Herbert Pell Papers
Box 10
Hungary

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

Hungary.

(1) Feeling of population in General to
(a) Germany.
(b) allies.
(c) Roumania.
(d) Slovaks?

(2) Russian War?

(3) German exploitation - press, political, economic

(4) attitude of people & political leaders.

(5) Estimates of casualties in Russian war & are they suppressed in the press?

(6) Hungarian attitude to Transylvania.

(7) Jokes & Gossip in country.

(8) Notes on foreign, short wave, rationing & inflation.

(9) Evidence of reception of British foreign broadcasts & opinions thereon - most suitable methods &? hours for broadcasting.)

(10) Supplies of key materials - e.g. timber & oil

(11) Transport questions.

(12) Urban problems

(13) Conditions in concentration camps - anti-Semitic activity stories - & opinion in Hungary generally.

(14) Historical questions:
German hope -
Remarks for historians & B.B.C.
If German loses - what is the greater fear?

(15) Opinion of U.S.

(16) Women & War Work.

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

Hungary.

(17) Nationality of local police & administrative Controls.

(18) New construction; especially roads & bridges.

(19) Activities of commanderings.

(20) Location of different elements & of population.

(21) Gestapo - (1) Methods of interrogation.
(2) addresses of offices.
(3) if uniformed.

(22) Evidence of friction between Gestapo & wehrmacht.

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

H-Hu-
Box 5

STATEMENT TO THE BRITISH AMBASSADOR to Portugal

Most Hungarians dislike the Germans intensely. Although Hungary has been an independent state for the last twenty two years, the people have not forgotten the long period of Austrian domination which lasted from the expulsion of the Turks to 1918. During the last fifty years of this period, Hungary was a distinctly junior partner of the Austro-Hungarian Empire, and before that was governed directly from Vienna. The Hungarians feel that during the last war they were exploited by the Germans, and that at the Peace Conference they were abandoned by everybody.

As a general thing almost all classes of Hungarians have been at one time or another annoyed and incommoded by German conceit and arrogance. Although a small people they have retained their national feeling, their language and cohesion through good and bad times, mostly bad, for a thousand years, and resent expressions of superiority from a people whose nationality dates from 1870.

Hungary has been for a great many generations one of the few countries of Europe which exported foodstuffs, and always in the worst of times the Hungarian people have had enough to eat. Recently discovered oil wells have provided Hungary with all the petroleum products that it needed. Today, there is a shortage of everything and all Hungarians, from top to bottom, know who to charge this to. The Hungarian peasant, accustomed to white bread

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

and plenty of meat, resents being obliged to eat black, hard, heavy, soggy bread, and practically no meat at all. The richer classes and the people of the cities do not like the idea of foreign control. The restrictions on their automobiles and the increased price of most of their comforts make a great deal of discontent. All around Budapest, for example, people, with the exception of the really poor class, have built little houses with gardens all of which have, because of the lack of adequate transportation, become practically uninhabitable to those who work in town. They all recognize that these inconveniences are the inevitable result of a condition brought about by the German Government for its own benefit.

The comparatively few soldiers which the Hungarians sent to the war were badly treated by their German commanders and have returned with a feeling of hostility to their masters.

The only people in Hungary who support the Germans are:

1st. A group of business men who believe they will get immediate profit and hope, for no intelligent reason, that they will be able to escape the fate imposed on their fellows in the other occupied countries and even in Germany itself.

2nd. A small privileged group terrified of communism and which does not realize that private property is as inevitably doomed under Nazism as it is under the most recklessly communistic system.

3rd. Certain out of place politicians, hopeless of office, who believe that a compromise with the Germans could be affected to their personal gain.

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

4th. And most respectable: A good many Army officers who hope that German domination would give them a chance of promotion, and are certain that Nazi control would raise the importance of the Army.

(b) Hungarian attitude toward the allies.

A good many of the upper class of Hungarians have travelled in England and have made English friends, but it would be absurd to believe that national feeling has been tremendously affected by the pleasant memories of a few sporting nobles or that it has been much changed by the experience of emigrants to the United States, or by the American wives of a small number of Hungarians. The few people inspired by these things are extremely vocal and make a certain effort to approach English and American visitors and are likely to make an undue impression on them.

