

WSM May 20, 1945

Good Morning, Friends:

The attention in Washington shifted almost hourly from the costly fighting in the Pacific to the complexity and difficulties of our international relations. General satisfaction has been expressed over the success to date of the San Francisco conference, but a lot of misgivings have arisen over the lack of understanding between Russia and here other Allies. President Truman joined Prime Minister Churchill in a call for an early meeting of the so-called Big Three -- Prime Minister Churchill, Marshall Stalin, and President Truman.

Mr. EdwarddPauley, our representative on the reparations commission, is preparing to leave for Moscow. Mr. Pauley has had an office in the White House for the last two weeks now where he has been holding long conferences not only with the President, but with other of the nation's thinkers and leaders on the problems of reparations. Mr. Pauley held a press conference during the week in which he said he expected Germany so completely deindustrialized that it would be ~~unable~~ ^{able} to pay reparations only in labor or natural resources. The first objective of the United States in reparations, Mr. Pauley said, is to use reparations as a weapon to insure that Germany cannot again built the industrial machine necessary to support war.

It was my privilege during the week to confer with Mr. Pauley on the subject of reparations, ~~and though much of what was said is confidential,~~ I can report to you that in Mr. Pauley we have a man of vision, of courage, and capacity as our representative on the reparations commission. Because he was treasurer of the Democratic National Committee, some people have regarded his appointment as strictly a political payoff and, there by ^{many} have tended to overlook the capacity, educational background, and ^{the} quality of the man. ^{He stands} ~~Let us~~

~~look at this problem of reparations for a minute.~~

we will see close inspection.

The government is again attempting to bring about a more even slaughter of cattle and hogs and also a better distribution of ~~the~~ meat products. The pinch on meat is certainly being felt here in Washington where you can go into one grocery store after another without finding any meat whatsoever except some thing like hot dogs and balogna. Economic Stabilizer Fred Vinsen stepped in and announced a program yesterday of high subsidies to the packers and also a small subsidy to feeders of cattle. Throughout the war period the government has tried to settle the country's problems of meat by subsidy payments. Increasing the subsidies does not ~~settle~~ ^{solve} the problem, Infact, it can only provide temporary relief and besides, in all fairness, the subsidies should ^{go} ~~give~~ to the producers instead of ^{to} the packers.