

**REMEMBER HOW
ALL BUSINESS BEGGED FOR HELP IN 1933?**



BIG BUSINESS



LITTLE BUSINESS



THE BANKS



THE RAILROADS



THE INSURANCE COMPANIES



AND HOW BUSINESS WAS SAVED!

saved by an enterprising Administration which boldly invested in the future of America to save not only business and industry, BUT "FREE ENTERPRISE" ITSELF! No . . . you haven't forgotten the depression! Not one of us who lived through it ever will!



SAY --- REMEMBER THE --- NRA?

Some business men sneer at the NRA now, but *they . . . along with every other American . . . marveled at the accomplishment of NRA!*

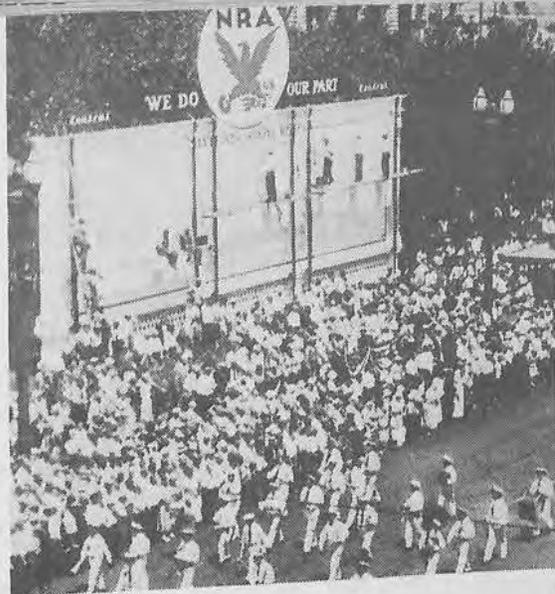
Those parades . . . ! What a tremendous lift they gave to people who had become afraid there was no way out. New confidence came when hope was almost dead.

Those codes! What a jolt they were to all the business men who

- *doubted* that “free enterprise” could ever be put back on its feet.
- *doubted* that work could ever again be found for the millions of jobless.
- *doubted* that farmers would ever again be able to make a decent living!

WHAT A JOLT TO ALL THE FRIGHTENED “BIG SHOTS” WHO, TEN YEARS AGO, WERE SAYING . . .

“Maybe Mussolini’s got the right idea!”



WHAT A CHANGE IN TEN YEARS!

When President Roosevelt took office in 1933, American business was close to financial and moral bankruptcy. The banks . . . the keystone of our business system . . . were in a state of collapse. By actual count . . . 5,102 banks failed during the last three years of Republican helplessness for a total of \$3,259,658,000!

Since then, from 1934 through 1942, only 330 banks (in ten years!) have closed for a total loss of \$137,362,000 . . . and in these failures depositors were protected against loss by Federal Deposit Insurance!

How could there be 1600% MORE bank failures during only THREE years of Republican administration . . . than under NINE years of Democratic administration?

Why should TWENTY-FOUR times as much depositor's money have been endangered during those three years of unmourned Republican administration . . . than during the next nine years of Democratic administration?

Why were the BILLIONS lost to depositors during 1930, '31, '32, written off with very slim chance of payment . . . while, since January, 1934, there have been so few such losses, and for depositors with less than \$5,000, no losses at all?

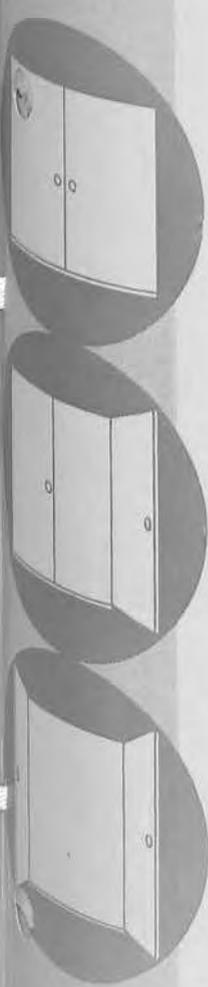
The answers are to be found in what a certain type of newspaper columnist calls "alphabet soup" . . .

WHAT IS RFC?

Ask the RAILROADS

Ask the INSURANCE COMPANIES

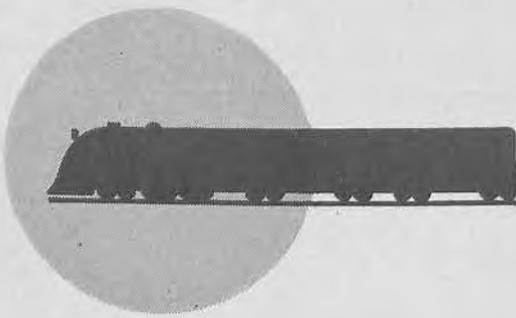
**Ask THE BANKS about the
RECONSTRUCTION FINANCE CORPORATION!**



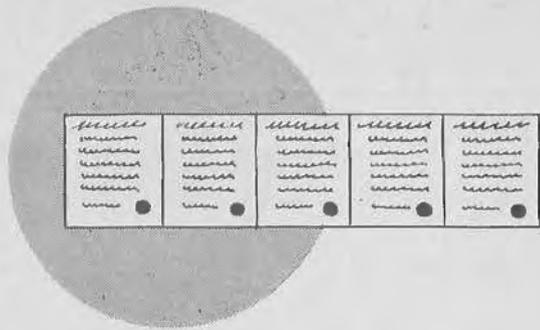
\$1,400,000,000 was LOANED to assist closed banks either to reorganize or to make partial payment to depositors without waiting for the long process of liquidation.

\$1,300,000,000 was LOANED to 7,583 banks to enable them to reopen their doors for business.

\$1,290,000,000 was LOANED to 6,878 banks which were so short of capital after the Republican wrecking of the banking system that they could not make loans to trustworthy borrowers.



The RFC kept the railroads going with loans of almost ONE BILLION DOLLARS!



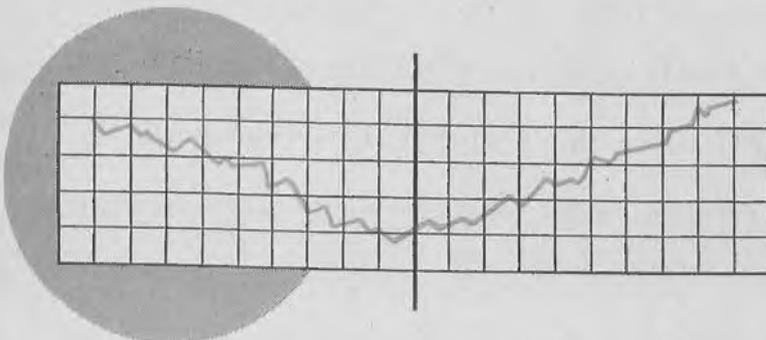
The RFC backed up the insurance companies with more than 151 MILLION DOLLARS!

Those were only SOME of the big things RFC did FAST . . . when something big HAD to be done fast!

Those were SOME of the big things that the Democratic Administration did through RFC to . . .
SAVE THE AMERICAN SYSTEM OF FREE ENTERPRISE!

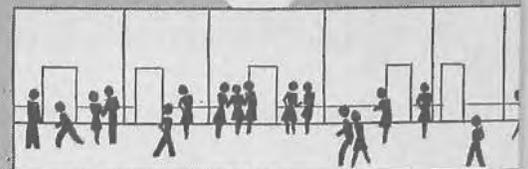
WHAT ELSE DID IT DO THROUGH RFC?

The RFC Began to Help Small Business!



JULY 19, 1934

the Congress voted to let the people help themselves by authorizing RFC to make loans to SMALL BUSINESS!



**IN TEN YEARS, \$1,290,000,000
LOANED TO 11,600 BUSINESSES!**

**Exclusive of Emergency Wartime Aid . . .
That's Another Story of RFC and Business!**

How much has business and industry received *since* the wartime emergency from RFC as loans?

\$10,500,000,000 !!

More than 10 BILLION dollars from a Government that believes in using your money to help YOU!

This is not only *believing* in free enterprise . . .

This is going a long way towards guaranteeing business its continued existence!

Incidentally—your Government has *made a profit on RFC* . . . on this agency created in 1930 by the Hoover Administration to help “big” business but used by the Democratic Administration to help ALL business!

And what *else* did the Democratic Administration do FAST to protect our American system of “free enterprise?” Turn the page . . .

THE DEMOCRATIC ADMINISTRATION

guaranteed freedom of enterprise by guaranteeing fairness of competition!

THE DEMOCRATIC ADMINISTRATION . . .

believes in the freedom of a little business to grow big!

It believes in the freedom of a BIG business to grow *BIGGER!*

It does *not* believe in the freedom of big business to grow bigger by *choking off little business.*

It does *not* believe in the below-the-belt business methods practised during the Republican administrations by some big business men!

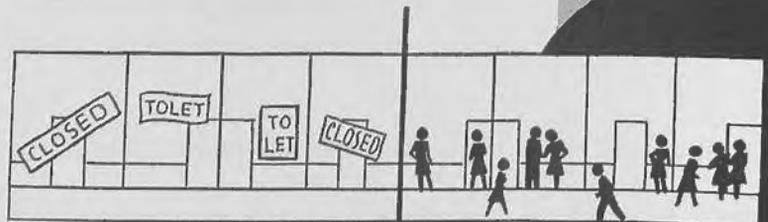
That kind of interference with free enterprise resulted in another forward step by the Democratic Administration.

THE ROBINSON-PATMAN ACT . . .

This law stops the "big shots" from squeezing the little fellow out of business by price discrimination.

In effect, the law says, "One price to all . . . no special prices to special pals!"

In effect, the law promises, "If you're in business for yourself your big competitor isn't going to buy goods cheaper than you can simply because he's big!"



Isn't that guaranteeing freedom of enterprise by guaranteeing fairness of competition?

The MILLER-TYDINGS Act cuts out cut-throat Competition!



The Miller-Tydings Act guarantees the manufacturer the right to establish a fair retail price for his product.

It gives the manufacturer the right to demand a contract from his customers in which they promise not to cut the price of his product below a certain level.

This enables the manufacturer to depend on a steady, fixed price for his product . . . and saves many an industry from cut-throating itself right back into a depression!

The Miller-Tidings Act Protects Industry from the Speculators, Marginal Operators, and Sharp- Shooters Within Its Own Ranks!

**ISN'T THAT GUARANTEEING FREEDOM OF ENTERPRISE
BY GUARANTEEING FAIRNESS OF COMPETITION?**

And this is only PART of the story . . . a very SMALL part . . . of how the Democratic Administration has protected your money in business. Here is how your money is protected in the BANK how you, as one of millions of depositors, regained confidence in your local bank . . .

THE **FDIC!**

WHAT IS FDIC?

Ask the 1,200,000 depositors who have been protected during the past ten years by the **FEDERAL DEPOSIT INSURANCE CORPORATION!**

The Federal Deposit Insurance Corporation was the new Democratic Administration's answer to those thousands of demands that the Government take over *and run* what the Hoover Administration had left of the U. S. banking system. Instead of "nationalizing" the banks, the Democratic Administration encouraged the banks to continue as **PRIVATE BUSINESS . . .** with the assurance that the Government would make certain of the **SAFETY** of the depositors' money!

To achieve this, the Federal Deposit Insurance Corporation was created . . . and the Democratic Administration became the first in American history to accept responsibility for safeguarding the people's money!

The record of this great and successful Government operation is symbolic of the thoroughness with which the Democratic Administration has provided protection for your money . . . in business and in the bank.

THE FDIC INSURES ALL DEPOSITS UP TO \$5,000.