The people at large know and care only slightly more about America and England than the English and Americans in general know or care about Hungary. Their friendly feeling is based on something far more solid than casual liking or pleasant recollection. They know that Germany is, of all the great Powers in the world, the one which can most easily overawe them and that the English and Americans cannot possibly do them any harm. It is manifestly to their interest that the strongest power should be the one which can do them the least injury, rather than the one which must be continually placated. The fact that their present state of unwilling hardship, and even more unwilling war, has been forced on them by Germany because of the inability of Great Britain or the United States to help them is the best possible argument for the hope with which

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

they look to an ultimate German defeat. Their preference of England to Germany will remain as long as it is possible for the Germans to send divisions down the Danube and impossible for England to send battleships up the river.

(c) Roumania

The Hungarians dislike Roumania and distruct its people and its government. Immediately after the last war Roumanian soldiers occupied almost all of Hungary and looted liberally. At the same time the Roumanians occupied a large part of Transylvania, which had been part of the Austro-Hungarian Empire and which the Hungarians regarded as a legitimate part of Hungary. There can be no doubt that a war between Hungary and Roumania would be fought with the greatest enthusiasm and zeal, which is a lot more than can be said about the present war against Russia.

(d) Italy

Most Hungarians look on the Italian Army with contempt and on Italian diplomats with aversion. This feeling has been strengthened by the attitude of the Italian Minister, who flaunted his mistress before Budapest society, which, although not squeamish, does preserve certain decent appearances. Ciano's conduct has not helped. He has made several visits to Budapest, during which his main occupation appears to have been drink and sleazy amours. They have not forgotten that the Italians took Trieste and Fiume from the Austro-Hungarian Empire and deprived them of their only access to salt water.

II

Russian War

Up to the time I left Budapest there was absolutely no visible enthusiasm for the war against Russia. A few people who looked on

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

Bolshevism as a danger thought that it was necessary, but no one looked on it as desirable. There was a great deal of complaint when men were taken from farm work and put into the Army, and an immense rejoicing when they returned. At the time of the British declaration of war, as I informed the British Government, there were no Hungarian soldiers at the front and only a few on guard duty in the rear. The soldiers who returned almost all expressed a dislike of their German associates. The general public took very little interest in the conduct of the war in spite of posters and other forms of anti-Russian propaganga.

III.

German Exploitation

All of the press in Hungary is controlled indirectly by the German Government. No news or editorials may be printed without permission. Although both news and editorials are treated with contempt, they have an influence on the people who have no other source of information. However, the most casual reports of third-hand gossip about news from foreign radios are usually considered far more reliable than anything printed in the newspapers.

The German political influence is extremely strong. Nazi representatives crudely and openly threaten annihilation to any government which will not follow their wishes. It has for long been impossible for any responsible statesman seriously to advocate anything more than a policy of slowness and perhaps inefficiency in the execution of German orders; eventually these orders must be obeyed. During the early course of the Russian war the Hungarian authorities and the people at large did everything possible to delay the departure and to facilitate the return of the soldiers.

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

The British declaration of war on Hungary was a Godsend for the Germans. Manifestly it could not be followed up by any hostile act and it made the position of those opposed to Germany far more dangerous and their work less efficient. It promoted the subservience of the Hungarian Government to Germany. This effect was so apparent, even in a short time, that it was an important reason to make the Germans force the Hungarians to break relations with the United States, even though it would have been of manifest interest to the Germans to maintain in Washington legations of other Axis nations after they themselves had declared war.

The system of economic exploitation applied by Germany to Hungary is less ruthless than the method practiced in France but it is equally thorough. The Hungarian factories, which are few, must produce that which the Germans want. Their fields are stripped of grain and cattle to be sent to Germany; their railroad cars are taken by the German aythorities; practically nothing is left to the Hungarians except what the Germans at the moment do not desire.

IV.

Attitude of people to political leaders.

