14
Schlesy Distillers Corp.
Leiter Jacob & Co.
Guests

TABLE NO. 15
United States Steel Corp.
Guests

TABLE NO. 16
Charles Heitmann
K. R. Schaal
L. N. Larson
R. S. Miller
E. G. Brown
H. W. Waite
Hayden Visser
J. W. McGovern
Russell Hopkinson
Charles W. Pratt

TABLE NO. 17
Ethel Wilson
Mrs. Emil Blanke
C. W. Bledy, Jr.
Phillip S. Dorak
George E. McGrath
Sylvester J. Roll
John E. Clare
Stephen S. Marshall
Peter E. Koshak
John H. Termetz

TABLE NO. 18
James Hill, Jr.
E. S. Rogers
Dr. T. G. Klump
E. T. Hoskins
H. M. Mason
O. W. Ergenzinger
E. J. McIntosh
D. H. Williams
J. E. Mellere
Joseph E. Wick

TABLE NO. 19
The Merchants Ladies Garment Ass'n, Inc.
Mauris W. Haft & Bro., Inc.
Morris W. Haft
Harry E. Haft
Mrs. Harry E. Haft
Abner Haft
Mrs. Abner Haft
Mrs. Jules G. Haft
Senator Lazarus Joseph
Mrs. Lazarus Joseph
F. Nathan Wolf
Mrs. F. Nathan Wolf

TABLE NO. 20
John G. Jackson
Alber F. Jaekel
Paul Wundlich
Bernard Trebach
Millard H. Ellison
Kenneth M. Spence
Walter D. Fletcher
Timothy N. Pfeiffer
Peter W. Quinn
Charles Brophy

TABLE NO. 21
Phelps Dodge Corp.
Cleveland E. Dodge & Co.
Guests

TABLE NO. 22
New York Stock Exchange
Guests

TABLE NO. 23
American-Harwich Steamship Co.
Edward P. Parley
W. S. McPherson
Guests

TABLE NO. 24
Crawford T. Perkins
Samuel Beckingham
Jerome D. Buckley
Henry I. Bussell
Mrs. James W. Irvine
Charles A. Keast
Robert Marshall
Herbert W. Neilage

TABLE NO. 25
International Business Machines Corp.
Guests

TABLE NO. 26
Canada Dry Ginger Ale, Inc.
J. M. Greig
M. Hendrick
D. M. Hicks
J. O. Hanson
Ace Porteous
Curis Riley
M. Sotak
J. H. Kanatar
Chris Rubin

TABLE NO. 27
Mrs. Gertrude Berg
Mrs. Elsie Carrington
Mrs. Ernest Lee Janicki, Jr.
John Golek
Frank Simans
Joseph H. Fountain
Mrs. Joseph H. Fountain
Robert E. Smith
John Hallo

TABLE NO. 28
Arthur Lee Newton
Ralph Beord
Russell Brown
Henry D. Chapin
John F. Cregner
Bernard F. Curry
Harold Durca
Edridge Hinton
Howard J. Lloyd
Edward I. Miller

TABLE NO. 28
Lewis B. Peck
John C. Plomb

TABLE NO. 29
The Chase National Bank
Arthur B. Chasert
Stanley Goyrell
Robert L. Hatlacher
William Huskle
Harold C. Taylor
John Callan
Dudley Hager

TABLE NO. 30
The Chase National Bank
Arthur B. Chasert
Stanley Goyrell
Robert L. Hatlacher
William Huskle
Harold C. Taylor
John Callan
Dudley Hager

TABLE NO. 31
Infants' & Children's Wear Industry
Charles Baker
Henry Rothman
Irving Haldinger
Henry Stenberg
Arnold W. Becker
Irving A. Mayer
David Schwartz
Louis Peen
Jack Kotowitz
Guest

TABLE NO. 32
American Clock & Suit Mfg. Ass'n, Inc.
Joseph B. Schuman
Richard L. J. Crowley
Robert M. Peemeter
H. H. Falchick
Lynn Stenberg
Guest

TABLE NO. 33
The Manhattan Savings Bank
Guests

TABLE NO. 34
The First Boston Corp.
H. K. Rollow
Donald R. Belcher
Ernest H. Johnston
Lester B. Wiegert
L. M. Maxson
D. R. Linsley
F. A. Cannon
Phillips T. Barbour
James C. Morris
Everett Smith

TABLE NO. 35
Joseph B. Schuman
Richard L. J. Crowley
Robert M. Peemeter
H. H. Falchick
Lynn Stenberg
Guest

TABLE NO. 36
Joseph B. Schuman
Nicholas Wanderer
A. Kelly
John Goidlar
H. Zepman
J. Goidlar
Frank Malinc
R. H. Brenneke
Vincent Gengarelli
Barney Penn
Joseph Deuts

TABLE NO. 37
Gordon G. Siger
Ralph J. Curry
Fred C. Embachoff
Robert Fischer
K. E. Hankinson
Ralph G. Harder
Robert S. Harell
Jack A. Horner
Walter W. Martin
C. O. Strabler

TABLE NO. 38
Susan Stoffer
Henry Worth
Irving Goodman
Maxwell J. Bovey
Randolph F. J. Jura
Randolph Stoffer
J. David Lovell
Glen Allen
Jack I. Posen
Guests

TABLE NO. 39
Albert A. Katz
Milton Brechtman
Thomas L. Brooks
Norman Dahl
Joseph A. Daniels
Kenneth W. Livingston
Pat Meyer
Mike E. Kats
Thomas J. Lewis
Harris Winkler

TABLE NO. 40
J. P. Stevens & Co., Inc.
Louis Cambria
Arthur Desham

TABLE NO. 35
The Chase National Bank
Arthur B. Chasert
Stanley Goyrell
Robert L. Hatlacher
William Huskle
Harold C. Taylor
John Callan
Dudley Hager

TABLE NO. 36
Industrial Council of Cloth, Suit & Skirt Mfg., Inc.
Guests

TABLE NO. 37
Herbert Bassini
Julius Dattel
John Edge
Sam Herb
L. T. Knight
Dennis Mahoney
Howard Parkey
George Wade
Harry Whyte
Joseph Yanig

TABLE NO. 38
National Bedding & Upholstery Mfrs. Board of Trade
Arthur J. Oltner
Charles C. Farnet
Irving Baldinger
Henry Stenberg
Arnold W. Becker
Irving A. Mayer
David Schwartz
Louis Peen
Jack Kotowitz
Guest

TABLE NO. 39
Col. Gilbert T. Hodges
James W. Egan, Jr.
Charles B. McCabe
Marvin Berger
Hal J. Fletcher
T. J. Crowley
Robert M. Peemeter
H. H. Falchick
Lynn Stenberg
Guest

TABLE NO. 40
The Manhattan Savings Bank
Guests

TABLE NO. 41
The First Boston Corp.
H. K. Rollow
Donald R. Belcher
Ernest H. Johnston
Lester B. Wiegert
L. M. Maxson
D. R. Linsley
F. A. Cannon
Phillips T. Barbour
James C. Morris
Everett Smith

TABLE NO. 42
Joseph B. Schuman
Nicholas Wanderer
A. Kelly
John Goidlar
H. Zepman
J. Goidlar
Frank Malinc
R. H. Brenneke
Vincent Gengarelli
Barney Penn
Joseph Deuts

TABLE NO. 43
Gordon G. Siger
Ralph J. Curry
Fred C. Embachoff
Robert Fischer
K. E. Hankinson
Ralph G. Harder
Robert S. Harell
Jack A. Horner
Walter W. Martin
C. O. Strabler

TABLE NO. 44
Susan Stoffer
Henry Worth
Irving Goodman
Maxwell J. Bovey
Randolph F. J. Jura
Randolph Stoffer
J. David Lovell
Glen Allen
Jack I. Posen
Guests

TABLE NO. 45
Albert A. Katz
Milton Brechtman
Thomas L. Brooks
Norman Dahl
Joseph A. Daniels
Kenneth W. Livingston
Pat Meyer
Mike E. Kats
Thomas J. Lewis
Harris Winkler

TABLE NO. 46
J. P. Stevens & Co., Inc.
Louis Cambria
Arthur Desham

TABLE NO. 41
J. P. Stevens & Co., Inc.
Guests

TABLE NO. 42
Herbert Bassini
Julius Dattel
John Edge
Sam Herb
L. T. Knight
Dennis Mahoney
Howard Parkey
George Wade
Harry Whyte
Joseph Yanig

TABLE NO. 43
National Bedding & Upholstery Mfrs. Board of Trade
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Irving Baldinger
Henry Stenberg
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Irving A. Mayer
David Schwartz
Louis Peen
Jack Kotowitz
Guest

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Robert M. Peemeter
H. H. Falchick
Lynn Stenberg
Guest

TABLE NO. 45
The Manhattan Savings Bank
Guests

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The First Boston Corp.
H. K. Rollow
Donald R. Belcher
Ernest H. Johnston
Lester B. Wiegert
L. M. Maxson
D. R. Linsley
F. A. Cannon
Phillips T. Barbour
James C. Morris
Everett Smith

TABLE NO. 47
Joseph B. Schuman
Richard L. J. Crowley
Robert M. Peemeter
H. H. Falchick
Lynn Stenberg
Guest

TABLE NO. 48
Joseph B. Schuman
Nicholas Wanderer
A. Kelly
John Goidlar
H. Zepman
J. Goidlar
Frank Malinc
R. H. Brenneke
Vincent Gengarelli
Barney Penn
Joseph Deuts

TABLE NO. 49
Gordon G. Siger
Ralph J. Curry
Fred C. Embachoff
Robert Fischer
K. E. Hankinson
Ralph G. Harder
Robert S. Harell
Jack A. Horner
Walter W. Martin
C. O. Strabler

TABLE NO. 50
Susan Stoffer
Henry Worth
Irving Goodman
Maxwell J. Bovey
Randolph F. J. Jura
Randolph Stoffer
J. David Lovell
Glen Allen
Jack I. Posen
Guests

TABLE NO. 51
Albert A. Katz
Milton Brechtman
Thomas L. Brooks
Norman Dahl
Joseph A. Daniels
Kenneth W. Livingston
Pat Meyer
Mike E. Kats
Thomas J. Lewis
Harris Winkler

TABLE NO. 52
J. P. Stevens & Co., Inc.
Louis Cambria
Arthur Desham

TABLE NO. 47
Lawyers Title Corp. of New York
Les Thompson Smith
Arthur C. Bang
Jack Cantell
Louis Carrey
Ed. Frank E. Davidson
Harry Gilbert
David A. Harris
L. A. Johnson
Charles G. Klein
Kenneth T. Wilson

TABLE NO. 48
Bank of the Manhattan Company
Frank M. Hanson
Shari Betts
H. Earl Dow
Joseph M. Hayden
Charles Wood, Jr.
Guests

TABLE NO. 49
Victor Craig
Stanley K. Turner
Charles L. Chambers
James C. Smeal
Richard Flanagan
A. M. Carter
James Montgomery
H. D. Kennedy
J. D. Hartman
Joseph Stenberg

TABLE NO. 50
Raymond Robbins & Co.
Metal Brothers & Co.
Marion B. Mitchell, Jr., & Co.
Guests

TABLE NO. 51
The N. Y. State Society of Certified Public Accountants
Guests

TABLE NO. 52
Columbia-Hall-Mercer Company
Mrs. J. W. Schwab
Mrs. E. Friedrich Marks
Miss Eva Heid
Julius T. Coleman
A. Harry Feldman
Edwin Lewy
Abner Copeland
Michael Rees
Burt Cohen
S. S. Aguir

TABLE NO. 53
H. Warren Oakley
Charles E. Smith
Samuel Cheselove
Richard Mamerow
Bernice Fabela
Colgate Dos Taylor
Charles E. Schwartz
Harold Davis
Dames & Moore
J. P. Schwartz

TABLE NO. 54
Plastic Products Mfrs. Association, Inc.
Abraham Edelstein
Moss Zwebel
John Philippan
Joseph Jones
Isaacman Griffith
Oscar Winkler
Robert Voichick
Marie Soderer
Abraham
Hyman Smith

TABLE NO. 55
Allied Dues Manufacturers, Inc.
Marvin Kutish & Co.
Guests

TABLE NO. 56
United Knitwear Mfrs. League
Julius Trangen
Reuben Grisman

TABLE NO. 57
Mauris W. Haft & Bro., Inc.
Morris W. Haft
Harry E. Haft
Mrs. Harry E. Haft
Abner Haft
Mrs. Abner Haft
Mrs. Jules G. Haft
Senator Lazarus Joseph
Mrs. Lazarus Joseph
F. Nathan Wolf
Mrs. F. Nathan Wolf

TABLE NO. 58
Crawford T. Perkins
Samuel Beckingham
Jerome D. Buckley
Henry I. Bussell
Mrs. James W. Irvine
Charles A. Keast
Robert Marshall
Herbert W. Neilage

TABLE NO. 59
Johna-Maville Corp.
F. A. Brynson
A. J. Clark
E. O'Connor
S. F. Moyle
George F. Bahs
C. E. Witherspoon
R. D. Golden
A. P. Green
F. C. Allen
Edward P. M. Hershman

TABLE NO. 60
Schlesy Distillers Corp.
Leiter Jacob & Co.
Guests

TABLE NO. 61
United States Steel Corp.
Guests

TABLE NO. 62
Charles Heitmann
K. R. Schaal
L. N. Larson
R. S. Miller
E. G. Brown
H. W. Waite
Hayden Visser
J. W. McGovern
Russell Hopkinson
Charles W. Pratt

TABLE NO. 63
Ethel Wilson
Mrs. Emil Blanke
C. W. Bledy, Jr.
Phillip S. Dorak
George E. McGrath
Sylvester J. Roll
John E. Clare
Stephen S. Marshall
Peter E. Koshak
John H. Termetz

TABLE NO. 67
Franklin Press, Inc.
Mrs. A. H. G. Browne
A. H. G. Browne
Amelia Baum
Donald Campbell
Walter Scammon
Frederick D. Seiler
Mrs. J. G. Macklin
M. Young
Joe Frank
William Wenzelka

J. E. Farrell
H. S. Garwin
T. R. Getka
R. G. Kleinerman
H. D. Penn
Harvey Rogers
Guests

TABLE NO. 68
New York Clothing
Exchange
TABLE NO. 69
F. R. Tippler & Co.
Vincent Albright
Harry Cofer
Louis Jaffe
Alo Mizta
Lester Stronberg
Merrill Taha
A. L. Price
Marion Schneider
Guests

TABLE NO. 70
New York Telephone Co.
V. E. Godley
P. W. Edwards
W. Pfeiffer
G. T. Hoobler
H. H. Hughes
F. W. Phelan
W. A. Kitzman
H. C. Ward
T. W. Williams
H. F. Young

TABLE NO. 71
Saks Inc.
Samuel J. Goldstein & Guests

TABLE NO. 72
Harry A. Reich & Company
Guests

TABLE NO. 73
National Association of
Blouses & Skirt Makers
Ben H. Letter & Guests

TABLE NO. 74
National Knitted Underwear
Contractors, Ass'n.
David S. White
Edward Hornbush
Hank Aronson
Harold Kormanick
Nathan Robbins
Guests

TABLE NO. 75
United Retail Dress Mfg.
Ass'n., Inc.
Nathan Katz
Joseph Michaelson
Matthew Alpertson
Irving Cohen
Sevigne Masello
David Maronoff
Guests

TABLE NO. 76
The Belt Association, Inc.
Herbert Konic
Sam Schwartz
Henry Konig
Maurice W. Gross
William Dukerman
Jack Rosen
Charles Rappaport
I. Max Zimberg
Irving Aizrad
Michael Kanner

TABLE NO. 77
Formulating Slipper Corp.
Philip Sobel
Mrs. Philip Sobel
Louis Heller
Mrs. Louis Heller
Merrill F. Popert
Mrs. Merrill Popert
William Kandel
Mrs. William Kandel
Milton Haas
Mrs. Milton Haas

TABLE NO. 78
Purcelling Slipper Corp.
Philip Sobel
Mrs. Philip Sobel
Louis Heller
Mrs. Louis Heller
Merrill F. Popert
Mrs. Merrill Popert
William Kandel
Mrs. William Kandel
Milton Haas
Mrs. Milton Haas

TABLE NO. 79
Alinea Publishing Company, Inc.
E. H. Ahern
Walter E. Robinson
Walter Dandy
J. Sidney Crass
John E. Wulgan
G. P. Vallar
Fredson J. Bell
Stanley A. Knisely
C. R. Partridge
Edwin F. Thayer

TABLE NO. 80
721 Brands, Inc.
Francis T. Hoster
Stanley R. Green
Benjamin Hunter
Edgar H. Adelt
Julius Halberstadt
Edward Eric
Alexander Lerner
Jean Ungar
Frank A. Huberman
Morris Tribone

TABLE NO. 81
Herman Brickerman
W. M. Weaver & Guest
Benjamin Rosenfeld

TABLE NO. 82
Kraft Cheese Company
George A. Jobst
Raymond Flanagan
Abel Lasker
Murray Kirp
Ralph Levy
Morris Poznansky
Samuel O'Brien
Arthur Berman
Max Hauer
Arnold A. Ratter

TABLE NO. 83
Standard Brands, Inc.
Hugo Mladnick
Arthur C. Taylor
Edwin H. Rodger
George W. Miller

TABLE NO. 84
Leona Wintz Biscuit
Company
N. B. Smith
H. C. School
F. E. Dingfield

TABLE NO. 85
N. Y. State Moose Truck
Associations, Inc.
T. D. Pratt
Ted Piche
Melvin B. Wood
Russell Goodland
A. L. Schwartz
I. B. Evans
George R. Smith
C. E. Palace
William Oshkoff
Joseph Trause

TABLE NO. 86
Herman Brickerman
W. M. Weaver & Guest
Benjamin Rosenfeld

TABLE NO. 87
Philip Whitman
M. A. Kerwin
Frank Stimpert
Rebecca Stimpert
William Ferry
Roy F. Sweeney
Robert F. Hiley
Alex J. Werlich

TABLE NO. 88
Guthrie Walpate Corp.
H. J. Reed
Charles DeLava

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TABLE NO. 138
Philip Whitman
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Charles DeLava

TABLE NO. 142
Philip Whitman
M. A. Kerwin
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Alex J. Werlich

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H. J. Reed
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Rebecca Stimpert
William Ferry
Roy F. Sweeney
Robert F. Hiley
Alex J. Werlich

UNITED STATES OF AMERICA

2-1/2 PERCENT TREASURY BONDS OF 1966-71

Handwritten: 10-19-71
11/20/71
60

Dated and bearing interest from December 1, 1964

Due March 15, 1971

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND
AFTER MARCH 15, 1966

Interest payable March 15 and September 15

1964
Department Circular No. 755

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, November 20, 1964.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2-1/2 percent Treasury Bonds of 1966-71. The amount of the offering is not specifically limited.

2. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits, except as follows: a commercial bank holding savings deposits or issuing time certificates of deposits (as each is defined in Regulation Q of the Board of Governors of the Federal Reserve System) may subscribe to the bonds offered hereunder, to the 2 percent Treasury Bonds of 1952-54 offered simultaneously herewith under Treasury Department Circular No. 756, and to Series F-1964 and Series G-1964 United States Savings Bonds, under Treasury Department Circular No. 654, Second Revision, as amended, but the amount of such subscriptions shall not exceed, in the aggregate, 10 percent of the combined amount of time certificates of deposits (but not those issued in the name of individuals, and of corporations, associations and other organizations not operated for profit), and of savings deposits, as shown on the bank's books as of the date of the most recent call statement required by the

supersting authorities prior to the date of subscription for such bonds, or \$500,000, whichever is less, except that the aggregate amount of Series F and Series G Savings Bonds (Series 1944) held by such bank may not exceed the annual limitation of \$100,000 (issue price).

II. DESCRIPTION OF BONDS

1. The bonds will be dated December 1, 1944, and will bear interest from that date at the rate of 2-1/2 percent per annum, payable on a semiannual basis on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1971, but may be redeemed at the option of the United States on and after March 15, 1966, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provisions will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the

transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury. Except as provided in Section I of this circular, these bonds may not, before December 1, 1954, be transferred to or be held by commercial banks, which are defined for this purpose as banks accepting demand deposits; however, the bonds may be pledged as collateral for loans, including loans by commercial banks, but any such bank acquiring such bonds before December 1, 1954, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks.

5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,^{1/} Provided:

- (a) that the bonds were actually owned by the decedent at the time of his death; and
- (b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the Collector of Internal Revenue at _____ for credit on Federal estate taxes due from estate of _____." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;^{2/}

^{1/} An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

^{2/} The transfer books are closed from February 16 to March 15, and from August 16 to September 15 (both dates inclusive) in each year.

bonds received during the closed period for payment at a date after the books received will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1762, ^{2/} properly completed, signed and sworn to, and by a certificate of the appointment of the personal representative under seal of the court, dated not more than six months prior to the submission of the bonds, which shall show that at the date thereof the appointment was still in force and effect. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the Collector of Internal Revenue.

6. Except as provided in the preceding paragraphs, the bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally, may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and ^{3/} Copies of Form PD 1762 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.

any action he may take in these respects shall be final. Subject to these reservations, and to the limitations on commercial bank subscriptions prescribed in Section I of this circular, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before December 1, 1944, or on later allotment; provided, however, that bonds allotted to life insurance companies, to savings institutions, and to States, municipalities, political subdivisions and similar public corporations, and agencies thereof, may be paid for, in whole or in part, at par and accrued interest, at any time or times, with payment to be completed not later than February 28, 1945. One day's accrued interest is \$0.069 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

UNITED STATES OF AMERICA

2 PERCENT TREASURY BONDS OF 1952-54

Dated and bearing interest from December 1, 1944

Due December 15, 1954

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER DECEMBER 15, 1952

Interest payable June 15 and December 15

1944
Department Circular No. 756

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, November 20, 1944.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2 percent Treasury Bonds of 1952-54. The amount of the offering is not specifically limited.

2. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits, except as follows: a commercial bank holding savings deposits or issuing time certificates of deposit (as each is defined in Regulation Q of the Board of Governors of the Federal Reserve System) may subscribe to the bonds offered hereunder, to the 2-1/2 percent Treasury Bonds of 1966-71 offered simultaneously hereunder, to the 2-1/2 percent Treasury Bonds of 1966-71 offered simultaneously hereunder, to Series F-1944 and Series G-1944 United States Savings Bonds, under Treasury Department Circular No. 654, Second Revision, as amended, but the amount of such subscriptions shall not exceed, in the aggregate, 10 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations and other organizations not operated for profit), and of savings deposits,

*actually received
10/19/44
filed 11/20/44*

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as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such bonds, or \$500,000, whichever is less, except that the aggregate amount of Series F and Series G Savings Bonds (Series 1944) held by such bank may not exceed the annual limitation of \$100,000 (issue price).

II. DESCRIPTION OF BONDS

1. The bonds will be dated December 1, 1944, and will bear interest from that date at the rate of 2 percent per annum, payable on a semiannual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1954, but may be redeemed at the option of the United States on and after December 15, 1952, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$300, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of

bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, and to the limitations on commercial bank subscriptions prescribed in Section I of this circular, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before December 1, 1944, or on later allotment; provided, however, that bonds allotted to life insurance companies, to savings institutions, and

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to States, municipalities, political subdivisions and similar public corporations, and agencies thereof, may be paid for, in whole or in part, at par and accrued interest, at any time or times, with payment to be completed not later than February 28, 1945. One day's accrued interest is \$0.055 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.
2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

UNITED STATES OF AMERICA

*actually 10-19-44 69
Signed on
but filed 11/20/44*

1-1/4 PERCENT TREASURY NOTES OF SERIES C-1947

Dated and bearing interest from December 1, 1944

Due September 15, 1947

Interest payable March 15 and September 15

1944
Department Circular No. 757

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, November 20, 1944.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the United States, designated 1-1/4 percent Treasury Notes of Series C-1947. These notes will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

II. DESCRIPTION OF NOTES

1. The notes will be dated December 1, 1944, and will bear interest from that date at the rate of 1-1/4 percent per annum, payable on a semiannual basis on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1947, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by

any local taxing authority.

3. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

4. The notes will be acceptable to secure deposits of public moneys.

5. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The notes will not be issued in registered form.

6. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of notes applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject

to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made on or before December 1, 1944, or on later allotment. One day's accrued interest is \$0.035 per \$1,000. Any qualified depository will be permitted to make payment by credit for notes allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

UNITED STATES OF AMERICA

7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES H-1945

Dated and bearing interest from December 1, 1944

Due December 1, 1945

1944
Department Circular No. 758

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, November 20, 1944.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for certificates of indebtedness of the United States, designated 7/8 percent Treasury Certificates of Indebtedness of Series H-1945. These certificates will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated December 1, 1944, and will bear interest from that date at the rate of 7/8 percent per annum, payable semiannually on June 1 and December 1, 1945. They will mature December 1, 1945, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

*actual 07/1/44
10/19/44 but filed
11/20/44*

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of certificates applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted

hereunder must be made on or before December 1, 1944, or on later allotment. One day's accrued interest is \$0.024 per \$1,000. Any qualified depository will be permitted to make payment by credit for certificates allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

UNITED STATES OF AMERICA

0.90 PERCENT TREASURY NOTES OF SERIES C-1946

Dated and bearing interest from December 1, 1944

Due January 1, 1946

Interest payable July 1 and January 1

1944
Department Circular No. 759

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, November 20, 1944.

Fiscal Service
Bureau of the Public Debt

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for notes of the United States, designated 0.90 percent Treasury Notes of Series C-1946, in exchange for Treasury Certificates of Indebtedness of Series G-1944, maturing December 1, 1944. The amount of the offering will be limited to the amount of such maturing certificates tendered and accepted.

II. DESCRIPTION OF NOTES

1. The notes will be dated December 1, 1944, and will bear interest from that date at the rate of 0.90 percent per annum, payable on a semiannual basis on July 1, 1945, and January 1, 1946. They will mature January 1, 1946, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The notes will not be issued in registered form.

5. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for notes allotted hereunder must be made on or before December 1, 1944, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series G-1944, maturing December 1, 1944, which will be accepted at par, and should accompany the subscription.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

(Signed) Henry Morgenthau, Jr.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

UNITED STATES OF AMERICA

2-1/2 PERCENT TREASURY BONDS OF 1966-71

Dated and bearing interest from December 1, 1944

Due March 15, 1971

Redeemable at the option of the United States at par and accrued interest on and after March 15, 1966

Interest payable March 15 and September 15

ADDITIONAL ISSUE

1944
Department Circular No. 760

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, November 20, 1944.

Fiscal Service
Bureau of the Public Debt

I. EXCHANGE OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with an adjustment of accrued interest as of December 15, 1944, from the people of the United States for bonds of the United States, designated 2-1/2 percent Treasury Bonds of 1966-71, in payment of which only Treasury Bonds of 1944-54, called for redemption on December 15, 1944, may be tendered. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering under this circular will be limited to the amount of Treasury Bonds of 1944-54 tendered in exchange and accepted.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2-1/2 percent Treasury Bonds of 1966-71 issued pursuant to Department Circular No. 755, dated November 20, 1944, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 755:

*1. The bonds will be dated December 1, 1944, and will bear interest

from that date at the rate of 2-1/2 percent per annum, payable on a semi-annual basis on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1971, but may be redeemed at the option of the United States on and after March 15, 1966, in whole or in part, at par and accrued interest, on any interest day or ~~days~~, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

"2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

"3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provisions will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury. Except as provided in Section I of this circular, these bonds may not, before December 1, 1954, be transferred to or be held by commercial banks, which are defined for this purpose as banks accepting demand deposits however, the bonds may be pledged as collateral for loans, including loans by commercial banks, but any such bank acquiring such bonds before December 1, 1954, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks.

"5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment, if Provided:

- (a) that the bonds were actually owned by the decedent at the time of his death; and
- (b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the Collector of Internal Revenue at _____ for credit on Federal

1/ An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

estate taxes due from estate of _____." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;^{2/} bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form FD 1782,^{3/} properly completed, signed and sworn to, and by a certificate of the appointment of the personal representatives, under seal of the court, dated not more than six months prior to the submission of the bonds, which shall show that at the date thereof the appointment was still in force and effect. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the Collector of Internal Revenue.

"6. Except as provided in the preceding paragraphs, the bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no acquisition of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full.

Allotment notices will be sent out promptly upon allotment.

^{2/} The transfer books are closed from February 16 to March 15, and from August 16 to September 15 (both dates inclusive) in each year.

^{3/} Copies of Form FD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.

IV. PAYMENT

1. Payment at par and accrued interest from December 1, 1944, to December 15, 1944 (\$0.966 per \$1,000) for bonds allotted hereunder must be made or completed on or before December 15, 1944, or on later allotment. Payment of the principal amount may be made only in Treasury Bonds of 1944-54 called for redemption on December 15, 1944, which will be accepted at par and should accompany the subscription. In the case of coupon bonds, payment of accrued interest on the new bonds should be made when the subscription is tendered and in the case of registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered. Final interest due December 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of December 15, 1944 coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

V. SURRENDER OF CALLED BONDS

1. Coupon bonds.--Treasury Bonds of 1944-54 in coupon form tendered in payment for bonds offered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington, D. C. Coupons dated June 15, 1945, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. Registered bonds.— Treasury Bonds of 1964-74, as registered from time to time, should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in case of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are declared registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 2-1/2 percent Treasury Bonds of 1964-71"; if the new bonds are declared registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 2-1/2 percent Treasury Bonds of 1964-71 in the name of _____"; if new bonds in coupon form are declared, the assignment should be to "The Secretary of the Treasury for exchange for 2-1/2 percent Treasury Bonds of 1964-71 in coupon form to be delivered to _____".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

(Signed) Henry Morgenthau, Jr.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

UNITED STATES OF AMERICA

2 PERCENT TREASURY BONDS OF 1952-54

Dated and bearing interest from December 1, 1944

Due December 15, 1954

REDEMPTIBLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER DECEMBER 15, 1952

Interest payable June 15 and December 15

ADDITIONAL ISSUES

1944
Department Circular No. 761

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, November 20, 1944.

Fiscal Service
Bureau of the Public Debt

I. EXCHANGE OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with an adjustment of accrued interest as of December 15, 1944, from the people of the United States for bonds of the United States, designated 2 percent Treasury Bonds of 1952-54, in payment of which only Treasury Bonds of 1944-54, called for redemption on December 15, 1944, may be tendered. The amount of the offering under this circular will be limited to the amount of Treasury Bonds of 1944-54 tendered in exchange and accepted.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2 percent Treasury Bonds of 1952-54 issued pursuant to Department Circular No. 756, dated November 20, 1944, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 756:

"1. The bonds will be dated December 1, 1944, and will bear interest from that date at the rate of 2 percent per annum, payable on a semi-annual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1954, but may be

redeemed at the option of the United States on and after December 15, 1943, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

"2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

"3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

"5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no acquisition of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allot-

ment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest from December 1, 1944, to December 15, 1944 (\$0.75⁰⁰ per \$1,000) for bonds allotted hereunder must be made or completed on or before December 15, 1944, or on later allotment. Payment of the principal amount may be made only in Treasury Bonds of 1944-54 called for redemption on December 15, 1944, which will be accepted at par and should accompany the subscription. In the case of coupon bonds, payment of accrued interest on the new bonds should be made when the subscription is tendered and in the case of registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered. Final interest due December 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of December 15, 1944 coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

V. SURRENDER OF CALLED BONDS

1. Golden bonds--Treasury Bonds of 1944-54 in coupon form tendered in payment for bonds offered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington, D. C. Coupons dated from 15, 1945, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between interested banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. Registered bonds.-Treasury Bonds of 1944-54 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 2 percent Treasury Bonds of 1952-54"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 2 percent Treasury Bonds of 1952-54 in the name of _____"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 2 percent Treasury Bonds of 1952-54 in coupon form to be delivered to _____".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

(Signed) Henry Morgenthau, Jr.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

UNITED STATES OF AMERICA

1-1/4 PERCENT TREASURY NOTES OF SERIES C-1947

Dated and bearing interest from December 1, 1944

Due September 15, 1947

Interest payable March 15 and September 15

ADDITIONAL ISSUE

1944
Department Circular No. 762

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, November 20, 1944.

Fiscal Service
Bureau of the Public Debt

I. EXCHANGE OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with an adjustment of accrued interest as of December 15, 1944, from the people of the United States for notes of the United States, designated 1-1/4 percent Treasury Notes of Series C-1947, in payment of which only Treasury Bonds of 1944-54, called for redemption on December 15, 1944, may be tendered. The amount of the offering under this circular will be limited to the amount of Treasury Bonds of 1944-54 tendered in exchange and accepted.

II. DESCRIPTION OF NOTES

1. The notes now offered will be an addition to and will form a part of the series of 1-1/4 percent Treasury Notes of Series C-1947 issued pursuant to Department Circular No. 757, dated November 20, 1944, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 757:

"1. The notes will be dated December 1, 1944, and will bear interest from that date at the rate of 1-1/4 percent per annum, payable on a semi-annual basis on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1947, and will not be subject to call for redemption prior to maturity.

- 2 -

"2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

"3. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

"4. The notes will be acceptable to secure deposits of public moneys.