During the first *ten* years of FDIC, through January 1, 1944, few deposits lost money through the failure of a bank . . . and they lost *only* the amount of their deposits in excess of \$5,000.

The vast majority of the depositors in the few banks that failed were paid off in less than two weeks . . . **PAID IN FULL!**

What a change from the record of endless litigation and total loss of THOUSANDS of banks and MILLIONS of individual accounts during the "perpetual prosperity" of Republican Administrations!



Yes, the Democratic Administration has restored the faith of business and business men, and plain folks, in the American system of "Free Enterprise."

The Democratic Administration proved that our Government *can* protect the people against the commercial and industrial piracy of men who won't play except by their own rules.

The past twelve years have seen a **NEW** set of rules written . . . rules that *guarantee* "free enterprise" in this country.

It is every man's right to demand and receive assurances from his Government that no one can unnecessarily risk and lose his money while it is in a bank.

It is every man's right to demand and receive fair credit, on fair terms . . . on the same terms for big and little alike.

It is every man's right to turn to his Government for help in times of trouble, for assistance in times of turmoil, for backing in times of expansion.

It is every man's right to look to his Government for protection against monopoly, unfair business practices, and gangster competition.

FOR IT IS YOUR GOVERNMENT . . .

OF YOU

BY YOU

FOR YOU

*And never, since Abraham Lincoln first gave words to this basic fact, has any Administration done as much as the present Democratic Administration **TO MAKE THAT FACT A LIVING REALITY!***

"FREE ENTERPRISE"

will meet its greatest test in the post-war years to come. Above all it will need AN ENTERPRISING GOVERNMENT'S since support if it is to carry the United States to a prosperity as yet unimagined.

Next time you read any hysterical newspaper editorial about "Free Enterprise" . . . or glance at one of the pretty ads in the magazines discussing the same question . . . decide for yourself whether the man who wrote those words really wants *Free Enterprise* or whether he wants something else: Freedom to crowd everybody else out of the business he's in!

**FREE ENTERPRISE FOR EVERYBODY,
NOT FOR JUST A FEW . . . IS WHAT YOU
WANT TO VOTE FOR . . .**



THE DEMOCRATIC ADMINISTRATION

“FOR WHAT THE HELL SHOULD WE APOLOGIZE?”



speech delivered by

MARK ETHRIDGE

publisher: The Courier-Journal and The Louisville (Ky.) Times

before the Oklahoma Democratic State Convention

MAY 15, 1944

PUBLISHED BY THE DEMOCRATIC NATIONAL COMMITTEE

In what I say tonight I'm going upon the assumption that short of providential interference, the President will be nominated again, regardless of whether he wants to run and that, in fact, the only way he can refuse the nomination is to say no after it has already been made; and that his opponent will be Governor Dewey.

That makes it a good deal simpler for a good many people to make their choices without hesitation. Willkie's nomination by the Republicans would have disturbed independents and liberal Democrats. A good many of them have had to do some praying before they voted. But the course of the independents is now clear and it is the liberal Republicans who will have to do the praying. Once again they have watched the history of their death repeat itself; once again the hands of the Old Guard within the Republican party are bloody from the carcass of an assassinated liberal minority.

liberal . . . by accident only!

The plain truth is that only twice in the entire history of the Republican party has the liberal element prevailed. In both instances presidents representing that wing came to power entirely by accident. Abraham Lincoln represented political reform and the expression of human rights. He was elected because the Democratic party was hopelessly split. Theodore Roosevelt represented political reform and the re-assertion of human rights over the property rights and exploitation of the robber barons. He came to power through the assassination of McKinley and through the fortuitous circumstance that he was made vice-president because Boss Platt wanted him out of New York state.

Every other liberal movement within the Republican party has been choked off. When Lincoln was killed, the party slipped into the reaction of Thaddeus Stevens and stayed there until Roosevelt came. When Theodore Roosevelt challenged reaction under Taft, he was almost bodily thrown out of the party. When LaFollette challenged the reaction of Harding and Coolidge in 1924, the price of wheat suddenly went up and his movement was choked off. The Willkie of 1944 was a John the Baptist crying in the wilderness of a Republican reaction. The same thing happened to Willkie that happened to John the Baptist.

When it is normal, the Republican party is always reactionary. The Republican party is the natural home of privilege seekers such as Joe Grundy; of labor baiters like Sewell Avery; of Liberty Leaguers, of American Firsters, of Roosevelt haters like John L. Lewis, Gerald L. K. Smith, Clarence Budington Kelland, and Col. McCormick; of isolationists like Nye.

There are of course a great many decent and nice people in the Republican party, but they are in such bad company. Unfortunately, the bad company is in the ascendancy and apparently in the driver's seat of the Republican party this year.

they get no farther
than being
"against Roosevelt"



Without too much justification, as far as I can see, but because they hate that man in the White House, because they yearn for the days of the twenties, because they want to be "rid of bureaucracy," because they want to smack labor down and go back to the good old days of goon squads, the Republican Old Guardsmen have undertaken to build a pretty fair governor — and nothing more, nothing less — into a monumental intellect, into the white hope of the Republic. It is not that they are for Dewey; it is that they are against Roosevelt and all that he and his party stand for. They care no more for Dewey as a person than they do for Roosevelt; it is that they recognize in him, an instrument for the destruction of the New Deal.

This then, is a year of major decisions. This is the year for a choice between personalities: a choice between a dashing young gang buster who has made the grade as governor and a charming president. It is not a choice of commanders in chief to carry on the war. I shall discuss Mr. Roosevelt and the war later, but it is not as commander in chief, as good as he is in that role, that he has primary claim upon the affections and respect of the people of this country.

the real choice

The real choice the American people must make this year is between philosophies, between ideas that lie deep in their conflict. This year is the year of referendum upon the attitude toward the function of government and the works of the New Deal for the past twelve years. Domestically, the choice is between the destruction of the New Deal and the eradication of its emphasis, which is all the Republican party has so far offered, and the preservation and implementation of the central idea of the New Deal, which is that the person is more important in a civilization than property; that government itself must and should

used to make freedom the expanding force it can be when the individual has the opportunity to develop his own soul.

In the international field, I believe the choice is between a good peace and a bad one.

I have no shame in confessing that I am and have been a New Dealer for years. Yes, I'd like to see the budget balanced and always have felt that in normal times, we should tax for what we spend. Yes, I get irritated by a good many things about the administration and with a good many people in it. Yes, I'd change a great deal of it. But I can say in all honesty that I'd infinitely rather have had Franklin D. Roosevelt for the past twelve years than Harding, Coolidge and Hoover and their twelve years. In theory I didn't like third and fourth terms, but I'll take a fourth term of Roosevelt with thanks to God for the chance in preference to a first term for Dewey with all the forces that are behind him.

I sense every now and then a note of apology in Democratic voices. I'd like for somebody to tell me what the hell we should apologize for; or, since Mike Monroney is an Oxford graduate, for what the hell should we apologize.

We saved the banks

Is any Democrat ashamed that we took a banking structure which had had 5,770 failures in the four years of Hoover, with a loss to depositors and stockholders of more than three billions of dollars, and restored confidence, virtually eliminated failures and insured losses?

We saved the home-owners

Are Democrats ashamed that the H O L C has saved some 3,000,000 homes from foreclosure by an investment, in ten years, of only \$65,000,000 — with no net cost in the long run — when we had been willing to put a billion dollars into it?

Are we Democrats ashamed that in the process of bailing out home owners, we rescued banks and trust companies, savings and loan associations, finance, mortgage and insurance companies and individual mortgagors?

Are we ashamed that we lent public credit to rescue homes, to build new homes through the FHA, to rescue farms, to buy farms, to reduce tenancy, to stimulate cooperatives — things that cost the government nothing, but meant everything to the individuals who received benefits they could not otherwise have received because credit sources were paralyzed by fear?



we fought the slums

Are we not proud that through housing projects all over this country, we have taken people out of the squalor and filth of rat-infested slums and given them a chance to breathe good air and their children a chance to be something better than gutter rats?

we electrified the farms

Are we ashamed that through the stimulus we have given to REA twice as many farms have been electrified in the past eight years than were electrified in the fifty years before that? That the work of farm housewives everywhere has been lightened?

we rescued the land

Do we apologize for the fact that we did tackle the problem of the Dust Bowl? That we have provide water facilities for more than 3,530,000 acres of arid land? That through soil conservation measures we have rescued eroded, depleted and abandoned land to the extent of more than 30,000,000 acres that are now in production in this war effort?

we helped the small farmer

Are we ashamed that the cankerous growth of farm tenancy has been checked and that through the Farm Security administration's efforts 950,000 small farmers have been led out of despair and back into useful, productive and happy lives?

we reforested the nation

Are we ashamed that we took people off sub-marginal land and re-settled them upon good lands?

Are we ashamed that we have given encouragement to the reforestation of lands that had been denuded in the ruthless exploitation of timber barons? Or that a good deal of that reforestation work was done by CCC boys we took off the blind baggage of railroad cars — boys who were prowling the country for jobs we could not give them?

we built the great dams

Are we ashamed of TVA and its twenty-one dams? Of Grand Coulee, Roosevelt and other great dams that have been built under this administration? But particularly of TVA, with the blessings it has bestowed upon the people of that 650-mile valley?

Do we apologize for the fact that its influence has reduced electricity power rates all over the country? That it has provided flood control and opened new lands to farmers? That it has provided in this war 12,000,000,000 kilowatt hours of electricity without which our war production could not have approached what it has been? Do we apologize for the fact that its research department has opened up new means of livelihood for the four and a half million people of an area as big as Scotland and England? Do we apologize for the fact that a once-desolated, flood-ravaged, poverty-stricken valley is now not only one of the great demonstration laboratories of the earth, but one of the happiest places in which to live? Do you people of Oklahoma apologize for that? Certainly the people of the valley do not.

we added wealth

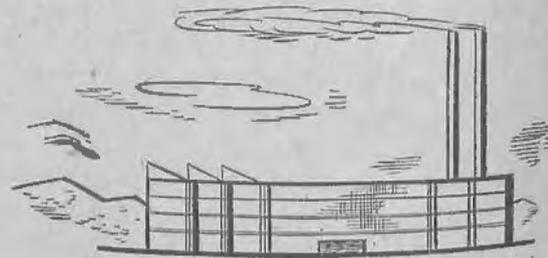
Are we ashamed of our more enlightened treatment of the Indians under John Collier? Of our new national parks and national monuments? Of the public works program which added permanent wealth in the way of roads, bridges, dams, stream control, public buildings, playgrounds, parks, swimming pools — recreational centers of all kinds?

we educated the young

Are we ashamed that we gave vocational education to a great many youngsters who have since used it in the shipyards and factories of the country in the war effort?

we help the unfortunates

Are we ashamed that we fed the poor and the unemployed? Are we ashamed that because of us, old people are drawing pensions all over the country and businesses and employees are jointly setting up more retirement funds and more unemployment funds? Are we ashamed that through us, the crippled and the blind receive aid from the government? Do we dare apologize for the fact that we have enlightened child labor laws, or minimum wage and maximum hours laws?



we made business prosper

Do we have to apologize for what we have done for, or to, business? In 1932 alone, 32,000 small businesses failed. The country's net income was 40 billions of dollars; its employment 37,000,000. In only seven years after that; national income had almost doubled, rising to 70 billions, employment to 45 billions; small business failures were negligible and the profits of industry, which had begun to regain confidence and cry about the New Deal, were bigger than ever.