About a year ago Hungary signed a friendship pact with Yugoslavia. In the early spring the war between Yugoslavia and Germany broke out. The Germans insisted on sending troops through Hungary to Yugoslavia and offered Hungary certain Yugoslavian provinces which had been part of the old Austro-Hungarian Empire. This the Hungarian Government felt unable to refuse. (The Prime Minister, Teleki, committed suicide and for this act has been treated as a national hero.) At the time it would have been impossible for the Government to do otherwise.

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

Huge German divisions and clouds of aeroplanes rushed through and over Hungary; tanks and armored cars dashed through the city of Budapest in a solid line. They would have had no trouble in wiping out any possible Hungarian resistance in a few days.

The successor of Teleki was Bardossy, a very cultivated man with a great deal of diplomatic experience but extremely weak, who had no possible alternative to a policy of wriggling out of the inevitable as long as possible.

The Regent is universally respected as a good honest man and a patriotic Hungarian who does what he can to preserve the dignity and independence of his country. I think this opinion is justified. All during last summer, and especially during the Regent's illness in the autumn, it became apparent that a successor should be prepared for his office. The Germans were supposed to prefer Archduke Albrecht, who was very unpopular among the Hungarians; those opposed to Germany wanted the Regent's son, Istvan Horthy, a pleasant boy whose youthful faults are more than balanced by a fairly solid head and a genuine devotion to his country. I was more or less in on this campaign. I always urged the utmost rapidity because it was apparent that German influence was on the increase. Eventually, just after I left, he was elected. If he succeeds to the office, he will be, like his father, considerate first of the interest of Hungary, and can be counted on to do what is possible to prevent his country being overawed.

V.

Estimates of casualties in Russian War

The Hungarian losses were very small up till the time we left in January. The small number of troops sent to the front and their

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

rapid return will account for this. They were mostly engaged in parts of the southern advance and did very little fighting.

VI.

Jokes and gossip in country

All during the time I was in Hungary there was a great traffic in what the Germans call Hitlerwitzen. Most of these, as far as I could see, originated in Germany. Almost everyone coming back, particularly from Vienna or Berlin, arrived with a supply of new ones, of which a surprising small proportion were indecent and a surprisingly large proportion really funny. Of course, a great many were resurrected, slightly altered stories which I heard about the Kaiser, and which my ancestors probably heard about Napoleon or the British Generals in the Revolution. One story told of a Jew in Vienna who was seen at a cafe reading "Der Sturmer", the most violent antisemitic newspaper in Germany. When asked why he preferred it to other journals he said, "When I read the other papers they tell me that Hitler did this, Stalin did so and so and Roosevelt did something else, but in "Der Sturmer" it says that everything is done by the Jews". Another story is of a man who when passing a crucifix raised his hand like a Nazi and said "Heil Hitler". His companion asked him why he had adopted this peculiar form of salutation and was told that it was quite natural-- "If it were Hitler on the cross I should have said, 'Gott sei gelobet'".

VII

Prices, shortage and inflation

The general cost of living for all classes in Hungary has gone up considerably in the last few months, and is in the aggregate today about 200 per cent more than in times of peace. There is

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

an almost complete lack of imports. Good cloth, silk or cotton goods are practically unobtainable and when found are usually in small quantities and very expensive. Sporting equipment, golf balls, tennis balls, etc. are completely off the market. One rich family which gave frequent house parties was able to get only nine tennis balls for the entire season. On the golf course when a ball is hit into the rough the game is stopped and the entire party turns to, until it is found. All forms of imported preserved food are rare and expensive; foreign wines and liquors, all forms of tobacco, chocolate, tea and coffee are hard to get and usually adulturated; leather, especially for the soles of shoes, is rationed and very expensive; bread and other foodstuffs are also rationed and are usually of a low quality; oil of all sorts, particularly gasoline, is allocated in very small amounts. The Hungarians all realize that this shortage is caused not only by the difficulties of import but by the enormous mass of their own products which the Hungarians are obliged to export to Germany.