"5. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The notes will not be issued in registered form.

"6. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no acquisition of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest from December 1, 1944, to December 15, 1944 (\$0.49343 per \$1,000) for notes allotted hereunder must be made or completed on or before December 15, 1944, or on later allotment. Payment of the principal amount may be made only in Treasury Bonds of 1944-54 called for redemption on December 15, 1944, which will be accepted at par and should accompany the subscription. In the case of coupon bonds, payment of accrued interest on the notes should be made when the subscription is tendered and in the case of registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered. Final interest due December 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of December 15, 1944 coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

V. SURRENDER OF CALLED BONDS

1. Coupon bonds.—Treasury Bonds of 1944-54 in coupon form tendered in payment for notes offered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington, D. C. Coupons dated June 15, 1945, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. Registered bonds.-Treasury Bonds of 1944-54 in registered form tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for Treasury Notes of Series C-1947 to be delivered to _____", in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

(Signed) Henry Morgenthau, Jr.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

UNITED STATES OF AMERICA
2½ PERCENT TREASURY BONDS OF 1966-71

Dated and bearing interest from December 1, 1944

Due March 15, 1971

**REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED
 INTEREST ON AND AFTER MARCH 15, 1966**

Interest payable March 15 and September 15

1944
 Department Circular No. 755

Fiscal Service
 Bureau of the Public Debt

TREASURY DEPARTMENT,
 OFFICE OF THE SECRETARY,
 Washington, November 20, 1944.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2½ percent Treasury Bonds of 1966-71. The amount of the offering is not specifically limited.

2. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits, except as follows: a commercial bank holding savings deposits or issuing time certificates of deposit (as each is defined in Regulation Q of the Board of Governors of the Federal Reserve System) may subscribe to the bonds offered hereunder, to the 2 percent Treasury Bonds of 1952-54 offered simultaneously herewith under Treasury Department Circular No. 756, and to Series F-1944 and Series G-1944 United States Savings Bonds, under Treasury Department Circular No. 654, Second Revision, as amended, but the amount of such subscriptions shall not exceed, in the aggregate, 10 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations and other organizations not operated for profit), and of savings deposits, as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such bonds, or \$500,000, whichever is less, except that the aggregate amount of Series F and Series G Savings Bonds (Series 1944) held by such bank may not exceed the annual limitation of \$100,000 (issue price).

II. DESCRIPTION OF BONDS

1. The bonds will be dated December 1, 1944, and will bear interest from that date at the rate of 2½ percent per annum, payable on a semiannual basis on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1971, but may be redeemed at the option of the United States on and after March 15, 1966, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury. Except as provided in Section 1 of this circular, these bonds may not, before December 1, 1954, be transferred to or be held by commercial banks, which are defined for this purpose as banks accepting demand deposits; however, the bonds may be pledged as collateral for loans, including loans by commercial banks, but any such bank acquiring such bonds before December 1, 1954, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks.

5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,¹ *Provided:*

- (a) that the bonds were actually owned by the decedent at the time of his death; and
- (b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the Collector of Internal Revenue at _____ for credit on Federal estate taxes due from estate of _____." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;¹ bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,² properly completed, signed and sworn to, and by a certificate of the appointment of the personal representatives, under seal of the court, dated not more than six months prior to the submission of the bonds, which shall show that at the date thereof the appointment was still in force and effect. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the Collector of Internal Revenue.

6. Except as provided in the preceding paragraphs, the bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, and to the limitations on commercial bank subscriptions prescribed in Section I of this circular, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before December 1, 1944, or on later allotment; *provided, however*, that bonds allotted to life insurance companies, to savings institutions, and to States, municipalities, political subdivisions and similar public corporations, and agencies thereof, may be paid for, in whole or in part, at par and accrued interest, at any time or times, with payment to be completed not later than February 28, 1945. One day's accrued interest is \$0.069 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

¹ An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

² The transfer books are closed from February 16 to March 15, and from August 16 to September 15 (both dates inclusive) in each year.

³ Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.

UNITED STATES OF AMERICA
2 PERCENT TREASURY BONDS OF 1952-54

Dated and bearing interest from December 1, 1944

Due December 15, 1954

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND
 AFTER DECEMBER 15, 1952

Interest payable June 15 and December 15

1944
 Department Circular No. 755
 Fiscal Service
 Bureau of the Public Debt

TREASURY DEPARTMENT,
 OFFICE OF THE SECRETARY,
 Washington, November 20, 1944.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2 percent Treasury Bonds of 1952-54. The amount of the offering is not specifically limited.

2. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits, except as follows: a commercial bank holding savings deposits or issuing time certificates of deposit (as each is defined in Regulation Q of the Board of Governors of the Federal Reserve System) may subscribe to the bonds offered hereunder, to the 2½ percent Treasury Bonds of 1966-71 offered simultaneously herewith under Treasury Department Circular No. 755, and to Series F-1944 and Series G-1944 United States Savings Bonds, under Treasury Department Circular No. 654, Second Revision, as amended, but the amount of such subscriptions shall not exceed, in the aggregate, 10 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations and other organizations not operated for profit), and of savings deposits, as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such bonds, or \$500,000, whichever is less, except that the aggregate amount of Series F and Series G Savings Bonds (Series 1944) held by such bank may not exceed the annual limitation of \$100,000 (issue price).

II. DESCRIPTION OF BONDS

1. The bonds will be dated December 1, 1944, and will bear interest from that date at the rate of 2 percent per annum, payable on a semiannual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1954, but may be redeemed at the option of the United States on and after December 15, 1952, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered

bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, and to the limitations on commercial bank subscriptions prescribed in Section I of this circular, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before December 1, 1944, or on later allotment; *provided, however*, that bonds allotted to life insurance companies, to savings institutions, and to States, municipalities, political subdivisions and similar public corporations, and agencies thereof, may be paid for, in whole or in part, at par and accrued interest, at any time or times, with payment to be completed not later than February 28, 1945. One day's accrued interest is \$0.055 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

UNITED STATES OF AMERICA

1¼ PERCENT TREASURY NOTES OF SERIES C-1947

Dated and bearing interest from December 1, 1944

Due September 15, 1947

Interest payable March 15 and September 15

1944
Department Circular No. 757

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 20, 1944.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the United States, designated 1¼ percent Treasury Notes of Series C-1947. These notes will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

II. DESCRIPTION OF NOTES

1. The notes will be dated December 1, 1944, and will bear interest from that date at the rate of 1¼ percent per annum, payable on a semiannual basis on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1947, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

4. The notes will be acceptable to secure deposits of public moneys.

5. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The notes will not be issued in registered form.

6. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of notes applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made on or before December 1, 1944, or on later allotment. One day's accrued interest is \$0.035 per \$1,000. Any qualified depository will be permitted to make payment by credit for notes allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

U. S. GOVERNMENT PRINTING OFFICE 16-015158

UNITED STATES OF AMERICA

7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES H-1945

Dated and bearing interest from December 1, 1944

Due December 1, 1945

1944
Department Circular No. 753

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 20, 1944.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for certificates of indebtedness of the United States, designated 7/8 percent Treasury Certificates of Indebtedness of Series H-1945. These certificates will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated December 1, 1944, and will bear interest from that date at the rate of 7/8 percent per annum, payable semiannually on June 1 and December 1, 1945. They will mature December 1, 1945, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of certificates applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted hereunder must be made on or before December 1, 1944, or on later allotment. One day's accrued interest is \$0.024 per \$1,000. Any qualified depository will be permitted to make payment by credit for certificates allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

UNITED STATES OF AMERICA

0.90 PERCENT TREASURY NOTES OF SERIES C-1946

Dated and bearing interest from December 1, 1944

Due January 1, 1946

Interest payable July 1 and January 1

1944
Department Circular No. 759
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 20, 1944.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for notes of the United States, designated 0.90 percent Treasury Notes of Series C-1946, in exchange for Treasury Certificates of Indebtedness of Series G-1944, maturing December 1, 1944. The amount of the offering will be limited to the amount of such maturing certificates tendered and accepted.

II. DESCRIPTION OF NOTES

1. The notes will be dated December 1, 1944, and will bear interest from that date at the rate of 0.90 percent per annum, payable on a semiannual basis on July 1, 1945, and January 1, 1946. They will mature January 1, 1946, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The notes will not be issued in registered form.

5. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for notes allotted hereunder must be made on or before December 1, 1944, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series G-1944, maturing December 1, 1944, which will be accepted at par, and should accompany the subscription.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

U. S. GOVERNMENT PRINTING OFFICE 617706

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Board of Liberty Bonds Act as amended, invites subscriptions, in part from the public of the United States for notes of the United States, designated 0.80 percent Treasury Notes of Series G-1944, in amounts for Treasury Districts of indefinite amount of Series G-1944, including the amount of Series G-1944, the amount of which will be limited to the amount of an authorized certificate issued and recorded.

II. ALLOTMENT OF NOTES

1. The notes will be dated December 1, 1944, and will bear interest from that date at the rate of 0.80 percent per annum, payable on a semi-annual basis on July 1, 1945, and January 1, 1946, and will mature January 1, 1946, and will not be subject to call for redemption prior to maturity.

2. The notes shall be issued in whole or in part to all Federal Reserve Banks as authorized by the Secretary of the Treasury. The notes shall be subject to sale, redemption, and other actions which the Secretary of the Treasury may deem proper. The notes shall be exempt from all taxation now or hereafter imposed on the proceeds or interest thereon by the State or any of the possessions of the United States or by any local law or authority.

3. The notes will be acceptable to secure deposits of public moneys. When will not be acceptable in payment of taxes.

4. These notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$50,000 and \$100,000. The notes will be issued in series of \$1,000,000.

5. This notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Bank and branches of the Federal Reserve Bank in Washington, District of Columbia, and at the Federal Reserve Bank and branches of the Federal Reserve Bank in each of the Federal Reserve Districts. Subscriptions may be made by individuals, corporations, partnerships, or other entities, but not by the Federal Reserve Bank or the Treasury Department, and will be accepted only on official business. Other than bank and trust institutions which are permitted to enter subscriptions except for their own account.

2. The Secretary of the Treasury reserves the right to refuse any subscription, in whole or in part, if the amount of notes allotted for and to issue the notes is to any of all subscribers at any time without notice and any action he may take in these respects shall be final. Subscriptions to these securities will be subject to full, although notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment in part for notes allotted hereunder shall be made on or before December 1, 1944, or on later date, and may be made only in Treasury Certificates of Indebtedness of Series G-1944, maturing December 1, 1944, which will be received in part with annual payments for notes of Series G-1944.

UNITED STATES OF AMERICA

2½ PERCENT TREASURY BONDS OF 1966-71

Dated and bearing interest from December 1, 1944

Due March 15, 1971

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER MARCH 15, 1966

Interest payable March 15 and September 15

ADDITIONAL ISSUE

1944
Department Circular No. 740

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 20, 1944.

I. EXCHANGE OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with an adjustment of accrued interest as of December 15, 1944, from the people of the United States for bonds of the United States, designated 2½ percent Treasury Bonds of 1966-71, in payment of which only Treasury Bonds of 1944-54, called for redemption on December 15, 1944, may be tendered. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering under this circular will be limited to the amount of Treasury Bonds of 1944-54 tendered in exchange and accepted.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2½ percent Treasury Bonds of 1966-71 issued pursuant to Department Circular No. 755, dated November 20, 1944, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 755:

"1. The bonds will be dated December 1, 1944, and will bear interest from that date at the rate of 2½ percent per annum, payable on a semiannual basis on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1971, but may be redeemed at the option of the United States on and after March 15, 1966, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

"2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

"3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury. Except as provided in Section I of this circular, these bonds may not, before December 1, 1954, be transferred to or be held by commercial banks, which are defined for this purpose as banks accepting demand deposits; however, the bonds may be pledged as collateral for loans, including loans by commercial banks, but any such bank acquiring such bonds before December 1, 1954, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks.

"5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment;¹ *Provided:*

- (a) that the bonds were actually owned by the decedent at the time of his death; and
- (b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the Collector of Internal Revenue at _____ for credit on Federal estate taxes due from estate of _____." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;² bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,³ properly completed, signed and sworn to, and by a certificate of the appointment of the personal representatives, under seal of the court, dated not more than six months prior to the submission of the bonds, which shall show that at the date thereof the appointment was still in force and effect. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the Collector of Internal Revenue.

"6. Except as provided in the preceding paragraphs, the bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no acquisition of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest from December 1, 1944, to December 15, 1944 (\$0.966 per \$1,000) for bonds allotted hereunder must be made or completed on or before December 15, 1944, or on later allotment. Payment of the principal amount may be made only in Treasury Bonds of 1944-54 called for redemption on December 15, 1944, which will be accepted at par and should accompany the subscription. In the case of coupon bonds, payment of accrued interest on the new bonds should be made when the subscription is tendered and in the case of registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered. Final interest due December 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of December 15, 1944 coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

V. SURRENDER OF CALLED BONDS

1. *Coupon bonds.*—Treasury Bonds of 1944-54 in coupon form tendered in payment for bonds offered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington, D. C. Coupons dated June

¹ An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

² The transfer books are closed from February 16 to March 15, and from August 16 to September 15 (both dates inclusive) in each year.

³ Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.

15, 1945, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. *Registered bonds.*—Treasury Bonds of 1944–54 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignment should be to “The Secretary of the Treasury for exchange for 2½ percent Treasury Bonds of 1966–71”; if the new bonds are desired registered in another name, the assignment should be to “The Secretary of the Treasury for exchange for 2½ percent Treasury Bonds of 1966–71 in the name of _____”; if new bonds in coupon form are desired, the assignment should be to “The Secretary of the Treasury for exchange for 2½ percent Treasury Bonds of 1966–71 in coupon form to be delivered to _____”.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

UNITED STATES OF AMERICA
2 PERCENT TREASURY BONDS OF 1952-54

Dated and bearing interest from December 1, 1944

Due December 15, 1954

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND
AFTER DECEMBER 15, 1952

Interest payable June 15 and December 15

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ADDITIONAL ISSUE
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1944
Department Circular No. 761

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 20, 1944.

I. EXCHANGE OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with an adjustment of accrued interest as of December 15, 1944, from the people of the United States for bonds of the United States, designated 2 percent Treasury Bonds of 1952-54, in payment of which only Treasury Bonds of 1944-54, called for redemption on December 15, 1944, may be tendered. The amount of the offering under this circular will be limited to the amount of Treasury Bonds of 1944-54 tendered in exchange and accepted.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2 percent Treasury Bonds of 1952-54 issued pursuant to Department Circular No. 756, dated November 20, 1944, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 756:

"1. The bonds will be dated December 1, 1944, and will bear interest from that date at the rate of 2 percent per annum, payable on a semiannual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1954, but may be redeemed at the option of the United States on and after December 15, 1952, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

"2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

"3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

"5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no acquisition of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest from December 1, 1944, to December 15, 1944 (\$0.77 per \$1,000) for bonds allotted hereunder must be made or completed on or before December 15, 1944, or on later allotment. Payment of the principal amount may be made only in Treasury Bonds of 1944-54 called for redemption on December 15, 1944, which will be accepted at par and should accompany the subscription. In the case of coupon bonds, payment of accrued interest on the new bonds should be made when the subscription is tendered and in the case of registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered. Final interest due December 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of December 15, 1944 coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

V. SURRENDER OF CALLED BONDS

1. *Coupon bonds.*—Treasury Bonds of 1944-54 in coupon form tendered in payment for bonds offered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington, D. C. Coupons dated June 15, 1945, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. *Registered bonds.*—Treasury Bonds of 1944-54 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 2 percent Treasury Bonds of 1952-54"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 2 percent Treasury Bonds of 1952-54 in the name of _____"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 2 percent Treasury Bonds of 1952-54 in coupon form to be delivered to _____".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

UNITED STATES OF AMERICA

1¼ PERCENT TREASURY NOTES OF SERIES C-1947

Dated and bearing interest from December 1, 1944

Due September 15, 1947

Interest payable March 15 and September 15

ADDITIONAL ISSUE

1944
Department Circular No. 762
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 20, 1944.

I. EXCHANGE OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with an adjustment of accrued interest as of December 15, 1944, from the people of the United States for notes of the United States, designated 1¼ percent Treasury Notes of Series C-1947, in payment of which only Treasury Bonds of 1944-54, called for redemption on December 15, 1944, may be tendered. The amount of the offering under this circular will be limited to the amount of Treasury Bonds of 1944-54 tendered in exchange and accepted.

II. DESCRIPTION OF NOTES

1. The notes now offered will be an addition to and will form a part of the series of 1¼ percent Treasury Notes of Series C-1947 issued pursuant to Department Circular No. 757, dated November 20, 1944, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 757:

"1. The notes will be dated December 1, 1944, and will bear interest from that date at the rate of 1¼ percent per annum, payable on a semiannual basis on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1947, and will not be subject to call for redemption prior to maturity.

"2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

"3. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

"4. The notes will be acceptable to secure deposits of public moneys.

"5. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The notes will not be issued in registered form.

"6. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no acquisition of such securities other than on direct subscription until after December 16, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest from December 1, 1944, to December 15, 1944 (\$0.49 per \$1,000) for notes allotted hereunder must be made or completed on or before December 15, 1944, or on later allotment. Payment of the principal amount may be made only in Treasury Bonds of 1944-54 called for redemption on December 15, 1944, which will be accepted at par and should accompany the subscription. In the case of coupon bonds, payment of accrued interest on the notes should be made when the subscription is tendered and in the case of registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered. Final interest due December 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of December 15, 1944 coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

V. SURRENDER OF CALLED BONDS

1. *Coupon bonds.*—Treasury Bonds of 1944-54 in coupon form tendered in payment for notes offered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington, D. C. Coupons dated June 15, 1945, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. *Registered bonds.*—Treasury Bonds of 1944-54 in registered form tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for Treasury Notes of Series C-1947 to be delivered to _____", in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

HAROLD B. THOMAS
170 VARICK STREET
NEW YORK

November 20th
1944

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

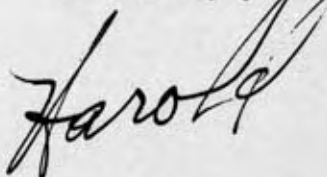
Dear Henry:

Thanks indeed for your very nice note of
November eleventh. I much appreciate
receiving it.

If the results of the work of our mission
overseas is to benefit the soldiers and
to help the Treasury and you, I am happy.

Sincerely yours,

H. B. Thomas



Harry White
Secretary Morgenthau

November 20, 1944

If I see the President Tuesday, I want to take with me a memorandum prepared by you and Sol Adler bringing the President up to date on our financial negotiations with China. I want to point out the offer we made at Bretton Woods and then the subsequent offer we made up to and including October 1st. It seems that in his conversation with Kung, Kung convinced the President that there's something in writing which said that we would pay separately for these airfields. I told the President I'd never seen any such thing in writing. The President said he would send over to me the memorandum that Kung left with him. However, in the meantime, Tuesday morning without fail, please be prepared, White and Sol Adler, to come in with a very condensed memorandum telling the President what we've done, pointing out the fact that Mr. Stimson had asked us to do it. Thank you. *Dane* -

THE WHITE HOUSE
WASHINGTON

101

November 20, 1944.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

Dr. Kung gave me the enclosed. The letter from the Generalissimo of last January takes up specifically the Army expenditures but the memorandum of January 8, 1944 does seem to make it clear that General Marshall said the United States would bear the cost of labor and material of the Chengtu airdrome construction.

Will you take this up with Dr. Kung?

F. D. R.

C O P Y

Received January 28, 1944.

Telegram from President Roosevelt to
President Chiang Kai-shek

I have carefully studied your recent message transmitted through Ambassador Gauss, and I fully recognize the extent to which China's resolute war stand has rendered her economic situation acute. I am fully mindful of the importance of taking every practical cooperative step to make possible the most active prosecution of the war as well as to make possible an orderly development of industry and trade after the war.

I think it important that you should understand our special problems over here. I cannot escape the feeling that because of the distance between us there may be danger that we may fail adequately to work out our common problems and may rush into decisions which would not be in the interests of either of our people.

I think that your suggestion transmitted to me by Madame Chiang that Dr. Kung be sent to Washington is a good one. If he were here the various financial and economic problems involved in the situation could be fully discussed to the mutual advantage of both countries.

Meanwhile I should like to make this specific suggestion: Just before receiving your message I had approved instructions to General Stilwell and to Ambassador Gauss to take up urgently with your Government the question of our military expenditures in China. I should like to suggest that an arrangement such as General Stilwell and Ambassador Gauss are authorized to propose be adopted tentatively on the understanding that our army expenditures in China during the next few months can be expected to be somewhere in the neighborhood of \$25,000,000 each month.

Furthermore, since you say that your Government is not in a position to continue any direct maintenance of American troops in China, this Government, in order to cover all of its military expenditures in China, including such maintenance as well as construction, is prepared to place to your account the U.S. dollar equivalent of any Chinese funds made available under general arrangements that will be suggested by General Stilwell and the Ambassador.

Chungking, April 19, 1944.

TOTAL U.S. CURRENCY BOUGHT FROM U.S. ARMY, KUNMING,
KWEILIN AND CHUNGKING AT THE OFFICIAL RATE US\$5.

May 1943	US\$	10,000
June 1943		5,062,000
July 1943		5,986,000
August 1943		13,922,000
September 1943		18,618,000
October 1943		9,240,000
November 1943		23,253,000
December 1943		22,695,000
January 1944		19,572,000
February 1944		9,982,000

US\$128,340,000

P.S. Since February 10th no more sales of U.S. Currency from the U.S. Army to the Central Bank, and after that date all Chinese National Currency needed by the U.S. Army were advanced by the Central Bank of China.

ADVANCES BEFORE JUNE 30, 1944
(unit 1,000,000)

1) Direct to Finance Department U.S. Army	3,900	
2) All construction cost excluding Chengtu airfields	5,264	
		9,164
3) Chengtu airfields	6,303	
4) Road and Railway-siding construction	123	
		6,426
Total up to June 30, 1944		15,587

Advances from July 1 to Sept. 30, 1944.

1) Direct to Finance Dept. U.S.Army	5,200	
2) All construction cost excluding Chengtu airfields	2,862	
		8,062
3) Chengtu airfields	445	
		445
Total from July 1 to September 30.		8,507

Advances from October 1 to Date

1) Direct advances to Finance Dept. U.S.Army	4,000	
2) All construction cost	86	
		4,086
Total from October 1 to Date		4,086

Grand total of all advances up to date
for which payment is claimed.

28,180 million

11-22-44 Re: to migration to 105
bring in and talk today

November 20, 1944.

Memorandum

TO: Secretary Morgenthau
FROM: Mr. Gaston

I have talked to the following people in the last few days about the vacancy in the position of Collector of Customs at El Paso, Texas:

(1) Governor Dempsey of New Mexico, who also endeavored to reach you on the phone, urged that we expedite the appointment of Howell Gage of New Mexico. He has been recommended by both Senators from New Mexico and approved by the Democratic National Committee.

(2) Senator Connally of Texas, who is of the opinion that you have promised him that the appointment would go to Texas. I have made no such promise to him, but at your request called him up prior to the pre-election adjournment and asked if it was agreeable to him that we send over the name of the New Mexican, Gage, saying that you did not want to do this if it didn't meet with his approval. It didn't. He told me at that time that if I would give him a few days to get the agreement of Senator O'Daniel, he would present a name. Just before the recess he did present the name of one Walthall, a City Commissioner of El Paso, with endorsements by practically all people of standing in El Paso.

(3) Jim Barnes of the White House, who says that if we send over a Texas name it is his opinion that it will be turned down as they feel they have obligations to New Mexico.

I reviewed the background of this matter in a memorandum, dated June 27, 1944, which is no doubt in your files. (Book 147, p. 138)

*Walthall
with H. M. N. Nov 25.
at his request in
in memorandum of Walthall
11/25
WJG*

November 20, 1944

Dear Sam:

Thank you very much for your letter of November 16th, enclosing the article which appeared in the London Economist. I had not seen it, and I am looking forward to reading it with great interest.

With best regards,

Sincerely yours,
(Signed) Henry

Mr. Sam A. Lewisohn,
61 Broadway,
New York, New York.

SAM A. LEWISOHN
61 BROADWAY

107

NEW YORK
November 16,
1944

Dear Henry:

I feel as if I were "sending
coals to Newcastle," but I am wondering
whether you ran across this article in
"The Economist" (London), dated
October 7th, in which the writer seems
to be thinking along similar lines.

With best regards,

yours,

Sam

Flash! Sullivan's Adding Machine Gives Dewey Second Place!

By FRANK SULLIVAN

Mr. Herbert Brownell Jr., Chairman of the National Republican Committee, has published an interesting analysis of the election returns which proves that a shift of 303,414 votes would have elected Mr. Dewey; that is, if it proves anything.

Spurred by reading Mr. Brownell's analysis of the vote, this department got an adding machine and started doing some totting of his own. We are happy to report that, like Mr. Brownell, we had a fine time. Post mortems can be fun and they do take your mind off your troubles.

Roosevelt got 24,000,000 votes and Dewey 21,000,000. Some interesting conclusions may be drawn from these figures.



For instance, it is interesting to speculate that if Mr. Dewey had carried Mississippi, which he might have done if Mr. Roosevelt had not already carried it, Mississippi would have been in the Dewey column and Rankin would be a Yank. Of course, Dewey lost Mississippi. At least he did if you can believe the Democrats. Therefore, we may safely assume that if Emil Hurja had been right, or not quite so wrong, and there had been no Civil War to make Republicans unpopular in the South, Dewey might have won Mississippi, provided, of course, that Roosevelt had not been running.

Take the case of Auburn, N. Y. A glance at the figures from this bustling upstate city gives one an idea of how Roosevelt really lost the election, and by "one" we refer of course to Mr. Brownell Jr. Mr. Dewey "lost" Auburn, but a Republican analyst knows that he lost it only in the picayune sense of not having got as many votes there as his opponent got. To claim that Auburn, along

with Syracuse, Buffalo, Rochester, and other upstate cities went for Roosevelt simply because he happened to poll more votes there, is just the narrow construction the Democrats and their tool, Sidney Hillman (or Sidney Hillman and his tools, the Democrats) would put on election returns. It is similar to the absurd claims of the New Deal that Roosevelt really defeated Landon and Herb Hoover. Fortunately, Republicans are above such chicanery.

Conceding that Mr. Roosevelt did carry Auburn and all those other usually Republican cities, Mr. Dewey still would have carried New York State if his opponent had not piled up an 800,000 majority in New York City. A difference of only 800,000 votes and Mr. Dewey would have carried New York City! This illustrates by what a narrow thread Mr. Roosevelt's so-called "victory" hangs on. It also proves the folly, as Gary Cooper so eloquently pointed out, of allowing foreigners to vote.

Summarizing these factors, it is difficult to escape the feeling that if Mr. Dewey had carried enough more states to win him 267 electoral votes he would have won. Think about that for a while and then try and see if you can't kid yourself into thinking he did win. Oh come now, make a stab. Come on. Wish hard, now. You can do it. Mr. Brownell and the White Queen can do it. Ther-r-re you are! You believe Mr. Dewey won? You do—good!

Well, our figures lead to a different conclusion. Sorry. It seems obvious on the basis of this department's compilations that Norman Thomas was the man who really won the election. Figure it out for yourself. It's there in black and white. If Mr. Thomas had polled only about 20,000,000 more votes than he did poll—mind you, only a paltry 20,000,000 more—he would have been elected over both Mr. Roosevelt and Mr. Dewey, and Emil Hurja would have been our grandfather.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

CONFIDENTIAL

DATE November 20, 1944

TO Secretary Morgenthau
FROM Mr. Haas
Subject: The Business Situation,
Week ending November 18, 1944.

Summary

War production: Critical war production programs continue to lag behind needs, and unless current shortages are overcome drastic restrictions may be imposed on civilian goods production. According to the Chairman of the WPB, war production requirements for the remainder of this year amount to \$5.7 billions per month, or \$100 millions per month more than the previous war-time peak attained in December 1943.

Stock market: After strengthening moderately in election week, stock prices declined again last week, with the Dow-Jones average of 65 stocks showing a net decline of about 2 percent for the period. Increased bearishness regarding the near term outlook has been evidenced by traders and investment advisory services. The short interest on the New York Stock Exchange showed a further increase in October and at the end of the month was the largest since the spring of 1938.

Commodity prices: Commodity prices moved irregularly last week, with the BLS index of 28 basic commodities off 0.2 percent. In the week ended November 11 the BLS all-commodity index advanced 0.1 percent to 104.1 percent of the 1926 average, equalling the war-time peak reached at the end of last June.

Farm products: An export subsidy of 4 cents a pound on cotton and 6 to 34 cents a bushel on wheat and wheat flour was announced by the WFA last week. Farm production goals for 1945 equal in total to this year's record level have been asked by the Food Administrator.

Real estate: Urban real estate activity has increased considerably in 1944, with transfers in recent months attaining the highest level since early in 1928, according to data compiled by the Real Estate Analyst. Farm land values have shown a further rise of 3 percent in the 4 months ended November 1, but sales have fallen somewhat below the record levels of a year ago.

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War production lag overshadows
reconversion activities

Stiff enemy resistance and lagging output of critical war materials recently have necessitated a renewed emphasis on war production with a consequent tempering of reconversion plans. Following up earlier warnings by high WPB officials, War Mobilization Director Byrnes last week indicated that unless current shortages of critical war materials and weapons are overcome he would completely suspend the resumption of civilian goods production. Among the lagging war production programs cited were those covering the output of heavy bombers, heavy artillery and ammunition, heavy trucks and tires, assault transports and cargo ships, cotton duck and radar. WPB Chairman Krug stated last week that munitions requirements for the remainder of the year and until hostilities end in Europe would be \$5.7 billions per month. This is \$100 millions above the wartime high attained in December 1943. However, the WPB Chairman indicated that actual production would probably not reach the figure mentioned.

Although other factors, such as sharp increases in military demands and changes in designs, have contributed to the lag in critical war materials output, the shortage of manpower continues to be a serious difficulty. In this connection it has been stated officially that 200,000 additional able-bodied men, willing to do hard work, could break the existing bottlenecks in war production. In order to alleviate the situation the WPB has been instructed to refuse authorization for reconversion to civilian goods output in areas where war production is behind schedule due to labor shortages.

In recognition of the particularly dire need for increasing castings output, the WLB is reported to have assured War Mobilization Director Byrnes that it would extend the most liberal application of wage regulations to foundry wages. Apparent belief that the war is about over continues to induce many war workers to leave their jobs in search of other employment. As a specific example of this tendency, employment at the Richmond Shipbuilding Yard near Oakland, California, is reported to have dropped from 93,000 to 67,000 during a recent 90-day period.

Progress of spot authorization program

While the current drive to speed up critical war production seems likely to retard reconversion to civilian goods output in

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some areas, suggestions for imposing more drastic restrictions on the "spot authorization" program have been over-ruled, at least for the present. During the second week in November, 321 additional applications to produce civilian goods under the program were approved, as compared with 320 approvals in the previous week. During the past week a Cleveland, Ohio firm reported it had delivered the first vacuum cleaner made without a priority since March 1943. Delivery was made 50 days after the company received permission to produce under the spot authorization program. The company expects to be able to deliver 1,000 cleaners before Christmas, as compared with its pre-war production average of 1,600 per month. These figures compare with an industry-wide average production of about 144,000 vacuum cleaners (floor type only) per month in 1941.

Stock prices decline

After strengthening moderately near the end of election week, stock prices declined rather sharply in fairly active trading in the early part of last week. Prices steadied later but at the close on Saturday the industrial, railroad, and utility stock averages were all below week-earlier levels, while the Dow-Jones average of 65 stocks showed a net decline of about 2 percent for the week. (See Chart 1.)

The weakening in stock prices was ascribed in part to bearish advices of investment advisory services. Brokerage circles report considerable bearishness on the part of traders recently, and some evidence to this effect is seen in a further rise in the short interest on the New York Exchange in October to 1,374,000 shares at the end of the month. This is 98,000 shares higher than a month earlier, and the largest short interest figure reported since the spring of 1938. At mid-week the sale of a seat on the New York Exchange was reported for \$60,000, which represents a decline of \$14,000 from the year's high attained on October 25. However, the decline was attributed more to a recent Exchange ruling implying greater control of floor trading than to a prospective decline in stock exchange activity.

Commodity prices move irregularly

Commodity prices, after moving gradually higher during election week, followed an irregular pattern last week. The BLS index of 28 basic commodities declined 0.2 percent and is now 0.5 percent below the peak reached a month ago. (See Chart 2.)

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Corn prices showed a noticeable decline for the fourth consecutive week. Toward the end of the week, however, corn prices were steadying due to the limiting of shipments to several mid-western markets through the introduction of permit systems, and also due to the official announcement that distillers would be allowed to use any corn in danger of spoiling.

A sharp break in rye prices (rye is not included in the basic commodity index) occurred last week when the WPB lifted the requirement that distillers use a minimum of 10 percent of rye in their industrial alcohol production. Hog prices showed a further decline of almost 1 percent and steer prices were off 1.5 percent. The announcement of the cotton and wheat export subsidy appears to have been previously discounted, cotton prices registering a small decline and wheat remaining practically unchanged. The shortage of ocean cargo space is believed to render actual shipments of cotton and wheat under this subsidy program uncertain at present.