The net profits of 2,480 companies, in 1939, had risen more than a billion and a quarter dollars from the year before! War, of course, has carried national income to 150 billions of dollars, but I have deliberately not used war year figures. Long before the war came, the country was over its Harding-Coolidge-Hoover created headache.

we made Wall Street honest

Did we do any injustice in the Truth-in-Securities law, or in the Securities Exchange law, under which the honest broker is given a virtual certificate that his stocks and bonds are honest and the crooked broker is driven out of business with the crooked promoter? Do we have any apology for the holding company law, for utilities regulations? For our attacks upon monopolies and cartels that have as their purpose gouging the consumer?

We gave labor
its rights



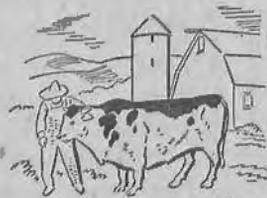
Have we any apology for what we have done for labor? Let us face that question honestly. Of course war-time strikes have irritated us all; the only wise thing that Coolidge ever said was that nobody has a right to strike against the public safety anywhere, anytime. I have no defense of any war-time strike, but I do want to point to the report of the Truman committee that strikes in mining, manufacturing and construction in 1943 resulted in a loss of manpower of less than one-fourth of one percent of manpower actually used. In the same year, total manpower contributed by labor exceeded that used in 1939 by 76 percent.

The strike picture has been exaggerated deliberately to discredit labor. But it is not the strike picture which primarily irritates the enemies of labor. It is that they can not reconcile themselves to the fundamental principle of the Wagner act: that labor has as much right to organize for bargaining as capitalists have to pool their money to conduct a business. When the Sewell Averys, the Tom Girdlers and the Ernest Weirs learn that, this will be a happier country.

Of course we need new labor legislation; I advocate federal chartering and federal regulation of labor unions, particularly when they enjoy national power. I advocate legislation that will bring them under common anti-trust laws; that will drive out the racketeers; that will make them thoroughly democratic and responsible in every way. I have no hesitation in saying that, but neither have I any hesitation in saying that I want to see the labor code of rights and charter of responsibilities written by a friendly even if sternly insistent administration, not by one determined to destroy organized labor itself.

Labor's advances have been bloodily won or grudgingly granted by the opinion of the country. We have translated them into fundamental law. I do not want to see a few men in the Republican party take them away, or restore to America the form of industrial fascism we had until the late twenties.

We've made the
farmer rich



If we have no apology to labor, we certainly have no apology to the farmer. He has been the chief beneficiary of the Roosevelt administration.

Before Roosevelt took over, Farm mortgages had increased 300% in 20 years to \$9,600,000,000; mortgage interest took more than one of every ten dollars (11.4%) of the total cash farm income. More than a million farms had been lost by foreclosure and farmers were forcibly preventing foreclosures in some sections of the country. Farm income had dropped from \$12,000,000,000 in 1929 to \$5,000,000,000 in 1932. Wheat was down from \$1.30 a bushel to 53 cents; cotton from 17.9 cents to 5 cents.

Today, the gross cash farm income, because of the war, is almost \$20,000,000,000, or four times more than in the darkest Hoover days, but again, I shall not take war figures.

farms under Roosevelt

In 1939, farm mortgage charges were 40 per cent less than in 1928; the average rate on farm mortgages had gone from 5½ to 6 per cent to 3½ to 4 per cent and mortgage interest took 4.4% of the total cash income as against 11.4% under Hoover. Rehabilitation loans had increased the net worth of borrowers by 37 per cent. Farm income had almost doubled from 1932 to 1939. The farmer's income in relation to industrial income — to take-home pay of the industrial workers — is at parity where it was at only 82 per cent of parity at the depth of the depression.

No class of American citizens has benefitted nearly as much as the farmer from the twelve years of Roosevelt. Before that, from the beginning of the deflation of 1921 until 1932, he was the most despairing of all our citizens; the most hopeless and the least helped. It must be said in all fairness that most of the things that were done to benefit him were done at his request: restricted production, holidays in production, subsidies, crop control, soil conservation. No matter how some of his professional representatives, or lobbyists feel about it now, the farmer has profited more than any other citizen.

who are the "bureaucrats"?

I have not found much in this record to be ashamed of. Are you people in Oklahoma a little shame-faced when "Pappy" O'Daniel travels here to tell you that you should get rid of some of those 3 million bureaucratic "flunkies?" If you are, I suggest you look into the fact that two million of them are civilians employed by the Army and Navy; that 6 per cent of them are in purely war agencies such as War Shipping, OPA, WPB, etc.; and that of the remaining 29 per cent, almost half, are employed in the postoffice, with its greatly expanded war service.

Pappy's three million "flunkies" finally gets down to 467,841 employees for all other agencies of government, such as Commerce, Treasury, State, Agriculture and the independent agencies. If "Pappy" were truthful, he would probably say that he saw no sense in any such foolishness as social security, Federal Crop Insurance, Wage and Hour, National Labor Relations Board, the Securities Exchange Commission, Federal Deposit of Insurance, the TVA and the United States Maritime Commission, the new major bureaus or agencies created by the New Deal. That's where the new permanent bureaucracy has come in. But, oddly enough, it has not been against these bureaus that the great howl against bureaucracy has come; it has been largely against war-created agencies.

who dares complain about rationing?

The greatest complaint of all of us has been against those agencies that have made us pay taxes to buy the instruments of war for the boys we have sent abroad or into training; against the agencies that won't allow us to make as much money as we want to out of the business of mass killing or that will not allow us to salt away as much of this blood money for post-war spending as we want to; that won't let us have butter and nylons when we want them; that won't let us have all the gasoline that we want to have; that take our boys and don't take somebody else's boy.

I remember hearing from Oklahoma the complaint that you were being rationed on gasoline when you had gasoline and oil running out of your ears. I could not help applying that type of thinking to Kentucky. We have about 50 per cent of all the synthetic rubber the country makes. Suppose we had said, "Keep your damned gasoline, but you can't have any rubber for your cars." You'd have been back in that surrey with the fringe on top very shortly. Or suppose that we, making a good deal more than 50 per cent of the legal whisky that's made in this country (and pretty nearly 100 per cent of all that's fit to drink) had taken the position: "All right, you people in Oklahoma have oil running out of your ears; we have whisky running out of our noses. You keep your oil and drink it and we'll keep our whisky." The drought that brought your dust bowl condition would have seemed like a monsoon season to you.

You see how silly is this business of complaining against rationing. No honest person wants any advantage out of it; no patriotic person wants anything more than that the sacrifice shall be equal. Nobody wants it to last any longer than the war makes it necessary and nobody intends that it shall. The most contemptible position the Republicans have taken during the

whole war is to try to capitalize upon dissatisfaction about purely war-time restrictions.



the most effective war in our history

We Democrats have no apology for our conduct of the war. It is the most effective and most efficient war ever fought. Our people at home are better cared for, better fed and better informed than they have ever been. Prices have been better controlled; in comparison with the rise in prices in World War I, OPA has saved the American people 87 billions of dollars, or \$169 per person, since the war began, at a cost to them of \$1.82 per person.

Our civil liberties have been better preserved than ever before. Sewell Avery can still call the President a liar without being shot — and has.

Dewey sneered . . . Roosevelt acted!

Our soldiers are the best-equipped in the history of the world. We are not borrowing guns from anybody, as we did in World War I. We are lending or leasing or giving our Allies great parts of their implements of war. Those who sneered at the President's promise for 50,000 planes a year, including Mr. Dewey, have eaten their sneers in the face of a production of 100,000 more planes a year.

In two and a half years we have built an armada greater than the world has ever known and with it a bridge of merchant ships making a highway of the seven seas. From inland yards that never knew a sea-going ship, landing crafts and destroyer-escorts set their course for Tarawa and Kwajalein. No nation in world history has so quickly summoned its natural and physical resources, its factories and its manpower to its defense. As Jonathan Daniels put it, "We as a people are the makers of the most amazing mobilization of force for a purpose in the annals of mankind." That purpose, of course, is freedom. That we are well aware of our purpose and that we are so willing

to throw so much into the preparation for the great sacrifice upon which we are about to embark with the invasion, is due primarily to the leadership of the President.

If all these things be true, what is there left to apologize for? For a huge debt? Certainly we have it; the war has been responsible for most of it and will be responsible for more. Without what the debt is buying, we would have no freedom. Without what it bought in the days of peace before this war, we would have had the continued erosion of the soil and of a people. We had a big debt when the war started, but we had all this restored land, all this created wealth, all these rescued souls of a despairing people to show for it. We have physical resources, human resources and spiritual resources to put into the asset column and dwarf the liability.

the answer on Mrs. Roosevelt

Is anybody inclined to count Mrs. Roosevelt a party liability? If so, I think Florida and Alabama have answered that. She was made a direct issue there in the nastiest sort of campaign based on race hatred that could have been devised. And those who made the issue got the rebuke they deserved; the rebuke they will get from people all over this country. There is nothing about Mrs. Roosevelt for which to apologize. She does deserve an apostrophe; it can be found in the Twenty-rd Psalm: "Surely goodness and mercy shall follow me all the days of my life and I shall dwell in the house of the Lord forever."

the foreign policy that saved our necks



I have one final question of Democrats: Have we anything to apologize for in our foreign policy? Are we ashamed that, long before we knew we should need their friendship and their help, we reversed our policy toward the republics on this hemisphere, abandoned imperialism and dollar diplomacy and entered upon the Good Neighbor policy which has been so productive for all of us? Are we ashamed that Mr. Hull worked unremittingly to tear down the tariff walls which surely must come down if the world is to live at peace? Are we ashamed that Mr. Roosevelt saw so far ahead of the rest of us? That he saw ahead what Hitler had in mind, what Japan had in mind and that from 1936 on, he tried desperately to warn us to prepare while he was trying to stave off what became inevitable?

Have we anything to apologize for, in the light of history, in the whole record of the Democratic party in foreign affairs? For the fact that every major declaration, every major advocacy touching international cooperation for the maintenance of peace has been made by a Democratic president in this century?

'talkin' purty'

The country should take warning at the moment that while the Republicans are "talkin purty" (as the lyrics writer has you saying in the play, Oklahoma) while the Republicans are "talkin purty" again in international affairs, it is the talk of opportunism. The Republican party is isolationist at heart. It opposed this war until Pearl Harbor made opposition moot. It has made no declaration as a party equivalent to the Atlantic charter or to Mr. Hull's outline of our foreign policy. Mr. Hannegan was entirely correct when he referred to Governor Dewey as a man who copies down the answers on his little slate when the examination is all over.

Mr. Dewey was against "deals" with Russia; by two stages he has now come to the idea that maybe Russia and China ought to be let in on the Anglo-American government of the world. Governor Dewey was against Lend-Lease when it was proposed. He told reporters in Philadelphia January 15, 1941, that it "would bring an end to free government in the United States, to abolish Congress for all practical purposes." In his Wisconsin campaign of 1940, his philosophy was to keep away from Europe; in 1944, he wanted to "discourage the growth of rampant nationalism."

If Mr. Hannegan is not right that Governor Dewey copies the answers after they are all in—after the polls and state elections tell him public sentiment—then he is, in the words of the song from Oklahoma, jus' a fellow who cain't say no. His corn is as high as an elephant's eye. There is not the slightest consistency in his foreign policy because there is no sincerity in it.

do we want a bad peace to repeat itself?



Therein lies a great danger to the American people. Dewey is playing with us the same deceptive game that Harding played. Harding stood piously on his own front porch at Marion and solemnly assured this country that he was for a society or an association of

nations to preserve the peace. In speech on August 28, 1920, Mr. Harding said:

"There are distinctly two types of international relationship. One is the offensive and defensive alliance of great powers. . . . The other type is a Society of Free Nations, or an Association of Free Nations or a League of Free Nations animated by consideration of right and justice instead of might and self interest, and not merely proclaimed an agency in pursuit of peace, but so organized and so participated in as to make the actual attainment of peace a reasonable possibility.

