

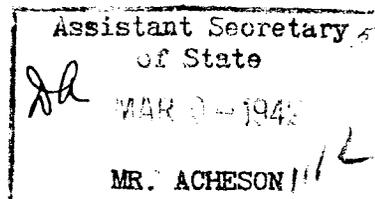
I-4/1

BOARD OF ECONOMIC OPERATIONS

Meeting of March 5, 1942

Present:

Mr. Acheson ----- Chairman
 Mr. Pasvolsky
 Mr. Edminster
 Mr. Finletter
 Dr. Feis
 Mr. Bunn
 Mr. Hawkins
 Mr. Livesey
 Mr. Hiss
 Mr. Dickey
 Mr. Ravndal
 Mr. Hooker ----- Assistant Executive Secretary



The thirty-third meeting of the Board was held on Thursday, March 5, 1942, at 9:30 a.m.

1. Report by Mr. Livesey on Swiss balances.

Mr. Livesey read a memorandum which he had prepared setting forth the gold and foreign exchange balances which are available to Switzerland. Mr. Livesey estimated that over \$150,000,000 of these assets were at present in Switzerland and could be utilized by the Swiss in the settlement of unfavorable trade balances and for payment for service items due by the Swiss to European countries. Mr. Livesey stated that although detailed information was

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-2-

lacking regarding the Swiss balance of payments with European countries, he did not feel that there was any immediate need for us to supply the Swiss with funds to settle such balances in view of the large resources which are in Switzerland. Mr. Acheson suggested that it might be advisable to send someone to Switzerland to study the situation and find out exactly what is the Swiss position. Mr. Livesey stated that he did not believe this would be advisable or necessary. He pointed out that the Swiss were the ones who were alleging that they required funds and that it was up to them to supply us with information to substantiate their case. Mr. Livesey said that he was prepared to discuss the matter fully with the Swiss Minister and to request from him the detailed information which is not now available to the Department. Mr. Acheson stated that the Swiss Minister was to call upon him very soon and that he would be pleased to send the Minister to Mr. Livesey in order that the matter might be discussed fully by Mr. Livesey and the Minister.

2. Report by Mr. Ravndal on Requirements Committee of War Production Board.

Mr. Ravndal stated that he had attended the meeting of the Batt Committee the day before and that the principal

item

-5-

the Proclaimed List he was continually questioned as to the Department's policy regarding Argentina. Mr. Dickey stated that he was unable to answer these questions and that he felt that it was absolutely necessary that the British be informed fully of our policy in order that we could obtain their collaboration. Dr. Feis stated that he thought the British would collaborate fully once we decided to what extent we wished to carry out the Argentine policy. Dr. Feis stated that he felt that the Eden memorandum under the present circumstances had ceased to serve any useful function and that our entire policy of collaboration with the British regarding exports to the other American republics should be re-examined and a joint policy of supplying the minimum needs of these countries should be adopted taking into consideration the available shipping space. Mr. Edminster concurred with Dr. Feis. Mr. Acheson suggested that a memorandum be drafted to Mr. Welles in regard to the need of informing the British fully of our Argentine policy in order to make it effective.

Mr. Acheson stated that he had received a copy of a memorandum written in the Treasury suggesting that the Treasury and the B.E.W. each send ten men to the other American republics to assist these countries in adopting adequate

I-4/4

-6-

adequate freezing control laws. Mr. Acheson said that he did not favor this proposal and the Board concurred that it should be turned down.

Dr. Feis brought to the Board's attention a report on the German oil position, which had been received from the field, and raised the question whether the report had received proper distribution. Dr. Feis suggested that copies should be sent to the proper officials in the Army and Navy Departments with a covering letter requesting their comments and that when the comments were received these should be sent back to London. Mr. Acheson stated that he would draft such letters for Mr. Welles' signature.

Dr. Feis also brought to the Board's attention a report on Japanese food supplies. The report definitely showed that such supplies would be more than adequate even in a prolonged war, and Dr. Feis suggested that the proper officials of this Government should take cognizance of the report.

3. Remarks by Mr. Edminster on London letter.

Mr. Edminster stated that he had been trying to get something together for a sample letter to be presented to the Board but that the inaccessibility of the chiefs of the various divisions had prevented his staff from assembling material that was worth sending to London.

Mr. Acheson