In the week ended November 11, the BLS general index of wholesale prices advanced 0.1 percent to touch the war-time high reached at the end of last June. Seasonal increases in the prices for fruits and vegetables and for eggs accounted for the rise. The index is now 1.3 percent higher than a year ago and is 38.8 percent above the pre-war August 1939 average.

Steel production rose in October

After declining to 93.8 percent of capacity in mid-September, steel output subsequently rose to 97.0 percent in the third week of October and last week was scheduled at 96.0 percent. Reference to Chart 3 will disclose that the 7,578,000 net tons of steel ingots and castings produced last month was the highest since last May, although 3 percent below the record high of October 1943. Moreover, despite a slackening in operations during the latter part of the summer, steel ingot production in the first 10 months of 1944 was approximately 600,000 net tons more than in the corresponding period of 1943.

Many steel consumers are reported to have revised their thinking on the length of the war in Europe, and present indications point to a more sustained level of steel operations than appeared likely some time ago. According to "Steel", requirements for steel during the first quarter of 1945, as certified to the WPB, amount to 110 percent of capacity, although the total will be reduced after

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review by the WPB. The same source indicates that new buying recently has in most instances been more than sufficient to balance cancellations. The decline in steel scrap prices which got under way in the late summer appears to have been checked, in line with the improved outlook for sustained steel operations. In fact a slight rise in prices occurred in the week ended November 14, with the Iron Age scrap composite price moving up 16 cents to \$16.08 per gross ton. In the important Pittsburgh district, heavy melting steel scrap rose 50 cents per ton during the period. Moreover, with winter approaching and heavy war demands continuing, substantial buying is expected to develop in coming weeks.

Construction contract awards at very low levels

Reflecting construction controls and other war-time restricting influences, construction awards have dropped to very low levels in recent months. Construction contracts, in October, as reported by the F. W. Dodge Corporation, showed a further decline and were less than one-fifth as large as in the corresponding month in 1942. Moreover, contract awards for residential construction during the month remained very close to the war-time low reached in August of this year. (See Chart 4.)

The WPB recently estimated that new construction activity for the entire year 1944 would be less than one-half that of 1943 and would approximate \$3,700,000,000 exclusive of repair work. Indicative of the great decline that has occurred in construction activity, employment in construction work in September was only 679,000, as compared with 2,185,000 in the corresponding month in 1942 when a heavy volume of war construction was still in progress.

Real estate activity greatly increased

With new building at a low ebb and demand for housing and other facilities heavy, activity in the buying and selling of real estate has increased greatly. In fact, the index of real estate activity computed by the Real Estate Analyst (compilers of data for the St. Louis house) in September reached a level 43.7 percent above the long-term computed normal. While the results shown by this index may be open to some question due to the method of compilation, the adjusted index of urban real estate transfers computed by the same source has risen to the highest level since 1928.

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Moreover, a recently completed semi-annual survey by the National Association of Real Estate Boards predicted that "real estate markets will continue briskly active and residential property prices will tend higher during 1945."

Farm land values higher

Farm land values continue to rise noticeably, but there are some signs of a tempering in the farm real estate market. The Department of Agriculture's index of the estimated value per acre rose almost 3 percent in the four months ending November 1 and is now 43 percent above the pre-war level of March 1939. This rise is appreciably less than during the comparable period of World War I, but it should be noted that the latter period includes a post-war year in which the sharpest increase occurred. (See Chart 5.) In the latest period farm land values in the Western States continued to show the largest increase, rising 4 percent, while in the East North Central States no changes in land values occurred.

The volume of sales in the past few months has fallen somewhat below the record levels of a year ago, but continues at very high levels. More than half of all transactions continue to be made for cash, with the proportion of cash sales reported as increasing slightly in recent months.

The rise in farm land values probably represents in part the correction of unduly low prices of the 1930's, and land values may still be moderately priced in terms of the present prices of agricultural commodities. Nevertheless, there is some danger that a continued rise in farm real estate prices might carry them to levels unwarranted by the post-war levels of agricultural prices.

Some signs of caution have been evident in the farm real estate market in recent months, engendered by prospects of surpluses of some farm products, the approaching end of the European war, and the belief that 1944 marked the high point in agricultural income. Nevertheless, the large cash resources of farmers, and prospects of at least a few more years of relatively high agricultural prices, will continue for some time as a bullish influence on land values.

1945 farm goals generally unchanged from high levels of 1944

The farm goals for next year proposed by the WFA last week call for a continued high level of agricultural production.

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A total crop acreage of 364 million acres is desired as compared with the 360 millions planted this year, while livestock production goals are around the levels of this year's production. In requesting farm production next year as near this year's record level as possible, Food Administrator Jones indicated that it was better to risk surpluses than shortages.

While the acreage goals of most crops are practically unchanged from the planted acreage of 1944, a few significant changes are noted. The goals for flaxseed and sugar beets, for instance, call for acreage increases of 52 and 47 percent, respectively. (See Table I.) Flaxseed production in 1944 fell substantially below that of last year, whereas sugar beet production this year was considerably below the 1935-39 average. On the other hand, a 9 percent reduction in the harvested acreage of commercial truck crops for fresh market is called for, and a 39 percent reduction in the planted acreage of dry peas. The 1945 goals call for a slight increase in pig production, in cattle and calf slaughter through a reduction in herds, and in milk production, but a 16 percent decrease in egg production is requested.

These goals will be submitted to state meetings of local farm representatives who will then determine the state goals. After the state goals have been determined, the national totals may differ somewhat from the goals WFA has suggested. Moreover, the suggested goals of the WFA are based on the assumption that the war in Europe will continue until next summer or fall, and the continuance of an above-average civilian demand. In case of a reduction in military demands as a result of an early end of the European war, Food Administrator Jones indicated that modifications in the goals would be suggested before planting time next spring.

Cotton and wheat export subsidy announced

An export subsidy program for cotton, wheat and wheat flour to offset the difference between the high level of domestic prices and the lower competitive world prices was announced by the War Food Administration last week. Under the program private exporters will purchase their cotton or wheat from the Commodity Credit Corporation at the announced export price or, upon authorization of the CCC, may purchase their commodities in the open market at the domestic prices and then receive from the CCC the announced differential between the domestic prices and the announced export prices.

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Cost of export subsidy

The cotton export differential or subsidy has been set initially at 4 cents a pound, and the wheat or wheat flour subsidy at 6 to 34 cents a bushel, depending on the method and place of export.

No reliable estimates are available on the cost of the export subsidies, since it is difficult to forecast the amount which will be exported under the program as well as the level of world prices which will determine the amount of the subsidy. On the basis of the initial level of the cotton export subsidy, the cost would amount to \$20 million for each 1 million bales. Our cotton exports averaged 5.3 million bales in the pre-war years 1935-39.

Assuming most wheat exports will be made from Atlantic and Gulf ports, as was true in pre-war years, the cost of the wheat export subsidy at the initial rates would amount to around \$300,000 per million bushels or roughly \$22 million for the 72 million bushels allocated to this country under the international wheat agreement.

Export subsidy may lead to international cotton agreement

Since no limits have been placed on the magnitude of the export subsidy for wheat and cotton, the possibility of an international price war, according to some observers, may encourage the producing countries to enter some form of international commodity agreement. Such an agreement has already been reached by the important wheat producing countries of the United States, Canada, Argentina, and Australia, with export quotas assigned to each country. By setting definite limits on each country's exports, the wheat agreement can be expected to reduce the likelihood of price wars and thus will tend to keep down the cost of the wheat subsidy.

On the other hand, no international agreement exists for cotton. Despite specific assurances of the WFA that the United States "has no intention of precipitating mutually injurious price competition in the world wheat and cotton markets" the possibility of an international price war is very likely to arise if the export subsidy is to be effective in promoting increased exports of United States cotton. The export subsidy, by increasing United States exports, will add to the supply on the world markets and thus tend to depress world prices.

- 9 -

Wheat outlook

Despite the bumper wheat crop this year, the crop may be no more than sufficient to meet the continued heavy demands during the year to July 1, 1945. Hence, the Department of Agriculture estimates that the carryover next July may not be greatly different from the 315 million bushels of last July.

The 1945 wheat acreage goal is slightly larger than the acreage planted last year, although it is somewhat below the average planted in 1935-39. Assuming average yields, this acreage would produce a crop of about 845 million bushels. While the demands for wheat in the year 1945-46 will depend upon the progress of the war, the Department of Agriculture has indicated that such a crop would cover most of that year's requirements. The carryover may be reduced to between 250 and 300 million bushels on July 1, 1946, but this would represent a sizeable reserve against a year of small yields.

As a result of the parity purchase program, wheat prices this year will probably be maintained not far below parity levels. Moreover, the Government is committed to provide price support loans at 90 percent of parity until 2 calendar years following the cessation of hostilities. On the basis of this support program and probable requirements, and assuming average yields on the acreage goal, domestic wheat prices in 1945-46 are expected by the Department of Agriculture to average about the same as in 1944-45.

Table I

1945 goals of selected farm products

Crop goals as percentage of 1944 planted acreage

Flaxseed	152
Sugar beets	147
Wheat	101
Potatoes	101
Sweet potatoes	100
Corn	100
Cotton	100
Dry beans	100
Soybeans for beans	100 <u>1/</u>
Peanuts	96
Truck crops, fresh	91 <u>1/</u>
Dry peas	<u>61</u>
Total all crops	101

Livestock goals as percentage of estimated
1944 production

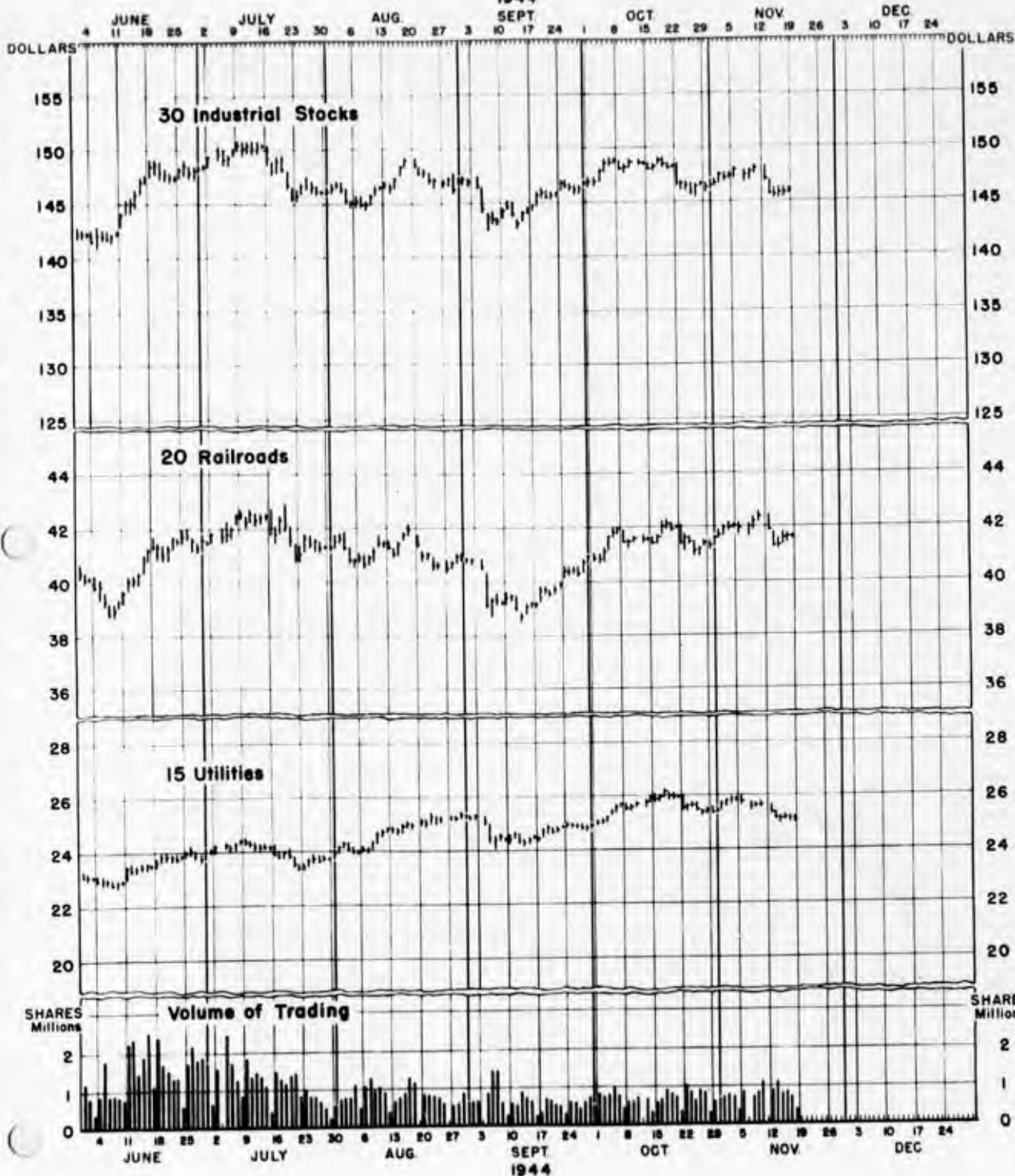
Cattle and calf slaughter	103
Pigs saved, fall	103
Pigs saved, spring	102
Milk production	102
Broilers, commercial	100
Turkeys raised	100
Egg production	84

1/ Harvested acreage.

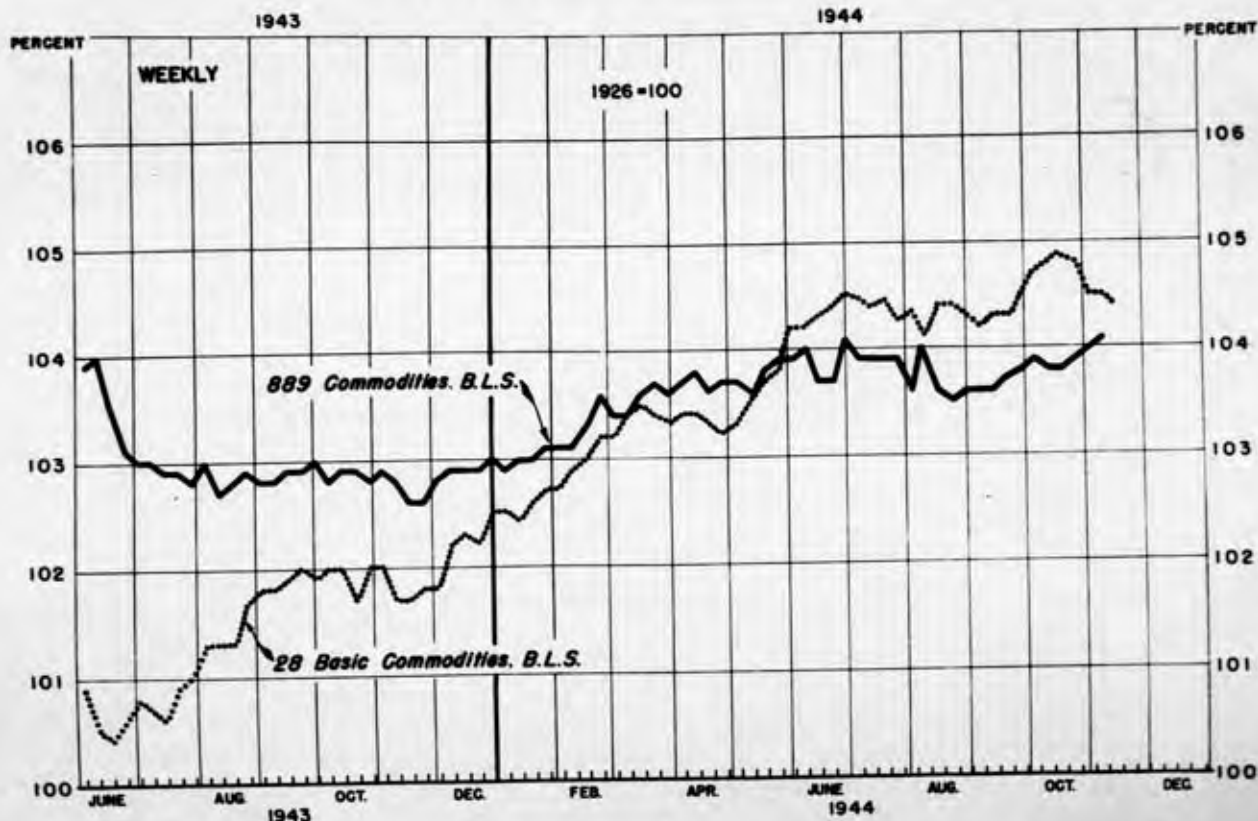
STOCK PRICES, DOW-JONES AVERAGES

Daily

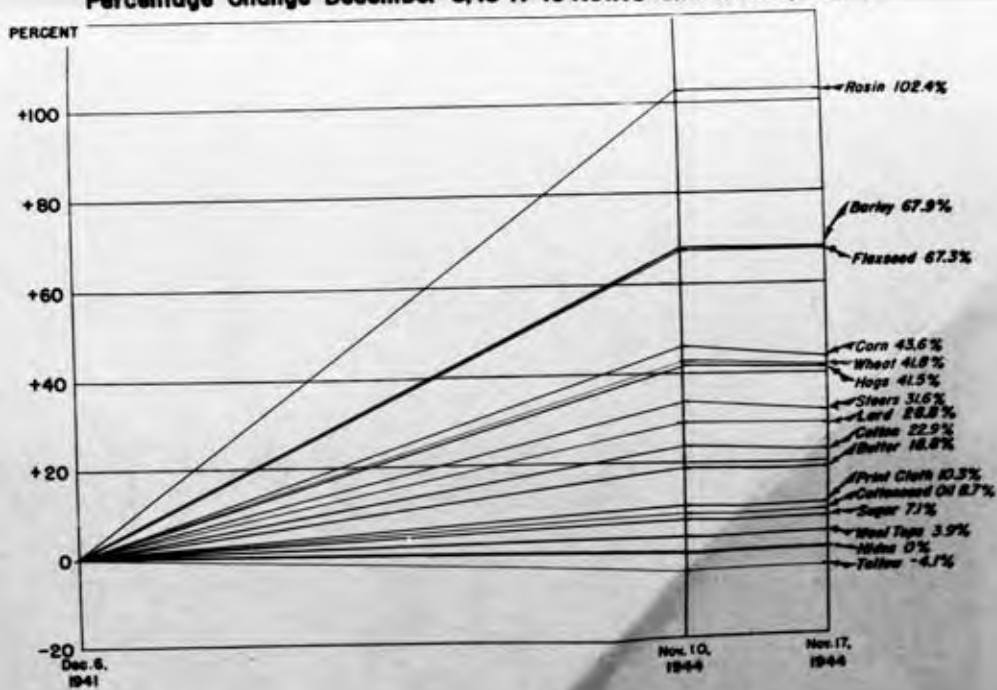
1944



WHOLESALE COMMODITY PRICES

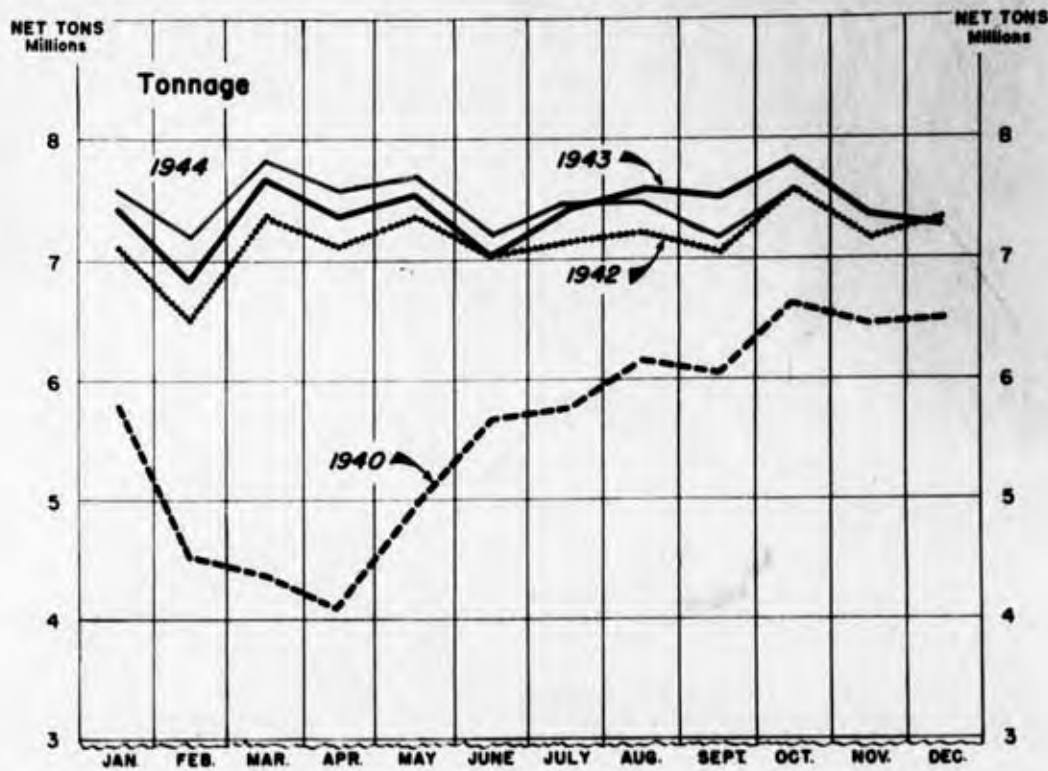
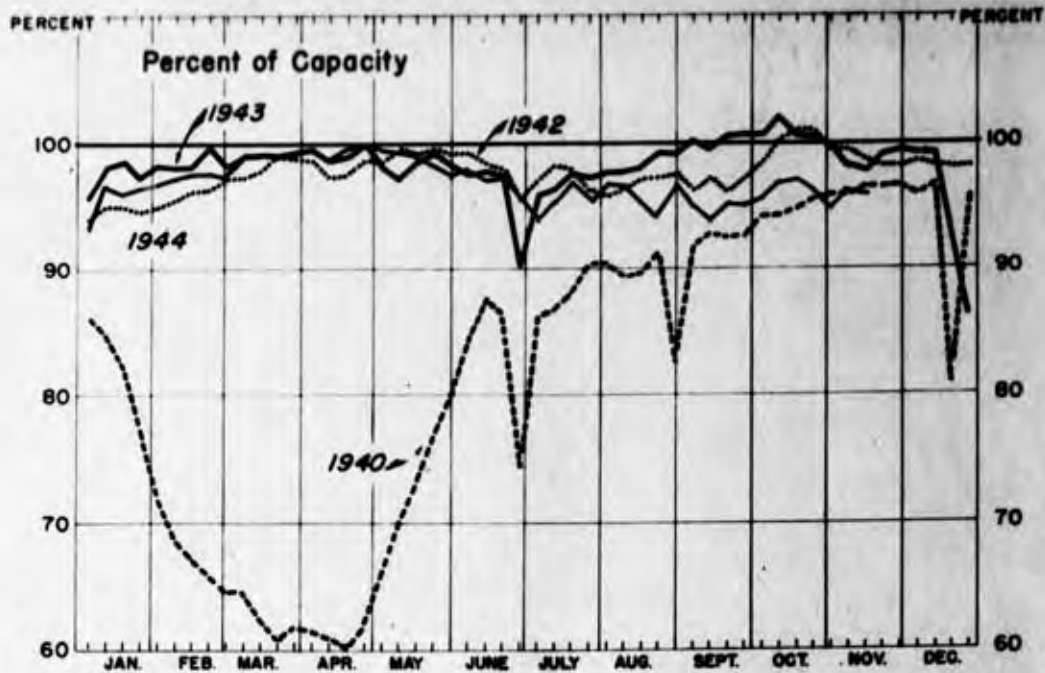


SELECTED BASIC COMMODITIES
 Percentage Change December 6, 1941 to Nov. 10 and Nov. 17, 1944



120

STEEL INGOT PRODUCTION

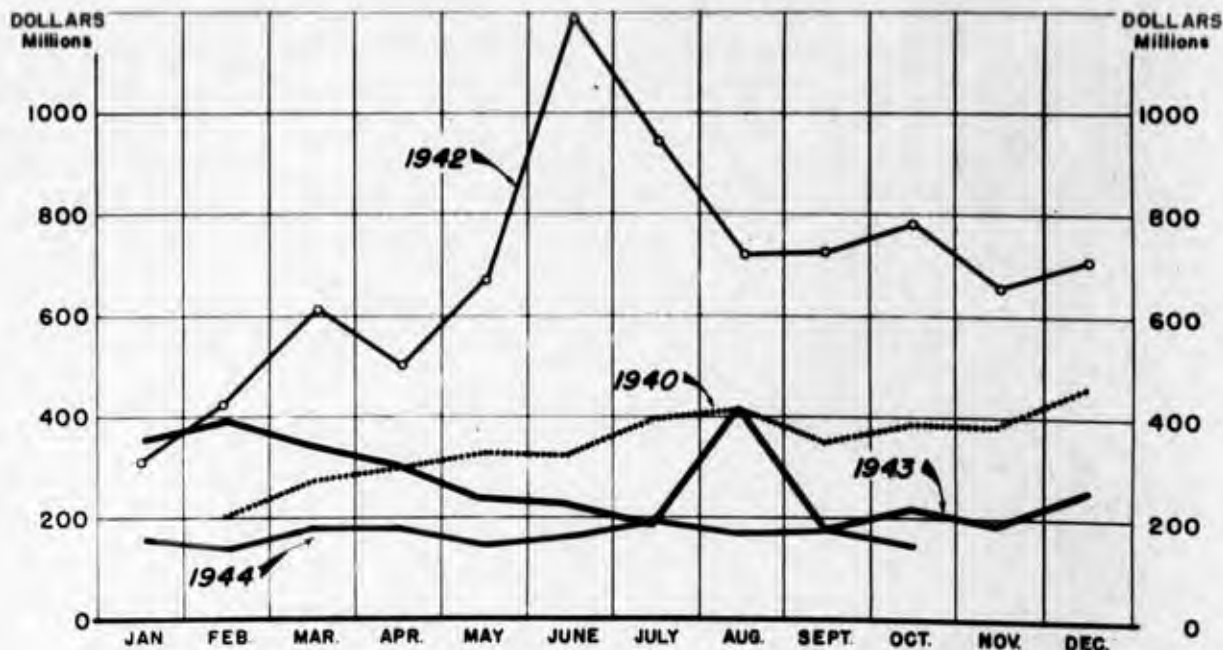


Office of the Secretary of the Treasury
Division of Research and Statistics

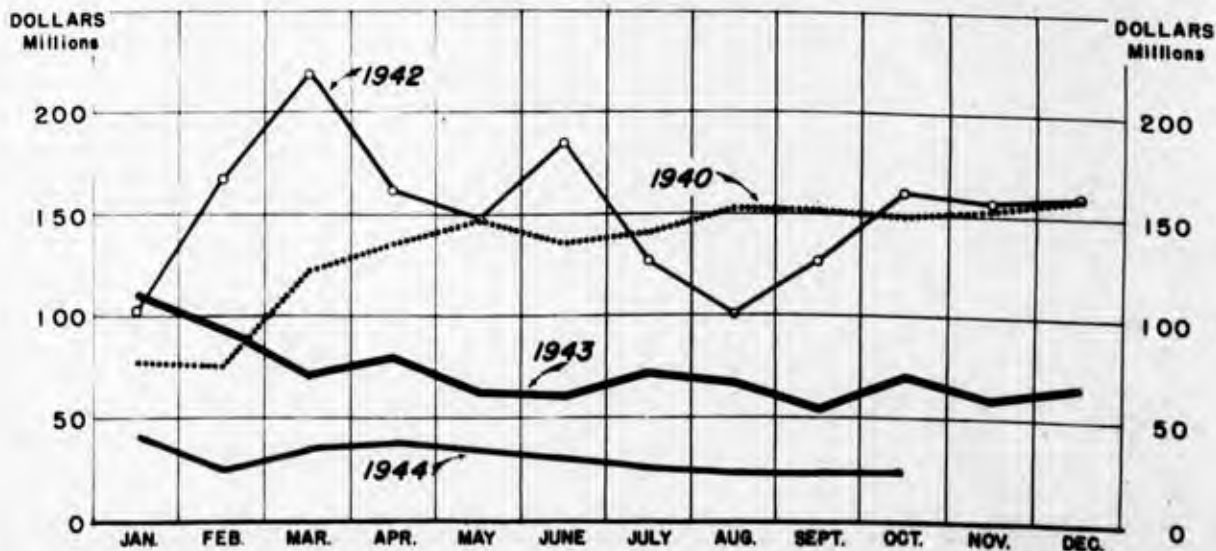
Source: American Iron and Steel Institute

C-532

TOTAL CONSTRUCTION CONTRACT AWARDS (37 States, F. W. Dodge Corp.)

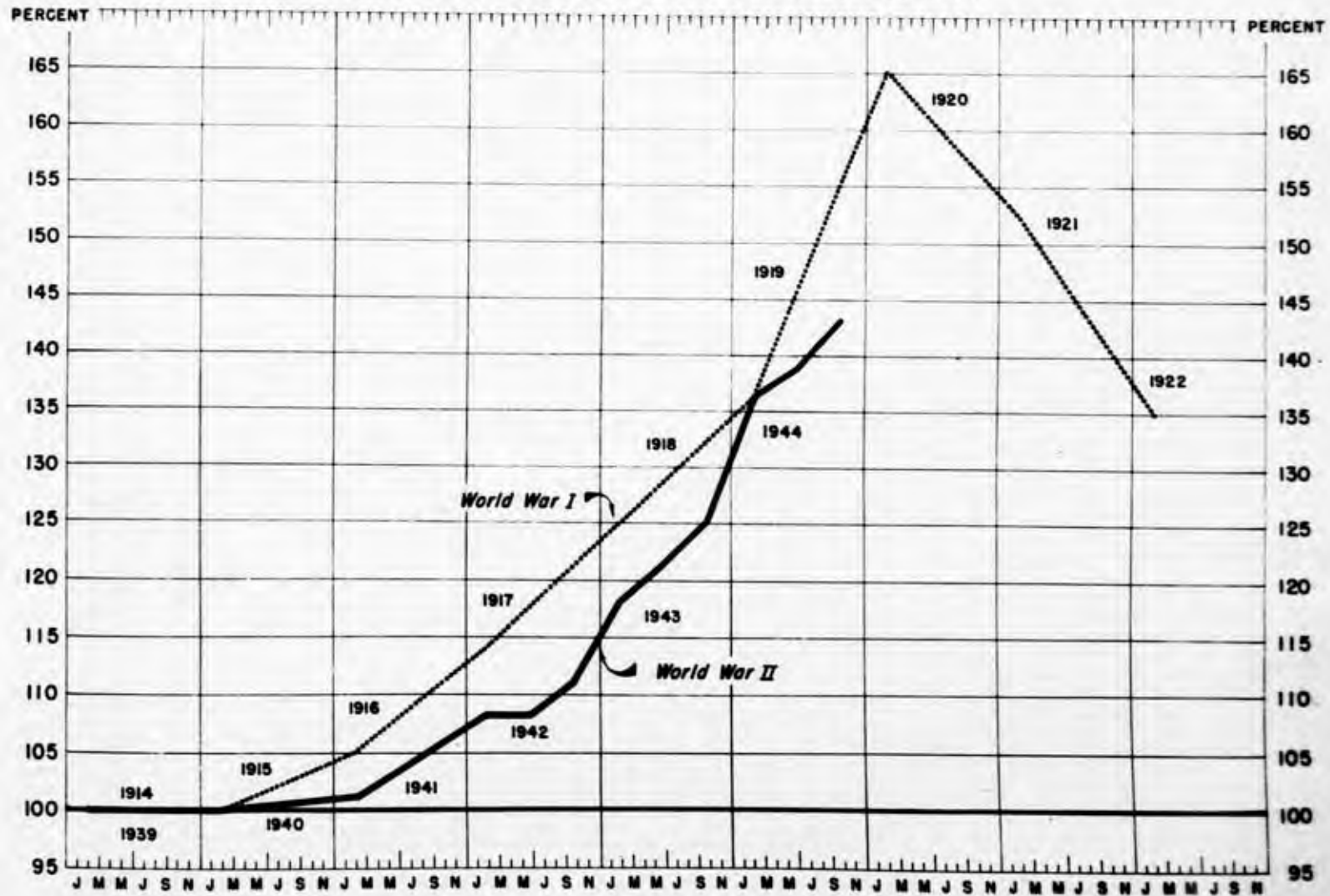


RESIDENTIAL CONSTRUCTION CONTRACTS AWARDED



FARM REAL ESTATE VALUES IN TWO WORLD WARS

World War I, 1914=100; World War II, 1939=100



Office of the Secretary of the Treasury
Division of Research and Statistics

C-818

123

Chart 5

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

Date

NOV 20 1944

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

Attached hereto for your files is a mimeographed copy of an opinion from the Attorney General, dated November 13, 1944, relating, among other things, to questions raised with him with respect to the famous Section 27 of the Surplus Property Act.