"Such an association I favor with all my heart and I would make no fine distinction as to whom credit is due. One need not care what it is called. Let it be an association, a society or a league or what not. Our concern is solely with the substance, not the form thereof."

With that assurance from Harding, thirty-one of the most eminent men in the Republican party, including Lyman Abbott, Robert Brookings, Nicholas Murray Butler, John Grier Hibben, Herbert Hoover, Charles Evans Hughes, A. Lawrence Lowell, Elihu Root, Henry L. Stimson, Oscar Straus, Henry W. Taft, William Allen White, George W. Wickersham and Lyman B. Wilbur, went to the country with a statement that the "true course to bring America into an effective league to preserve peace" was to follow Mr. Harding.

"The Republican party," the statement said, "is bound by every consideration of good faith to pursue such a course until the declared object is obtained.

"We therefore," the statement ended, "believed that we can most effectively advance the cause of international cooperation to promote peace by supporting Mr. Harding for the presidency."

Mr. Harding was elected, but did these honorable men in the Republican party prevail? Were they able to redeem that faith which they had pledged for their party? History gives the answer to that. It also gives eloquent testimony to the innate determination of the Old Guard that, as Mr. Dewey said in Wisconsin, we shall keep "completely out of the affairs of Europe," no matter how badly the course of those affairs jeopardizes the peace and civilization of the world.

they're not good enough

Domestically the Republican party for most of its life has been the instrument of big business, the exponent of laissez-faire, the protector of the propertied. Internationally it has symbolized isolationism or imperialism rather than the good neighbor spirit, the spirit of mutual security. There is nothing in its present policy or in the roster of its candidates for the presidency to indicate that, having choked off its liberal

movement, it is not again at the dead center of non-malcy in domestic affairs and in an imperialistic movement internationally.

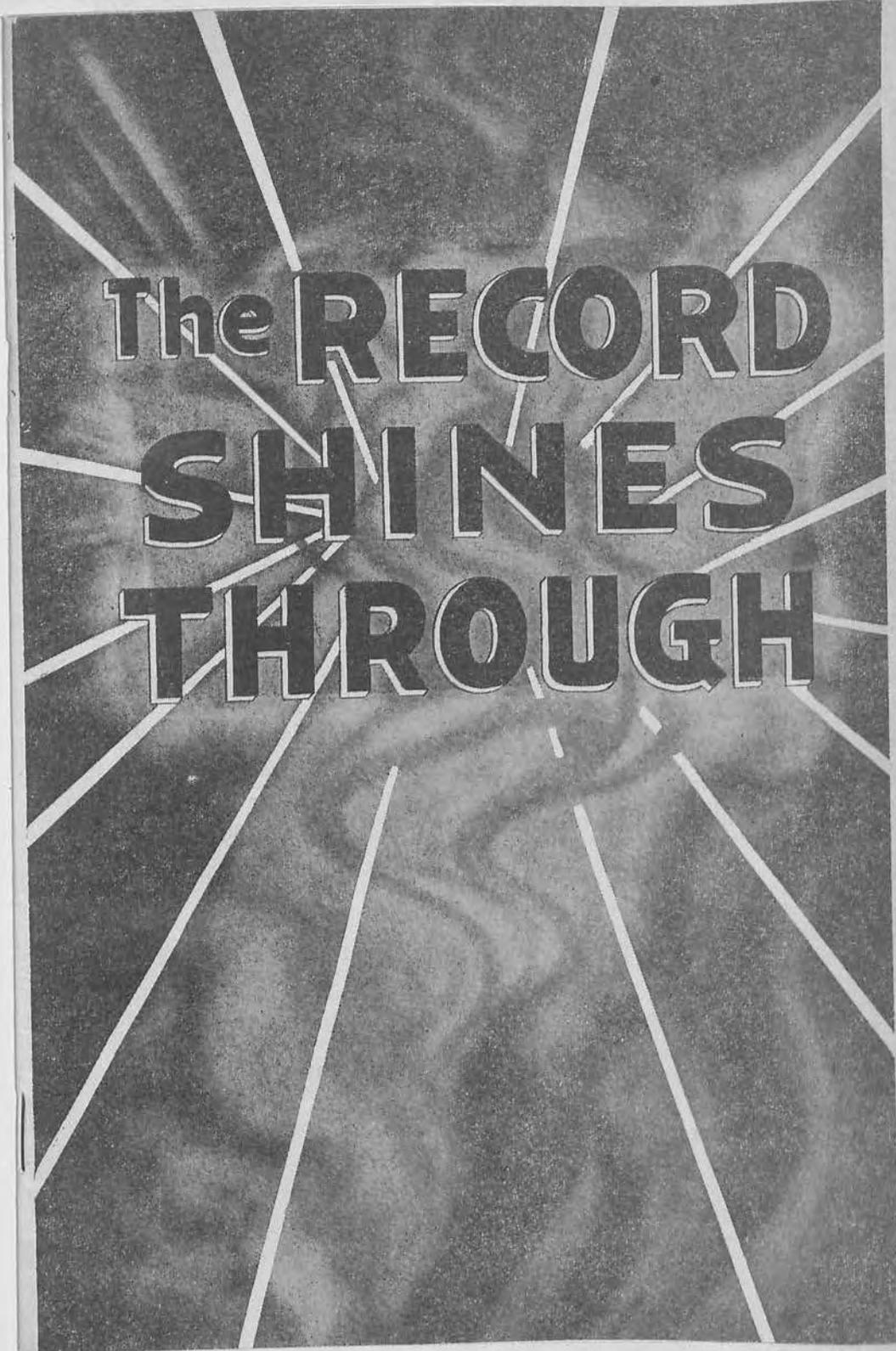
That is not good enough. Anything short of taking our full place in world affairs is an invitation to another war. Anything short of recognition that what we are going through is in fact a counter-revolution against the tyrannies of authoritarianism and that the trend of the world when this war is over will be toward a greater emphasis upon the dignity of the individual — the trend to the left, if you care to call it that — will put us out of step with the peoples we fought to save. Anything short of the recognition that there is no turning back in our domestic affairs; that we can not go back to 1914 or even to 1940, is the sheer stupidity.

THE GREAT DECISION MUST BE MADE

Anything short of the recognition that we can not go back to this will-of-the-wisp thing business that we call "free enterprise," which never existed since the first regulatory law was passed by the Continental Congress, will lead us into trouble. We must know in our hearts that there must be full employment for employables and that if private business doesn't provide for it, government must. We must know in our hearts that we will never go back on the standards of fair working conditions or wages that we have set. We must know in our hearts that we will never relax regulations made in the public good — regulations born of the necessity of protecting the individual from the brute power of pooled money or influence.

We must know that the demand for an earned security — particularly for greater medical security in the rural areas — will not die out, but will swell in chorus until the government does what the medical profession can not do. We must know that the standards of health, housing, nutrition and all the other things that make for a good life are not matters to be left lightly to free enterprise, but are matters of concern to all of us as people who make a government; as a people determined to use their government as an agency to secure the welfare and enhance the happiness of all of us.

A great decision is to be made this year. Both the mind and the heart will figure in it. Both of them are for a Democratic victory.



The RECORD
SHINES
THROUGH

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Study in Contrasts

The Democratic party is a *positive* party.

It has a definite, forward-looking program, with constructive solutions for the problems of the present and the future, and a record of constructive accomplishments for the past.

The Republican party is a *negative* party.

It has no program. It bases all its campaigns on negative criticism, and its chief party plank at all times is just plain opposition to what the Democrats are doing.

Whenever the Republicans propose solutions to the problems at hand they borrow them from the Democrats. Forced to admit that a certain course of action is good, they direct their ever-negative criticism at the "way it is handled" and then make the flimsy assertion that, given the chance, they could do it better.

Again in 1944—as in 1940 and 1936—in an effort to take over the New Deal measures, the Republicans have worked out a platform of contradictions. This is double-talk—pledges that cancel each other out.

But the record of the Roosevelt Administration remains untouched. No negative smoke screen can obscure this record from the voters or persuade them that a party which really does not believe in the principles of the Roosevelt Administration—a party which has fought them bitterly at every turn—could carry them out better than the party which originated them.

Through all the Republican smoke screen of misrepresentation and plaintive mumble-jumble, "The Record Shines Through."

NO NEGATIVE

**Smokescreen CAN
OBSCURE**

The POSITIVE RECORD

We've all heard a lot these last three years about the bedlam that is supposed to exist in Washington.

The opposition has striven constantly to build up in the minds of people all over the country the impression that nothing is ever done right in Washington—that we are winning this war not with the aid of the government in the nation's capital, but in spite of Washington.

The truth is that the production that brought the victory—the victory itself—was blueprinted in Washington. Somewhere there had to be a plan, before production could get under way, before ships could be built, before fighters could be inducted, clothed, and trained. The plan was made in Washington.

America's production record is the miracle of this war. Nobody outside of this country thought we could do it. Germany and Japan were sure we could not do it. Their idea of world conquest was based in part on the assumption that, although we were potentially able to equal or surpass them in time, we could never catch up with the years of production they had stacked up against us.

American labor and American management deserve unstinted praise for their part in this production record. But government planning, government financing, government

contracts for the right materials, government-built stockpiles of critical materials, were back of the production program all the way through.

With this government planning and support, in just three years—1941, 1942 and 1943—we have produced:

Guns, tanks, other equipment and clothing for more than 10 million fighting men.

Almost 154,000 airplanes.

746 fighting ships, giving us the strongest navy in the world.

1,899 Liberty ships.

702 commercial ships.

28,286 subsidiary naval ships.

23,876 landing craft.

1,567,940 military trucks.

30 billion rounds of small arms ammunition.

We have constructed housing and training facilities for 10 million men, and air fields and bases in all quarters of the globe.

In converting our peacetime industry to wartime production, we built 20 billion dollars' worth of the most modern plant facilities in the world, equipped for the finest machine tools that can be designed.

We did this with a labor force numerically only a little larger than we had in normal peace times and consisting in large part, because of the manpower demands of the armed forces, of workers who had to be trained for their jobs.

War Mobilization Director Byrnes reported September 7 that a good start has already been made toward achieving a systematic reconversion from war production to civilian manufacturing with the goal of full production to prevent a period of unemployment such as that which followed World War I.

Forced to admit that a good job has been done on war production, the Republicans are trying to make the country believe that the government in Washington had nothing to do with it. Yet if the job had not been done, the Roosevelt Administration certainly would have been called strictly to account—and by the very people who refuse to give it credit for a job well done.

The Republicans would like to take credit for this job themselves. The only method they have devised, so far, is to try to give the credit to certain Republican states—instead of to the United States as a whole.

**"Bedlam In
Washington"**

DON'T LET Smoke GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN OBSCURE

The POSITIVE RECORD

Purposely and wisely, the men who framed our Constitution endowed with great power the office of the President of the United States.

Responsibility of such magnitude as that which falls upon the shoulders of the Chief Executive cannot be met without the exercise of strong and unquestioned authority. Particularly is this true in time of war and other national emergencies, when the President must move boldly and swiftly to carry out his responsibilities to the people.

As each crisis has arisen during the twelve critical years since President Roosevelt took office, his opponents have had recourse to the courts to test the constitutionality of his method of meeting that crisis. Always the Supreme Court of the United States has had the final say as to whether or not the President was usurping power beyond that granted him by the Constitution, and the Court has ruled, sometimes favorably, sometimes adversely, on his program. There has never been any question as to the final, decisive powers of this Court.