I do not think there is very much inflation in Hungary. The price of American money has risen on the so-called black market not because of the redundancy of Hungarian currency but because of the confidence of most people in an American victory. They feel that all Axis money will become practically useless as it did after the last war. A certain reserve of the real stuff appears to many people as being a desirable investment and to make such an investment they are willing to pay nearly double the official rate for dollar bills. The real opinion of the people of Hungary, and of most other European countries, can be seen in the enormous rise

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

in the price of gold and of American money. It is perfectly certain that, in the event of a German victory, the value of gold will fall considerably, and of American money even more. No Axis Government has dared to allow the free sale of either gold or U. S. currency on its market since the beginning of the war, and there is no Axis Government of which the money cannot be bought sub-rosa in large quantities at better than official rates by anyone offering dollars.

VIII.

Evidence of reception of British propaganda

British news is not found to any extent in the newspapers which rely entirely on German sources of information. British broadcasts are frequently listened to and freely quoted in conversation with much greater confidence than those coming from Germany or other Axis countries. As a rule they are relied on for news not because they are perfect but because they are better than any other available course of information. British comment, however, is generally considered childish and the Hungarian broadcasts are practically useless. They very frequently take the form of vicious, personal attacks on the Regent, who is respected and admired throughout Hungary, and is usually considered an honest man, seriously working for the preservation of his country in extremely difficult times. The British propaganda seems to suggest that it is an iniquitous thing for Hungary to do anything except pitch headlong into a war on the British side, notwithstanding the fact that Great Britain could in no way help Hungary, and such a war would last only a few days, ending in the complete annihilation of the country. There seems to be no realization that Hungary

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

thinks first of Hungarian interests, and there is certainly no understanding of the fact that a Government sixty percent German is far less harmful to British interests than would be an entirely subservient rule. There can be no question of Hungary rushing out to suicide, but a great deal could have been done to encourage the group which wishes at any cost, less than the independence of the country, to minimize Hungarian assistance to Germany.

IX.

Supplies of key materials

Rubber, steel products, a great deal of leather and almost all manufactured articles come in, when they come at all, from Germany. There are great shortages in all these things. Tires, and even rubber heels and erasers for pencils are hard to find. Oil, which is produced in Hungary, is immediately seized by the Germans to such an extent that automobile traffic has practically ceased.

X.

Transportation

The shortage of oil and rubber has cut the bus and taxi transportation to less than a half what it was before; railroad cars and engines have been taken by the Germans for military purposes; they are not properly maintained and are all going down hill very rapidly. It was with considerable difficulty that the Hungarian Government assembled a train of food cars for the use of the American Legation staff leaving Budapest for Port Bou. The necessity was such that after two days steady running this train left the Spanish frontier, on its way back to Hungary, only a couple

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

of hours after the Americans got out. Engines, cars, railroad stock, Danube shipping, and every other means of transportation are worked too hard and repaired too infrequently.

XI

Man power problem

Hard work and animal traction are the rule in Hungary. The production of foodstuffs and of manufactured articles requires a far greater number of man hours than it would in the United States. The making of necessities takes a greater proportion of the populatio than with us. General mobilization, therefore, works a greater hardship on them, which was especially noticeable this year during the harvest when men had to be released from the Army to go back and work on the farms.

XII

Concentration camps

Concentration camps have been established for refugees, particula ly Polish, and also for Jews. In these the condition is usually bad, although they do not display the sadistic exaggeration of those in Germany. In a community where the average standard of living is as low as it is in Hungary, and where the distinction between the poor and the rich has always been so great, prison life of any kind will be pretty bad. It must always be remembered in considering this question that the people of the eastern part of Europe do not regard the liberty of others, or even their own liberty, comfort or convenience, as seriously as we do. This can be seen in numberless little ways. I have seen prominent business men whose officeswere up two flights of dirty, dark, worn, wooden stairs; the most inadequate and inefficient telephone service is accepted without

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

complaint; they suffer from cold or heat with far greater equanimity than we do; they will cool their heels in dark, dirty, uncomfortable waiting rooms. It is only natural, where the richest accept such conditions without complaint, that temporary places of forceable detention will be rather awful.

Most of the atrocity stories that came to us about Germans, although, of course, there are plenty of Hungarians ready to indulge in practices which are brutal, even according to the rougher standard of Eastern Europe.