As you have already been advised informally, the Attorney General reaches a conclusion with respect to the limitations imposed upon activities of the Treasury employees engaged in surplus property disposition, after they leave the Department, which is more helpful from the point of view of keeping present personnel and attracting new men than we had earlier believed.

It is hardly necessary for you to read the attached material, but I thought you should know that Section 27, as interpreted by the Attorney General, affords little reason either for our losing personnel or being unable to attract new men.

J. J. O'Connell

OFFICE OF THE ATTORNEY GENERAL

Washington, D.C.

November 13, 1944

The Honorable

The Secretary of the Treasury

My dear Mr. Secretary:

In a letter dated October 4, 1944, you have asked for my views on a number of questions raised by section 27 of the Surplus Property Act of 1944. Certain other agencies and departments of the government have also asked me to comment on questions that have arisen in connection with this same section. As a matter of convenience a memorandum has been prepared discussing both the questions raised in your letter and those asked by other agencies and departments. A copy of that memorandum is enclosed in this letter.

I call your attention to the fact that the memorandum does not attempt to discuss the application of section 27 to specific cases. The discussion in the memorandum is necessarily cast in general and hypothetical terms. The application of the section to specific situations will depend upon the particular facts involved. For this reason the statements made in the memorandum as to the interpretation and application of section 27 should not be regarded as necessarily controlling or relevant in particular situations that involve facts not stated or assumed for the purposes of the discussion contained in the memorandum.

One of the questions raised in your letter is not discussed in the memorandum. Section 27 applies to employees of the government who have "ratified, approved or authorized the disposition of any surplus property pursuant to the provisions" of the Surplus Property Act. You have asked whether this language covers employees of government agencies who ratify, approve or authorize the disposition of surplus property subsequent to the date that the Surplus Property Act was signed by the President but before the majority of the members of the Board, provided for by the act, have been appointed.

Congress foresaw that a period of time might elapse after the passage of the Surplus Property Act before the Surplus Property Board was appointed. Section 605(b) of the War Mobilization and Reconversion Act of 1944, which was under consideration by the Congress at the same time as the Surplus Property Act, provides that the Surplus War Property Administration, established by Executive Order No. 9425, shall continue to exist until the majority of the members of the Surplus Property Board, first appointed

under the Surplus Property Act, are appointed and have taken office. Section 35 of the Surplus Property Act provides that all policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, not inconsistent with the Surplus Property Act, shall remain in full force and effect "unless and until superseded by regulations prescribed under this act."

Regulations issued by the Surplus War Property Administration prior to the passage of the Surplus Property Act necessarily depended for their validity upon the statutes other than that act. It would appear, therefore, that employees of the government who ratify, approve or authorize the disposition of property under such regulations are not ratifying, approving or authorizing the disposition of surplus property "pursuant to the provisions of" the Surplus Property Act of 1944 within the meaning of section 27. The circumstance that the force of the regulations is saved by section 35 of the Surplus Property Act does not seem to me to impair this conclusion; in fact, that section by its language seems to distinguish between the regulations which are saved and regulations which are "prescribed under this act." Accordingly, I am inclined to the view that persons who dispose of surplus property under regulations issued by the Surplus War Property Administration and not in the exercise of any statutory power that must be derived solely from the Surplus Property Act of 1944, are not covered by the language of section 27. Any other construction of section 27 would be so doubtful that this Department would hardly be justified in adopting it as a basis for criminal prosecutions.

Once a majority of the members of the Surplus Property Board have been appointed and have taken office and are exercising authority over the disposition of surplus war property, a different situation will be presented.

The observations that I have made in this letter are confined to section 27 of the Surplus Property Act of 1944. It should be remembered that there are other permanent criminal statutes of general application that apply to all officers and employees of the government and that will be in effect in the period before the majority of the members of the Board are appointed. Cases of fraud or other violations of these statutes will, of course, be prosecuted. I think it desirable to add that quite apart from the obligations imposed by these criminal statutes, the officers and employees of the agencies that are handling and disposing of surplus property should at all times meet the high standards of probity and integrity that apply to the conduct of public servants, and I have no doubt that the agencies concerned will take appropriate steps to that end.

Sincerely yours,

/s/ Francis Biddle

Attorney General

MEMORANDUM CONCERNING SECTION 27
OF THE
SURPLUS PROPERTY ACT OF 1944

Preliminary Statement

The Department of Justice has been requested by a number of government agencies to consider questions that have arisen as to the application and construction of section 27 of the Surplus Property Act of 1944 (Public Law 457, 78th Congress, 2d sess.). This memorandum has been prepared to set out certain considerations that might serve as guides to the construction and application of this section. For obvious reasons it will not be possible to discuss specific cases in this memorandum. The examples given in the memorandum are hypothetical cases used only for the purposes of illustration. It follows that statements made in this memorandum as to the interpretation and application of section 27 should not be regarded as necessarily controlling or relevant in particular situations which involve facts not stated or assumed for the purposes of the discussion contained in the memorandum.

There are a number of statutes, in addition to section 27 of the Surplus Property Act of 1944, that contain provisions with reference to the private business or professional activities of present and former government employees. See, for example, among others, R.S. 190 (5 U.S.C. 99); sections 109 and 113 of the Criminal Code (18 U.S.C. 198, 203); and section 19(e) of the Contract Settlement Act of 1944 (Public Law 395, 78th Cong. 2d sess.). This memorandum is confined to a discussion of the application of section 27 of the Surplus Property Act of 1944 and does not consider problems that may arise under these other statutes. The fact, therefore, that this memorandum concludes that certain types of conduct are not forbidden by section 27 should not lead to the inference that such conduct is permitted under other applicable statutes.

This memorandum deals only with the legal responsibilities imposed by section 27. It does not consider or discuss the extra-legal standards of probity and honesty that should be observed by all government officers and employees engaged in the disposition of surplus property, and it expresses no views as to the administrative measures that should be taken to define and to enforce those standards.

The memorandum discusses certain of the points that have been raised by the various interested agencies; it does not consider all of the questions that have been raised or that may arise in the future under section 27.

Discussion

Section 27 of the Surplus Property Act of 1944 provides:

No person employed by any Government agency, including commissioned officers assigned to duty in such agency, shall, during the period such person is engaged in such employment or service, or for a period of two years after the time when such employment or service has ceased, act as counsel, attorney, or agent, or be employed as representative, in connection with any matter involving the disposition of surplus property by the agency in which such person was employed, if such person during his employment with such agency ratified, approved, or authorized the disposition of any surplus property pursuant to the provisions of this Act or recommended any such approval, authorization, or ratification as part of his official duties. Any person violating the provisions of this section shall be fined not more than \$10,000, or imprisoned for not more than one year, or both.

The questions that have been raised may, as a matter of convenience, be considered under three headings: (1) What persons are affected by the statute? (2) What is the nature of the private employment which the statute prohibits? (3) Are transactions under section 14 dispositions of surplus property within the meaning of section 27?

1. What persons are affected by the statute?

Section 27 applies to employees who "ratified, approved or authorized" the disposition of surplus property or recommended such action as part of their official duties. Employees without authority to take action of this kind are not included within its scope. For example, the section does not apply to an employee whose sole duty is to survey property to determine whether it should be declared surplus or scrapped or to an employee who ratifies, approves, or authorizes the determination that property should be declared surplus or scrapped provided, of course, that the employee does not also ratify, approve, or authorize the disposition of property.

Section 27 applies to persons employed by a government agency. Situations may occur in which doubts will arise whether a particular person is employed by the government within the meaning of the section. These doubts must be resolved in the light of all of the relevant circumstances of the particular case. These circumstances would include, among other things, whether an oath of office is taken, whether compensation is received from the government, what are the official duties of the position, whether access is given to confidential information of a governmental agency.

One situation deserves special comment in this connection. In the past, government agencies have entered into contracts with private persons or corporations to sell or otherwise dispose of government property. Under other statutes the courts have held that an independent contractor and his employees are not employees of the United States. See Tompson v. Daugherty, 40 F. Supp. 279, 282 (D. Md.); Ackerlind v. United States, 240 U.S. 531, 536 and the cases cited therein; and 37 Op. A.G. 193. To determine whether a person is an independent contractor or a government employee it would be necessary to consider the terms of the contract as well as the other circumstances mentioned in the preceding paragraph. It seems unlikely that in most of the cases in which a corporation has a contract with a government agency for services, the terms of the contract will be such as to make the corporation a person "employed" by a government agency within the meaning of section 27.

2. What is the nature of the private employment which the statute forbids?

Section 27 prohibits any government employee from acting as counsel, attorney, or agent, or from being employed "as representative, in connection with any matter involving the disposition of surplus property by the agency in which such person was employed." Several points deserve comment. The section prohibits a government employee from dealing with matters involving the disposal of surplus property by the government agency in which he is or was formerly employed. Section 27 does not prohibit a former employee from buying for his own account as principal from his former agency; nor does it restrict the freedom of a former employee to deal in matters relating to the disposal of surplus property by any government agency in which he was not employed.

Section 27 uses the terms "counsel", "attorney", "agent", and "representative". The first three of these terms are found in other statutes which govern the conduct of government officers or former employees. See R.S. 190 (5 U.S.C. 99); sections 109 and 113 of the Criminal Code (18 U.S.C. 198 and 203); and section 19(e) of the Contract Settlement Act of 1944. Although there is no indication in the legislative history as to the meaning of these terms as used in section 27, it seems reasonable to assume that the Congress intended these words to convey the meaning given to them in similar statutes. As used in these other statutes, the words "counsel" and "attorney" have been understood to refer to representation in a professional capacity. The word "agent", on the other hand, has generally been regarded as referring to any person who is authorized to act on behalf of another. Section 27 also uses the word "representative". It seems likely that this word should be construed as having a meaning analogous to the meaning given the word "agent".

Section 27 refers to individuals who "act" as counsel, attorney, or agent or who are "employed" as representative. The words of the section seem intended to describe active participation in a representative capacity in connection with matters relating to the disposition of surplus property. It seems fairly clear that the draftsmen of section 27 wished to reach situations in which a former employee could improperly use his influence with the agency in which he formerly worked to bring about the disposition of surplus property to his principal. The normal or usual way in which the former employee would exert this influence would be by directly participating himself in negotiations with the agency in which he was formerly employed. The section was obviously not intended to disable a company or firm from acquiring surplus property merely because the company or firm has in its employ a person who formerly worked for the disposal agency. Thus, it seems fairly clear that a corporation of which a former employee is an officer would not be disqualified from dealing in surplus property matters with the former employee's agency. Nor would the former employee be prevented from accepting employment as an officer of a corporation which acquires surplus property if he does not participate in negotiations with his former agency involving surplus property matters. (Compare sections 109 and 113 of the Criminal Code, 18 U.S.C. 198, 203 and 40 Op. A.G. No. 73).

On the other hand, situations may occur involving fraud, bribery, misuse of confidential information or similar misconduct in which a person might be considered as being within the section although he did not actually participate in negotiations with his former agency. In such a case, for example, a former employee who actively controlled negotiations with his former agency through another individual might be considered as having violated the statute, although he did not personally appear before the agency or have any contacts with the agency except through the other individual whom he directly controlled. The application of the statute to cases of this kind cannot be determined without reference to the particular facts involved.

3. Are transactions under section 14 dispositions of surplus property within the meaning of section 27?

Section 14 provides:

(a) Subject only to the regulations of the Board with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production. The Board may empower any owning agency, subject to the regulations of the Board, to authorize any contractor with such agency or subcontractor thereunder to

- 5 -

retain or dispose of any contractor inventories for any other purpose which in the opinion of the Board is not contrary to the objectives of this Act. Where any owning agency takes possession of any contractor inventory from any contractor with the agency or subcontractor thereunder, such property shall be disposed of only in accordance with the provisions of this Act.

(b) Subject only to subsection (c) of this section, any owning agency may dispose of --

- (1) any property which is damaged or worn beyond economical repair;
- (2) any waste, salvage, scrap, or other similar items;
- (3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency;

which does not consist of strategic minerals and metals, as defined in section 22.

(c) Whenever the Board deems such action necessary to effectuate the objectives and policies of this Act, the Board, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

Subsection (a) of section 14 grants authority of three kinds:

A. Subject to the regulations of the Board with respect to price, the subsection authorizes an owning agency to dispose of property for the purpose of war production.

This authority presumably may be exercised irrespective of whether the property has been determined to be surplus. If the property which is disposed of pursuant to this authority has been determined by the owning agency to be surplus to its needs and responsibilities, then section 27 appears to apply. If the property that is sold for the purpose of war production has not been determined to be surplus, then section 27 does not appear to apply.

B. Subsection (a) also provides that an owning agency, subject to the regulations of the Board, may authorize a contractor to retain or dispose of contractor inventories for the purpose of war production.

C. The subsection also provides that the Board may authorize an owning agency, subject to regulations of the Board, to authorize any contractor with such agency or subcontractor to retain or dispose of any contractor inventories "for any other purpose" which in the opinion of the Board is not contrary to the objectives of the act.

These two kinds of authority may be considered together as they raise kindred problems.

The last sentence of subsection (a) provides that

Where any owning agency takes possession of any contractor inventory from any contractor with the agency or subcontractor thereunder, such property shall be disposed of only in accordance with the provisions of this Act.

The better view seems to be that the retention or disposition of contractor inventories by a war contractor, pursuant to the authority given under subsection (a), before the government has taken possession, is not a disposition of surplus property within the meaning of section 27. As defined in section 3(e) of the act, property is not surplus until it is determined to be surplus to the needs or responsibilities of the owning agency under section 11. The act would not appear to contemplate that an agency would determine contractor inventory to be surplus so long as the war contractor has possession of the inventory and actually disposes of it. Compare section 22(a). However, when any government agency takes possession of the contractor inventory and disposes of it as surplus, the disposition would come under the provisions of the act, including section 27. What amounts to possession in a specific case would, of course, depend upon the facts. It should be noted, however, that if a government officer or agency instead of merely authorizing retention or sale by the contractor, actually negotiates the sale and purports to transfer title for the United States, the contractor inventory might be said to be in the possession of the agency, even though the agency or officer had not removed the contractor inventory from the premises of the contractor.

The question has been raised as to the application of section 27 to dispositions of property made under subsection (b) of section 14. Subsection (b) does not use the term "surplus property"; subsection (c) of section 14, however, indicates that subsection (b) should be construed as authorizing the sale of surplus property. It seems probable that at least some of the property that will be disposed of under subsection (b)

- 7 -

will in fact have been determined to be surplus to the needs and responsibilities of the owning agency prior to its disposal. As to such property, therefore, subsection (b) would appear to authorize sales of surplus property by an owning agency within the meaning of section 27. On the other hand, to the extent that subsection (b) authorizes the owning agency to dispose of property which has not been determined to be surplus, section 27 does not apply. It should be remembered that in many cases dispositions of the kind of property described in subparagraph (b) are authorized by statutes other than the Surplus Property Act of 1944. Dispositions of the kind of property described in subsection (b) which are made under these other statutes would appear not to be subject to section 27.

OFFICE OF THE ATTORNEY GENERAL

Washington, D.C.

November 13, 1944

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The Secretary of the Treasury

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under the Surplus Property Act, are appointed and have taken office. Section 35 of the Surplus Property Act provides that all policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, not inconsistent with the Surplus Property Act, shall remain in full force and effect "unless and until superseded by regulations prescribed under this act."

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The questions that have been raised may, as a matter of convenience, be considered under three headings: (1) What persons are affected by the statute? (2) What is the nature of the private employment which the statute prohibits? (3) Are transactions under section 14 dispositions of surplus property within the meaning of section 27?

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2. What is the nature of the private employment which the statute forbids?

Section 27 prohibits any government employee from acting as counsel, attorney, or agent, or from being employed "as representative, in connection with any matter involving the disposition of surplus property by the agency in which such person was employed." Several points deserve comment. The section prohibits a government employee from dealing with matters involving the disposal of surplus property by the government agency in which he is or was formerly employed. Section 27 does not prohibit a former employee from buying for his own account as principal from his former agency; nor does it restrict the freedom of a former employee to deal in matters relating to the disposal of surplus property by any government agency in which he was not employed.

Section 27 uses the terms "counsel", "attorney", "agent", and "representative". The first three of these terms are found in other statutes which govern the conduct of government officers or former employees. See R.S. 190 (5 U.S.C. 99); sections 109 and 113 of the Criminal Code (18 U.S.C. 198 and 203); and section 19(e) of the Contract Settlement Act of 1944. Although there is no indication in the legislative history as to the meaning of these terms as used in section 27, it seems reasonable to assume that the Congress intended these words to convey the meaning given to them in similar statutes. As used in these other statutes, the words "counsel" and "attorney" have been understood to refer to representation in a professional capacity. The word "agent", on the other hand, has generally been regarded as referring to any person who is authorized to act on behalf of another. Section 27 also uses the word "representative". It seems likely that this word should be construed as having a meaning analogous to the meaning given the word "agent".

Section 27 refers to individuals who "act" as counsel, attorney, or agent or who are "employed" as representative. The words of the section seem intended to describe active participation in a representative capacity in connection with matters relating to the disposition of surplus property. It seems fairly clear that the draftsmen of section 27 wished to reach situations in which a former employee could improperly use his influence with the agency in which he formerly worked to bring about the disposition of surplus property to his principal. The normal or usual way in which the former employee would exert this influence would be by directly participating himself in negotiations with the agency in which he was formerly employed. The section was obviously not intended to disable a company or firm from acquiring surplus property merely because the company or firm has in its employ a person who formerly worked for the disposal agency. Thus, it seems fairly clear that a corporation of which a former employee is an officer would not be disqualified from dealing in surplus property matters with the former employee's agency. Nor would the former employee be prevented from accepting employment as an officer of a corporation which acquires surplus property if he does not participate in negotiations with his former agency involving surplus property matters. (Compare sections 109 and 113 of the Criminal Code, 18 U.S.C. 198, 203 and 40 Op. A.G. No. 73).

On the other hand, situations may occur involving fraud, bribery, misuse of confidential information or similar misconduct in which a person might be considered as being within the section although he did not actually participate in negotiations with his former agency. In such a case, for example, a former employee who actively controlled negotiations with his former agency through another individual might be considered as having violated the statute, although he did not personally appear before the agency or have any contacts with the agency except through the other individual whom he directly controlled. The application of the statute to cases of this kind cannot be determined without reference to the particular facts involved.

3. Are transactions under section 14 dispositions of surplus property within the meaning of section 27?

Section 14 provides:

(a) Subject only to the regulations of the Board with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production. The Board may empower any owning agency, subject to the regulations of the Board, to authorize any contractor with such agency or subcontractor thereunder to

- 5 -

retain or dispose of any contractor inventories for any other purpose which in the opinion of the Board is not contrary to the objectives of this Act. Where any owning agency takes possession of any contractor inventory from any contractor with the agency or subcontractor thereunder, such property shall be disposed of only in accordance with the provisions of this Act.

(b) Subject only to subsection (c) of this section, any owning agency may dispose of --

- (1) any property which is damaged or worn beyond economical repair;
- (2) any waste, salvage, scrap, or other similar items;
- (3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency;

which does not consist of strategic minerals and metals, as defined in section 22.

(c) Whenever the Board deems such action necessary to effectuate the objectives and policies of this Act, the Board, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

Subsection (a) of section 14 grants authority of three kinds:

A. Subject to the regulations of the Board with respect to price, the subsection authorizes an owning agency to dispose of property for the purpose of war production.

This authority presumably may be exercised irrespective of whether the property has been determined to be surplus. If the property which is disposed of pursuant to this authority has been determined by the owning agency to be surplus to its needs and responsibilities, then section 27 appears to apply. If the property that is sold for the purpose of war production has not been determined to be surplus, then section 27 does not appear to apply.

B. Subsection (a) also provides that an owning agency, subject to the regulations of the Board, may authorize a contractor to retain or dispose of contractor inventories for the purpose of war production.

.4.

C. The subsection also provides that the Board may authorize an owning agency, subject to regulations of the Board, to authorize any contractor with such agency or subcontractor to retain or dispose of any contractor inventories "for any other purpose" which in the opinion of the Board is not contrary to the objectives of the act.

These two kinds of authority may be considered together as they raise kindred problems.

The last sentence of subsection (a) provides that

Where any owning agency takes possession of any contractor inventory from any contractor with the agency or subcontractor thereunder, such property shall be disposed of only in accordance with the provisions of this Act.

The better view seems to be that the retention or disposition of contractor inventories by a war contractor, pursuant to the authority given under subsection (a), before the government has taken possession, is not a disposition of surplus property within the meaning of section 27. As defined in section 3(e) of the act, property is not surplus until it is determined to be surplus to the needs or responsibilities of the owning agency under section 11. The act would not appear to contemplate that an agency would determine contractor inventory to be surplus so long as the war contractor has possession of the inventory and actually disposes of it. Compare section 22(a). However, when any government agency takes possession of the contractor inventory and disposes of it as surplus, the disposition would come under the provisions of the act, including section 27. What amounts to possession in a specific case would, of course, depend upon the facts. It should be noted, however, that if a government officer or agency instead of merely authorizing retention or sale by the contractor, actually negotiates the sale and purports to transfer title for the United States, the contractor inventory might be said to be in the possession of the agency, even though the agency or officer had not removed the contractor inventory from the premises of the contractor.

The question has been raised as to the application of section 27 to dispositions of property made under subsection (b) of section 14. Subsection (b) does not use the term "surplus property"; subsection (c) of section 14, however, indicates that subsection (b) should be construed as authorizing the sale of surplus property. It seems probable that at least some of the property that will be disposed of under subsection (b)

- 7 -

will in fact have been determined to be surplus to the needs and responsibilities of the owning agency prior to its disposal. As to such property, therefore, subsection (b) would appear to authorize sales of surplus property by an owning agency within the meaning of section 27. On the other hand, to the extent that subsection (b) authorizes the owning agency to dispose of property which has not been determined to be surplus, section 27 does not apply. It should be remembered that in many cases dispositions of the kind of property described in subparagraph (b) are authorized by statutes other than the Surplus Property Act of 1944. Dispositions of the kind of property described in subsection (b) which are made under these other statutes would appear not to be subject to section 27.

AM

UNITED KINGDOM TREASURY DELEGATION

BOX 680
BENJAMIN FRANKLIN STATION
WASHINGTON, D.C.

REFERENCE

TELEPHONE EXECUTIVE 2020

20th November 1944.

Dear Mr. Secretary,

Some little time ago you mentioned to me the possibility of the President being willing to see me before I left, if you were to take me round one day. I did not like to trouble him before the Election, and also felt that perhaps it would be better not to have a talk until our business was more nearly concluded.

As I am now staying on a little longer than I expected, that is to say, until Thursday afternoon, I write to say that I should, of course, very greatly appreciate it, and be much honoured, if you felt that it would not be troubling the President too much to suggest a visit in the course of the next two or three days.

Yours sincerely,

Keynes

The Hon. Henry Morgenthau, Jr.

NOTE ON AUSTRALIAN RECIPROCAL AID

1. The U.S. Authorities have requested that Australia should undertake to supply goods and services as reciprocal aid without geographical limitation.
2. The present position is that the Reciprocal Aid Agreement of 3rd September, 1942 between the Australian and United States Governments provides that Australia will furnish assistance, on reciprocal aid terms, to the U.S. forces in Australia or its territories. Notwithstanding the terms of this Agreement, the Australian Government have not, in practice, confined their reciprocal aid within this geographical limit: they have from time to time furnished considerable reciprocal aid to U.S. forces outside Australian territory, particularly to those in the South Pacific and latterly in Hollandia.
3. Australia is providing, as reciprocal aid to the U.S. forces, goods and services to the value of about 20% of her current war expenditure, with heavy consequential sacrifices to the population. These burdens, additional to those imposed by Australia's own war effort, have been spontaneously and willingly accepted, and the U.S. Theatre Commander in the area has expressed himself as being well satisfied with the scale of the reciprocal aid.
4. The Australian Government do not feel able to agree that the terms of their existing reciprocal aid undertakings to the U.S. Government should be revised in such a manner as to impose no limitation upon the amount or upon the area of such aid. They are, however, prepared, within the terms of their reciprocal aid undertakings, to continue to supply to the U.S. forces as reciprocal aid, within locally accepted programmes, the categories of goods and services which they now furnish. They would also agree that, where for strategic reasons it is necessary to transfer to other theatres supplies which have already been provided to the local U.S. Command, no objection should be raised to the transfer.

5. In addition, the Australian Government are willing, as at present, to examine any further requests, including those for additional areas, which may be made by the U.S. authorities, having full regard to the availability of supplies and to their responsibilities in other directions. They suggest that requests for the provision of supplies, on reciprocal aid terms, for areas outside their existing undertakings, should continue to be referred to them for consideration. They do not, however, think it appropriate that the U.K. Government should be called upon to undertake responsibility for the provision of reciprocal aid throughout the British Commonwealth. They accordingly propose, with the concurrence of the U.K. representatives in Washington, that in cases where the Australian Government feel unable to meet such requests, the question of the financial responsibility be jointly discussed between the Australian, the U.S. and the U.K. authorities.

6. If these proposals are acceptable to the U.S. authorities, it is suggested that the detailed arrangements should be settled by joint discussions between representatives of the Governments concerned.

Washington, D.C.

20th November, 1944.

Treasury Department
Division of Monetary Research

138

Date Nov. 22, 1944 19

To: Secretary Morgenthau

I think you will be interested
in this comment on the attitude of the
Foreign Trade Council Committee toward
Bretton Woods, indicated in red crayon.

H.D.W.

MR. WHITE
Branch 2058 - Room 214½

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

TO Mr. White
FROM O. A. Schmidt

November 20, 1944

In accordance with your request, there are quoted below Mr. Fox's comments concerning the attitude in New York toward the Bretton Woods proposals. These comments were made in a letter to me dated November 16, 1944:

"I seem to detect among the denizens of this area a lessening of antagonism toward the Bretton Woods proposals. There are, of course, the rock-ribbed reactionaries who oppose and who probably always will oppose innovation and change. Aldrich continues to support his plan -- I presume more from pride of authorship than because of the supposed merits of the program as announced up to the present. However, among many of the more thoughtful element there appears to be either a willingness to accept the Bretton Woods proposals on a trial basis as an experimental step toward unquestioned desirable objectives, or a sincere effort to analyze adequately the plan and, on the basis of a real understanding of its objectives and methods, to offer a mildly modified program consistent with the economic and financial thinking of the people concerned. If this impression is confirmed by some of the pending Committee reports, it should constitute a long step forward in the right direction. I suppose you are aware that the appropriate Committee of the Foreign Trade Council very nearly produced by a four-to-one vote a resolution recommending that our Congress enact the necessary legislation to implement the Bretton Woods proposals and that the resolution on this subject as finally submitted was largely in response to the feeling that the Trade Council should not precede the bankers in expressing views on financial matters. I was told this in confidence and accordingly would appreciate your keeping it off the record."



Treasury Department
Division of Monetary Research

140←

Date Nov. 20, 1944 19

To: Mrs. McHugh



For the Secretary. Not important,
but he may be interested in reading it.

H.D.W.

MR. WHITE
Branch 2058 - Room 214½

TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE November 20, 1944.

TO Mr. White
FROM E. Mikulich *W.S.*

The following points were made by M. Rauzan, the French Financial Representative in London, in a conversation with U.S. Treasury Representatives:

1. M. Rauzan stated that when he left Paris (about November 4) no definite decision on a currency program for France had been made. He said that M. Mendes-France still wishes to carry out a drastic program along the lines of the Belgian program. Mendes-France maintains that "all it would take would be a little courage".

(Note: Harold Callender in the Sunday Times reports that Mendes-France has lost his battle with the Ministry of Finance for a drastic financial program for France. The French will depend on the "Liberation Loan" to be followed by a program for gradual deflation with a moderate capital levy.)

2. In regard to a program for Germany, M. Rauzan said that the French were not willing to rely exclusively on an international organization for the protection for their frontiers. M. Rauzan, himself, favored an internationalization of the left bank of the Rhine under control of countries bordering Germany. He said this would be a good testing ground for a Western European Federation which he believes must eventually come. Rauzan claims that France is not interested in territorial acquisition, but would take more territory reluctantly if necessary to protect her frontiers.

3. Rauzan reported that France had lost political interest in the Little Entente and Poland. Most of the French are willing to let Russia take care of this situation. Rauzan sees little hope of reviving interest in French political commitments in Central Europe.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

M 142 ←

DATE

November 20, 1944.

TO Secretary Morgenthau

FROM H. D. White

HDW

I thought you would be interested to have a little information about Rene Pleven, who was just appointed Minister of Finance in France to succeed Lepercq, who was recently killed in an automobile accident.

1. Prior to the fall of France, Pleven was one of the French members of the Allied Purchasing Board. As assistant to Jean Monnet he came to the United States in 1938, where he remained until May 1940 to arrange for the purchase of war supplies by the British and French Governments.

2. Since the fall of France he has been continuously associated with DeGaulle. He joined the Free French and was sent to Equatorial Africa to organize the administration of the colony for the benefit of the Allied war effort. From June to October 1941, he was in the United States on a special commission from DeGaulle to coordinate Free French supply activities in this country. From June 1943 until his return to France with DeGaulle this summer, he was Commissioner of Colonies with the French Committee. Thereafter, he took over the Colonial Ministry in the Provincial Government.

3. Prior to the war he was European representative of the International Telephone and Telegraph Company. He is still a director of the Associated Telephone and Telegraph Co., Delaware; the Automatic Electric Sales Company, Limited, Chicago; the banking firm of Theodore Gary & Company, London; the Oriente Syndicate Limited, London, a subsidiary of the Gary firm; and the Automatic Electric Company, London.

4. George Murnane, who, you will recall, has in the past been associated with Jean Monnet, holds the power of attorney over the funds of Pleven in the United States.

November 20, 1944

Memorandum and Translation:

This letter transmits official greetings from the present Minister of Finance of France. It reads as follows:

"To the Secretary of the Treasury,

I have the honor to bring to your attention a personal message which M. Rene Pleven, Minister of Finance of the Provisional Government of the French Republic, has asked me to forward with particular urgency:

'At the moment when I am called to take up the Ministry of Finance of the French Government, I want to send you personally my warmest salutations. I shall be particularly happy to take up again with you the establishment of the mutual cooperation and confidence which we have enjoyed together during the past and also to contribute to maintaining in the future between the two Treasuries a tradition which has long existed in the past.'

The letter closes with the usual assurances of cordial regards, etc., from the Financial Attache of the Provisional Government Office here.

REPUBLIQUE FRANCAISE

DELEGATION
DU
GOUVERNEMENT PROVISOIRE
AUX
ETATS UNIS

L'ATTACHE FINANCIER

AF/

CV/p

1800 MASSACHUSETTS AVE. N. W.
WASHINGTON 6, D. C.

DECATUR 7935

le 18 novembre 1944

Monsieur le Secretaire au Tresor,

J'ai l'honneur de porter a votre
connaissance le message personnel que M. Rene PLEVEN,
Ministre des Finances du Gouvernement Provisoire de la
Republique Francaise, m'a prie de vous faire parvenir
d'urgence :

" Au moment ou je suis appele aux fonctions
de Ministre des Finances du Gouvernement
Francais je tiens a vous adresser person-
nellement mes salutations les plus cordia-
les. Je serai particulierement heureux
de reprendre avec vous les rapports de
cooperation confiante que nous avons eus
ensemble dans le passe et de contribuer
ainsi a maintenir entre les deux Tresoreries
une tradition qui existe depuis longtemps".

Veillez agreer, Monsieur le Secretaire au
Tresor, les assurances de ma haute consideration.

Christian Valensi

Christian VALENSI
Attache Financier
Maitre des Requetes au Conseil d'Etat

Monsieur Henry MORGENTHAU, Jr.,
Secretaire au Tresor,
Washington, D.C.

TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE November 20, 1944

TO Secretary Morgenthau - For Your Information
FROM Mr. White *WVW*
Subject: French Views on Treatment of Germany

1. Representatives of the Office of Strategic Services in France report that the primary concern of Frenchmen at the present time is the purging and rebuilding of France. International questions come second. Although there are few formal French plans for postwar Germany, none of which has even semi-official status, there are several topics on which French opinion now seems to be practically unanimous.

2. Conservatives, moderates and left-wing groups agree upon the importance of French troops' participating in the total occupation of Germany.

3. All sectors of French opinion agree that Germany must be disarmed. The Socialists insist that the Allies also must disarm and that the keeping of the peace must be the duty of an international police force rather than of national armies.

4. The French demand the punishment of war criminals. This category includes all high Nazis responsible for the systematic perpetration of atrocities as well as those actually involved. Most sources also include high-ranking military officers.

5. There is general agreement that France does not want to annex German territory. References to the "frontier of the Rhine" refer to occupation of German territory, perhaps permanent occupation, rather than annexation.

- 2 -

6. French views on Germany's economic disarmament are diverse. One plan which may be capable of drawing together diverse elements is that for internationalizing German heavy industry of the Rhineland and the Ruhr, ownership to be shared among England, France, the Low Countries and, eventually, Germany itself.

Socialists and Communists see the solution in terms of taking German industry out of the hands of "war-making capitalists".

7. The French people will never have a sense of security against future German aggression unless the German will to conquest is extinguished. Conservative circles commonly regard the German people as incurable and have little hope of ending the threat except by destroying the German nation through dismemberment.