President Roosevelt has been called a dictator. The charge of dictatorship has been hurled at every President who took strong and courageous action, from George

Washington down. When Washington retired from the Presidency, a Philadelphia paper wrote that: "This day should be celebrated as a day of thanksgiving and prayer." Lincoln was cartooned as "Emperor Abe," Jackson as "King Andrew I," and Theodore Roosevelt as "Pope Theo I." Jefferson and other strong Presidents were all accused of assuming too much power.

But the democratic liberties that make American citizens freer than the citizens of any other country in the world have remained intact down through the years to prove the utter falsity of such charges.

As long as those politically opposed to the President can say anything they like about him—as they certainly have for the last twelve years—we still have freedom of speech in this country.

As long as Republican Senators and Representatives can stand up on the floor of Congress and shout their opposing views and vote consistently against any measure the President wants, we still have political freedom in this country.

As long as we have free enterprise—not an economy nationally controlled by big corporations—we still have economic freedom in this country.

As long as we recognize minority groups, give them an opportunity to voice their opinions, and as long as others outside their groups rise to fight for them—we still have civil freedom in this country.

As long as we can choose our religion and worship openly as we please—we still have religious freedom in this country.

As long as any number from twelve to 12,000 persons can get together in a meeting to hear a speaker denounce anything he doesn't approve of, including the President—we still have freedom of assembly in this country.

As long as an editor can still write editorials in violent opposition to anything or everything the President of the United States is or stands for—we still have freedom of the press in this country.

As long as we have regular elections and a government that operates under laws enacted by a Congress chosen by the people—we are still a democracy.

None of these personal or political freedoms exists in a country controlled by a dictator.

Obviously, those who call Franklin D. Roosevelt a dictator do not know the meaning of the word "dictator"—nor do they appreciate their good fortune in living in a land where they can use the word without going to jail, whether they understand its meaning or not.

"The Dictator"

DON'T LET Smoke GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN
OBSCURE

The POSITIVE RECORD

"Sure," say the Republicans in the weasel-worded foreign policy plank of that 1944 Platform, "we're internationalists now. Just you try us and see."

And immediately their 1940 standard bearer, Wendell Willkie, comes out with a publicly-voiced suspicion that it all sounds too much like 1920 for comfort.

It was in 1920, mothers and fathers of the present generation of fighting men will remember, that the wording of the Republican foreign policy plank evoked the slogan:

"A vote for Harding is a vote for the League."

Thousands and thousands of Americans, determined that there must never be another world war, believed that slogan in 1920, and voted accordingly—and then, to their dismay, read in their newspapers Harding's remark from the front porch of his home in Marion, Ohio, where his friends had gathered to celebrate his election:

"The League of Nations is now deceased."

So they think they're going to do it again in 1944—the same old gang, trying the same old gag.

Up to our being attacked and forced into World War II, there certainly was never any indication on the floor of the Senate that the Republicans were getting internationally-minded. Again and again, the majority of them stood together against any measure

tending to encourage cooperation by the United States with other nations. Even since we were plunged into the war, their voting record isn't any too good. As late as the spring of 1944, only a few weeks before their convention in Chicago, there was Republican opposition to providing this country's share of the money for the United Nations Relief and Rehabilitation Administration—a cooperative effort to put the ravaged nations back on their feet and the first concrete test of our readiness to collaborate with our Allies in meeting post-war problems.

Up to the time of their convention, the Republicans were complaining that the Roosevelt Administration didn't have any foreign policy. By June, 1944, however, they had discovered that the American public generally was for the Roosevelt foreign policy—as it was for the Wilson foreign policy in 1920. So about all they could do—with, as Mr. Willkie suspects, their tongues in their cheeks—was to shout: "Me, too."

One of the things they say is: "We're not being told enough about what's going on in our foreign policy." The answer to that one is that never before have Congress and the American people been taken into the confidence of their government as they are during this present war. Secretary Hull is continuously in conference with Senate leaders of both parties and has even conferred with a representative of the Republican candidate for President. Step by step, as the policies have evolved, they have been placed before Congress for approval. And the public has certainly indicated that it has had considerable information and was closely following events in North Africa, Italy, Spain, the Argentine, France, and Poland.

The important thing is that the American public is determined that this time we make it stick when we say, "No more wars." It just can't happen again. If it does, there won't be any of us left—soldiers or civilians.

In 1920 there was a plan—a plan drawn by a world-minded, forward-looking Democratic President. It was the only plan which could have prevented this war. Its only chance of survival was for the United States to go along with it. The American public believed in that plan and wanted it. They thought they were voting for it. The Republicans in the Senate stymied it. A Republican President who, as a candidate, had indicated he would support it, ran out on it. The League of Nations never had a chance.

Our boys are fighting this war now because Republican votes in the Senate killed the only chance for cooperative peace after the last war.

"It's a Good
Foreign
Policy, But—"

DON'T LET *Smoke* GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN
OBSCURE

The POSITIVE RECORD

Anyone who knows anything at all about current history knows that it is absurd to say that this is Roosevelt's war.

The truth is that it is neither Roosevelt's war, nor America's war. The truth is that this is Germany's war and Japan's war. For years the warlords in both these countries have been bent on world conquest.

The Japanese treachery at Pearl Harbor was simply the crowning treachery of years of treacherous planning. There is a written record of Japan's design for world conquest in the notorious Tanaka Memorial, drafted by Baron Tanaka, Japanese premier in 1927 and 1928. Tanaka's plan, which every member of the Japanese military caste committed to memory, called for three major preliminary objectives: (1) Conquest of Manchuria, (2) Conquest of China, and (3) CONQUEST OF THE UNITED STATES.

Americans are now fully aware of the fact that the Japanese were laying definite plans to conquer this country long before Pearl Harbor. We now know that the Japanese fishermen, Japanese barbers, and Japanese students, always carrying cameras, were really Japanese spies, sending detailed information on our defenses back to their masters in Tokyo. We know now that Japan for years, in violation of her solemn pledges, was busily fortifying mandated islands and building her fleet up beyond treaty strength.

As for Germany, it is historical fact, not conjecture, that Hitler from the beginning planned to enslave the world for his "master race," and that the United States was included in this blueprint. Secret German maps, showing both North and South America as part of a German world empire, are known to have been in existence for years before the present war started. German propaganda, Fifth Column and Bund activities were openly directed at Nazifying every country in the Western Hemisphere. As long as Hitler's war machine moved unchecked through Europe, every country in the world stood in danger.

In the United States, President Roosevelt was completely aware of this danger. In the beginning, while the other nations tried to appease Hitler, in the vain hope that each demand would be his last, President Roosevelt was not fooled and, alert to the ever-increasing threat of war breaking out in Europe, did what he could to stop it. When the war had started, he tried to keep it from spreading to our shores and, against bitter, organized Republican opposition to every move, he tried to prepare us for attack, should it come. His policies followed five definite lines:

1—Each time a crisis in Europe threatened to explode into war, he appealed directly to the leaders of the countries involved to settle their disputes by peaceful methods.

2—When war did break out, he used both political and economic strategy to hold it back from our shores. History will undoubtedly show that the three steps which contributed most to the United Nations victory were: (1) The transfer of over-age destroyers to Britain, (2) Lend-Lease, and (3) The Atlantic Charter.

3—From the very beginning, this Administration made good friends of our South American neighbors—a friendship which paid dividends many times over when we were plunged into war.

4—Year after year, working always against Republican opposition, he built up our Army and Navy, which the Republicans had reduced almost to impotency.

5—By repeated warnings, he strove to awaken the American people to their ever-growing peril.

Pearl Harbor caught us off guard—because we were the kind of people who believed that a peace mission came to a country to talk peace. Had we been as unprepared in our physical defenses on December 7, 1941, as we were psychologically, the tragedy would have been infinitely greater.

It is a tribute to the wisdom and the foresight of our President that on that dark day we had an Army and a Navy in the making, war plants humming with activity. Certainly no credit for that fact could be given to the Republican party whose leaders obstructed every defense move.

**"Roosevelt's
War"**

DON'T LET *Smoke* GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN
OBSCURE

The POSITIVE RECORD

The Roosevelt Administration believes in free enterprise—free enterprise for everybody, for little business and the working man, as well as for big business.

It does not believe that free enterprise should be limited to the few at the top.

It does not believe that free enterprise means that big business is free to crush little business by unfair competition or to use labor merely as a commodity for its own profit.

The Roosevelt Administration does believe that free enterprise should give all Americans the opportunity to share in the good things of life to be earned through hard work.

It has demonstrated its belief in these principles by the following steps, which not only saved free enterprise, but gave it new vitality and meaning to the American people:

1—RFC loans, to all business, not just big business. In contrast to the Hoover policy which limited loans largely to big corporations, the RFC in the twelve years of the Roosevelt Administration has made approximately 21,000 loans—19,000 of them for amounts of \$100,000 or less.

2—Use of the Sherman Anti-Trust Law against monopolies. This law was passed by Congress in 1890. Up to the Roosevelt Administration, violations brought into court had averaged only about 34 a year. Since Roosevelt, they have averaged 300 a year.

**"Destroying
Free
Enterprise"**

3—The Robinson-Patman Act, which by stopping big business from squeezing the little fellow out of the market by price discrimination, guarantees fairness of competition—and thus guarantees free enterprise.

4—The Miller-Tydings Act, which eliminated cut-throat competition by protecting industry from speculators, marginal operators, and sharpshooters within its own ranks, and which, by giving the manufacturer the right to demand a contract from his customer, guarantees him a fixed, steady price for his product and enables him to establish a fair retail price for it.

If free enterprise has been destroyed—if business has been shackled—how could American industry have done the production job it has done during the war? And how could it have achieved the profits it has achieved under the Roosevelt Administration?

In 1933 business activity in this country increased 10.5 per cent over 1932, the last year of the Republican regime. In 1934, another 8 per cent. In 1935, 4.5 per cent. In 1936, 16 per cent. In 1937, another 6 per cent. All these before the war.

By 1943 our national income had reached the staggering figure of 150 billion dollars—almost four times the 40 billion in 1932, the last year of the Hoover Administration. Business profits, after taxes, were at an all-time high. Business failures were at an all-time low. Even before the war, our national income had risen to 76 billion dollars in 1940 and 92 billion in 1941.

You hear the charge that business, because of "shackles"—in the form of high taxes during the war—will not have enough money left to go on after the war. Under Secretary of War Robert P. Patterson recently testified before a Senate Committee that, by the end of 1945, large corporations in this country will have a post-war reserve of 42 billion dollars—two billion more than our entire national income in 1932.

War Mobilization Director Byrnes has recommended that Congress remove the excess profits tax as soon as the war is definitely over. His recommendation to remove all wartime governmental controls as soon as possible after Germany falls would leave business and industry completely free to work out their own post-war success.

We hear much about "the good old days of the 1920's" and the prosperity of those years. If we look back now, we realize that it was prosperity for the few and a pittance for the many.

The Democratic party has always stood for a good, sound business system for this country, based on the principle that each individual is free to run his business.

We want to protect business, but we will not grant special privilege to monopoly.

DON'T LET *Smoke* GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN
OBSCURE

The **POSITIVE RECORD**

What is a bureaucrat?

Is it the Secretary of the Navy? The Secretary of War? The Director of the Budget?

Is it a minor government executive putting in twelve long hours a day at a desk in Washington?

Is it a little girl from Iowa who went to the nation's capital because she wanted to help in the war effort and be where things happened, and found herself working in a stenographic pool, standing up in jammed street cars morning and evening, living in a crowded rooming house, having no place to go and not much fun during her limited free time?

