

CABINET MEETING, FRIDAY, SEPT. 3, 1948

10am

MARSHALL

Meeting in Berlin is making progress with respect to controversy between Russia and Western Powers. The position to be determined is - Do Western Powers have a right to be in Berlin or - are we there under sufferance.

30% of the China budget is collected in taxes. 70% of the budget is spent in military operations. That is that situation.

TREASURY

The Federal Reserve Bank cannot control fiscal program of the U.S. Such action will be opposed by the FDIC and the Treasury.

FORRESTAL

Dissatisfied with procedure being followed by the Hoover Commission. Agreed with President that Hoover is trying to do a good job but some of his staff are going off on tangents.

THE PRESIDENT

Asked Forrestal, Snyder and Acheson to meet and discuss. If necessary the President will talk to Hoover.

KRUG

Our development of scarce resources is being bogged down by fear of private U. S. capital of two things - stability of South American governments and unfavorable tax arrangements.

It may be necessary to provide Govt transportation to feed Alaska if West Coast strike is prolonged.

BRANNAN

Is preparing to handle recent charges of Stassen on farm products and price supports. Will attempt to keep the matter on Dewey's doorstep.

10:40