All forces of the left and some conservatives oppose dismemberment.

Socialists and Communists hope to reeducate the Germans along their respective philosophies, and thus make Germans into good neighbors.

In summary, there is no agreement on the way to destroy the German desire for conquest, but Frenchmen can agree on ways of enforcing peace.

EK
Distribution of true
reading only by special
arrangement. (SECRET W)

November 20, 1944

8 p.m.

AMLEGATION

CAIRO

3354

The cable below is from War Refugee Board.

Please deliver paraphrase of following message to Harry Greenstein, UNRRA Representative, Cairo, from M. A. Leavitt of American Jewish Joint Distribution Committee:

QUOTE Please advise Belle Masur regarding appeal we received from Jaques Benzonana and Elie Cohen now care of Greek Legation Cairo behalf Jewish communities Athens Salonica. We suggested they communicate with you and hopeful you will discuss with Masur should she be assigned Greece possibility her reporting to us and Hagnes situation of Jews and special supplemental requirements that JDC should meet which not met by military or governmental or UNRRA action. **UNQUOTE**

STETTINIUS
(Acting)
(IMV)

WRB:IMV:KG
11/20/44

ME

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arrangement. (SECRET W)

November 20, 1944
midnight

AMEMBASSY

LONDON

9770

The cable below for Mann is WRB 26.

Please deliver paraphrase of following message to Joseph Schwartz, London, from M. A. Leavitt of American Jewish Joint Distribution Committee:

QUOTE Subject your agreement Administration Committee appropriated following onetime grants for emergency aid. Rumania \$250,000 Hungarian refugees in Rumania \$100,000 France Paris district \$100,000 liberated Poland \$500,000 Bulgaria \$50,000 Greece \$100,000. Regarding liberated Poland we authorizing Passman negotiate purchase 250 tons supplies Teheran for which above appropriation made. Regarding Hungarian refugees in Rumania understand about 6,000 in dire need and more coming daily into Rumania regarding Greece and Bulgaria we will await further advices from you before arranging for remittances. Above appropriations more than completely exhaust \$900,000 reserve which was at your disposal. Administration Committee appropriated additional \$300,000 to be placed at your disposal realizing that emergency needs in Belgium Southern France and Hungary until end this year have not been met. If you agree above we assume you will directly notify various countries also advising us when remittances should be made. Understand that of 3,000 Jews Antwerp 30% Dutch nationals. We assume Brussels Committee also making provision help all Jews Antwerp also assume you discussing with Dutch Government assumption relief needs for their Dutch nationals Belgium. Glad inform you Donald Hurwitz joining our staff here. UNQUOTE

STETTINIUS
(Acting)
(IMV)

WRB:IMV:KO NE BC WE SE EE SWP ROE
11/20/44

CABLE TO WINANT, LONDON, FOR MANN FROM PEHLE, WAR REFUGEE BOARD

Please advise Dr. Joseph Schwartz that JDC requests him to proceed to Switzerland at once. In view of urgency please lend every assistance to Schwartz in obtaining travel and advise date of his departure.

THIS IS WRB LONDON CABLE NO. 27.

10:45 a.m.
November 20, 1944

FH:hd 11/20/44

EAS-1095

Distribution of true
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arrangement. (SECRET W)

London

Dated November 20, 1944

Rec'd 6:40 a.m., 21st

Secretary of State,
Washington.

10163, November 20, 6 p.m.

THE FOLLOWING MESSAGE IS FOR MOSES LEAVITT OF
THE JDC FROM JOSEPH SCHWARTZ FOR PERLE FROM MANN

"Since Greenleigh has already left for France and Max Perlman anxious to depart December 1 it is most important Israel Jacobson leave for Italy without delay. For personal reasons and also because of health Mordecai Kessler, Istanbul, anxious to return home, therefore, Arthur Fishohn should proceed Istanbul soonest. Assume you are undertaking necessary steps obtain required visas and have cabled Magnes accordingly. We have also advised Magnes of Fishohn's appointment and of Kessler's desire to leave. Also urge send someone here immediately prepared to proceed Brussels. Suggest that permission to enter Brussels might best be arranged from here. Saw Paul Van Zeeland who is trying to expedite my entry and am certain he will also cooperate for permission permanent representative there. View my conversations Van Zeeland previous confirmation concerning actual receipt of committee Brussels equivalent \$150,000 now doubtful. Suggest, therefore, you press Belgian Embassy, Washington, for confirmation".

WINANT

RB

JMM-1062
Distribution of true
reading only by special
arrangement. (SECRET W)

London

Dated November 20, 1944

Rec'd 11:27 p.m.

Secretary of State

Washington

10166, November 20, 6 p.m.

FOR PERLE FROM MANN.

The following message is for Moses Leavitt of JDC
from Joseph Schwartz:

"Five million lira for repayment debts again asked
by Perlman. Have advised him funds will be available from
clearance Palestinian Oswego groups. Urge you remit
funds which Perlman requires if this clearance is not de-
finitely settled within reasonable time end".

WINANT

WMB

MVA-928

PLAIN

London

Dated November 20, 1944

Rec'd 6:10 p.m.

Secretary of State,

Washington.

10170, Twentieth

The following message is for Moses Leavitt of the JDC from Joseph Schwartz (for Pehle from Mann).

"Understand Charles Passman expected return Jerusalem about 18 November and proceeding from there to Istanbul and Balkans. Have cabled him regarding shipment which he arranging and expecting early confirmation. Have been advised by Pilpel that Beckelman is expected here for conference with Governor Lehman naturally hope see him when and if he arrives."

WINANT

MMM

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMERICAN EMBASSY, ASUNCION
TO: Secretary of State, Washington
DATED: November 20, 1944
NUMBER: 654 (Repeated to Madrid)

CONFIDENTIAL

The Government of Paraguay in a note number 1055 of the seventeenth of November requests that our government transmit the request to the Government of Spain to make energetic protest at once to the Government of Germany against the removal from the camp at Palmstel, France after examination holders of Paraguayan passports and demand data regarding their whereabouts and well being at once. See airgram 288 from the Department of the fourth of November.

In this request all holders of Paraguayan documents now detained in other places are included and declares that Paraguay will not allow discussion of authenticity of documents which it has ratified and validity of documents issued in its name. Paraguay expects the Government of Germany to grant the same treatment to holders of such documents as Germany wishes to obtain in Paraguay for its citizens. By airmail the text of the note follows.

BEAULAC

DCR:MLG

12-6-44

EE
Distribution of true
reading only by special
arrangement. (SECRET W)

November 20, 1944

6 p.m.

AMEMBASSY

LISBON

2997

The cable below is WRB 116.

Please deliver paraphrase of the following message to
Robert Pilpel from M. A. Leavitt of American Jewish Joint
Distribution Committee:

QUOTE Nadine Feldser and Helene Goldenweiser 63 year
old twin sisters of E. A. Goldenweiser of Federal Reserve
Board, Washington, were deported from La Colline St. Antoine
near Nice December 1943. Please ask Tohlenoff Salg Mayer do
utmost trace also if possible have Paris office contact
Alice Chaptal 134 Rue Dela Pompe daughter Nadine Feldser for
further information and possible tracing from France. UNQUOTE

STETTINIUS
(Acting)
(IMV)

WRB:IMV:KD
11/20/44

WE

FBI-1093

PLAIN

Lisbon

Dated November 20, 1944

Rec'd 6:55 a.m., 21st.

Secretary of State,
Washington.

4016, Twentieth, 7 p.m.

JDC 121 WRB 258 FOR LEAVITT FROM PILPEL.

Saly Mayer advises parcels may now be shipped
from Switzerland but needs funds this purpose there-
fore please transfer him urgently \$24,000 under
Czechoslovak parcel project.

NORWEB

WMB

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Stockholm
 TO: Secretary of State, Washington
 DATED: November 20, 1944
 NUMBER: 4743

SECRET

Reference Legation's 4455, November 1 and related correspondence; Legations's 4506, November 3 and related correspondence; and Legation's 3883, September 26.

I have been questioned by the American Red Cross representative here, Glen Whisler, whether it would be advisable for him to discuss with the Swedish Red Cross at this time a letter he has received from the American Red Cross in Washington concerning stockpiling of clothing and other relief supplies in Sweden for present and post-war use in Lithuania, Estonia, Latvia, Finland and Norway, in view of the apparent attitude of the Soviets toward what Americans are doing and what they might do concerning Baltic peoples, particularly with respect to WRB activities here. The American Red Cross, it seems has issued a requisition for 750,000 chapter produced garments calculated at approximately \$1,400,000 to be transmitted to Sweden for this purpose and applications are being transmitted for shipping permits to FIA.

The Legation stated in a letter dated September 12 to Mr. Whisler in reply to his request for an expression of opinion in principle from the JSC Allied members on the shipment to Sweden by the American Red Cross of relief articles for stockpiling in Sweden and eventual postwar shipment to liberated nations, that the American members of the JSC have no objection to this proposal provided it is understood that any shipment from the United States would be subjected to existing exportation controls and that individual relief cargoes from Sweden would be subject to review of Swedish officials in addition to JSC. In this letter it was added that the JSC British members agreed in this opinion.

Although the Legation has adopted this stand concerning stockpiling relief supplies in Sweden for present and postwar use in Finland and Norway, the Legation is not able to advise Mr. Whisler, without policy guidance from the Department, concerning the course of action he should take with respect to such supplies for Lithuania, Estonia and Latvia, as relief work would seem to involve important political implications in the case of the Baltic nations. The Legation would be grateful if the Department will supply this policy guidance by cable, in particular with respect to any indication of the attitude of the Soviets toward relief work for the people in the Baltic countries.

In this connection the American Red Cross representative has made inquiry concerning the status of the proposed sending of \$10,000 to refugees of Latvia.

JOHNSON

DOR:MEB:MEM

11/22/44

Regraded Unclassified

EXCERPT OF
PARAPHRASE OF TELEGRAM RECEIVED
AMERICAN LEGATION, STOCKHOLM

FROM:
TO: Secretary of State, Washington
DATED: November 20, 1944
NUMBER: 4745

SECRET

In an attempt to secure permission for the Norwegians in the North of Norway to come to Sweden and to remain here the Swedish Government has made the strongest possible representation at Berlin.

The appalling situation in which Norwegian civil population north of Narvik now finds itself was today confirmed by the Legation through information received from sources entirely reliable. It is stated that the power of language fails to describe the tragedy of this situation.

JOHNSON

DCR:MAS:CR
11-30-44

PARAPHRASE OF TELEGRAM RECEIVED

158

FROM: AMERICAN LEGATION, STOCKHOLM
 TO: Secretary of State, Washington
 DATED: November 20, 1944
 NUMBER: 4746

SECRET

Reference is 4745, November 20, 1944.

Von Post and Boheman have informed me that the Swedish Government gave instructions to its Minister at Berlin, the day before yesterday to make a demarche to the Government of Germany for permission to help Norwegians when the German troops evacuating northern Norway are driving south. The understanding is that such demarche was made this date. Permission is being requested by the Swedes (a) to despatch Red Cross trains to Narvik (b) to despatch a Red Cross vessel to Tromse from Gethenburg to take refugees in shuttle service to Narvik from Tromse for evacuation by train into Sweden and (c) to set up Red Cross station with supplies for these refugees at Narvik, if found necessary. In the event that the setting up of this station at Narvik should bring up difficulties, the station would be placed just across the frontier in Sweden and refugees would have distributed from there clothing and food.

The conditions in northern Norway are extremely desperate, according to reports which the Swedish Government has received from very reliable sources including Minister Ditleff of the Norwegian Legation who has just come back from an inspection trip in the north. There are, at present, no people in the region of northern Norway extending south roughly to a line drawn between the Finnish border and Tromse, except for a few individuals who were successful in hiding in the mines near Kirkenes and a few Norwegian soldiers. The Germans have destroyed everything in that region and as they evacuated south they thoroughly followed the scorched earth policy. The populace of this northern area extending south to Narvik is 250,000 roughly and if one includes the area south to Ranen, it is said that the population is about 500,000, all of whom are in most desperate straits, according to the Swedish Government. Thousands of such individuals, it is expected, are doomed to die. In Tromse which is a town of between eight and nine thousand inhabitants, there are, at present, some twenty thousand refugees and at Narvik there are between two and three thousand.

The proposal of the Swedish Government is to first move sick and aged women and children. Provided the Allies and the Germans approve, arrangements are being made to receive, in all, some 300,000 individuals from Narvik into Sweden. The sole way that these individuals can get into Sweden is by way of Narvik, as no other transportation facilities are available. Except for a few rowboats, the Germans have confiscated all vessels. A small fraction may possibly escape into Sweden but they run the risk of being shot down by German reconnaissance groups.

In addition, the Legation was advised that the Government of Norway is requesting Allied Government's approval for passage of Red Cross Vessel from Gethenburg to Tromse from which port it can carry out shuttle service behind sheltering islands to Narvik.

JOHNSON

DCR:MED:CK
 11-25-44

CABLE TO MINISTER HARRISON AT BERN FOR MC CLELLAND

A secret source indicates information that one Hans Welt, said to be a Swiss journalist trusted by the Zionists and occasionally their courier has denounced many Jews to the Gestapo. The same source indicates information that Willmann, said to be President of the Jewish Center at Bucharest, and one Hansli, a Swiss (no further identification) have also denounced many Jews to the Gestapo. The Board would appreciate any information you may have concerning the activities and relationships of the persons named. You will, of course, realize the extremely confidential nature of the foregoing reports and act accordingly.

THIS IS WRB BERN CABLE NO. 286.

12:30 p.m.
November 20, 1944

CABLE TO STEINHARDT, ANKARA, AND KATZKI FROM WAR REFUGEE BOARD

Following message is for you from Morris Ernst:

"Can you ascertain through available channels whether Bella Verec, Ilarie, Chendy, No. 17, Bucharest, is still alive."

THIS IS WRB ANKARA CABLE NO. 128.

10:45 a.m.
November 20, 1944

FH:hd 11/18/44

CABLE TO AMBASSADOR STEINHARDT AT ANKARA FOR KATZKI

A secret source indicates information that one Hans Welt, said to be a Swiss journalist trusted by the Zionists and occasionally their courier has denounced many Jews to the Gestapo. The same source indicates information that Willmann, said to be President of the Jewish Center at Bucharest, and one Hansli, a Swiss (no further identification) have also denounced many Jews to the Gestapo. The Board would appreciate any information you may have concerning the activities and relationships of the persons named. You will, of course, realize the extremely confidential nature of the foregoing reports and act accordingly.

THIS IS WRB ANKARA CABLE NO. 129.

12:30 p.m.
November 20, 1944

Dated November 20, 1944

Rec'd 11:59 p.m., 21st

Secretary of State,

Washington.

2225, November 20, 8 p.m.

FROM KATZKI TO PEELE WRB. ANKARA'S 188.

One. According to reports received by Jewish agency representative in Istanbul, Doctor Ernst Marton, former member of the Rumanian parliament for Cluj, Transylvania submitted a memorandum to the nationalists containing proposals (one) from medical, financial and other types of assistance for 400 to 500 Rumanian Jews who remained in the Ordeal section of Transylvania after the German and Hungarian armies were driven out; (two) for the registration and safeguarding of the real and personal property of the 140,000 Jews deported from Ordeal to Germany or elsewhere. These properties, which had been confiscated from the Jews by the Hungarians, are now without ownership; (three) for the rescue by exchange, similar to prisoners of war, of Jews deported from Ordeal, of whom it is believed 33% are still alive with reference to point (three) the memorandum states that all Jews originates from Ordeal automatically became Rumanian citizens without distinction if at the date of the occupation they had been deported by the Nazis to Germany or to Poland. It is suggested that the Rumanian Government propose the exchange of the deported Jews for the "great number of German subjects as well as suspected persons who upon joining the German army lost their status as Rumanian subjects in the eyes of the law as did their families".

Two. A radio broadcast on October 30 from Rumania intercepted by the Office of War Information in Istanbul stated the following:

"Because of information received regarding the present situation of Rumanian citizens in Germany and Austria of Jews deported from the north of Transylvania and of Jews of Rumanian nationality who are in Germany or Hungary or in territories occupied by the Germans the Rumanian Government has requested that the International Red Cross make an inquiry concerning the fate and the situation of the Rumanian subjects and at the same time has requested the Swiss Government to advise Berlin and Budapest that the Rumanian Government will apply reprisals toward German and

-2- #2225, November 20, 8 p.m., from Ankara

Hungarian subjects and toward the respective Ethnic minorities".

Three. Jewish agency representatives in Istanbul are in receipt of telegrams from Budapest via Geneva in which Kastner the Jewish agency representative in Budapest proposes an exchange through the International Red Cross similar to Marton's above referred to namely of Ibdar Jews for German nationals in Rumania. Kastner states that the Germans have promised to consider the matter provided the Rumanians are in agreement and that as he views the situation the possibility for making an exchange depends largely upon the attitude of the Rumanian, the United States and Russian Governments.

Four. We are without first hand knowledge of the position in Bucharest. Nevertheless, the exchange of the position in Bucharest. Nevertheless, the exchange proposals whether of Hungarian and Rumanian Jews on the one side for Germans and Hungarians on the other, or some combination thereof, would seem to merit further inquiry and investigation. We shall make such additional inquiry as may be possible from here and shall keep you informed. Will you please inform us of the action you take.

STEINHARDT

JMS

DGG-1128

This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (RESTRICTED)

Ankara

Dated November 20, 1944

Rec'd 9:28 a.m. 21st

Secretary of State,

Washington.

PRIORITY

2226, November 20, 9 p.m.

SECRET FOR BARNES SOFIA FROM THE AMBASSADOR AND KATZKI WRB 545.

According to reports received in Istanbul, two groups of refugees proceeding to Palestine from Rumania via Bulgaria and Turkey have been detained at Stara Zagora. The first of these groups includes 153 persons of whom 94 are women and children comprising 129 Poles and 24 Rumanians. They departed from Rumania November 12. The second group numbering 160 persons departed from Rumania November 17. A third group are from 200 to 250 persons scheduled to leave Rumania and may already have arrived at Stara Zagora.

We have been informed that the two groups have been detained at Stara Zagora by the stationmaster who claims to have requested instructions of the Soviet authorities in Sofia regarding their onward movement. We are advised that all of the refugees are in possession of Rumanian exit visas and Bulgarian transit visas. Certificate transit visas in accordance with our agreement with the Turkish Government will be issued at the Turkish frontier to those refugees who do not already possess them and all other visas and entry certificates necessary to complete travel to Palestine will be issued in Istanbul pursuant to existing agreements with the Turkish and British Governments.

The arbitrary detention of these groups by the stationmasters at Stara Zagora threatens the entire movement of refugees from the Balkans to Palestine and may have an adverse effect on all rescue operations particularly as the arrival in Istanbul of more than one of these groups at a time threatens to congest the Turkish railways to a point at which the Turkish authorities may rescind the existing arrangements.

In view of the foregoing, we would appreciate your making inquiry regarding the reason for the interruption of the movement and your taking such action as you may deem appropriate in the premises.

Repeated to Department as 2226, for War Refugee Board as Ankara No. 189.

RB

STEINHARDT

SECRETCOPY NO 4NOT TO BE RETRANSMITTEDOPTEL No. 376

Information received up to 10 A.M. 20th November 1944.

1. NAVAL.

A British Submarine during recent patrol S.W. PACIFIC sank 11 schooners carrying nickel ore.

2. MILITARY

Western Front French have again made progress in the BELFORT GAP. METZ is closely invested and further advances made towards SAAR. East of AIX-LA-CHAPELLE stiff German resistance and strong prepared positions have imposed hard fighting on U.S. troops but more towns and villages have been cleared and positions improved. U.S. troops under Second Army have cleared GEILENKIRCHEN. North of this town British troops have gained ground and captured several German villages. Our bridgehead over CANAL DE DERIVATION further extended.

3. AIR OPERATIONS

Western Front 18th/19th. 1508 tons on synthetic oil plant 33 Mosquitoes (three missing) attacked enemy movements in N.W. GERMANY with good results.

19th. 148 Mitchells and Bostons (one missing) attacked railways VENLO area and 450 U.S. Medium bombers (four missing) dropped 687 tons on defended towns, supply dumps and other military objectives in the DUREN, SAARBRUCKEN and STRASBOURG areas. Results not yet reported. 2538 sorties flown by fighters and fighter bombers in tactical operations covering entire front; more than 100 locomotives, 300 rolling stock and 400 motor vehicles reported destroyed and railway track cut in 45 places; 16 German aircraft destroyed; 34 allied missing.

Mediterranean 17th/18th. 69 bombers (two missing) obtained good concentrations with 188 tons on airfields UDINE and VICENZA.

18th. 204 Fortresses (three missing) bombed two oil refineries near VIENNA 366 tons with unobserved results. 462 Liberators (five missing) dropped 849 tons on four airfields NORTHERN ITALY obtaining good concentrations and destroying seven aircraft on the ground. 94 heavy and medium bombers attacked troop concentrations and communications in YUGOSLAVIA including SARAJEVO railway centre. 1256 medium, light and fighter bombers (nine missing) successfully attacked communications ITALY, YUGOSLAVIA and ALBANIA and gave close support in the battle area.

4. HOME SECURITY

To 7 a.m. 20th. Seven rocket incidents reported. In one, 40 houses demolished, 28 killed and 20 serious. Total casualties so far reported 58 killed, 117 serious. Twelve flying bombs plotted between 8 and 9 p.m. none in London. Some shot down over the sea.

Copy to Coe - 11/25/44 -

November 21, 1944
3:00 p.m.

AMERICAN STEERING COMMITTEE - BRITISH LEND-LEASE

- Present: Mr. White
- Mr. Acheson
- Mr. Crowley
- Mr. Collado
- Mr. Cox
- Mr. Coe
- Mr. Davidson
- Mr. Currie
- Mr. Angell
- Mr. Casaday
- Mrs. Klotz
- Mr. Havlik

H.M.JR: Shall we start?

Have you a copy of what we took over there this morning - that one paragraph? (Refers to attached memorandum)

MR. WHITE: This one.

H.M.JR: The point is this: The President would like to have the American Committee to agree and recommend to him a program for Lend-Lease.

(Mr. Havlik enters the conference)

MR. CURRIE: Mr. Havlik has been keeping all the minutes, Mr. Secretary, and attending all the meetings.

H.M.JR: What has Coe been doing?

MR. COE: Supervising.

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H.M.JR: To go back, the President would like us to carry out the Quebec agreement to this extent. He would like us to agree, and recommend to him a program for his consideration; Lend-Lease, the budgetary reasons, production reasons, and military necessity. Is that about right, Harry?

MR. WHITE: Yes. I don't know whether this meets with approval--

H.M.JR: That is really the gist of it, you see. He doesn't want us to give anything to the British; he doesn't want any publicity; he wants to be able to tell the newspapers that there was no agreement; and simply that this was a recommendation from us to him, and he can take it into consideration. But he wants to be able to say there was no agreement.

White has written something which I haven't seen, which I will read out loud for the first time. (The Secretary reads the attached memorandum)

That isn't as good as we had it before, Harry.

MR. CROWLEY: What figure did you use for non-military, two billion, six?

MR. WHITE: That is approximately.

H.M.JR: Two, seven - you had something better there. But we won't argue there. We have enough people around who can write something.

MR. CROWLEY: In the meantime--

MR. WHITE: Part of the sentence is identical.

H.M.JR: It doesn't sound the same after lunch.

MR. CROWLEY: During the interim period that the President is determining what to do about our recommendation, then we are to carry on the program as is? Is that correct - the same as we are doing now?

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H.M.JR: Well, he didn't say anything on that, Leo. The point that he kept asking was, "How is this different from the way we did it before?"

My answer was that the only difference was that he had programmed this thing at Quebec and asked all of the Americans involved to act as one, that heretofore the various agencies have acted more or less independently. So I can't give you a clean-cut answer to your question, because as I said to you earlier when we were alone, this thing was really a question of sort of bringing the President up to date.

Now, the only other thing that we did mention was that I said, on the dollar balances, that things like tobacco and off-shore sugar and airplane contracts, that we said no. The other things we said were under consideration and would leave him fluid to the extent of five hundred million dollars or thereabouts, so he could decide himself if, for trading purposes, he wanted to do it.

Now, his reaction on tobacco was, with the shortage of cigarettes it would be hard to explain. But if you ask me what I think, I will answer you what I think, but I can't tell you what the President thinks on that. Do you want to ask me?

MR. CROWLEY: Yes.

H.M.JR: Well, if you are asking me what I think, I think we should carry on as always, subject to military necessity. I mean, if they have got to step something up because they need it, let's step it up.

MR. CROWLEY: That is what we have been doing in the past.

H.M.JR: But if you are asking me, that is the way I feel - that we just carry on the best we can.

MR. CROWLEY: Now let me ask - as far as we are concerned, we have a pretty general agreement in our shop on

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everything except petroleum, and our man was working with the Navy today, and he is to have something sometime during the afternoon. Is that correct, Frank?

MR. COE: Yes.

MR. CROWLEY: But on the other items--in our meeting yesterday we pretty well agreed with our Supply Committee and things like that, on the items, because we wouldn't want to recommend it.

MR. COX: That is right.

MR. CURRIE: Then there is still Chapter Three.

MR. CROWLEY: Yes, but let's get rid of the other first. After we get through with the petroleum, insofar as FEA is concerned, we are able to turn in a recommendation on the non-military items. Is that right?

MR. COX: Yes, as a straight supply matter.

MR. CURRIE: I think it might be advisable, Mr. Crowley, to not have in those items that we decide we can go along on in Chapter Three, not have a special category for that, but distribute them in their appropriate places in the four programs. We are not quite ready to do that yet.

MR. CROWLEY: What we are doing in Chapter Three is finding out what items are in there and see if we can distribute some of them back into the regular program so we won't have so many items.

MR. CURRIE: One is a shipping freight item that would go in that program; another is an oil program that would go in that program--so you don't draw too much attention to the special category.

MR. WHITE: Mr. Secretary, I am wondering whether the reasonable position to take at this point is that we have consulted with them, conferred with them, the appropriate

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agencies have analyzed their requests, and that this Committee is now prepared to advise and recommend to the President a program somewhat along this line.

H.M.JR: Did you say "indicated" or "vindicated"?

MR. WHITE: I didn't use the word "vindicated."

MR. CROWLEY: Harry, we can't say - our program is less than their requests.

MR. WHITE: Yes, but I was trying to make this wholly in line with the development of the discussion in the last few days, trying to make this wholly an American thing. We have conferred with them, consulted, examined their requests, and are now in a position where your Committee is prepared to advise and recommend to the President a program something along the following lines - subject to the following conditions, period. That is, this is not a joint agreement, or joint recommendation to the President. The British can't recommend anything to our President, anyhow; all they can do is ask. But we have met jointly in order to consult, and confer, and we have done that.

MR. COX: There is one thing I don't quite understand.

MR. WHITE: That is aside from the export policy, which I wanted to set aside and let Dean speak to that. That can be taken out of this and made a subject for some kind of a joint arrangement.

H.M.JR: You are going a little bit too fast. Let's just let that export thing wait for a minute, because I don't think Mr. Crowley was through.

MR. CROWLEY: We are perfectly willing in our covering memorandum to the Committee to say, Harry, that we have conferred with the British and we have given them an opportunity to present their needs, and that after a study of their needs we recommend to the President of the United States the following. Now, that is after hearing the English and the Australians and all the rest present all their views - and we recommend the following to the President.

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Now, what you tell the British, I presume, would only be that now we have had a chance to sit down and confer with you fellows, we know what your requests are, and we are not going to join with you jointly, we are going to make our recommendation to the President of the U.S. for his determination. Isn't that right?

MR. WHITE: Yes.

MR. COX: Leo, there is one question which I don't understand. If what the President had in mind - I don't know what it is - but a supply Lend-Lease question - then the Chapter 3 items, if he wants to use those for trading purposes, or whatever else he has in mind, then you wouldn't normally put those things in your supply program.

Now, I think we need some guidance in terms of making up the program on that key question, because without that you won't know how to make up a supply program as a matter of military necessity.

MR. WHITE: I don't know why that should go in any specific part of your program. That is something you decide from time to time to take out.

MR. COX: But that is a major policy question. You get all kinds of cases - you get tobacco--

MR. WHITE: I wasn't speaking of that, but about the two hundred million.

MR. COX: We have food items there which would previously not be on Lend-Lease. You put them on; you wouldn't normally if it were just straight past behavior. The only reason you would put them on would be to give them some additional help on their financial position, so that when you do the technical job of making up the supply program, quite like the Army passing on it, they would not put, for supply purposes, a take-out on such a plan if they didn't need it. We need that guidance before we can make up a program.

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Instead of saying to the President, "Here is what we are willing to do - we have done it the way we have in the past"--

MR. WHITE: Why can't you handle that the way, Lauch, you suggest; you add the food to your food program. Whether or not you take that part of your program, in effect, and make it available to them, might be subject to ad hoc decisions.

MR. DAVIDSON: I think what Oscar is saying is, is there any distinction between the things like tobacco, and so forth, that we are reserving clearly for future discussion, or are you also reserving those things we have tentatively arranged to give them? Should those things we have tentatively arranged to give them go into the supply program?

MR. WHITE: My thought would be that they should go into your supply program. There is a final step. You might change your mind at the last minute on those aspects of it, but not certainly the tobacco and sugar. That, I suppose, is out of any program.

MR. CURRIE: Oscar's point is well taken. In the case of shipping and oil, we would not have put them back in the program now had it not been for financial considerations.

MR. WHITE: But having tentatively decided what you are going to do, then the question arises as to what is the appropriate way to handle it.

MR. COX: That is right. All I was trying to do was get guidance.

MR. WHITE: You mean you want to find out whether we have changed our minds on the two hundred million dollars of special items which were part of the seven hundred million dollars which the British requested under Chapter 3.

H.M.JR: What goes in that sort of thing? What comprises it?

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MR. WHITE: There is some oil, some food - paying for some shipping expenditures--

H.M.JR: Been agreed to?

MR. WHITE: I thought they had tentatively agreed to it.

MR. COE: This is what we handed them the other day. (Refers to November 17 draft of Chapter 3 Items, attached)

MR. CURRIE: We are in the process of revising some of those figures downward.

MR. WHITE: Substantially?

H.M.JR: What is the question?

MR. COX: The question is whether, as a matter of policy, they ought to be including in the supply program all the Chapter 3 items that have been tentatively approved, or be excluded.

H.M.JR: Could I just raise this thing? I think that Mr. Crowley ought to bring out this point. When does this thing go into effect? I was under the impression the other day we had settled it.

MR. CROWLEY: I came from a meeting this noontime with the Chiefs of Staff and they say that the shipping situation is more critical now than at any time during the war, and it will be more critical for the next few months. When Army talked the other day, we agreed to January 1 as subject to the approval of any other date by Mr. Roosevelt and Mr. Churchill. When we started on this plan I think everyone at the Quebec Conference and right afterwards felt that the termination of this war was close at hand. That is the reason why we started at what you might term as the Second Phase of this thing. And as we got into it, it didn't become a Second Phase at all; it became a program for the year of 1945, and more and more that is the way it developed.

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Now, what our men have done on the stepping up of these requirements, they have gone along assuming that the German war would last during January, February, and March, and assuming that April 1st might be the deadline for the German war to be over. Then we start after the German war is over to stepping up their food and their whole plan for the balances of 1945.

Now, my own thinking of that was this, that I think it was unfair to the British to have them believe that they could take certain items off of Lend Lease, pay cash for them, and then have this German war go on for another four or five months. It certainly would be to their disadvantage.

On the other hand, with shipping the way it is, for them to come out in a public statement that they were going to be able to buy raw materials for export purposes, and to have them make a statement to their Board of Trade, would be very, very embarrassing to us politically, and be a bad thing, because we couldn't deliver if we wanted to.

So we have based this whole plan on the idea that in your stepping up and your reduction, and everything else, it is based upon as of April 1st in place of January 1st for that particular reason. And especially on account of the export and the items they would pay cash for. Isn't that about right?

MR. CURRIE: I think, Mr. Crowley, the April 1st date was mostly for the food program. They wanted some date to hit at without committing themselves to it. But the other dates - they may be satisfied with the VE date.

MR. CROWLEY: I don't think there will be any disagreement with England on it. As a matter of fact, I think that both Britain and ourselves, from the over-all standpoint, are in a better position to handle it the way we have it set up here.

MR. WHITE: Are you suggesting that the January 1st date, at which they are going to announce a modification of their policy--

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MR. COX: No, this is for supply purposes.

MR. WHITE: This has nothing to do with the announcement of a change in their export policy, which they are insisting upon? You still feel there is no objection to going ahead with the January 1 date, even though the war may not be over?

MR. CROWLEY: I don't think, Harry, that they can announce a change in export policy.

MR. WHITE: That is precisely what they are going to ask to do.

MR. CROWLEY: I think if they make that statement, they are going to change the export policy as of January 1st, and this war is not over until April, and this shipping situation continues as it is, and we put further restrictions against our own people, that you are just going to have some trouble here, and the result will be, it will affect your Lend-Lease extension, affect your Lend-Lease appropriation, and likely will affect your Export-Import Bank legislation, and everything else.