A bureaucrat is all of these people. He doesn't think of himself as a bureaucrat. As a matter of fact, he doesn't think much about bureaucrats or bureaucracy at all. He just hasn't time. Working for the government in Washington these days isn't any 40-hour job with long, free evenings and Saturdays and holidays off for sightseeing and showing the home folks around when they come to town. It's long, long working days—long, long working weeks—and no week-day holidays except Christmas itself. It's overtime pay, which you put into War Bonds—and which you wouldn't have the time or the opportunity to spend even if you didn't feel you

ought to buy bonds with it. And you don't feel either rich or powerful, or so very smart.

There are a lot of people working for the government right now because it is a big government. It has to be a big government because we are engaged in a big war.

On March 31, 1944, there were 2,839,000 paid civilian government employees—72 per cent of them work for agencies whose sole reason for existence is war. The Army and Navy alone employ two-thirds of all the so-called bureaucrats—and hire them, not to send you questionnaires or deny you a B gas ration, but to make guns and battleships. The Navy has four times as many bureaucrats in overalls, building and repairing fighting ships, as it has in white collars doing office work. The War Department has thirty-three times as many bureaucrats working on production and supplies as it has office workers.

Deducting the 2,035,000 employees of the Army and Navy and the for-war-only agencies from the whole number of civilian employees leaves only 804,000 of them for everything else. Of these, 348,000 work for the Post Office Department, and the remaining 456,000 have the responsibility for food production, direct the sale of War Bonds, collect taxes for war, protect us from enemy sabotage, handle our important foreign relations, direct domestic aviation activities, watch the weather for our fliers and farmers, guard the public health, and care for those veterans who have fought for America in this and other wars.

There are seventy bureaus or agencies, large and small, in the executive branch of the government. Every one has been established to meet some wide public need. Not one could be abolished without a howl of protest from that portion of the public it serves. That's why the Republicans never say which bureaus they want abolished.

As a matter of fact, the 1944 Republican Platform pledges, if carried out, would require far more bureaus and many more bureaucrats than we now have.

Bureaucracy—in peace or in war—is the human governmental machinery that we have put together ourselves to make America mean what we intended it to mean.

Right now the bureaucrats are helping to win this war. And they aren't getting—or expecting—any Congressional Medals of Honor for it either.

"Bureaucracy"

DON'T LET *Smoke* GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN
OBSCURE

The POSITIVE RECORD

Ninety-seven cents out of every dollar paid in taxes by the American people goes into the cost of winning the war.

This money is spent directly on the victory itself, and does not include the cost of many of the civilian government agencies in Washington which contribute to the war effort.

To defeat Germany and Japan in the war we did not start but which we've got to win, is costing us staggering amounts. It cost us more than 6½ billion dollars to march our Army from Naples to Rome, an even 6 billion to take the Marshall Islands. These costs would be multiplied many times over in computing the cost of the Normandy invasion and the march across France into Germany. A B-29, which we are using to bomb Japan, costs \$600,000. It costs almost \$500 to keep just one American soldier for a year, and we have 8 million of them in our Army.

We are not through with this war yet. The end may be in sight in Europe, but the shooting isn't over in the Pacific. And the kind of fighting we are doing in the Pacific is the most expensive fighting there is, involving battleships and all kinds of other fighting ships—the most powerful and most costly Navy the world has ever seen.

At the same time, the income of the American people has reached an all-time high—astronomical figures. As a whole, we Americans now have more money in our

pocketbooks and in our bank accounts than we have ever had before. Our estimated 1944 national income has reached the record figure of 159 billion dollars—four times what it was in 1932. Four-fifths of this national income is now in the hands of people earning \$5,000 a year or less. The weekly take-home pay average has jumped from \$26 a week in 1939, to \$43 a week in 1943.

The great mass of American civilians today are better able to pay taxes than ever before. The sensible thing to do, of course, is to pay as much of the bill for the war as we can now, while we have the money. Also, if we are paying for the war now, as we go, we do not have so much cash with which to compete for scarce civilian goods, which would lead to exorbitant prices and eventually to inflation.

We are now paying for about half the war as we go along. That is why we have high taxes.

The cost of the war, however, would have been much higher—an average of \$481 more for each person in the United States—had we not been protected by price control when it came to buying the guns, tanks, airplanes, ships and other equipment we had to acquire. At World War I prices the war materials we have already bought would have cost us 65 billion dollars more than what we paid. Another 3½ billion has been saved by renegotiation of war contracts. Constant alertness to see that no unnecessary supplies are bought as victory draws near has meant the saving of 18 billion dollars in cancelled authorizations.

The Roosevelt Administration has always stood firmly back of a tax system based on ability to pay. Through this system those who have the most income pay the most tax. Tax reforms of this Administration have equalized the burden so that the big fellow carries his share of the load. Those who object most strenuously to our tax system today are often those who have the biggest pieces of pie left after the tax slices have been taken off.

Human nature being what it is, it is inevitable that we should grumble a little about paying taxes. Taxes are like the good old fashioned remedy of sulphur and molasses which used to be synonymous with Spring—an excellent thing for the other fellow to take.

But most Americans know that taxes are the least burdensome price of victory, and they pay them cheerfully and call it cheap at that.

"High Taxes"

DON'T LET *Smoke* GET IN YOUR EYES!

NEGATIVE

SmokeScreen CAN
OBSCURE

POSITIVE RECORD

A country's national debt is never dangerously high as long as its national income is high enough to carry it.

The 1944 net national debt is 170 billion dollars. Latest estimate of the 1944 national income is 159 billion dollars. Experts say the national debt can safely rise to twice the national income before it reaches a dangerous figure.

Because the government is paying a lower rate of interest on the money it borrows now than on the money it borrowed in World War I, the interest charges today on our national debt—which must, of course, be raised by taxes—represent substantially no greater proportion of our national income than they did in 1920. In that year, and also in 1932, the interest charges on the national debt were 1.5 per cent of our national income. In 1944 they are 1.6 per cent. Ask any banker if that is not a safe figure.

On what is our national income built? On the courage and enterprise of the American people, using the rich resources of this country—our factories, our farm lands, our forests, our mineral deposits. Before the war this American inventiveness gave us the highest standard of living in the world. During the war it has turned out the weapons, both in quality and quantity, that are devastating our enemies on all fronts. After the war—who knows? We have the resources and the spirit

to build us new wealth far beyond our most vivid dreams today.

We have nothing to fear but timidity. We have nothing to fear but lack of courage. We have nothing to fear if we keep in Washington the same forward-looking financial leadership, the same sound business judgment we now have. This country can well afford to borrow the money it is taking to win this war and the money it will take to turn us safely and soundly back to peace.

Our national debt is made up of money borrowed from the people. We owe it to ourselves. You and I own the bonds. All of the interest is paid to us. And United States bonds are still rated the world's finest investment.

When the government borrowed this money from us, first to pull us out of the worst depression in history, and then to defend us in the greatest war in history, it was just doing what every strong and expanding business does. It was operating on credit. The big corporations all borrow. So does your corner grocer when he wants to put in new counters or more refrigerators.

Wise use of credit is sound business practice. It was just plain good business sense to start the wheels of business rolling, back in 1933, by putting millions of idle men to work, by taking the farmers off the road to ruin, and by saving the banks.

By 1940 wise use of credit had doubled our national income. That year it reached the 70 billion dollar mark. At the same time our national debt was 34 billion dollars. The nation as such, therefore, owed about half a year's pay on the debt.

It was in January of 1940 that Thomas E. Dewey, then New York District Attorney, shuddered in Liberty magazine: "Unless this country is to take refuge in a fraudulent bankruptcy we and our children are going to have to carry the burden of the debt."

Translate this statement into terms of Mr. Dewey's own personal situation and you translate it into terms of the timidity of the man who wants to be President in times that call, above everything else, for courage. In 1940 Mr. Dewey's salary was \$20,000 a year. On his figuring, he could buy a house with a \$10,000 mortgage only by liquidating the mortgage through fraudulent bankruptcy or by leaving it to his children to pay.

Three-fourths of our present national debt is due to war expenses. The real test of that debt was put on this level by Republican Senator John A. Danaher of Connecticut when he said:

"If you are satisfied that you get your money's worth, the federal budget can be said to be balanced."

The public's money's worth is victory in this biggest war.

We now find ourselves, despite depression and war, in a position where the conservative columnist, David Lawrence, remarked recently:

"The finances of the government of the United States are in better shape than those of any other government in the world."

DON'T LET *Smoke* GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN
OBSCURE

The POSITIVE RECORD

When it's your husband or your son who is fighting in the Pacific or in France, you want him to have the very best equipment obtainable for his protection, don't you?

And you want him to have it—all he needs of it—when he needs it, regardless of how much it costs.

That means speed. It certainly meant speed—cutting corners everywhere possible—back in 1941 and 1942, when your husband or your son was going into uniform to serve his country.

Speed costs money. It means ordering material and equipment in big amounts, not always waiting to figure out down to the last dollar just how much or how many are going to be needed. It means going into production at once, not always waiting to see just how the cloth cuts. It means long, long hours and overtime pay. It means paying premiums to industry for beating production deadlines.

Speed—the kind of speed that was necessary to protect your man by getting to him, in record time, on the battle front all the equipment he needed—costs dollars and cents. Air umbrellas over the Mediterranean do not come cheap.

We got the speed we paid for.

Late in 1941 we were producing about 10,000 tons of shipping per month. The first six months of this year we were delivering ships at the rate of 208,000 tons per month.

In December, 1941, we were producing 2,462 airplanes per month. In March, 1944, we turned out 9,117.

We produced 25,000 machine guns in December, 1941; 67,000 in March, 1944. Our production of small arms ammunition in December, 1941, was 270,000,000 rounds. In February, 1944, it had risen to a billion rounds.

Our goods have been produced and then transported by land, sea, and air to the uttermost parts of the earth, in such quantities that we have armed, clothed, fed and given medical care to our men wherever they are, in a manner and to an extent unequalled by any nation. Our boys are the best armed, best clothed, best fed, best cared for soldiers in the world. Is the money wasted that bought us that record?

Even the cost of speed is less than it was during the first few hectic months after Pearl Harbor because of this Administration's persistent war on waste. Today the results show on every battle front, and they can be told in terms of dollars and cents:

Price control, by holding down the cost of war materials, has saved us 65 billion dollars.

The over-all planning of the Allied offensive by President Roosevelt, Prime Minister Churchill, Premier Stalin, and Generalissimo Chiang Kai-shek at Teheran and Cairo has made it possible to cut down the actual cost of war itself by more billions of dollars because our military men know with more exactness what our needs will be.

Renegotiation of war contracts has already saved three and a half billion dollars.

Closer buying and shaving of waste by the Army and Navy have considerably cut the cost of each fighting man's upkeep. A saving of even 10 dollars multiplied by the ten million men in uniform mounts quickly to 100 million dollars.

Constantly improving, better use of manpower is cutting costs on war production. Few people realize that the miracle of America's war production has been accomplished with a labor force very little greater than the one we had in peacetime.

The Byrnes Report showed that by September, 1944, the Administration's reconversion policies had saved 18 billion dollars by keeping a close check on our war needs and procuring no unnecessary supplies as the war with Germany drew rapidly toward victory.

With the Truman Committee, the War and Navy Departments, and other government agencies constantly on the watch, waste is becoming more and more impossible in the conduct of the war.

War itself is waste—waste of young American lives. Whatever it may have cost the American people in dollars and cents to cut down THAT waste, by cutting short the war—was it worth it?