Serious enforcement of the German anti-Semitic rules would be practically impossible. The great Nazi politician, Imredy, for example, had a Jewish grandfather; rich Jews have married into many of the big Hungarian families, and a very large proportion of the best doctors, lawyers and scientists are Jews.

XII .

Military matters

When I arrived in Hungary at the end of the war with Yugoslavia, German troops in transit were very frequently seen on the Hungarian roads, and there was a great number of them going through the city of Budapest. Sometime before I arrived, at the time of the invasion, I was told that there was a solid line of big German mechanized units crossing through the town. When we left, and most of the time when we were there, German cars and German officers were frequently visible, and, although they made no effort to make themselves conspicuous, they certainly did not try to conceal their presence. Along the roads the Germans had put up signs in German for the benefit of their military drivers. Outside the hotel where I lived there was, more frequently than not, one or two German Government automobiles.

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

These cars, and German equipment generally, seemed to be of very good quality, able to stand rough work and hard usage. I have been told that their military equipment is as good as can be.

The greatest fear of Hungary, if Germany loses, is of the retreating Germans who undoubtedly will retire along a line of frightful destruction. My own opinion is that they will burn every city in Europe which they control, and every house and factory; they will destroy the mines, farms, cattle, everything, making every effort to turn Europe into a desert.

XIV.

Nationality of local police and administrative control

The local police are all Hungarian, but there is, of course, a considerable number of Gestapo men and of German secret agents going all over the city. Local and civil ordnances are left pretty well to the Hungarian police and courts, but international or political questions usually are under Gestapo supervision. German agents have travelled over the country to such an extent that it is probably true that German statistics on the resources of the country are better than those of the Hungarian Government itself. I heard a story, which may or may not be true, of some farmers who with the connivance of the local Hungarian authorities concealed a part of their produce to save it from going to Germany. They were immediately discovered because German agents had previously appraised the possible yield of their fields.

It seems evident from my observation of Hungary, from that which I saw while motoring across Europe, and from what I have heard

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

first-hand, that the Germans have lost all hope of establishing a Nazi order in Europe. Their desire was to divide the world into three or four groups, with Germany in the first class, providing all the soldiers and controlling all military, naval and air force, and dominating manufactures, especially of goods of military value. All higher education would be at German universities, almost entirely limited to German students. The policies of all nations would, of course, be subject to the consent of Germany. The rest of Europe they destined to supply raw material for the support of Germany. A somewhat similar, but still subservient, fate was reserved for both North and South America. Japan, although ultimately subject to Germany, and dependent on Germany for raw materials, would probably be left slightly more independent than other countries. This grandiose scheme has lost all hope of execution. The Germans themselves do not believe that they will be able to carry it out. The New Order will remain a blueprint.

There is no use, however, in imagining that German defeat will re-establish old conditions. That was the mistake made by the victorious Allies twenty years ago. In the United States it was, "Back to Normalcy". The business administration of Harding, Coolidge and Hoover was directed by men whose constructive experience had been acquired between 1890 and 1914. They tried to rebuild out of the wreck the social structure with which they had been familiar in their youth.

They were given all the cards in the deck. In the four years, 1914 to 18, the United States, from being the world's greatest debtor, became the only creditor nation. Our manufacturing plants, under the impetus of the war, enormously increased their productivity.

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

In the eyes of the world we were no longer a distant golden vision but the greatest reality on earth. In every country, among the allies, among the neutrals, and even in Germany, we were looked to by all men, who had anything but a blind fear of the future, as an almost inspired source of hope.

In less than a decade the magnificent structure was shattered. We had, to use Harding's phrase, "More business in government and less government in business". We continued on Coolidge's principle, "The business of this country is business".

During that time I was in continuous opposition to the National Government and spent a good deal of time travelling abroad. I saw the opinion of the United States held by foreigners change, from that properly given to a source of inspiration and hope, to bewilderment, to despair, and finally to downright hostility. It was the last debauch of the 19th Century, but fortunately for us the crash, when it came, was purely economic. When we were flat on our back there was no one to jump on our face. That was the result of trying to re-organize the economic policies of the 19th Century after the war.