MR. WHITE: In other words, you are still leaving open the question of whether it should be January 1 or VE-Day, and you are now suggesting that the British will be unwise, as we certainly would be, in having the January 1 instead of VE-Day?

MR. CROWLEY: That is right.

MR. WHITE: We are meeting them head-on on that issue?

MR. CROWLEY: That is right. All of our men agree with me on that. Is that right?

MR. DAVIDSON: I am not taking issue, Mr. Crowley, I just wanted to explain to Mr. White that the fixing of VE-Day as the date for the program, in our minds, could take place irrespective of the decision with respect to the export policy, except with respect to the raw material

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program, because it is true that if they keep on Lend-Lease raw materials, that it would then become impossible to have any modification of their export plans.

MR. WHITE: We understand that, but there is a specific issue they are going to make one of their cardinal points. They want to make their change in policy January 1. We accepted that date tentatively for purposes of discussion. You are now suggesting that we do not accept the January 1 date, but insist on VE-Day. The British are insisting on January 1. That is a clear issue which would have to be--

H.M.JR: Just a minute, please. We talked with Mr. Crowley about this, didn't we - just for our own memory - I kept quiet - but wasn't it sort of generally agreed this thing would start January 1?

MR. CROWLEY: That was the agreement, yes, sir. And as our men got into the thing, and worked more into it, they came to the conclusion it was better for the food end of it to make it VE-Day.

H.M.JR: Then do I understand that this new thought that FEA has, that everything goes along - that is why I didn't want to say this - that everything goes along as is until VE-Day?

MR. CURRIE: That is what I understood.

H.M.JR: Let's get this straight, because when we face the English, at least--

MR. ACHESON: I think we must get that date.

MR. CURRIE: Weren't your discussions entirely in connection with the Second Phase of the war?

H.M.JR: No question about that.

MR. CURRIE: That is what we are coming back to.

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H.M.JR: All right, but I want to get this straight. There is no question that this whole thing was Phase II.

MR. CURRIE: That is right.

H.M.JR: But the other day I was under the impression--

MR. CROWLEY: You are right in your assumption; they were discussing as of January 1.

MR. WHITE: Oscar never was happy about it.

MR. COX: You asked me to go off with Dean and see if we could agree.

MR. WHITE: The proviso that the President might overrule it after hearing some of the points of view--

MR. CURRIE: I think, Mr. Secretary, that we got into this January 1st date because the British wanted to drop certain raw materials off January 1, regardless of the course of the war. We started discussing more and more the date, and began to make Stage II coterminous with the calendar year.

H.M.JR: Supposing the British say to us, "We want to pay cash for raw materials after the 1st of January." Can we say no to that?

MR. COX: No, but they still can't export unless you agree.

H.M.JR: I know - I have had fifteen minutes of Mr. Crowley beforehand. Excuse me, Oscar.

MR. COX: Go ahead. The answer is yes.

H.M.JR: They say, "Look, Mr. Morgenthau, I want to pay you - the Treasury - so-many millions of dollars. We want to do this thing." How can I say no?

MR. CROWLEY: We contemplate to let them pay us if we have the material available. Let them pay it.

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H.M.JR: As to raw materials, if they still want to say, beginning with the first of January they want to be on a cash basis - dollar basis - we say yes?

MR. CURRIE: Yes.

H.M.JR: And that is the only thing we say yes to? Is that right?

MR. DAVIDSON: Well, they will ask, at the same time that they offer to pay cash--

MR. COX: Mr. Secretary, can I take just one second on the White Paper?

H.M.JR: You can take all the time you want.

MR. COX: Well, there are two major types of cases. One is where they say they don't want any more raw materials - let's say steel - they don't want any more from us to produce munitions for essential purposes in Britain. Under the White Paper, if they no longer obtain steel from us except for the stockpile question, under the very terms of the White Paper they can begin to export steel products.

On the other hand, if they buy steel from us, or any other short supply material for cash, unless you agree to modify the White Paper they cannot export.

H.M.JR: What do you recommend?

MR. COX: The point of information that I wanted to ask on that issue, because of relationships with the British, was what took place at this morning's conference, then, that you couldn't agree to anything.

MR. WHITE: No, the export policy was specifically excluded as being subject to agreement and arrangement, as I understood it, Mr. Secretary.

H.M.JR: Mr. Stettinius spoke up and said this would be very bothersome, and he wanted the thing clarified. As I remember it, we said we might have an agreement,

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sort of an appendix, if necessary, on the export policy. Stettinius stressed the point, as I remember it, from the point of view of State Department and everybody else, that that was very important that that be perfectly clear.

MR. COX: Then if you are free to make an agreement, then the key policy question is of what date, and the major context you want to make the thing operative.

MR. WHITE: Any such agreement, it seems to me, would follow the pattern of the past agreements between the State Department and them with respect to the British White Paper. But I mean, it is that kind of arrangement, isn't it--predominantly--an agreement on foreign policy. So if they could make an agreement it could be kept distinct in its implications from the usual discussion for a schedule for Lend-Lease.

Dean, would that seem to be possible?

MR. ACHESON: Well, the things are tied up together, Harry. From the very beginning of this discussion, after the first clarification, the British have wanted to begin the Navy program, the Air program, and a raw materials program on January 1. There is no reason why they shouldn't.

So far as the raw materials program is concerned, it is one of not putting in requests, so they can begin at any time they want to begin. It is in their hands. They don't ask for raw materials on Lend-Lease any more.

H.M.JR: May I ask a question? If they don't ask, then they feel they are free to export? Is that the idea?

MR. ACHESON: That is what they say, that if they do not get the raw materials on Lend-Lease, then we ought to revise this White Paper so that they can do what they like.

Now, they say, in fact, "We are not going to have any substantial increase in exports until after VE day, but we want to be free of these restrictions of the White Paper."

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It seems to me quite right that they should be. If we don't want to sell them anything for cash, or otherwise, we don't have to do it; but if we do sell them, which is our own free choice, then it is their material and they say they will devote it to the prosecution of the war - the full needs of the war - but what they don't need, then they want to export. And I see no reason why we should prevent them from exporting, and I think we will have a terrible row if we try to.

MR. WHITE: How about Oscar's point, that that is a violation of the British "White Paper"?

MR. COX: He has said he feels, on the merits, that we ought to modify.

MR. WHITE: I see. Can't you modify the White Paper without tying it up with the question of schedules?

MR. ACHESON: Well, the only way - the White Paper grew out of the fact that practically all the raw materials they had were on Lend-Lease, and therefore you said they couldn't do a whole lot of things, including exporting some stuff which they bought.

Now, if you turn it all around, and these things aren't on Lend-Lease, then the reason for that extra prohibition drops. Now, you could leave the "White Paper" in effect so far as Lend-Lease materials are concerned and say it is no longer applicable where they buy all these raw materials.

MR. WHITE: Maybe I didn't make my question perfectly clear. Couldn't you treat this modification of your export policy which you may see fit to agree to, as a quite distinct matter so far as publicity - so far as arrangement between you and the British Government - from the requests for various items on the munitions or non-munitions program - leave that quite separate so that the modification could, if you wish, constitute an agreement which in one way would be - Oscar is shaking his head, so I am getting weaker as I go along--

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MR. ACHESON: You don't have to tie it up in any way except this, that in order to explain the modification of the White Paper, the British have to say that after the 1st of January they are not going to ask for any more.

MR. WHITE: That is all right. But they don't bring up the whole issue of how much they are going to ask for.

MR. COX: Except, I think you are kidding yourself that as a realistic matter, in view of the timing of the discussions, it would depend on when you announce it. I am not saying you shouldn't modify the White Paper, but it would certainly come out that it dealt with these Stage II discussions, and that it was a direct result of those discussions by agreement, because you can't separate them.

In fact, we know that it had connection with the Stage II proceedings; in fact, the supply program is conditioned by their excluding certain stuff that they are going to take on cash. But the only point I want to make is not that you shouldn't do it, but you shouldn't kid yourself that it will not be tied up in the public mind and in Congress. It will be.

MR. WHITE: I think you are complicating the thing. If one is asked at a press meeting, or the President wanted to take the position, is there any agreement with respect to Lend-Lease materials with the British - the answer is no. There is no agreement as between the governments. "Well, hasn't there been some agreement with regard to modification of the British White Paper?"

"Yes, there has been."

"Was that part of the discussions?"

"Yes, it was."

MR. COX: But the White Paper relates to Lend-Lease articles.

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MR. CROWLEY: Harry, I can see Dean's point of view from the State Department, but let's look at it from the Lend-Lease point of view. There is just a discussion going on on the Hill now around the corridors about this export thing.

Now, so far as Lend-Lease, which is the administrative end of this thing here, it is our belief that if you permit them to export these raw materials and go out and develop their export trade before the German end of this war is over, that you are going to make our problem that much more difficult, because your Hill and your American people will not understand it.

Now, so far as FEA is concerned, as I see it, we are only the fellows who kind of load wagons and unload them, anyway; so that if the State Department wants to work out a plan of export for Britain, and the State Department sends us a memorandum and says that that is their wish, and it is O.K.'d by the President of the United States, we will follow that out. Then we will let the State Department decide the fate of the thing, themselves.

MR. WHITE: I get it, but, Leo, that wasn't quite the point I had in mind. I was raising the question that if the decision were made - I wasn't advocating the decision - if the decision were made to make it on the 1st rather than VE-Day, it could be separated. Now, I wasn't recommending that it be on the 1st, but merely if it were made.

MR. CROWLEY: There is bound to be, Harry, before you get through with this German war, just a lot of our boys killed, and this war is bound to be more severe before we get through with it. To have these fellows talk about developing their export trade during this particular time doesn't seem to me to be good politics as far as we are concerned - going up to the Hill to try to explain it.

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MR. WHITE: I am in sympathy with that view. There is no question in my mind. I don't know how important it is, but I don't see why it is important for the British, either. That is the position I have taken. They are putting a lot of pressure on that they must have this. I just don't believe they must. They say they must, but I am not convinced that they have to do that degree of planning ahead.

However, I was saying that if the decision is made, that it be January 1 - because the British are insistent - if you want to give in to them - then I think it could be handled separately.

MR. COX: I don't think so, Harry.

H.M.JR: Now, could I say something a minute? Going back to my talk before three o'clock with Mr. Crowley, looking at this thing from the broad aspect, without getting into the segments of it, I think from the reaction, the public psychology at home, it would be much better if this thing could be started with Phase II, which is VE-Day.

I want to say how I feel. I appreciate, when I say that, that there are certain - you immediately begin to get exceptions. By the time you get through with the exceptions there doesn't seem to be anything left. You except the Army-Navy Air Corps; you say they can buy their raw materials if they want to; what have you left? That is what bothers me. But as to the general over-lying principle, I think it is out in the papers - the Canadians won't fill up their replacements because they won't have a draft, and the figures of killed and wounded - ours compared with theirs - and they begin exporting ahead of us, and all the rest of that - well, frankly, I wouldn't attempt to explain it.

I just want to say how I feel on the over-all policy. Now, that is where I stand. I was glad Mr. Crowley brought it up because I thought the whole thing had been settled. Now, what I don't get clear - because unfortunately I haven't - I mean, I have had my Sixth War Loan, so I can't keep up to the minute on this thing - but couldn't somebody

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for me and the rest of us, simply say, "Well, let's take this position; this is the policy for the moment." If that was the policy, what would we have to except? Now, can one person do that for me? Just say, if that was the policy, then what are the exceptions to it?

MR. COX: Mr. Secretary, first on the export policy I think there is a practical way, and you have got to take into consideration, it seems to me, your relationships with an Ally, which is the other thing in this picture. I mean, we have dealt with them for eight weeks on a certain basis where I think you have to take into consideration what they say their political problems are on the export thing.

Now, you can put the raw materials off the Lend-Lease thing, and you can still work out a document which, to my mind, in reality does the same thing they want to do, with one exception, and that is, they cannot blow up with fanfare the January 1 date as the time to beat the bushes for export markets. It changes the emphasis around to the export business and general expansion after VE-Day, but in the intermediate period when there are relatively minor exports that you, by mutual agreement, give them more freedom to export. But it is done by agreement unless in the main.

H.M.JR: But you are not answering my question.

MR. COX: I think you have to take it in segments, Mr. Secretary. I mean, this thing deals with different problems.

H.M.JR: Do you mind doing it my way if you are going to do it? What would the exceptions be? You don't have to get into the English problems.

Might I ask Dean? Do you mind?

MR. COE: Suppose I try, Mr. Secretary. I know some that are exceptions. I have talked to the Navy. The Navy says that whether it is VE-Day or January 1, their program is pretty much the same.

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So the first thing is that the Navy is going to start doing, January 1, what they have said they are going to do in this program. We haven't had specific verbal assurances from the Army and the Air, but Army and Air people, according to the language of their subcommittee reports, are going to carry through these programs on January 1 as before.

Now, I think on the FEA programs, whether - that is food, shipping, raw materials, and petroleum - the petroleum program would be different if it is January 1 or VE-Day - the food program would be different if it is January 1 or VE-Day - the shipping program, I believe, but I am not sure, would be the same--

MR. DAVIDSON: No, different.

MR. COE: And finally as to the raw materials, as to whether it is the same or not, I don't believe anyone can say without consulting the British. They have talked about dropping all these raw materials January 1, some people in our shop think they will do it, anyway - others don't.

MR. DAVIDSON: No, it is clear that at least some raw materials will be required from this country and so it will be different. They will have to get some from this country, and it will have to be determined whether they are paid for by cash or obtained under Lend-Lease.

H.M.JR: Excuse me. Oscar is doing it my way, but you were making it a little difficult for me, unintentionally. It really gets down - now I am trying to think this thing through for myself - but it really gets down to what we are fearful of is that with this raw material thing there is a possibility that the English sounding off with the export and all that, that the American public might feel that they are getting a jump on us in export trade.

I mean, it really gets down to raw materials and their export policy. Is that right or wrong?

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MR. COE: With one exception, food.

MR. CROWLEY: The question of meat comes in. You understand - I understand that Marvin Jones says you will have to increase rationing about eight percent on meat. Now, in addition to that, War Food gave us about one hundred and fourteen thousand tons, didn't they, Al? And the English asked for seven hundred thousand tons. We have set up in this program four hundred and seventy-five thousand.

Now, right in the face of that, if you start stepping up your food before the German end of the war is over, in the first place, I doubt you could meet the meat program, anyhow, until after the German end of this war is over. So that has to be considered, too.

H.M.JR: After listening to all of this, and being perfectly conscious of the difficulties that we may meet on the Hill - and if I may say another thing - and saying to the English out of one side of our mouth, "You can start buying raw materials," and from the other side, "Try to get a license for it" - which isn't playing with them on the up and up - I just wondered if the fair thing wouldn't be to simply say - and I am thinking out loud - that this is a proposal that we are recommending to the President, that this thing starts on the 1st of January, but we keep the raw materials - we don't change it - and they have got to go along as at present, so that they can't use that to sound off in Parliament, that this is going to help them on their export problem.

In other words, to save that raw material thing, and changing the White Paper, and all of that, until VE-Day, but keeping it completely separate - in other words, here they come; this is what their needs are. We thought that January 1 the war in Germany would be over. Therefore, not to get the thing mixed up, and not try to do what Harry said, we simply say, "Well, gentlemen, this is the recommendation we are making at present. This thing starts with the 1st of January, and this is simply the continuation of the present program. There are some changes."

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Then that takes out this export, and the raw materials, and everything else. But just going on.

Now, we make this recommendation, the various committees have met, we are turning it over to the President. If Mr. Churchill isn't satisfied, he will have to take it up directly with Mr. Roosevelt.

Now, I am just throwing that out on the table.

MR. CROWLEY: Where does that put us? Your whole negotiations are off, then. Isn't that about right?

MR. COX: There isn't any question that that, from the domestic and political standpoint is the safest. But it will not satisfy the British.

H.M.JR: But I think this will satisfy the President.

MR. COX: That is the question.

H.M.JR: And you have until November 29 to look forward to. It gives them nothing to say on the 29th.

MR. CROWLEY: What does that do with all the work we have done with all the committees?

MR. WHITE: It doesn't alter it because it merely applies to VE-Day, which was the original assignment.

MR. ACHESON: No.

MR. WHITE: When they asked for this relaxation of exports.

MR. COLLADO: December 1.

MR. WHITE: In their original conversations which took place in Quebec, they asked for relaxation of their export policy for VE-Day plus. It wasn't until later in their presentation of the material that they introduced the

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discussion of January 1. But all the discussion at Quebec which might be regarded, if you wanted to be meticulous about it, as our terms of reference, outside of which we don't have any authority to go, is that it applies to VE-Day.

MR. DAVIDSON: Harry, I believe that the original British memorandum, the British Treasury letters, spoke of December 1, or an earlier date than VE-Day, with respect to the export problem.

(Discussion off the record)

MR. WHITE: I think if simplicity and ease is desired, and the avoidance of any unfortunate public reaction, then I think it is unquestionably in favor of saying that all these discussions are for Phase II.

Now, I think, Dean, that one of the difficulties is that you probably are looking at it from the point of view of what it really amounts to. I think we agree that the significance of the change is so slight that it is not warranted to spend any time over it.

If, however, you look at it not from that point of view, but from the point of view of what the people are going to make of it, then it might well be a serious thing, because Lend-Lease under expenditures doesn't hit them very hard, but a Lend-Lease program which affects their pocket nerve in the amount of business they are going to do, and whether they are going to be shut out of certain markets while they presumably are carrying on a war, I think may assume a proportion that bears no relation whatsoever to the merits of the case.

MR. ACHESON: I don't think there is any substance in the thing at all.

MR. WHITE: You don't think there is any public danger?

MR. ACHESON: No, I agree with you--

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MR. WHITE: The substance is negligible, we are agreed.

MR. ACHESON: The thing I am afraid of is that the British aren't going to be able to hold these people, that they will take some action; if we don't modify it and do it part of the way, they will take it unilaterally, then you will have a worse explosion than you will have if we work it out.

MR. WHITE: If they have to take it unilaterally, Dean, I think they will be very careful what they do, and couch it in very different terms, and you will be able to say, "Here, there has been no change agreed on."

And that will force them to make a minimum change, and make it with a minimum of fanfare; whereas, what they are concerned with doing is having a maximum of fanfare to meet their public needs.

MR. CROWLEY: Dean, didn't Mr. Churchill anticipate this the other day in his speech when he went on talking about there was no need of expecting they were going to do any export business to think of?

MR. ACHESON: Yes, that is why I think they will play it down.

MR. CROWLEY: I think what Keynes wants to do, he wants to go back and make a report to his Board of Trade and blow this all up as to what he has been able to do for commerce in England, and it will react right back against us.

MR. WHITE: If he doesn't blow it up there is a danger that somebody may blow it up over there, and they won't have to blow it up much there in order for it to be blown up here.

MR. CROWLEY: You know, if it wasn't for the fact that England apparently feels that they have to do something for their local consumption, whatever they want to do in an export way, and whatever they should do, could be done in an administrative way here without changing that thing at all.

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MR. WHITE: Well, I have always thought so, but they say they have to plan for specific things. I have never been impressed with their argument, but it is that, and now, whether their insistence is merely for the purpose of bargaining, or whether it reflects their instructions back home, I don't know. But I am sure they are going to be very insistent on that, which doesn't mean that you have to give in, because I think that the position that could be satisfactory here is if you don't give in - at least that protects you at home.

What will they do? Confronted with the failure to agree on a matter of that kind, they will have to take action. But they will take action in such manner as to be less adverse here. That means they will have to play everything down, do it administratively, and so forth; whereas, if they get an agreement here they are under no such restrictions.

MR. CROWLEY: That is our viewpoint.

H.M.JR: Harry, may I get in a word or two? Let me go back to what I was saying before when I asked whether we couldn't start everything on the first of January, what has been agreed to. Somebody said no, because it will be a lesser amount. Is that right?

MR. CURRIE: Yes, much less, because this was a Phase II program.

H.M.JR: Well, then that suggestion has no merit.

MR. COX: Mr. Secretary, I would like to dissent on that because the program, if you never had any discussions, would have been reduced by approximately this amount.

MR. CURRIE: In January?

MR. COX: Certainly, because the steel, for example, is practically all cut off and no steel moving in December because they don't need it for war purposes, and what happens in a war supply program is that you bunch up your

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stuff in the early stages when you are slow getting it, and then you reach a margin point. After all, there is only so much steel you can use to build so many capital facilities.

MR. CROWLEY: But I don't think we could say that if the German war continued all next year, that the amount we would send them on Lend-Lease wouldn't be any more than the amount we are going to send them on VE-Day.

MR. COX: That is a different question. This is a question of fact, because I say that this program is a supply program and doesn't mean very much anyway, whether you take either day, because as the war changes and they put in a requisition and it is needed for war purposes, you will approve the requisition and we know from four years of experience that the actual requisitions and supplies furnished are not the ones on the program.

MR. CROWLEY: Now, wait a minute, Oscar. Our food man certainly was all upset on this thing here, and he based all of his food figures on VE-Day, didn't he?

MR. COX: That is right, but the reason he did that, Leo, was that as a matter of general policy it was decided that you would give them some easement in the food thing. If you decide that you are not going to give them an easement until after VE-Day, then your program, either way, will run at what they take in '44.

MR. CROWLEY: When Lauch and Dean and all those fellows wanted to start on January 1, you wanted to start on VE-Day. Now, they all want to start on VE-Day and you want to start on January 1st.

MR. COX: Because the Secretary excluded the exports, as I understood it. That makes a great deal of difference, Leo, politically.

H.M.JR: Get this straight. I have just been raising certain questions--

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MR. COX: But for purposes of discussion, we ought to be frank, I think.

H.M.JR: It is a bad word, but go ahead.

MR. COX: From the political standpoint the easiest thing for the President to justify is to say that this is just like every Lend-Lease program we have handled for four years, where you come in and you have a program for purposes either of charging your appropriation or getting a new appropriation. It has nothing to do with VE-Day. Now, you don't sign any agreement for that, you just discuss it with them and you come out with our own judgment as to what you think you want - a program for purposes of finance and production.

H.M.JR: Where would the President get this thought that this was just the same as any other program?

MR. COX: I don't know, but that is what the thing you suggested raises. Now, if you leave out the export thing, then you get no problem which is any different from what you have handled in the past. I say, if you add the export thing, then the safest political thing is to put it all on VE-Day. But it depends on what you have done with that.

MR. WHITE: I say you have been consistent in that.

MR. COX: Yes.

H.M.JR: And frank?

MR. WHITE: Oscar can speak for himself.

H.M.JR: Well, I don't know - we go back and forth, back and forth.

MR. CROWLEY: Let me ask you this, Dean. In the export thing, apparently we couldn't agree on that. What is your idea about the VE-Day on the food and supplies? Does it make any difference to you?

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MR. ACHESON: Not the slightest.

MR. CROWLEY: The only thing - all of our fellows, Oscar, have done all the work and all their material has been gotten up on VE-Day, and they have worked so hard on that food thing; now we go back to them again and say, "Throw in the hand-car, friends, we're going the other way."

MR. COX: My point, Leo, is this, as far as my personal recommendation is concerned, what I would do would be quite different. I would take VE-Day for the whole thing with whatever exceptions you want. I would begin to face the export problem - the VE-Day thing - because I don't think, in view of your relationships, the American Government with the British, that from the long standpoint you can drop the whole thing on January 1st and say it is that.

I think you can gear the thing up in terms of the exports so you have a politically defensible case on the VE-Day proposition; then you have something, and you haven't complicated your relationships.

MR. CROWLEY: Let me sum it up, Mr. Secretary, the way I feel, then I won't say any more.

I think, from the standpoint of FEA, it would be better if it was all delayed until VE-Day. We are willing to work with State; we are willing to work with the English. There are certain items that they want to take off of Lend-Lease on January 1st. To administratively cooperate with them as much as we possibly can we are willing to give it to them and let them do as they please with it, providing that the white Paper is not changed, and providing we keep a lever on this thing of control until VE-Day, that they can't go out and advertise it all over the world.

We feel very keenly that it ought to be VE-Day - the whole business. Now, I don't want to say here this afternoon that if the export thing is out of this thing, that January 1st is just as good as VE-Day for the rest of it because, first I don't think that if the export thing was

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out of this thing that the English would want it changed from VE-Day to January 1st, because I think very definitely if this German war goes on they are going to need certain items in Lend-Lease - more, perhaps, than we have in here. Maybe I am wrong.

On the food business, it is so critical that I think - and the shipping is so critical - I doubt very much that you can give them additional food before VE-Day, anyhow. And your whole plan is a step-up thing, easing it over a period of months, gradually, until you reach a certain goal of seventy-five percent of 1939.

If the State Department feels on the export thing that they want to go to the President and talk that over with him and eliminate it from this, so far as we are concerned, of course, we are good soldiers and we will accept it. If we are asked our reason for it - and whatever we submit, we would submit it as of VE-Day.

Now, that is, in substance, the way I feel.

MR. WHITE: Is there a possible compromise, Mr. Secretary? Does this have merit? Supposing we take a specific date, not VE-Day for the export policy, and make that specific date April 1, or May 1? Then you meet their demand for a specific date.

MR. CROWLEY: Well, we are taking our plan of VE-Day as of April 1, assuming that it may be over and it may be able to be moved up or back.

MR. WHITE: Well, they want a specific date, and I think that April 1 date would be acceptable to them, don't you think it would make a--

MR. COX: I think Leo's point from the supply thing is quite sound the way he has put the whole thing in context. Now, for the food program, they take April 1 as the target date for planning and allocation and adjust it as best they can, if VE-Day doesn't fall exactly then. But when you take a specific date for the export thing -

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this is all done privately for planning purposes on food - when you do the other one you make a public decision as to the thing for purposes of export.

DR. WHITE: Everybody will assume that the war will be expected to be over by April 1, and therefore you don't meet the problem that they are going to do it before the war is over. I think it is better than January. It is not as good as VE Day, but it may be a compromise.

MR. CROWLEY: I may be all wrong about this thing, but fellows, with what you are going to have to do in this foreign field, you don't want to put any more obstacles in your way than you have to.

Now, even though they paid cash, there are only certain items they can get between now and April 1, if the German war continues, on account of shipping, but they do create the argument up on the Hill; and the only benefit to England, as I see it, Harry, is that psychologically it satisfies their Board of Trade. Now, we have a Board of Trade here, too, you know, that we have to satisfy.

MR. ACHESON: Henry, my suggestion is that if everybody agrees to try this out, that you try it out. I don't think it is necessary to get agreement. I think I wouldn't be doing my duty or be a good adviser if I didn't advise that I think this is going to cause a great deal of trouble and much more harm than it is worth. We are going to have a very difficult problem of human relations and relations with the British when we meet them next.

We have been working along for six weeks on a plan of making a joint report. Now, we are not going to be able to do that. It is going to be hard to shift around in mid air on that one.

Now, if in addition to that we reverse all that we have been doing on this export date, that is going to make it more difficult. Maybe that is a good thing to do; I don't know. My judgment is that it is going to cause more trouble. But I think if you are going to do it, then the fellows who believe strongly that that is the thing to

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do better take it on and have a whirl at it. And if they put it across, why fine. Then I have been wrong in my guess and they are right. I have no pride about it. But I don't think that I could possibly undertake to do this. I think I'd make a monkey out of myself in front of everybody.

At least four weeks ago, with all present, we read in this room a plan which said that these restrictions went off January 1. We have talked about it ever since. We have given them papers from time to time. I think it is part of the general change. If common judgment is that that is the best thing to do, go ahead and try it out.

H.M.JR: Well, the unfortunate thing is that somehow or other somebody has the thing to the President that this thing is going to be very difficult politically on the Hill. He didn't get it from me, because I haven't discussed it with him until today - other than the other day at lunch. So I think the whole thing is going to be very difficult, and I don't think we are going to, in any way, give Mr. Churchill what he wanted - and that was the feeling that he could sew the silver lining to the black cloud which has been hanging over England for four years.

Dean, if I could just direct myself to you for a minute, the thing that is still confusing is this. As I say, when Mr. Crowley brought it up today I thought that this thing of the first of January was a closed book. I wasn't very happy about it, but that seems to be the general opinion and that is that. But the thing that still isn't clear in my mind - there have been so many conflicting statements made here, as I interpret them - is that if we say to them on this whole agreement that nothing starts until VE Day and then we begin to make all these exceptions on the military, by the time we get through making the exceptions on the things that start the first of January there really isn't much left except the export thing and the meat.

I said, "Well, let's do it all on VE Day," and then Oscar says, "No, they are going to get less, anyway."

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Now, there is the other thing - if you just let the present agreements run along until VE Day. But any way you look at it, it looks as though we were trying to bend the whole thing - which I guess we are - to avoid this export position.

Now, certainly, when it gets tough, it is up to me to present the thing. You are all very kind about it. But it isn't clear enough in my mind, and frankly, just talking to you (Mr. Acheson) I don't want to do what you call "take a whirl" at it, because I don't want to have a whirl at it and then find a couple of days later that somebody else has done something else behind my back on this thing and I don't know where I'm at. I am more confused now than I have been at any time since I have started these talks.

The thing that I'd like to see on a piece of paper is this, to take the big items and take the military items, break it down and if we did nothing from now until VE Day, what would happen? Where would it leave the British? Whatever agreement you have with Lend-Lease on the military, what would happen if this Conference had never taken place and the thing had just run along? Then what would happen to these other things? Where would it leave them?

The fact that we have all burned ourselves out on this thing is too bad. But what would happen? Then if this export thing was so important, let's just face it by itself.

But I am simply not going to meet with them at ten o'clock tomorrow and take this on alone, if you don't mind, not seeming to be in agreement with some of you people here. And certainly, unless Mr. Stettinius wants to come over - being expert on foreign policy - unless he wants to take a whirl at it - but I am not going to, because there is no agreement among ourselves. The more they talk about it, the more you sort of wonder, "Well, if all of these things are going to start the first of January, anyway, what have we been doing?"

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DR. WHITE: I'd like to restore some simplicity to what is becoming more complex than I think is necessary.

Mr. Secretary, even if it were found after examining the program that it would all begin on the first, that would not solve the only thing which is giving us trouble at the moment. There are two aspects of the problem before us. One is the question of the form in which the results of this committee will go. I don't think that will give us any trouble. I think we are in agreement. So that is out.

The second problem - and the only problem that is left, Mr. Secretary, and I don't see why we should make it any more complex - the second and only problem which would exist in either case, whether the program was to begin on January 1 or was to begin on Phase Two, is the question as to whether it is propitious for us to permit the British to modify their export policy publicly before VE Day. That problem would exist even if you found the rest of the program was initiated January 1.

Therefore, I think we can do best by leaving that out of the picture, since we have the one point solved - that about the kind of statement, recommendation, which you are going to make to the President, a brief statement of some character which we can polish up.

Then the second point is exclusively the question as to whether it shall be VE Day or January 1, and I thought sometime earlier we were of the opinion that you could draft the kind of document which you could make public, which would apply to January 1 and which would be fairly innocuous. There would be some questions, but you would be able to answer them.

I think we could work carefully on that document and give the British what they want as of January 1, waiting long enough until we have worked out a document which would be pretty carefully drafted, and submit the kind of report to the President that we very quickly agreed upon this morning - then it seems to me you have both problems solved.

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H.M.JR: What are you going to tell the British?

DR. WHITE: Supposing one were to tell them something of this character--

H.M.JR: Whatever you are going to tell them, I am going to be frank with them, talking for myself.

DR. WHITE: How about telling them as follows:

With respect to the export policy, this is the joint statement that we'd like to begin working on, something such as you had in mind, which would be made public and which they could communicate to their government. That would have to be very carefully drafted, as we anticipated and envisaged all the time.

H.M.JR: A joint statement?

DR. WHITE: In the nature of a joint agreement--

MR. CROWLEY: I thought, Harry, in the beginning that the Secretary said it was not to be signed jointly at all with the British.

DR. WHITE: With regard to the export policy, I thought that was separate. It can be merely some exchange of notes.

MR. CROWLEY: Don't you start out first with the British - that he has to announce to them that there is going to be no document signed; that the American committee is going to make a report to the President of the United States, and the President of the United States undoubtedly will discuss the matter with the Prime Minister? That is number one.

MR. COE: Could I interrupt for one minute? On that one they have furnished us today - and I have circulated it - they are in agreement that the two parts of the top committee report separately to the heads of government.

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DR. WHITE: Except they have some things in there that we wouldn't want in, ourselves.

MR. CROWLEY: That is number one. Now, until we make our report to Mr. Roosevelt, why do we discuss any items with the British at all? How can we discuss and give them the meat of our report when the man we are making it to hasn't had a chance to see it at all?

DR. WHITE: That is a good point.

H.M.JR: No, let me interrupt. The President said today very distinctly he would like us to come to an agreement and give him the benefit of that.

MR. CROWLEY: I mean ourselves, not the British. I am assuming that we would be in agreement, but we would not tell the British what was in our agreement.

H.M.JR: What are you going to do? After eight weeks - if that is the time - Lord Keynes is going to say to me, "You are not going to tell us?" What am I going to do - sit here?

I mean, as a matter of fact, practically everything has been agreed upon. They have signed copies of everything.