"Waste"

DON'T LET Smoke GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN
OBSCURE

The POSITIVE RECORD

If the OPA had never accomplished another thing, the contribution it has made toward holding the rise of living costs to less than half of what it was during a comparable period in World War I would justify every restriction it has been obliged to place upon the buying habits of the American people.

In the 15 months since the President issued his Hold-the-Line Order, the over-all cost of living in this country—that is, your food, clothing, and the rent you pay, lumped all together—has not risen even as much as one per cent.

Before that, from the outbreak of the war in Europe in 1939 up to April, 1943, it had risen only 27 per cent, which was less than half of the 68 per cent rise during the same period in the first world war. This is shown in the "Cost of Living Index for Large Cities" compiled by the Bureau of Labor Statistics, and the findings are computed on the same basis as they were during World War I.

OPA, with its rationing program, does two things:

It gives everybody an equal chance to buy some of whatever there is.

By keeping you and me from bidding against each other for limited supplies—and don't forget that war production and the needs of our fighting men have cut our supplies by 50 per cent—the OPA rationing program keeps prices down.

Along with rationing, the other extremely important factor in the battle to keep the cost of living down has been the much discussed, bitterly fought over, and frequently misunderstood Administration food subsidy program. This is what a food subsidy is:

It is a payment to the farmer by the government to cover the gap between the price he can get without raising the cost to the consumer too high—and his production cost, increased by wartime shortages of manpower and equipment.

You and I pay the difference, in taxes. But we save many times the subsidy cost by making it possible to control prices and keep them from skyrocketing, while at the same time assuring the farmer a reasonable profit.

Each dollar of the taxpayer's money spent for subsidies has saved him 20 dollars in his food bill at the corner market.

The OPA story is one of the great success stories of this war.

Here are some of the things "OPA bungling" has accomplished:

World War I brought the price of sugar up to 27 cents a pound; today it costs 7. Butter rose to 78 cents a pound on a nation-wide average; today it costs 52. A 50-pound sack of flour cost \$3.22; today it costs \$1.87. Eggs were 90 cents a dozen; today they cost 48. Bacon cost 59 cents a pound; today it costs 41. Bread cost 12 cents a loaf; today it costs 9. Pork roast cost 60 cents a pound; today it costs 35.

PRICE CONTROL HASN'T HURT PRODUCTION. Between the summer of 1939 and the fall of 1943, industrial production doubled, and in 1943 it increased another 12 per cent.

PRICE CONTROL HASN'T HURT LABOR. Weekly earnings are at the highest point in history, with take-home wages averaging \$43 a week, as against \$26 before the war.

PRICE CONTROL HASN'T HURT THE FARMER. Farm income has increased 182 per cent since 1939. Farm production is up 21 per cent.

PRICE CONTROL HASN'T HURT BUSINESS. Corporation profits, after taxes, have more than doubled since 1939. Earnings, after taxes, are the highest ever reached by American business.

PRICE CONTROL HASN'T HURT SMALL BUSINESS. Checking accounts of small, retail business increased 95 per cent between June, 1942, and June, 1943. Business failures are at an all-time low.

The Administration's policy, as set down in the Byrnes Report on reconversion progress, is to cease rationing at the point where the supply of any commodity is sufficient for normal demands.

OPA, with its price control program, has already saved the American people more than 87 billion dollars—in the things they have bought themselves and the things the government has bought to win the war.

If this be bungling, let's have more of it!

"OPA
Bungling"

NO NEGATIVE

Smokescreen CAN
OBSCURE

The POSITIVE RECORD

**"Coddling
Labor"**

If helping American working men and women to acquire and hold the human and economic rights to which they are entitled is "coddling labor," then the Roosevelt Administration accepts the charge. Certainly the Republican Administrations never could be accused of doing any coddling of labor.

During the three Republican Administrations before President Roosevelt took office, labor was looked upon as a commodity, to be used by business and industry to make huge profits, or to be left unused when it could not be turned into profit. To increase incomes of the few, wages of the many were forced down even to the point of exploiting children to furnish a cheap labor market. Working conditions in many plants were unhealthy and hazardous. There was little effort to provide decent housing for workmen and their families. There was, in most instances, no legal limit to the number of hours a workman could be asked to work. Generally, there was little provision for tiding a man over periods of unemployment.

Workmen had no recourse before the law from either neglect or exploitation, both of which were encouraged by the Republican attitude toward labor.

Almost from the moment President Roosevelt took office, this Administration started to work to improve labor standards. During the years since 1933, it has succeeded

in having legislation enacted which abolished the sweat shop, furnished workers with bargaining tools, put a floor under wages and a ceiling over hours, gave millions better houses, assured working men and women security in their old age and unemployment insurance when they need it, and gave all working men and women new and increased self-respect. One of the outstanding achievements of the Administration since we entered the war has been its unrelenting fight against inflation—a fight which has made workers' pay checks go further and made their savings safer.

Careful enforcement by this Administration of the law which gave to labor the hard earned right to bargain collectively is not "coddling labor." It is merely refraining from coddling those few who through financial prestige have come to expect coddling even from a government of "all the people."

With its civic and economic rights made secure for it by the Roosevelt Administration, American labor has been better able than labor anywhere else in the world to pile up a phenomenal production record during this war. Though millions of men were drained from labor forces for the armed services, labor contributed 76 per cent more man days to production in 1943 than in 1939.

Republicans have made much of strikes that have occurred. No one condones strikes in wartime. President Roosevelt has done all he could to stop them. So have the national union leaders. **ACTUALLY LESS THAN ONE-FOURTH OF ONE PER CENT (or 1/400) OF THE MANPOWER USED IN 1943 WAS LOST IN STRIKES.**

Futile, indeed, are the attempts of the opposition to discredit a labor policy which has kept a continuous volume of war supplies flowing from American factories to our own Army and Navy and to other Allied fronts all over the world.

After the war is over, and the soldiers and sailors come home, comes the question of jobs for everyone. Remembering the "Hoover bread lines," American working men and women are not likely to be taken in by Republican promises of post-war full employment through industry's mystic magic. They know that this Administration has always recognized the government's responsibility for the welfare of all the people. The Byrnes Report shows that the Administration is shaping its reconversion program around the definite objective of speedy reemployment not only of our armed forces but for those who have been working in war industries.

The Democratic party looks to the future in terms of the right of all to remunerative jobs, to adequate food and clothing, to decent homes, to protection from the economic fears of old age.

The Republican party, keeping very quiet about its past, now says it believes in all these things, too, and can do them better. But it's still the party of Harding and Hoover.

NO NEGATIVE

Smokescreen CAN
OBSCURE

The **POSITIVE RECORD**

In the first place, you cannot regiment American farmers. The American farmer is probably the most thoroughly individualistic and independent human being in all the world.

In the second place, the whole Roosevelt farm program has been based on a policy of cooperation, not regimentation. It could not have operated otherwise.

Entrance into the federal farm program for stabilized production has, from the beginning, been a completely voluntary procedure on the part of the farmer. Again and again, in nationwide voting, the American farmer has expressed his approval of this program by unquestionable majorities.

The American farmer has not forgotten—and will not forget—his condition in the late twenties and the beginning of the thirties, under Republican administration. By 1933, when the Roosevelt Administration came into office, he was on the very brink of ruin. His purchasing power was just about half that of industrial wage-earners, and total farm income had dropped to the lowest point in this generation. Wheat was selling for less than at any time in 300 years. There were huge surpluses of cotton and corn. Fruit crops were rotting on the ground because the prices were so low that it didn't pay to pick them. Dairy herds were being slaughtered because the price received for milk did not pay for the cows' feed. Beef

cattle men were actually receiving freight bills larger than the checks they received for the stock they sent to Chicago. Farm families by the thousands were being forced from their homes by foreclosures. Loans were hard to get, and interest rates prohibitive. The soil's productivity was rapidly wasting away for lack of soil conservation measures.

In 1928 the farmers themselves saw their condition growing worse and worse, and a group of them, led by Henry Wallace and Chester Davis, appealed to the Republican platform committee at the Kansas City Convention, where Herbert Hoover was nominated, for some constructive plank promising action. They were turned away. The Democrats that year, in Houston, did not turn them away, and both Wallace and Davis became active in the Smith campaign.

In 1932 the Democratic party offered a positive program for action to restore prosperity to the farmer. President Roosevelt was elected that year, and immediately after he took office the building of a permanent nationwide program to put the farmer on a sound and flexible system was begun. **Without this program the farmer never could have reached the enormous production goal asked of him when we went to war—a production that has kept this the best fed nation in the world, even as we shared our wheat, our beef, and all our other food with our Allies.**

Today the farmer's income has reached an all-time high, more than 19 billion dollars—four times what it was in 1932, more than half again as much as in 1917-1918. Prices for his products are on the average more than 182 per cent higher than they were in 1932. The buying power of the 1943 farm income was 75 per cent higher than it was in the first world war. This is due to the Administration price control program, which has kept the cost of the things the farmer had to buy at a reasonable level.

As to the future, farmers have a postwar guarantee, through the Commodity Credit Corporation, of support prices for at least two years after the war, and, because of this Administration's foreign policy, of world markets for their products.

The American farmer has risen on his own power, but his rise was made possible by the national farm policy of the Roosevelt Administration. From the beginning, the farmer and his organizations have helped to build the farm program, have participated in its policies and decisions, and have played a major role in its administration.

Do you call that regimentation?

**"Regimenting
Agriculture"**

DON'T LET *Smoke* GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN
OBSCURE

The POSITIVE RECORD

**"Sending Our
Boys Into
Foreign
Wars"**

On no other topic do the Republicans more blatantly misquote and misrepresent President Roosevelt than in their constant use of **only part** of statements he made in 1940 in which he promised not to send American boys to fight in foreign wars or even to fight in foreign lands—**except in case of attack.**

Quoting from a speech he made on September 11, 1940, in Washington, they invariably say he promised:

"We will not participate in any foreign wars, and we will not send our Army, naval, or air forces to fight in foreign lands outside of the Americas . . ."

What the President **actually** said then and again in Philadelphia on October 23, was:

"We will not participate in any foreign wars, and we will not send our Army, naval, or air forces to fight in foreign lands outside of the Americas **except in case of attack.**"

We were attacked, as it turned out, most cruelly and treacherously, by the Japanese at Pearl Harbor on December 7, 1941—even as members of a Japanese "peace mission" arrived at the office of Secretary Hull in Washington for a conference.

Then Germany and Italy declared war on the United States.

From the moment the Japanese sneaked in over Pearl Harbor that bright Sunday morning in December nearly three years ago,

it ceased to be a foreign war. And from the moment Germany and Italy declared war on us, our very existence was threatened.

Would it make sense to let the fighting come right up to our own shores rather than keep it as far away as possible?

Here is the official text of quotations from some of the President's 1940 campaign speeches that bear on the subject:

DAYTON, October 12, 1940—"When we speak of defending this Western Hemisphere, we are speaking not only of the territory of North, Central and South America and the immediately adjacent islands. We include the right to the peaceful use of the Atlantic and Pacific Oceans. That has been our traditional policy. * * *

"We are building a total defense on land and sea and in the air, sufficient to repel total attack from any part of the world. Forewarned by the deliberate attacks of the dictators upon free peoples, the United States, for the first time in its history, has undertaken the mustering of its men in peacetime. Unprecedented dangers have caused the United States to undertake the building of a navy and an air force sufficient to defend all the coasts of the Americas from any combination of hostile powers."

BOSTON, October 30, 1940—"I give you one more assurance. I have said this before, but I shall say it again and again. Your boys are not going to be sent into any foreign wars. They are going into training to form a force so strong that, by its very existence, it will keep the threat of war far away from our shores. The purpose of our defense is defense."