The political dominance of the world, which we returned to England, was lost in the same way, but it took twenty years to do it. Practically from the time that the ink was dry at Versailles British policy seems to have been directed with the single object of building up the German menace as rapidly as possible. Again, as in the United States, we see the control of old men inspired by ideas of the past. They failed to realize that the balance of power was a different thing when England and France had about forty million inhabitants apiece and united Germany sixty, than it had been when France had

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

twenty five million, Great Britain ten or twelve and Germany was divided into a multitude of small states, most of which were for sale or rent. The policy of Pitt, who supported Frederick the Great against Louis XV and assisted him in organizing allies where he could find them, was right in principle but was wrongly applied, when merely to preserve names and to avoid thinking it was used to strengthen Germany with sixty million inhabitants and to weaken the alliances of France which had twenty five.

France too went in for this carnival of reaction. The Army was dominated by men who hated the Republic because of Captain Dreyfus, and commercial life by men who thought, when they thought at all, in terms of the 19th Century.

The German leaders are not particularly efficient men, but they understand that the 19th Century (which did not end in a burst of glory for the Fatherland) is over and done with.

I was elected to Congress in 1918. The election was a few days before the Armistice. I remember many people telling me that I was most fortunate in beginning my career in the Congress which would shape the destinies of the nation and of the postwar world. One old gentleman even went so far as to say that the Congress to which I had been elected would be the most important that ever sat since the first. As a matter of fact, the members of that Congress did absolutely nothing except play politics, preparing for the election of 1920--laying plans for the business administration of Coolidge, Harding and Hoover to protect the revival of greed and selfishness. No such thing as this must be allowed to occur again. The 19th Century

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

economic theories will not do for the present time.

I do not mean for a moment to suggest that in their time they did not serve a valuable purpose. It was under their operation in the 19th Century that the White race settled all of North America west of the Alleghanies, enormous parts of South America, Australia, New Zealand and South Africa. The conditions of human life improved more in the 19th Century than they had since the time of Caesar. Nevertheless, they have served their purpose--their time is past.

We cannot expect, nor could we intelligently hope for, a revival of the golden age philosophy of the last twenty years, when we were told to look back on past days as models of future attainment. No one but a congenital idiot can seriously believe that the people will again tolerate the mockery of overproduction.

Today the people of England and of the United States are doing without many luxuries and comforts to which they have been accustomed, but they are not facing suffering and danger to re-establish Insullism and bull markets. If they are told that they must cut down on sugar because there is not enough to go around, or on automobiles because the factories are needed for other purposes, they will make these sacrifices cheerfully and without complaint, but they will not again tolerate such atrocious mismanagement of national resources in the interest of private greed as we saw during the twenties.

I remember only a few years ago a thousand hills throughout the country covered with sheep, the wool of which could find no market. In the East, factories with all the machinery necessary for spinning and weaving were empty The sidewalks were covered with men standing idle who were anxious to work in the factories. All

REPRODUCED FROM HOLDINGS AT THE FRANKLIN D. ROOSEVELT LIBRARY

this time there were millions of people in the United States in need of blankets and woollen clothes. All of this because no one individual could see for himself any profit in the wool business. This is a thing which the people will not peaceably suffer again. I should think less of my countrymen than I do, if I believe that they would once more calmly allow themselves to be mocked. Our factories and our natural resources will work, and our intelligence must be used, for the good of the nation. We must realize that the purpose of a factory is production rather than profit. If the present system cannot maintain production, it cannot hope to continue to live. We must devise a means to make the most of our great resources, not only during the war but at all times. It is debatable whether the world owes every man a living, but there can be no doubt that we must find a real use for the labor of every man or woman who is willing to work.

There are only two possible things that can happen. One is that intelligent, farsighted and patriotic men will lead their courageous and hopeful fellow citizens to the full use of all our resources and establish the greatest civilization known to history. The other is, that selfish and unscrupulous demagogues deluding the hopeless and the cowardly will, by the promise of one last spree, take us back to ineluctable chaos.