MR. DAVIDSON: Don't you mean, Mr. Crowley, merely that they wouldn't have to sign the document - that we would show them the document, they would know the substance of it, but they wouldn't be a signatory?

MR. CROWLEY: On the supply end of the thing they know now from conference what we are recommending. Isn't that correct?

MR. DAVIDSON: There may be some changes, in view of yesterday.

MR. CROWLEY: But not very much.

MR. DAVIDSON: They know substantially, yes.

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MR. CROWLEY: But the original plan was that they were going to sign a document jointly with us.

MR. DAVIDSON: That is right.

MR. CROWLEY: Now, as I understand it, that is out.

MR. DAVIDSON: That was a recommendation to Mr. Morgenthau.

DR. WHITE: That is not necessary, and I think they will be satisfied with the same kind of document.

H.M.JR: It is out as to an overall document, but certainly as to the segments there has been an agreement by the various committees - Army, Navy, I don't know how many others. They agree.

DR. WHITE: There is this difference on this export document that I think troubles him (Crowley) and me. When there has been agreement with the military program on the subcommittee level, that has been an agreement to recommend to the larger committee, and the larger committee and you recommend to the President and he takes action.

When you have an agreement on this export policy, then that is something else again. They immediately proceed. That becomes of the character of an agreement between two governments. Now, I don't know what the status of an agreement at a subcommittee level with respect to the export policy would be. They would immediately begin operating on it. They would cable home - Parliamentary debates would indicate there has been agreement on this.

MR. DAVIDSON: I think Mr. Crowley is referring to the supply program, not to the export policy.

MR. CROWLEY: If you want us to agree with them, work out an agreement on the supply end of it, we can do that. But my understanding was you didn't want us

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jointly to sign anything or agree to anything with them.

DR. WHITE: No, I think the agreement was that you could sign something as a subcommittee to report to the larger committee. That is all right.

H.M.JR: Well, don't pass over that so lightly.

DR. WHITE: That is what the Army and Navy have done. They are creatures of this larger committee, Mr. Secretary. They have just been appointed a subcommittee to examine and make recommendations.

H.M.JR: How binding are they on the Government?

DR. WHITE: I shouldn't think it would be binding at all. It is the findings of a subcommittee to an informal larger committee.

H.M.JR: If it is in the nature of findings, if it is initialed or signed to show that is as far as that went--

MR. CROWLEY: What do you think of that - Al and Frank and Oscar and Lauch - letting our various committees sit down with them and show them what we are going to recommend and give them a chance if they have any additional arguments to talk them over? Could we do that?

MR. DAVIDSON: I don't really think that will be necessary, Mr. Crowley.

MR. CROWLEY: What I am getting at, that meets what the Secretary has back in his mind, that they know then what we are recommending to the higher level committee without having anything signed.

H.M.JR: Well, I think this. I think we have gone so far in this thing that we have got to let them know what is in the component parts - what each compartment has. And in discussing things, the President kept saying, "How is this different from what it was before?" He

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asked Stettinius. He said that they would meet with the various committees, and the British would submit their proposals and there would be more or less of an agreement, and then that they would take that on the Hill and present it.

MR. COX: That is right. There was no signed documents, but you have given the substance.

MR. CROWLEY: I think we could do that.

H.M.JR: And the thought the President had was, as I get it, to do it just the same as it was done before. Now, I think we have to do something like that, because it isn't a question of changing a policy in midstream. We are coming out the other side of the water.

Now, if that were done before and these people didn't know what was done before, I should think they should be seen, the thing should be initialed, and then that comes up to us at this level and we simply say, "Well, we received the thing and we forwarded it to the President for his consideration."

But at this level we wouldn't say yes or no; we'll just forward it.

MR. DAVIDSON: Mr. Crowley just wanted the group here to be aware of their understanding at the present time. They believe there is going to be a document which will be similar to the document for the Army and Navy. We have actually worked out and negotiated an agreed set of words on both sides, and they now understand that that will be signed by you and Mr. Ben Smith for the British. I am not arguing whether it should be that way; I just want to point out that from their point of view I think they are going to feel there is something odd about it if you vary at a late date again on another part of the program from the procedure they now understand will be followed.

MR. CROWLEY: But, Al, I don't think that that--I think that we can have a meeting with their subcommittees

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and show them, if they don't already know, what you are recommending. It seems to me that at the meeting that the Secretary has tomorrow, that we could have one person read what we are recommending in the way of supplies for whatever period we were recommending it, and then if Mr. Keynes or whoever wants to raise any questions - they can raise them.

But his supply people all the way down the line will have been made familiar with it and in most instances they are in agreement with you, aren't they?

MR. DAVIDSON: Yes, they actually know and are in agreement, except such changes as may be made on the shifting of the date.

MR. CROWLEY: You can't expect a fellow to ask for 700,000 and you cut him down to 79,000 tons of meat, and have him say, "Fine."

MR. DAVIDSON: Yes, we are putting in the rest of the money as a contingency, if it becomes available.

MR. CROWLEY: All you can do is tell them that.

H.M.JR: In the light of this conversation this morning, using meat as an example, I think that if the British were informed that this is the amount that is being recommended, and they are told that, then it comes up here, that I know is within what the President seemed to have in his mind and would satisfy me as to keeping the British informed what we could or could not do. Do you see, Dean?

MR. ACHESON: Yes.

H.M.JR: Now, whether the thing is signed or not, I don't think is so important; because it is meaningless, anyway. It is completely meaningless. But this committee will have told them, "You can have so much meat and so much this, and so much that," and that would satisfy my code of ethics.

The way it is now, I'd rather not have it signed.

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Then it comes up here and we put it into a book, or whatever you have, and send it across the street.

DR. WHITE: I think, Mr. Secretary, what is a little disturbing is that if you abandon the customary procedure which I think we feel is not very meaningful, if the signatures of the lower group don't mean anything, I wonder whether it isn't better to go through with it and then stand our ground on the overall decision, rather than raise the issue at that level; because they will then make a big fuss about it, go back to Churchill and say we have been arguing for weeks and something happened the last day--

H.M.JR: You are wrong. You could have said, "Why didn't we know that six weeks ago?" I can't answer that question, because I don't know how to answer it. But in the light of this conversation this morning, they should be told, they should be informed, then let the thing come up.

DR. WHITE: How does that leave the other problem, since that settles that? How does that leave the export policy problem, whether it is VE Day or January 1?

MR. DAVIDSON: You shut me off, Mr. Crowley. I was wondering if we could consider an alternative that we had discussed at one time, which was to say that there would be no modification of the White Paper as such, but the provisions of the White Paper permit of waiving any of its conditions whenever we say that we are in agreement with it.

Now, it might be possible - I don't know whether the British would agree to any such arrangement - that we would say that we would literally exercise our administration of this waiver power, generally, in accordance with the principles which they want, and to put it into effect as of January 1. I don't know what that does to their announcements to their people, but we can put it on the table.

MR. CROWLEY: On the export thing, let us talk a little bit among ourselves on that.

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H.M.JR: There is a room across the hall that is empty.

MR. CROWLEY: Yes, it seems to me we couldn't get through that thing this afternoon sitting in here. We are in agreement on everything else now except export, as I understand.

H.M.JR: Are we?

MR. COX: No change.

H.M.JR: The thing starts when?

MR. CURRIE: VE Day.

H.M.JR: Except for the military?

MR. CURRIE: I want to check on that. I am not sure of that. I think they may go on VE Day, too.

MR. COX: That is my understanding.

H.M.JR: Everything is to start on VE Day? Is that right, right this moment? I can't keep up with you fellows.

MR. CURRIE: Except in the case of Navy, and they say it doesn't make any difference - either the continuation of the same program or a new one.

H.M.JR: I'd love to stop this meeting now, but I am not going to take it tomorrow. I think we'd better put the British at eleven and have another meeting at ten. Tomorrow is my last day.

DR. WHITE: What was your suggestion?

H.M.JR: Put them at eleven and have another meeting of the Americans at ten.

MR. CURRIE: That would give us an opportunity to think a little more about it, ourselves.

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H.M.JR: Yes.

DR. WHITE: Think along the lines that you had in mind about a couple of weeks ago, of some kind of a public document which would meet their requirements without raising some of the issues--

MR. CURRIE: Oscar has a document now which I think would be satisfactory to us.

MR. COX: I haven't had a chance to discuss it.

H.M.JR: I am going to have to stop. Now, may I just say this: Let the Americans meet at ten tomorrow and the English at eleven, so we will have a chance. Then might I also suggest, in drafting this for the President for the signature of the members of the committee, that a paragraph be put in that "We take it, Mr. President, that this concludes the functions of this committee."

DR. WHITE: Is it your thought you would show the British what you are drafting for the President?

H.M.JR: No.

DR. WHITE: Then we don't have to draft it tonight?

H.M.JR: No.

The informal committee consisting of Under Secretary Stettinius, Mr. Crowley and myself have, pursuant to your instructions, examined the schedule of lend-lease aid requested by the British for Phase 2. We have agreed to recommend for your consideration, for planning and appropriation a program involving approximately \$2,600 million for munitions and \$2,700 million for non-munitions to the British Empire. A copy of the general program which we would like to submit for your consideration is appended. It is understood, of course, that the program which we are recommending is recommended subject to changing demands of strategy as well as to supply considerations and the usual considerations of procurement and allocation.

T O P S E C R E T

CHAPTER 3 ITEMS

The United States group accepts the Chapter 3 and supplementary items listed below, subject to the qualifications which are stated on the attached page and to the general conditions which are being agreed for the non-munitions programs.

The other Chapter 3 items are deferred for further investigation and consideration.

<u>Item</u>	<u>Requested</u>	<u>Reductions</u>	(Figures in \$ millions)
			<u>Accepted (subject to conditions as stated)</u>
1. Dollar expenditures relating to oil			
For 1945: crude, oil-field expenses, royalties	92	62	30
For 1944: crude	16	0	16
2. Ocean freights on non-Lend-Lease Government cargoes	25	0	25
3. Food program: possible additions	30.5	2	28.5
4. Repair, equipment and replacement of bomb-damaged homes			
Equipment	10	0	10
Emergency housing.	45-72	(-5)-22	50
5. Take-outs of capital facilities	38	0	38
6. Rubber (pre Reciprocal Aid)	11.8	0	11.8
7. Suez Canal Dues	<u>1.3</u>	<u>0</u>	<u>1.3</u>
TOTALS	270-297	59-86	210.6

The U.S. Group proposes additional conditions with respect to items as follows:

a. Dollar expenditures relating to oil

The request is accepted only for (1) that part of the crude oil which is purchased in 1945 for dollars from American companies in Venezuela and Saudi Arabia and which is refined into products used for war and essential lend-leaseable purposes in the British Empire or supplied to the U.S. on Reciprocal Aid; (2) that part of the crude oil similarly purchased and used in 1944 subsequent to the date when such oil was made available to the U.S. on Reciprocal Aid; and (3) royalties paid the Venezuelan government in 1945 by British companies on crude refined into products used for the purposes specified in (1) above. The preliminary figures given in the tabulation above may therefore prove, on detailed examination, to be too high.

b. Ocean freight on non-Lend-Lease government cargoes

Accepted only for food and items for direct military use when carried in American bottoms from U.S., Canadian or Caribbean ports. The preliminary figure given in the tabulation above may prove, on detailed examination, to be too high.

c. Additions to food program

Accepted in principle except that essential oils, chewing gum base, and hops for beverage use are disapproved, and that certain other items may prove undesirable to provide on Lend-Lease. Freight charges covered in other programs.

d. Repair, equipment and replacement of bomb-damaged houses

Miscellaneous equipment: accepted in principle, subject to review of specific programs when presented. Emergency housing: accepted in principle if of emergency type.

e. Take-outs of capital facilities

Accepted in principle, subject to review of arrangements previously made, valuation of the facilities, and availability of funds.

f. Rubber (pre-Reciprocal Aid)

No comment.

g. Suez Canal dues

No comment.

U.S. Committee on Mutual Lend-Lease Aid
Between the United States and the United Kingdom

Minutes of Meeting in Secretary Morgenthau's
Office on November 21, 1944 at 3:00 P.M.

Present

Secretary Morgenthau, Chairman

Mr. White

Mr. Casaday

Mrs. Klotz

Mr. Acheson

Mr. Collado

Mr. Crowley

Mr. Currie

Mr. Cox

Mr. Davidson

Mr. Angell

Mr. Havlik

Mr. Coe, Secretary

Procedure on the Program

SECRETARY MORGENTHAU explained that the President would wish to receive for his consideration the recommendations of the U. S. Committee on the lend-lease program for the U.K. after the defeat of Germany. Further, he did not wish an agreement to be made with the British, although the recommendations would be based on the discussions held with them. MR. CROWLEY reported that the FEA was now ready with recommendations on the non-munitions program, except as to the Chapter 3 items. There followed a discussion on whether Chapter 3 lend-lease items should be included in the itemized program or should be reserved for special policy consideration in the recommendations to the President.

Effective Date of the Program

SECRETARY MORGENTHAU referred to the question of the effective date of the program. MR. CROWLEY stated that, since it was most likely that the war would last into the Spring of 1945, contrary to earlier expectations, the program could not be presented either in the U. S. or the U. K. as a 1945 program. Further, he thought it unwise for either the U.S. or the U.K. authorities to announce a change in export policy effective before V-E Day. MR. WHITE pointed out that if the U.S. insisted on V-E Day rather than January 1, 1945, as proposed by the British, there would be a fundamental policy issue to be settled. MR. COX explained that the British would be free to

purchase raw materials at any time, and that the White Paper would continue in effect until V-E Day, thus restricting exports through its provisions with respect to short supply items. MR. WHITE suggested that the export policy issue could be made the subject of an agreement with the British separate from any action on the lend-lease program.

MR. ACHESON said that, in his opinion, it was not possible to separate the lend-lease program from an agreement on export policy. The existing White Paper had originated in connection with the lend-leasing of raw materials to the British. They would expect that if raw materials were taken off lend-lease, the White Paper should be revised accordingly. They would not be able to produce for export in substantial quantities until V-E Day and objections in the United States to such exports would, accordingly, be minor. It would be wise, in view of the British domestic position, to effect a change in export policy by agreement with the British rather than by unilateral action on their part.

After further discussion, MR. CROWLEY stated that it would be best to adopt V-E Day as the effective date of the program and to retain the White Paper which would be administered to help the British in their desire to use purchased raw materials in exports. In fact, in view of the critical supply situation, it would be difficult to increase consumption levels in the U.K. before V-E Day.

After further discussion, SECRETARY MORGENTHAU stated that he was not satisfied with the degree of agreement that had been reached in the Committee. It was agreed, therefore, that the Committee members would consider the question of export policy further.

It was agreed that the British representatives would be informed of the conclusions of the United States side with respect to the various programs and as to export policy, but that there would be no joint agreement on the entire program.

It was agreed that the U.S. Committee would meet in Mr. Morgenthau's Office at 10:00 o'clock on November 22, 1944, to be followed by a meeting of the Combined Committee at 11 o'clock on the same day.

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First five pages of this memorandum
left with the President 11/21/44.

Report to the President on Plans for Lend-Lease
Aid to British Empire during Stage II

I. Decisions at Quebec Affecting the Lend-Lease Program

The memorandum on Lend-Lease arrangements with the British, initialed by the President and Prime Minister at Quebec on September 14, 1944, includes the followings:

1. That after the defeat of Germany and during the war with Japan the U.K. should continue to get "food, shipping, etc." sufficient to meet British "reasonable needs" and that all supplies including munitions should be furnished under Lend-Lease.
2. The munitions and non-munitions needs of the British during this period, calculated by the British at about \$3.5 billion for munitions and \$5 billion for non-munitions, were to be re-calculated in the light of decisions on military matters reached at the conference.
3. The British should be permitted to re-establish her export trade and also set free some labor rebuilding and moderate easement in consumption while receiving lend-lease supplies.
4. A Joint Committee was to be set up to implement these decisions and was instructed "to agree and recommend" to the heads of their respective governments the amount of mutual aid in munitions, non-munitions and services to be provided for the most effective prosecution of the war during the first year of Stage II. The Committee was also instructed to be guided in reaching its conclusions by the conversation between the Prime Minister and the President on September 14, 1944.

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II. British Estimates of their Requirements for First Year of Stage II

1. As a first step in carrying out the Quebec instructions, Secretary Morgenthau asked the British to prepare for the use of the Joint Committee and for examination by the appropriate U.S. agencies, complete itemized estimates of their munitions and non-munitions requirements for the first year of Stage II together with a detailed statement of Britain's prospective general economic position during this period.
2. The British supplied these estimates in mid-October and have subsequently submitted such supplementary and revisory material as to permit thorough consideration of their case.
 - a. The munitions requirements, presumably estimated in the light of the military decisions at Quebec, were given as approximately \$5.1 billions, a reduction of some 45 percent from the \$5.7 billions lend-leased in 1944.
 - b. Non-munitions requirements for Stage II were estimated by the British at approximately \$2.75 billion, a reduction of about 22 percent from the non-munitions assistance programmed for fiscal 1944-1945. Over-all food requirements were set slightly on the assumption that the amounts requested, together with some use of existing stocks, would allow the moderate easing in civilian consumption, the desirability of which was agreed in principle at Quebec. Increases were requested in certain items such as carcass meats, designed to improve the quality of the civilian diet. The remaining reductions in the non-munitions requirements for Stage II as compared with the 1944-45 program, represent the elimination from the Stage II program of raw materials and manufactured goods likely to enter into British exports and thus to cause controversy.

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- c. In view of the elimination from Lend-Lease of most industrial raw materials and manufactures likely to enter into the export trade, the British requested U.S. agreement for substantial modification of the existing restrictions on British exports as set forth in the White Paper of September 1941. They asked that the modifications agreed upon be permitted to go into effect on January 1, 1945, regardless of the status or prospects of the war against Germany and that the British be permitted to announce and define the agreed relaxations publicly at an early date.
- d. In addition to their specific Lend-Lease requirements as estimated for Stage II the British have made a number of special, supplementary requests designed to safeguard their dollar position. These special requests take the following forms: (1) the proposed restoration to Lend-Lease of certain items removed in the past; (2) the inclusion in Lend-Lease of certain items heretofore considered ineligible; and (3) various adjustments on past transactions which would have the effect of augmenting their dollar resources or reducing their dollar expenditures.

III. Consideration of the British Requests

1. In pursuance of the instructions given at Quebec and in the framework of policy there established, the Joint Committee and numerous subcommittees, on which the appropriate U.S. agencies were represented, have examined in detail the schedules of estimated requirements as submitted by the British. As a result of this detailed study by the U.S. technicians in consultation with the British, the Joint Committee is now ready to report its preliminary agreement on a program to be submitted to the President. This program, summarized in the following section, is recommended as an appropriate guide for the PMA and the U.S. Army and Navy in planning for production and financing during the coming year.
2. It is understood that the recommended program does not constitute any commitment but that all schedules, both munitions and non-munitions, are subject to the changing demands of strategy as well as to supply considerations and the usual considerations of procurement and allocation.

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Moreover, various particular conditions and qualifications with respect to many of the individual items have been specified by joint agreement.

3. The program of estimated requirements to be presented by the British was regarded at Quebec as applying to the first year of Stage II (the first year after cessation of German hostilities). During the subsequent discussions and in view of the diminishing prospects that the war in Europe will end this year, some parts of the program are now regarded as applying to the calendar year 1945 rather than to Stage II.

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IV. Summary of Recommendations for 1945 in Comparison with
British Requests and with 1944-45 Program.A. Munitions and Non-Munitions

(All figures in Millions of \$)

<u>Category</u>	<u>Existing Program for 1944 or 1944-45</u>	<u>British Requests for Stage II (including vol- untary revisions</u>	<u>Recommended Program for 1945</u>
1. Munitions			
a. Ground Army (War Dept. Schedule)	2,304	739	600
b. Air and Fleet Air Arm	2,751	1,832	1,718
c. Navy	<u>694</u>	<u>604*</u>	<u>316</u>
Total Munitions	5,749	3,175	2,634
2. Non-Munitions			
a. Food	1,368	1,117	1,066
b. Raw materials & mis- cellaneous manufactured goods	486	286	284
c. Shipping	1,062	872	772
d. Oil	<u>956</u>	<u>338</u>	<u>338**</u>
Total- Non-Munitions	3,872	2,613	2,460
3. Dominions & India (Non- Munitions)***			
a. Australia	138.5	124.7	103.5
b. New Zealand	30.5	18.7	18.1
c. India	<u>81.7</u>	<u>125.3</u>	<u>101.4</u>
Total Dominions & India	250.7	268.7	223.0
Grand Total	--	<u>6,057</u>	<u>5,317</u>

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- * Later reduced by agreement to \$447 million after elimination of \$83 million of duplicated items and \$73 million for proposed Lend-Lease of ships already paid for by U.S. Navy appropriation and involving no budgetary cost if lend-leased. Navy in any event rejected request to lend-lease these ships. See detailed outline of program for further explanation.
- ** If British agree to draw on existing stocks to the extent proposed by the U.S. the 1945 lend-lease program for oil can be cut to \$220 million. The figure shown is the one tentatively agreed on.
- *** All munitions for the Dominions and India, except about \$260 million for aircraft for Australia and New Zealand are included in the U.K. program. Of the non-munitions, the U.K. program includes the oil and shipping requirements of the Dominions and India.

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B. Recommendations on Other Requests1. Military Reciprocal Aid from the Dominions and India

The U.S. and U.K. members of the Army Ground and Air Sub-committees have agreed, except as to one reservation. This reservation is that War Department approval of these programs will not be forthcoming unless the British agree to underwrite the cost of reciprocal aid to be supplied our Armed forces from the Dominions and India.

The British will not agree to this condition. However, it is believed that they and the Dominions and India will agree to language which will insure the supplying and financing of the reciprocal aid which is to be made available by the Dominions and India.

Since the end desired can be achieved by other means, there should be a top decision to strike out the reservation inserted in the Army schedules. A further reason for such action is that the lend-lease aid supplied by the U.S. to various countries has not hitherto been contingent upon a certain quantity of reciprocal aid to be furnished in return. It has been agreed by all parties that each is supposed to furnish to the other what he is able to, in accordance with the requirements of the war.

2. Lend-Lease Policy and British Exports

The British and American representatives have agreed to recommend to the President a formula to cover the new conditions arising out of the reduction in the lend-lease program (a proposed statement of agreement is attached and a proposed statement for release to the press is in preparation.) The essence of the recommended formula is as follows: No lend-lease articles, articles identical thereto or items fully substitutable for lend-lease articles will be exported in commerce except under special and limited conditions. Articles of lend-lease origin already in the U.K. which are no longer supplied under lend-lease in the new program will be used exclusively for military purposes. The U.K. will not use raw materials received under lend-lease or drawn from lend-lease stocks to an amount greater than is needed for military or essential civilian war purposes within the U.K. As to other articles previously included under lend-lease but not included in the new program, the British will pay cash for any new deliveries made after December 31, 1944.

Division of Monetary
Research

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3. Special Requests for Purpose of Safeguarding Britain's
Dollar Position

In a special supplementary request the British have asked for the return to lend-lease of a considerable number of items removed from the program in the past and for additions to lend-lease of some items that have not heretofore been considered eligible. They also request various adjustments on past transactions which would have the effect of augmenting their dollar resources or reducing their dollar expenditure. The total of these requests is in excess of \$700 million. As shown in the following tabulation, the U.S. group recommends the acceptance of proposals aggregating, after reductions which we think appropriate, approximately \$200 million. These approvals are subject to the qualifications which are stated as a footnote to the tabulation and to the general conditions which are being agreed for the non-munitions programs.

The remaining items in this special supplementary request are deferred for further investigation and consideration. Of these, the largest items are: (1) airplanes and engines purchased by the U.K. but subsequently taken over by the U.S. Army (\$224 million); (2) tobacco for civilian use removed from lend-lease at a time when British stocks were thought to be adequate (\$110 million); and (3) off-shore sugar once on lend-lease but now being purchased for cash (\$64 million).

In the opinion of the War Department it is impossible to consider the request for the \$224 million for aircraft take-outs or any portion of it and the British have been so informed. The tobacco and sugar items are under further consideration but FEA feels that these are highly vulnerable politically and that they should not be conceded.

In general the U.S. technicians are of the opinion that the British have considerably overstated the magnitude and seriousness of the decline in their gold and dollar reserves that may be expected to occur during the coming year. The British themselves admit that their prospective external financial position, though grave, is not desperate. Accordingly, we should not feel obliged, under present circumstances, to concede these requests for dollar relief where that would mean incurring unnecessary political risk.

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Summary of Special Requests Conceded*

(Millions of dollars)

<u>Item</u>	<u>Requested</u>	<u>Reductions</u>	<u>Accepted (subject to conditions as stated)</u>
1. Dollar expenditures relating to oil			
For 1945: crude, and oil-field expenses	76	54	22
For 1944: crude, and oil-field expenses	16	0	16
2. Ocean freights on non-Lend-Lease Government cargoes	25	0	25
3. Food program: possible additions	30.5	2	28.5
4. Repair, equipment and replacement of bomb-damaged homes			
Equipment	10	0	10
Emergency housing	45-72	(-5) -22	50
5. Take-outs of capital facilities	38	0	38
6. Rubber (pre Reciprocal Aid)	11.8	0	11.8
7. Suez Canal Dues	<u>1.3</u>	<u>0</u>	<u>1.3</u>
Totals	263.6- 287.6	51-73	202.5

* Additional Conditions with Respect to the items Conceded:

a. Dollar expenditures relating to oil

The request is accepted only for (1) that part of the crude oil which is purchased in 1945 for dollars from American companies in Venezuela and Saudi Arabia and which is used in refined form for war and essential lend-leaseable purposes in the British Empire or supplied to the U.S. on Reciprocal Aid; and (2) that part of the crude oil similarly purchased and used in 1944 subsequent to the date when such oil was made available to the U.S. on Reciprocal Aid. The preliminary figures given in the tabulation above may therefore prove, on detailed examination, to be too high.

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Research

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b. Ocean freight on non-Lend-Lease government cargoes

Accepted only for food and items for direct military use when carried in American bottoms from U.S., Canadian or Caribbean ports. The preliminary figure given in the tabulation above may prove, on detailed examination, to be too high.

c. Additions to food program

Accepted in principle except that essential oils, chewing gum base, and hops for beverage use are disapproved, and that certain other items may prove undesirable to provide on Lend-Lease. Freight charges covered in other programs.

d. Repair, equipment and replacement of bomb-damaged houses

Miscellaneous equipment: accepted in principle, subject to review of specific programs when presented. Emergency housing: accepted in principle if of emergency type.

e. Take-outs of capital facilities

Accepted in principle, subject to review of arrangements previously made, valuation of the facilities, and availability of funds.

f. Rubber (pre-Reciprocal Aid)

No comment.

g. Suez Canal Dues

No comment.

TOP SECRET

4th Draft as Amended in Joint
Meeting with the British in
Secretary's Office, Nov. 17, 1944

Use of Lend-Lease Articles

A. Effective Date

The date of initiation of the principles stated below will be January 1, 1945. The United Kingdom reaffirms its intention, however, to devote its resources to the full prosecution of the war against both Germany and Japan, and to undertake no general reconversion of industry or expansion of exports before V-E Day.

B. Restrictions on Use of Lend-Lease Articles

1. No Lend-Lease articles delivered to the United Kingdom, or items identical thereto, or items fully substitutable therefor, will be exported in commerce except as provided below. This restriction will not apply to those types of articles which are provided in substantially equal values under both the Lend-Lease and the Mutual Aid programs, nor to exports of items identical to items which are components of, or accessories to articles delivered on Lend-Lease terms, nor to exports of articles containing as components or accessories items identical to those delivered on Lend-Lease terms.
2. Stocks held in the United Kingdom of Lend-Lease articles of types which will no longer be supplied after December 31, 1944 will be set aside for military use or the production of articles for such use.
3. The United Kingdom will not in any calendar year use raw materials, received from the United States on Lend-Lease

- 2 -

terms and drawn from Lend-Lease stocks of such materials held in the United Kingdom, in total amounts greater than those which are required in such period for military production and for essential civilian war purposes in the United Kingdom.

4. No articles supplied to the United Kingdom on Lend-Lease terms for use by the armed forces will be diverted to civilian use.
5. The provisions of the foregoing paragraphs may be waived only with the consent of the United States.

C. Payment for Articles Taken off Lend-Lease

The United Kingdom will in general pay cash for required articles no longer supplied on Lend-Lease terms but delivered after December 31, 1944, and will meet cancellation charges on undelivered articles requisitioned on Lend-Lease terms but not required, in accordance with the proposals set out in the attached Annex.

The United States and the United Kingdom will both endeavor to assure to the extent practicable that neither United States nor United Kingdom exporters receive undue competitive advantage over the other as a result of the war situation.*

* This sentence was part of paragraph D of the third draft, the remainder of which was deleted by agreement. It was not decided where in the present version the sentence should appear or whether it should have any caption.

ANNEXTerminal Date Arrangements for Handling Non-Munitons
Items of Types Which Involve United Kingdom
Export Problems

1. Goods which the United Kingdom does not require either on Lend-Lease or on cash terms during 1945.

(a) Goods covered by Lend-Lease requisitions which are placed on board ship before the 1st January, 1945, -- defined as goods which are included on a Bill of Lading signed by the Master of the ship concerned before the 1st January, 1945 -- will be on Lend-Lease terms.

(b) Goods covered by Lend-Lease requisitions which have not been placed on board ship before the 1st January, 1945, in the sense of the foregoing paragraph, but which have been made available for shipment by that date -- defined as material for which the supplier has requested instructions for forwarding, or, in the absence of such request, material which the United States Procurement Agency concerned determines to be available for forwarding by the 1st January, 1945 -- will move forward and be shipped, but will be paid for on a cash reimbursable basis unless other arrangements for their disposal are made by mutual agreement.

(c) Goods covered by Lend-Lease requisitions which by the 1st January, 1945, have not reached the point of being available for forwarding in the sense of the foregoing paragraph will fall outside the scope of (a) and (b) above, and will be treated as follows:-

- 2 -

- i. With respect to goods covered by approved Lend-Lease requisitions filed on or after October 1, 1944, cancellation charges, if any, will be paid by the United Kingdom, or the goods will be taken and paid for by the United Kingdom.
 - ii. With respect to goods covered by Lend-Lease requisitions filed before October 1, 1944, cancellation charges, if any, will be charged to the United Kingdom Lend-Lease account in accordance with usual practice.
2. Goods taken off Lend-Lease but of which the United Kingdom will need supplies in 1945

Goods not placed on board ship (in the sense of 1(a) above) before the 1st January 1945 will be purchased for cash. The question of whether such goods will remain on a cash reimbursable basis, and the time at which they would be transferred to United Kingdom Government procurement or private trade channels, will be considered case by case and settled by mutual agreement.

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November 21, 1944
4:48 p.m.

HMJr: Hello.

Operator: Mr. Gates.

HMJr: Right.

Operator: Go ahead.

Artemus L.
Gates: Hello.

HMJr: Morgenthau speaking.

G: Hello, Mr. Morgenthau, Guy Gates.

HMJr: Right.

G: This subject is probably a little bit out of my province but I thought I'd pass it on. You probably know that Berle has been sitting out in Chicago since the first of the month with the British Committee, talking about international Post-war Aviation.

HMJr: All I know, as Will Rogers said, is what I see in the papers.

G: (Laughs) Well, apparently they reached an impasse last night and I think that he feels that the British position is quite unreasonable.

HMJr: Yes.

G: And that they're asking for a good deal more than they're entitled to. Now, all I thought I would do is pass that information on to you

HMJr: I see.

G: in the light of what else is going on.

HMJr: Well, I appreciate that.

G: All right.

HMJr: Thank you very much.

G: All right. Bye.

November 21, 1944
5:00 p.m.

Ben
Cohen: Cohen.

HMJr: Good afternoon.

C: How are you?

HMJr: I'm all right.

C: Oh, Henry, there is a man in the country -- I don't know whether you've heard of him -- Harry Vitellos. He has managed the Cooperative Credit Institutions for the Palestine Economic Corporation during the last fifteen years.

HMJr: Yeah.

C: And he would like, when he's down to Washington, to come in and have a talk with you about their work.

HMJr: Well, I'd be very much interested, Ben.

C: I thought you would find it useful to talk to him. He wants to tell you something about it and get your advice.

HMJr: Well, when he comes down you have him give Mrs. Klotz a ring and she'll fix it for him.

C: Uh huh.

HMJr: But I'm leaving town tomorrow night for a week.

C: For a week?

HMJr: Yes.

C: All right, I'll tell him. And you'll be back then after November

HMJr: Well, I can't -- a week is about all I can go.

C: I see. Well, all right, I'll tell him. He'll write in for an appointment I suppose.

HMJr: If you would, please.

C: Thank you so much.

HMJr: Thank you.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE November 21,
1944

TO Secretary Morgenthau
FROM Ted R. Gamble

In working with Eubank in support of the very good work that has been done in the Navy on bond sales, we have cited the Secretary, the Under Secretary and numerous Admirals. For some time, we've had the idea to do something for Eubank. If you like the idea, I'd appreciate it if you'd send it on.

Attachment

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Citation for distinguished services rendered
in behalf of the C. F. Program - to
Captain Gerald A. Eubank (SC) U. S. N.

11/20/44

H. Henry Sargent, Jr.

NOV 22 1944

Dear Jim;

I am delighted to send you the enclosed Distinguished Services Citation for Captain Gerald A. Eubank (SG) USNR.

As Coordinator for War Bonds for the Navy Department, Captain Eubank is giving superlative service to the Treasury's war finance program. We are very much impressed by the splendid bond purchase record of Navy people under his direction. I understand that as of the end of last month there were 1,975,891 bond allotments in effect for the uniformed personnel, and that 93.9 percent of the 671,022 civilian employees of the Navy Department were purchasing War Bonds for an average of 11.9 percent of the gross payroll.

I shall appreciate it very much if you will present this citation to Captain Eubank, with my thanks for his outstanding cooperation with the Treasury.

Sincerely,

(Signed) H. Morgenthau, Jr.

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

CC: Mr. Mead

Typed 11/21/44
JMM:mf

COLUMBIA BROADCASTING SYSTEM, INC.

485 MADISON AVENUE, NEW YORK

WICKERSHAM 2-2000

21 November 1944

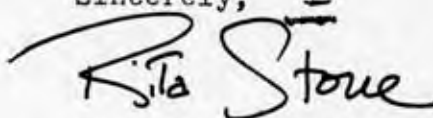
Secretary Henry Morgenthau, Jr.
Treasury Department
Washington, D. C.

My dear Mr. Secretary:

Mr. Cornish has just now forwarded to this office your letter of November 14 commenting on Mr. Shirer's dispatch from Aachen.

I know that Mr. Shirer will appreciate your having taken the trouble to write, and I am holding your letter for his attention when he returns to New York some time before Christmas.

Sincerely,



Assistant to William Shirer

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RS:eg



TREASURY DEPARTMENT

WASHINGTON

November 21, 1944

MEMORANDUM TO THE SECRETARY

I am enclosing a list of the special items valued in excess of \$50,000 as of November 20, 1944.

A handwritten signature in cursive script, appearing to read "E. L. Olrich".

E. L. Olrich
Assistant to the Secretary

Enclosures

FOR DEFENSE



PROPERTY FOR DISPOSAL

SPECIAL ITEMS, COST TO GOVERNMENT IN EXCESS OF \$50,000

AS OF NOVEMBER 20, 1944

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
1. <u>Furniture</u>			
<u>BEDS AND COTS, NEW AND USED</u>	55 000	\$3.50 average	192 500
Includes wooden, double-deck bunks; steel, single beds; folding, wood and canvas cots.			
<u>BED PARTS</u>			65 000
Springs, heads, feet, and side rails; un-assembled. An unbalanced stock.			
<u>MATTRESSES, NEW AND USED</u>	459 000	5.50	2 524 500
About 1/3 are new. State sanitary laws prevent the sale of used bedding. Substantial sales of used mattresses, for conversion into paper, take place regularly.			
<u>PILLOWS, USED</u>	954 000	.73	696 420
Some cotton, some feather, - mixed in bales.			
<u>STOOLS, WOOD</u>	13 400	6.30	84 420
Counter stool, oak finish, revolving seat with leather pad, foot rest.			

<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GO</u>
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2. MachineryCONSTRUCTION MACHINERY, HEAVY

7 029	\$1,000.00	7 029 000
	average	

General inventory of heavy machinery, most of it used and in poor condition. Some very heavy, new pieces. In addition we have a heavy inventory of light machines, - tampers, jack-hammers, vibrators, etc.

DRILL, ROCK, REPLACEABLE TIP

281 097	.25	70 933
	average	

In kegs and drums.

GENERATING SETS, USED

12	5,000.00	60 000
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25 K.W. gasoline driven.

GROUSERS

43 853	3.00	131 559
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Non-standard mud cleats for crawler-type tractors. They are nothing but sheared pieces of structural angle iron, with punched holes for bolting in place.

PAVERS, 34E, NEW

71	19,000.00	1 338 000
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The largest size. Essentially a giant concrete mixer with boom device to carry concrete from mixer to road strip. These machines are usually rented by the contractor for a particular job.

QUANTITY UNIT COST COST TO GOVT.

3. General Products

BATTERIES, DRY CELLS, AND PACKS

75 000

Represents current inventory at a low point.
Many types and sizes in varying quantities.
Ranging in cost from \$.05 to \$5.80.

BATTERIES, FLASHLIGHT, NEW

22 000 000

\$0.06
average

1 320 000

BOXES, AMMUNITION, USED

3 200 000

.57

1 600 000

23 ga. steel box, size 10 x 7 x 3 1/2, removable top, with collapsible handle. Used for 30 cal. ammunition. Painted olive drab.

CAMERAS, AIRCRAFT

96

307 386

Each camera has great variety of collateral equipment. Obsolete type.

CONTAINERS, SHELL, FIBRE

351 322

.19

67 396

Various sizes - ranging from 1 5/8" I.D. to 6 29/32" I.D. Lengths range from 9" to 23 1/4", metal top and bottom.

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
<u>CRATES, WOODEN, NEW AND USED</u>	3 600 000		1 300 000
Designed for packing artillery pieces.			
<u>DRUMS, 5 & 10 GAL.</u>	64 523		81 691
Used. New declaration - no details, as yet.			
<u>FILM & PAPER, PHOTOGRAPHIC</u>	81 862 pkgs.		417 000
Rolls, cut film, and packs. Mostly overage. The overage material will be processed to recover silver and chemicals.			
<u>HORSES</u>	2 200	\$165.00	333 000

4. Automotive

<u>AUTOMOTIVE SPARE PARTS, NEW</u>	13 000 000		7 000 000
Included are large quantities of bolts, nuts, spark plugs, fuses, called "parts common," that can be used in any motor vehicle.			
<u>AUTOMOTIVE PARTS, OBSOLETE, USED</u>			2 000 000

Majority are used, having been taken from used vehicles and put in stock at Fort Crook, Nebr. and Blue Grass, Ky. Included are bodies, fenders, cowls, cabs, for obsolete military vehicles.

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
<u>BENCH AND CABINET, WORK</u>	240	\$375.00	90 000
Wooden unit designed for auto mechanic's use.			
<u>HYDRAULIC FLUID</u>	378 459 gals.	1.74	658 580
Needs reprocessing for civilian use. Packed in 1 gal. cans.			
<u>JACKS, HYDRAULIC</u>	4 300	79.00	339 700
Walker, four wheel, roller type, 10-ton capacity, for garage use.			
<u>TIRES, TRUCK AND BUS, USED</u>	40 000	20.00	800 000
Most have been returned from battle areas and need sectional or spot repairs, or recapping.			

5. Hardware

<u>BOLTS</u>	11 300 000		4 000 000
All sizes and kinds. Includes quantities of large bolts, 18" long, with many kinds of different heads and nuts.			
<u>BLOCKS, ROPE</u>	1 724	31.90	54 957
Big pulleys for manila rope. Many types and sizes.			

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
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CARTS, HAND

3 250

\$28.30

92 000

New and used. Made of wood, with two 47 in. steel wheels, and two legs. Removable sides. Body 54" x 33" x 14" deep.

COVERS AND SEALS, RUBBER27 3/4
tons

169 245

Includes 3/4 ton seals, which are round rubber washers about 1 inch in diameter. There are 27 tons of new "covers" which are 2 in. lengths of black rubber hose - thin wall, about 1 inch in diameter. Inspection report awaited.

EMPLACEMENTS, MACHINE GUN

32 5,300.00

169 600

A mount for a machine gun. No utility value known.

FILTERS, DUST RESPIRATOR

2 945 049

.095

280 663

GAS MASKS, NEW AND USED

2 864 000

6.00

15 184 000

Civilian Defense and Army types. (Being held for Army use)

GRINDERS, MOTOR DRIVEN

171 1,151.00

196 908

New declaration - inspection report awaited.

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
<u>HELMETS, SAFETY, O.C.D.</u>	300 000	\$0.89	267 000
These helmets weigh about 3 lbs., and are packed 10 to a carton. Painted white.			
<u>HOSE, RUBBER</u>	437	157.00	68 609
New declaration - better description not available.			
<u>HOSE, RUBBER</u>	5 000 lengths	33.50	167 500
25 ft. lengths of 2 1/2" steam hose, to withstand 600 to 1000 lbs. pressure.			
<u>IMPRINTING MACHINES, NEW</u>	35 600	21.95	781 420
Pistol shaped, hand operated machine designed to take impression of soldier's "dog-tag" in the field.			
<u>LANTERNS, OIL</u>	20 000	3.00	60 000
High grade Navy type similar to railroad brakeman's lantern.			
<u>MACHINE GUNS, ELECTRIC</u>	707	279.00	197 253
A practice gun that shoots B.B. shot.			

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
<u>NUTS, SQUARE, NEW</u>	925 000		57 350
Miscellaneous, many are very large size.			
<u>RAFTS, PNEUMATIC, 5-MAN</u>	623	\$200.00	124 600
Collapsible, rubber combat rafts.			
<u>RIFLES, TRAINER, WOOD</u>	20 000	2.70	54 000
Exact replica of Army Springfield rifle.			
<u>SCREWS (WOOD), BRASS</u>	250 000. gross	.25	62 000
Many sizes and kinds, packaged and in bulk.			
<u>SHOWER UNITS, USED</u>	943	93.00	87 699
71 are incomplete with parts missing or broken. The units have hot water valves and manifold, shower heads, and soap cup.			
<u>SHOTGUNS, 12 GA.</u>	59 000		1 249 000
<u>SMOKE GENERATOR PARTS</u>			86 000
Small metal parts (valves, fittings) for Army mobile smoke generator.			

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
<u>SPURS, NEW AND USED</u>	200 000 pair	\$1.30	260 000
Regulation Army type with smooth, rounded point, in place of rowel.			
<u>STAPLES, GALVANIZED</u>	18 000 kegs	4.52	81 360
Larger than average size, packed 100 lbs. to a keg.			
<u>TESTERS, MOTOR DRIVEN</u>	4 014	30.45	122 245
New declaration - inspection report awaited.			
<u>TRUCKS, PLATFORM, STEEL, NEW</u>	5 700	75.00	427 500
Steel trucks on casters. The truck weighs 800 lbs., and it takes 2 men to push one empty.			
<u>WIRE CUTTERS</u>	101 257		55 065
Declaration cannot be located to get better description.			

6. Textiles and Wearing Apparel

<u>APRONS, IMPERMIABLE</u>	93 989	5.00	469 945
Rubber coated fabric, with sleeves like a hospital apron.			

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
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<u>BARS, MOSQUITO</u>	126 798		127 343
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<u>BLANKETS, RUBBER</u>	10 700	\$6.50	69 550
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80" x 68" designed for hospital use.

<u>CAPS, W.A.C.</u>	76 712	2.20	168 766
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The standard uniform cap of Women's Army Corp.
Round box-like body with stiff visor. Fine quality.

<u>GLOVES, RUBBER, ANTI-GAS</u>	667 000	1.00	667 000
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<u>MAGAZINE BELTS</u>	55 369	2.35	130 325
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An apron about 2 ft. wide and 18 in. deep covered with flap pockets to hold cartridge clips.
Olive drab. Has fabric tape to tie around waists.

<u>PANELS, SIGNALING, COTTON</u>	247 254	.30	76 686
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White panels and black panels 1 1/2 ft. square.
with eyelets in corners.

<u>POCKETS, MAGAZINE</u>	900 000	.10	90 000
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Web fabric, olive drab, pocket, to attach to soldier's belt to hold two cartridge clips. About 3" x 5" size, with flap with fastener.

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
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PANELS, SIGNALING, DUCK

	6 000	\$20.00	120 000
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Orange duck, 6 ft. x 30 ft., with grommets in edges.

RUCKSACKS

	7 500	12.66	94 950
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Alpine type, olive drab, fabric. Large capacity, with extra pockets outside. Has skeleton tubular metal frame to make pack hang correctly and hold it away from wearer's back for ventilation.

SHOES, WOMEN'S LOW, WHITE

	39 986	3.71	148 335
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SLIDE FASTENERS

	2 009 694	.119	239 797
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TARGETS, ANTI-AIRCRAFT

	8 861	14.32	126 891
--	-------	-------	---------

Muslin tubes about 3 ft. in diameter and 30 ft. long.

7. Medical & SurgicalAPPARATUS, ANESTHESIA & SUCTION

	490	173.00	84 770
--	-----	--------	--------

Portable cabinets on rollers, with motor driven apparatus both for anesthesia and suction purposes in hospitals. Made to Army specifications which differ from manufacturer's. To the latter they represent only parts. An item that requires considerable service.

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
<u>BAGS, WET DRESSING</u> Sample and inspection report awaited.	105 000	\$0.58	61 500
<u>BANDAGES, GAUZE</u> New declaration - inspection report awaited.	200 000 boxes	1.10	220 000
<u>BANDAGES, MUSLIN</u> Muslin cut up into various shapes.	125 000 doz.		110 000
<u>BATTERY BOXES, MEDICAL, USED</u> New declaration - sample awaited.	3 650	24.25	88 512
<u>BOTTLES, WIDEMOUTH, 250 CC</u> A laboratory item. Shape and glass composition not known.	201 307	.45	90 588
<u>BOXES, OINTMENT</u> New declaration - no better description available.	197 454		55 045
<u>BOXES, TABLET</u> Printed pill boxes, 500 to a carton. Small size nested into larger one, and they stick together.	600 000 cartons		200 000

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
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CARTS, FOOD

	586	\$86.00	50 396
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Hospital equipment - 4-wheel cart with cans and trays. Size not known. Color of enamel finish is not known - thought to be battleship gray.

DENTAL SUPPLIES

			100 000
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World War I stocks located at Perry Point, Md. Has in it many obsolete and non-standard items.

DISINFECTORS, 50 GAL.

	1 600	43.33	73 360
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Spray pump type for veterinary use. Portable unit - Army specifications.

DISHES, EVAPORATION, PORCELAIN

	58 525	.09	52 672
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Laboratory equipment.

DISK, METAL, ABRASIVE

	134 000 cards	.60	80 400
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7/8" size. Dental supply item. Packed 12 disks on a card.

DRESSINGS, FIRST AID PKGS.

	27 000 000		3 300 000
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Small and large sizes, various types and makes. Largely Carlisle model.

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
<u>FLASK, WITH CUP</u>	200 000	\$0.33	66 000
A small flask with metal cup fitted over lower half, - used by soldiers to carry medicine in the field.			
<u>FLOSS, SILK, DENTAL</u>	510 000 spools		173 400
<u>FORCEPS, HEMOSTATIC</u>	21 034	2.63	55 433
Surgical instrument, - several brands, some with no mark, some German. Some stainless.			
<u>KITS AND CASES, MEDICAL</u>	3 865	19.11	73 860
From O.C.D. stocks. Suitcase type, filled principally with professional first aid items.			
<u>OINTMENT COMPOUND, GAS PROTECTIVE</u>	161 188 tubes	.45	72 534
New declaration - sample awaited.			
<u>PERIMETERS, ELECTRIC, MEDICAL</u>	345	160.00	551 060
Apparatus used in eye diagnosis.			

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
<u>PLASTER, ADHESIVE</u>	144 000 rolls	\$1.20	172 800
Rolls 12" long, redicut, for hospital racks.			
<u>POUCHES, FIRST AID, FILLED</u>	144 350	1.19	171 776
Fabric pouch, about 10 in. long by 5 in. wide, filled with a few professional first aid items, and some pencils, tags, etc.			
<u>SCALES, PRESCRIPTION</u>	3 980	23.30	92 897
Various types and sizes.			
<u>SCREWS, BONE, MOLYBDENUM</u>	705 000	.20	141 000
For surgical operations.			
<u>SCREEN, INTENSIFYING</u>	7 000	9.00	63 000
X-ray equipment. Made in pairs.			
<u>STERILIZERS, NEW AND USED</u>	6 097		799 000
Hospital equipment. Several sizes and types.			
<u>STRETCHERS, CANVAS & METAL, NEW</u>	8 400	6.43	54 000
<u>SURGICAL INSTRUMENTS</u>			250 000
Old stocks at Louisville, Ky.			

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
<u>SUTURES, SILK & CATGUT</u>	15 000 000 units		3 000 000
For sewing after surgical operations. Silk packed in glassine envelopes. Catgut packed in liquid in glass tubes. The catgut sutures are boilable, a type necessary for Army field work, but not used in hospitals.			
<u>TALC</u>	4 109 279 lbs.		102 937
Described as a "fibrous inert material," probably purchased as decontaminating agent.			
<u>TEST TUBES, GLASS</u>	5 670 000	.03	190 100
Many sizes, types, made of various types of glass. Pyrex is standard in most hospitals. Quantities of these are lime glass and non-heat-resistant glass.			
<u>ACETOPHENETIDIN</u>	70 000 bottles	1.35	94 500
5 gr. tablets, packed 1000 in a bottle. Obsolete item awaiting action by board of medical officers.			
<u>AZOCHLORAMID IN TRIACETIN</u>	360 000 quarts	4.55	1 638 000
World War I stock. Awaiting action by board of medical officers.			

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
<u>BURROWES SOLUTION</u> 2.27 gm. tablets - 500 to a bottle.	18 000 bottles		144 000
<u>DICHLORAMINE T</u> 16 2/3% in Tri. World War I stock. Awaiting action by board of medical officers.	359 000 pints	\$1.66	595 940
<u>HAEMOTOXYLIN, LIGHT</u> 10 gram bottle. Awaiting action by board of medical officers.	99 000 bottles	1.50	148 500
<u>HYDROGEN PEROXIDE, 8% SOL.</u> Too strong for beauty parlor use. Stock all reported in leaky bottles. Bottles run from empty to two-thirds full.	402 000 pounds		250 000
<u>PEPTONE PROTEOSE BACT.</u> A standard drug, not needed in this quantity.	35 000 pounds	6.20	217 000
<u>PEPTONE, DRIED, U.S.P. BLAG.</u>	96 500	4.00	386 000
<u>PROCAINE HYDROCHLORIDE</u> 10 units in a box, 150 and 200 MM ampules.	163 000 boxes	2.75	448 250

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
<u>SODIUM ALURATE</u>	13 500 boxes	\$7.50	101 250
3 1/2 and 1 3/4 gr. tablets packed in 500 unit boxes. Special Army package.			
<u>SULFANILAMIDE</u>	539 000 packages		344 930
5 and 7.5 gr. tablets. 250,000 boxes of 12 tablets. 289,000 bottles of 1000 tablets. Obsolete Army item. Awaiting action by board of medical officers.			
<u>8. Paper & Office Supplies</u>			
None			
Total			\$ 70 635 056

SURPLUS USED TRUCKS REPORT

For 7 Days and Period Ended, November 18, 1944
(Period Began January 1, 1944)

	<u>7 Days to Nov. 18, 1944</u>		<u>Period to Date</u>
Total Used Trucks Declared		<u>919</u>	<u>47909</u>
Less Declarations withdrawn	<u>36</u>		<u>1502</u>
Less Loans to Other Federal Agencies	<u>0</u>		<u>150</u>
Less Transfers to Other Federal Agencies	<u>18</u>	<u>54</u>	<u>3114</u>
			<u>4766</u>
Net Used Trucks Declared for Sale		<u>865</u>	<u>43143</u>
Less Used Trucks Sold		<u>596</u>	<u>35383</u>
Balance of Used Trucks on hand			<u>7760</u>

ANALYSIS OF INVENTORY

Inspected and ready for sale	<u>5809</u>
Not Inspected	<u>1951</u>
	<u>7760</u>

SURPLUS USED CARS REPORT

For 7 Days and Period Ended November 18, 1944
(Period Began January 1, 1944)

	<u>7 Days to Nov. 18, 1944</u>	<u>Period to Date</u>
Total Used Cars Declared	<u>135</u>	<u>6745</u>
Less Declarations withdrawn	<u>0</u>	<u>133</u>
Less Loans to Other Federal Agencies	<u>0</u>	<u>19</u>
Less Transfers to Other Federal Agencies	<u>10</u>	<u>594</u>
Net Used Cars Declared For Sale	<u>125</u>	<u>5999</u>
Less Used Cars Sold	<u>203</u>	<u>5118</u>
Balance of Used Cars on hand		<u>881</u>

ANALYSIS OF INVENTORY

Inspected and ready for sale	<u>594</u>
Not Inspected	<u>287</u>
	<u>881</u>

SURPLUS MOTORCYCLES REPORT

For 7 Days and Period Ended November 18, 1944
(Period Began January 1, 1944)

7 Days to Nov. 18, 1944 Period to Date

Total Motorcycles Declared		<u>119</u>		<u>15775</u>
Less Declarations withdrawn	<u>800</u>		<u>938</u>	
Less Loans to Other Federal Agencies	<u>0</u>		<u>0</u>	
Less Transfers to Other Federal Agencies	<u>0</u>	<u>800</u>	<u>210</u>	<u>1148</u>
Net Motorcycles Declared for Sale				<u>14627</u>
Less Motorcycles Sold		<u>8</u>		<u>10004</u>
Balance of Motorcycles on hand				<u><u>4623</u></u>

ANALYSIS OF INVENTORY

Inspected and ready for sale	<u>4110</u>
Not Inspected	<u>513</u>
	<u><u>4623</u></u>

Treasury Department
Division of Monetary Research

256

Date Nov. 23, 1944

To: Secretary Morgenthau

You may be interested to note that
SHAEF finds the material prepared in
the Treasury helpful.

H.D.W.



MR. WHITE
Branch 2058 - Room 214-1/2

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

257
DIVISION OF
COMMUNICATIONS
AND RECORDS

BET-1546

This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (SECRET-O)

Paris

Dated November 21, 1944

1944 NOV 25 AM 9 50
Rec'd 2:55 p.m., 23rd

Secretary of State,
Washington.

614, November 21, 2 p.m.
FOR TREASURY FROM SAXON.

One. SHAEF is anxious to obtain if (*)
each of the following studies prepared by the
Treasury: (A) German currency system (B) German
clearing agreements (C) handbook on German banking
(D) any other related studies giving financial back-
ground on Germany.

Two. SHAEF states that copies of studies
requested are to be distributed among the officers
working on these questions. SHAEF also states that
the need for these studies is important and that to
its knowledge there are no other studies of comparable
value.

Three. If you can comply with the SHAEF request
I suggest that these documents be shipped to me
through

COMMUNICATIONS
AND RECORDS
(LIAISON)

CONFIDENTIAL
For security reasons the
text of this message must
be closely guarded.

-2- #614, November 21, 2 p.m., from Paris

through military or diplomatic channels for delivery
to SHAEF.

CAFFERY

WTD

(*) a portion of this message has been omitted; a
repetition has been requested.

CABLE TO WINANT, LONDON, FOR MANN FROM WAR REFUGEE BOARD

For your information following cable has been sent by State to American Embassy, Paris:

"Of more urgency at the present time than it was in August is the matter which is taken up in instruction from the Department to Algiers dated August 24, No. 213. Should it become possible to rescue any of the persons from Germany to whom reference is made in Resolution XIII, the facilities of the Fedhala camp are urgently needed for use. There is no other destination available for these people at the present time. It is expected that these individuals will be released into Switzerland and from there will travel, either directly from France or by way of Spain and France, to the Fedhala camp, as transportation can be arranged, under the auspices of the War Refugee Board, if an exchange involving these people can be arranged. We would appreciate it, therefore, if you would urgently take up this matter with the Provisional Government of France and secure its consent in principle to the admittance into French territory from Switzerland of any persons included in such a movement, to their travel to a point of exit on the frontier of Spain, or to Marseille, or to any other port which may be designated, and to their entrance into Morocco for accommodation at Fedhala camp, subsequently.

"If Heber would take up the question with SHAEF and secure agreement in principle to this kind of movement, along with a statement of requirements of SHAEF, it would likewise be appreciated. Screening of these people, it should be pointed out, cannot take place until they reach French territory; also that authorities in Germany who have the custody of the camps where they are held will apparently select the individuals for exchange. Jewish intellectuals from Poland comprise the majority of the individuals concerned, who can, it is presumed, be identified promptly as they are relatively well known in such circles.

"The Government of the United States and the British Government have stated that they are opposed to the closing of the Fedhala camp, which still has definite purposes to serve; this for the information of Heber and the Embassy."

THIS IS WRB LONDON CABLE NO. 28

10:30 a.m.
November 21, 1944

FH:hd 11/20/44

NY-1252
Distribution of true
reading only by special
arrangement. (SECRET W)

Ross

Dated November 21, 1944

Rec'd 3:41 p.m.

Secretary of State,
Washington.

774, November 21, 1 p.m.

FOR MOSES LEAVITT AMERICAN JOINT DISTRIBUTION
COMMITTEE NEW YORK FROM ARTHUR GREENLEIGH.

Have reason believe can obtain temporary use
of Joint personnel with UNRRA not yet needed by
missions if you authorize me negotiate on arrangement
locally. Must have immediate answer.

KIRK

WTD

CABLE TO AMBASSADOR NORWEB, LISBON, FOR DEXTER, FROM WAR REFUGEE BOARD.

Dexter and Widen to separate close of business November 30, 1944. Dexter earned annual leave nineteen days two hours and Widen fourteen days. The Board will pay expenses Dexter to London but he must make own arrangements to get there. Should he go London, terminal leave becomes effective upon arrival there and Legation is authorized to pay him through terminal period. If Dexter or Widen return to United States, the Legation is authorized arrange transportation on reimbursable basis.

We understand Widen to work for Legation effective December 1, and if correct, leave is not transferrable.

Office equipment to be stored with Legation until final disposition is arranged with Department here, following receipt of inventory requested in our #2877 of November 3. The balance of the Special Account should be returned to the Board by check payable to the Treasurer of the United States.

THIS IS WRB LISBON CABLE NO. 117.

9:00 a.m.
November 21, 1944

DWhite:hmd 11/20/44

CABLE TO MINISTER JOHNSON, STOCKHOLM, FOR OLSEN, FROM WAR REFUGEE BOARD

The War Refugee Board requests that the following message be delivered to Mr. Hollander, Congress Committee, postbox 7306, Stockholm from Dr. Leon Kubowitzki:

QUOTE Kindly have foodparcels forwarded following Bergenbelsen inmates: Richard and Mary Jellinek and daughter; Margaret (nee Saulmann) and Ruth Hanna Wiener (barrack 20); Karl, Eugenia, Norbert, Edith, Egon, Erika, Oliver Freudiger; Dora (nee Gutter), Adolf, and Sofia Schlesinger and two small daughters. UNQUOTE

THIS IS WRB STOCKHOLM CABLE NO. 252.

11:00 a.m.
November 21, 1944

PJMcCormack:ar 11/20/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Stockholm
TO: Secretary of State, Washington
DATED: November 21, 1944
NUMBER: 4770

CONFIDENTIAL

We wish to inform you that Captain Holmboe, not Minister Ditleff, is the person mentioned in the second paragraph of my cable of November 29, 1944, No. 4746 as informant on the situation in Norway.

JOHNSON

DCR:LDB:MLM 11-25-44

Miss Chauncey (for the Sec'y) Abrahamson, Ackermann, Akain, Cohn, Drury, DuBois, Friedman, Gaston, Hodel, Lesser, Marks, Mannon, McCormack, Pehle, Files.

CABLE TO HARRISON AND MCCLELLAND, BERN, FROM WAR REFUGEE BOARD.

Joseph Schwartz of the JDC will soon arrive in Switzerland to discuss with you and other interested persons various problems of refugee rescue and relief. We trust that you will give him the full benefit of your experience and information in the matter.

We assume you will inform Schwartz, upon his arrival, of the contents of our No. 3932 of November 18 (WRB 285) in which the Board stated its opposition to the transaction outlined in your No. 7565 of November 16. You should indicate to Schwartz that under no circumstances may he participate in any way in the negotiations referred to in your No. 7565, which have been carried on by S.M. as a representative of the Swiss Jewish community.

THIS IS WRB BERN CABLE NO. 287.

3:00 p.m.
November 21, 1944

CABLE TO MINISTER HARRISON, BERN, FOR MC CLELLAND, FROM WAR REFUGEE BOARD.

Reference your 7347 of November 4.

(1) Three remittances effected on behalf of Queen Wilhelmina Fund aggregate \$165,000. After effecting payment of \$90,000 to Dutch Minister in Bern, authorized in our WRB 239 of October 26, there should remain a balance of \$75,000. Please advise Board exact amount of balance on hand of funds remitted for this program. Interested groups here have requested Board to authorize transfer of this balance to the Dutch Minister in Bern in order that equivalent amount may be made available by him for work in enemy-controlled areas of Holland.

(2) Please advise Board amount of balances still on hand of funds remitted for Belgian War Relief and Friend of Luxembourg programs.

THIS IS WRB BERN CABLE NO. 288.

3:00 p.m.
November 21, 1944

Miss Chauncey (for the Sec'y) Abrahamsen, Ackermann, Cohn, DuBois, Friedman, Hodel, Lesser, Mannon, McCormack, Files.

RDrury 11/20/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMERICAN LEGATION, BERN
TO: Secretary of State, Washington
DATED: November 21, 1944
NUMBER: 7668

SECRET

Reference Legation's 7542, November 15.

During an interview at the Foreign Office, Minister Feldscher, who is at present visiting Bern, declared refusal of Government of Germany to accept messages mentioned paragraph four reference cable is founded mainly on second reason stated, i.e., threatening tone of messages and objections to accepting reproaches of this kind from another government on part of Germans. Even though he assures the Germans that his position is merely that of a communication channel between belligerents, the Germans show resentment against Swiss for transmitting messages which bear threats from Government of United States.

The Minister stressed tension already in existence between heads of Gestapo and other branches of Government of Germany and Foreign Office authorities which would only be aggravated if latter passed on these threats and added that Government of Germany does not take messages containing threats seriously and that, except for evasive answers, these messages receive no action.

He expressed the wish that notes to Government of Germany containing warnings to German officials against committing particular offenses or threats to bring individual officials before tribunals to answer for war time offenses, not be sent the Swiss Legation, in view of foregoing and undoubtedly adverse and serious effect upon his relations with Foreign Office authorities because of his transmitting threatening messages from our government.

The above opinions are shared by Bisange and Depury.

HUDDLE

DCR;MED;CR

11-22-44

CORRECTION

RNO

This telegram must be
paraphrased before being
communicated to anyone
other than a Government
Agency. (RESTRICTED)

November 21, 1944

Re 2178 from Ankara dated November 13, 8 p.m.

On page one line seven delete "6,000,000." and insert
"6 months" making line read "Palestine for the 6 months
period starting retroactively". On page three line four
delete "(*)" and insert "obtain" making line read "We
shall advise you as soon as we obtain more information."

DIVISION OF COMMUNICATION AND RECORDS.

MJF

SECRET

OPTEL No. 378

Information received up to 10 a.m., 21st November, 1944.

1. NAVAL

On 11th one of H.M. Submarines sank a U-boat off Norway.

2. MILITARY

WESTERN FRONT. In the Belfort Gap French troops have broken through the German defences. Strong armoured patrols have reached the Rhine at points between Basle and Mulhouse and are reported fighting in latter. French entered Belfort after hard struggle early yesterday and are reported still engaged in street fighting. Believed many prisoners taken in these operations. East of Luneville U.S. troops have advanced on a wide front and are reported fighting in Saarebourg. Third U.S. Army has surrounded Metz and 30 miles N.E. of the town armoured units are fighting on German frontier. First U.S. Army has eliminated Germans west of Eschweiler while Ninth U.S. Army has advanced 2 more miles eastwards on broad front. West of Meuse Second British Army has advanced 3 more miles northwards towards Venlo.

ITALY. Tanks and armoured cars now less than 2 miles from outskirts Ravenna and engaging enemy along lower Montone. North of highway 9 U.K. forces have reached east bank Montone.

BURMA. Between Kalemyo and Kalewa our troops have captured 2 strongpoints about 1 mile north of Myittha River. In Northern Burma Chinese have occupied village of Mangshih and astride this village are approaching the main road on N.W. and S.W.

3. AIR

WESTERN FRONT. 20th. Bad weather restricted operations. 146 escorted Lancasters (5 missing) dropped 756 tons Homberg Oil Plant. 154 escorted Fortresses (5 fighters missing) dropped 206 Munster Railway Centre and 126 Buer Oil Plant. All these attacks through cloud and unobserved. 340 fighters (3 missing) supported ground forces and carried out reconnaissances. 41 locomotives and many vehicles destroyed.

20th/21st. 172 Bomber Command aircraft despatched, including 63 Hanover and 43 Coblenz. All returned safely.

MEDITERRANEAN. 19th. 553 heavy and 39 medium bombers dropped 747 tons on 5 oil plants and 106 on aircraft factory and airfield Austria; 250 on M.T. and troop concentrations and a bridge Yugoslavia and 76 on railway centres Maribor and Gyor. Results mainly unobserved. 81 medium bombers and 775 fighters attacked communications Northern Italy, Austria and Yugoslavia while 127 other aircraft attacked various military objectives Yugoslavia and Albania. About 90 locomotives, several bridges and many vehicles destroyed. 1 heavy and 2 medium bombers and 14 fighters missing.

4. HOME SECURITY

4 rocket incidents between 10 a.m. and 9 p.m.

At one, 19 houses demolished. Casualties so far reported: 9 killed, 4 serious.