HARTFORD, October 30, 1940—"The result of that effort is to make the United States strong enough in order to defend itself from attack from the outside. And you know, too, that we aim to defend only against an attack from the outside."

BROOKLYN, November 1, 1940—"I am fighting to keep this nation prosperous and at peace. I am fighting to keep our people out of foreign wars and to keep foreign conceptions of government out of our United States."

Commenting on the Republicans' frequent reference to these speeches, the newspaper columnist, David Lawrence, wrote recently:

"In selecting quotations the stump speakers of the Republican party ignore the fact that the President's main point always was that he would not send American boys abroad 'except in case of attack,' or that he would not favor American participation in any war that was a 'foreign war' and hence did not concern directly the interests of the United States."

NO NEGATIVE

Smokescreen CAN
OBSCURE

The **POSITIVE RECORD**

**"Santa Claus
to the World"**

It would be short-sighted as well as selfish for the United States to refuse to share its abundance of both food and machinery with the war-devastated peoples of Europe and Asia after the war.

We will not be robbing ourselves, nor our own poor when we contribute our quota of the food, medicines, soap and other things needed to build liberated Europe back to health, nor when we furnish them with seeds to plant and machinery to cultivate crops, and the equipment to put their factories back into production. Compared with Greece, Belgium, and the Balkan countries, this country does not know the meaning of the word privation. Our farms are geared to the highest production in history, and our factories, geared to stupendous war production, can soon be turned to making the munitions of peace. We will not be taking anything we need from ourselves—yet we are in a position to do so much to help others. From a purely humanitarian point of view we cannot turn our backs on war-torn Europe.

If we are to prosper in the postwar world, we shall have to have those people as customers—to buy our surpluses.

You don't make good customers by creating ill-will against yourself. And it is definitely to our interest to get them back onto their feet as soon as possible so that they can start buying from us. All that needs

to be done is to help them to the point where they can help themselves.

Yet many Republicans, inherently isolationist in their every attitude, have taken a stand against our carrying our share of the United Nations Relief and Rehabilitation program, on the ground that this nation should not assume the role of "Santa Claus to the World."

The United States is the world's greatest producer nation. The war has created a tremendous demand for our products, but this demand will cease when the war is over unless we have customers for the products we raise and manufacture in peace time. Anything we can do to put the devastated nations—our best prospective customers—back on their feet is good business.

If Santa Claus, by drawing now from his pack a little gift, can assure himself a full pack next year, he'd better do it, hadn't he?

To have full employment in this country, when our soldiers return to their jobs, we've got to have more than a domestic market. We've got to have a foreign market for our surpluses. People in the devastated countries will eventually want to buy our automobiles, farm machinery, washing machines, refrigerators. But they can't buy them until they get back on their feet—and they are going to need help to get back on their feet.

The members of the United Nations whose home soil has not been occupied by the enemy, have banded together, through UNRRA, to give the suffering nations the help they need. Each is to pay one per cent of its income for the year ending June 30, 1945, for this purpose. Our share is \$1,350,000,000—or about as much as we spend each year on liquor taxes. And 90 per cent of the money we contribute will be spent in this country.

After World War I, the United States put up \$2,447,000,000 of the total of \$2,869,000,000 that was spent on European relief. It was at that time four per cent of our national income.

This time the total bill for rehabilitating the devastated areas is expected to be about 20 billion dollars. But the liberated nations will pay most of the bill themselves—17½ billion dollars. Our share of this total is only six per cent.

Our war food reserves have been kept so high that an early end of the German war will leave a surplus far larger than UNRRA's requirements, the Byrnes Report shows.

We are well able to help, and most of us are more than willing to help, in this cause which is both humanitarian and practical.

DON'T LET *Smoke* GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN
OBSCURE

The POSITIVE RECORD

By slurring, as "tired, old men," the President of the United States and his associates in the historic accomplishments of the past few years, Governor Dewey injected into this campaign the worn and futile issue of maturity versus youth. It was adequately answered by Governor Kerr of Oklahoma in his keynote speech at the Democratic National Convention.

"I ask all Americans everywhere," said Governor Kerr, "who can best represent our nation in the future councils of war with our Allies and in the conferences around the peace table? . . . Shall it be Thomas E. Dewey or Franklin D. Roosevelt?"

"Who will represent England at the peace table? An untried man, or her greatest and wisest, Winston Churchill?"

"Who will represent China? Some man without experience, or Chiang Kai-shek?"

"Who will represent Russia? One who for the first time will participate in such a meeting . . . or will she be represented by her most experienced and strongest, Josef Stalin?"

"Who will represent the United States of America? An untried leader who has not even told his people what his views are? Or the man who has from the start declared his

position in clear and certain words, who has the respect and esteem of all the United Nations as no other living American?"

"Just suppose for a moment, but no longer, that it were Dewey. What would Churchill and Stalin and the Generalissimo and the other Allied leaders think and do when they learned that he looked on them as just a group of 'tired old men'? . . .

"Let us examine the record!

"Shall we discard as a 'tired old man' the 59-year-old Admiral Nimitz?"

"Shall we discard as a 'tired old man' the lion of the Pacific, 62-year-old Admiral Halsey?"

"Shall we stop his onward sweep to redeem the Philippine Islands and discard as a 'tired old man' 64-year-old General Douglas MacArthur?"

"Shall we discard as a 'tired old man' the chief of all our naval forces, 66-year-old Admiral King?"

"Shall we discard as a 'tired old man' the greatest military leader of our nation, 64-year-old General George C. Marshall?"

"No, Mr. Dewey, we know we are winning this war with these 'tired old men,' including the 62-year-old Roosevelt as their Commander-in-Chief.

"What diplomatic or military experience have you had that justifies you or us in believing that you can handle the most difficult and important responsibilities and duties ever placed upon the shoulders of any American? . . .

"Suppose we broke up this team that every American knows is a winning one—which you have openly approved and, in an effort to gain votes, promised to keep—with Roosevelt as their Commander-in-Chief, which position you seem to regard as a minor detail? And suppose we named you Commander-in-Chief?"

"What assurance could our fighting men, their mothers and fathers, sons and daughters have that we could thereby win the war one day sooner, or as soon, and with as few casualties, as we can under our present leadership?"

"What experience have you had or what deeds have you performed to indicate that you could do as well, to say nothing of doing better?"

"Tired, Old Men"

DON'T LET *Smoke* GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN
OBSCURE

The POSITIVE RECORD

The question is: In the present world situation, who is the best man for the job?

If you were hiring a man for a job in industry, what would you consider? His experience and qualifications, wouldn't you?

In electing a President of the United States to serve during one of the greatest crises in world history, the important consideration is not whether it will be his first or his fourth term, but whether he is the man who can best be trusted with the interest and welfare of this nation.

This is no ordinary election. These are not ordinary times. The European phase of the war is apparently drawing to its conclusion. The Japanese phase is still obviously far from won. It doesn't make sense to change the leadership which has brought us so far toward victory, until that victory is attained.

As long as the country is at war, the responsibility for over-all strategy falls upon the President. As everybody knows, the Constitution of the United States gives the President supreme authority, as Commander-in-Chief, in the following words:

"The President shall be Commander-in-Chief of the Army and Navy of the United States, and of the militia of the several States when called into the actual service of the United States."

Throughout this war President Roosevelt has been working closely and continuously, day in and day out, with General Marshall, with Admiral King, Eisenhower and MacArthur, Nimitz, Halsey, and Stark, and all our other military leaders in the conduct of this war. They know and understand each other. This is no time to risk confusion and delay while they all get acquainted with a new Commander-in-Chief.

This is a world-wide war. It requires a world-wide grand strategy. This strategy has been provided by our own Commander-in-Chief, the President, working with Churchill and Stalin and Chiang Kai-shek. Out of Casablanca grew the victory in Africa, the Sicilian and Italian campaigns. Out of Teheran and Cairo came Normandy and Paris, and MacArthur's advance toward the Philippines. Who would be better qualified to continue these plans? A man who has been in on them from the start, a man who has the experience for mapping out future strategy? Or a brand new man, a complete stranger to all the other leaders and all the past planning?

When we finally defeat the Germans, new problems will begin—problems more difficult and far-reaching than any we have yet faced. They will continue until long after the defeat of Japan. Inevitably, those four men will sit down around a table to talk about these problems, to lay preliminary plans, to call in the smaller nations, for their solution. The man who represents us will have to be able to think as hard and fast and clearly as the other three. He will have to be able to mediate and yet not compromise American interests. He must have the respect and confidence of the other three leaders, and at the same time have the respect and confidence of the smaller nations. He will need an inexhaustible knowledge of world politics, world geography, world economics, world history. He must be a mature man, a man of experience, a man whose statesmanship has been tested again and again—and proved.

There will be problems here at home, too—tough problems. Somebody is going to have to get everybody back to work. Industry will want a plan, a plan that will turn the factories back to making civilian goods, a plan for orderly procedure, not just a wild scramble running to economic chaos. Millions of people now away from home working in war plants will want to go home. Millions of service men and women will want to come home, too—to jobs. Inevitably, the President and his Administration—the men and women he selects to work with him—will be right in the center of this situation.

What man—Democrat or Republican—can measure up to this job as well as Franklin D. Roosevelt?

**"Fourth
Term"**

DON'T LET *Smoke* GET IN YOUR EYES!

NO NEGATIVE

Smokescreen CAN
OBSCURE

The POSITIVE RECORD

For the last twelve years the Republicans have been trying to discredit the New Deal.

By every kind of ridicule, vicious attack, and innuendo, they have tried to create in the minds of the American people an impression that the New Deal is wholly impractical, a kind of goulash of crackpot theories evolved by college professors who don't know anything about life—"New Deal pipe dreams."

Well, here are a few of the things those "New Deal pipe dreams" have done for this country in the last twelve years—

The New Deal has pulled the country out of the red by:

Guaranteeing individual savings deposits up to \$5,000 through the Federal Deposit Insurance Corporation, so that only large depositors have lost any money at all in the few bank failures that have occurred during the Roosevelt Administration.

Cutting bank failures down to 538 in twelve years, as compared to 8,302 in the four years before the Federal Deposit Insurance Corporation went into operation.

Savings hundreds of thousands of homes from foreclosure, through the Home Owners' Loan Corporation.

Lending money, through the Reconstruction Finance Corporation, to both small and big business, to railroad and insurance com-

panies, to carry them along until recovery got well under way. This enabled the railroads, for instance, to make repairs and buy new equipment, without which they never could have done the wartime job they have had to do.

Protecting investors, through the Securities and Exchange Commission, which requires all stock promoters and investment companies to tell the truth to the buying public.

The New Deal has taken the farmer off the road to ruin by:

Saving his farm, through the Farm Credit Administration and the Farm Security Administration, and making farm loans available at reasonable rates when he could not get credit elsewhere.

Keeping his prices at a profitable and stable level, through the soil conservation program, which helped support prices by taking marginal land out of production, and by providing "breathing spells" for land which was rapidly being worn out through constant repetition of the same crop; through the ever-normal granary which, by permitting the farmer to hold onto his own surplus, kept big interests from getting corners on the food market, and enabled the farmer to cash in on increased prices during a rising market; and by crop insurance, which kept the farmer from losing his shirt during bad crop years. The ever-normal granary, besides helping the farmer financially, created a backlog which proved to be a godsend when we found ourselves in a war and had to feed our own civilian population, with its increased buying power, our vast Army and Navy, and our fighting Allies as well.

Supporting and helping to expand farm cooperatives, which enables the farmer, by banding together with other farmers, to sell his crop under more advantageous conditions and buy his necessities in quantity and therefore at lower prices.

Throwing into production 30,000,000 acres of eroded, depleted, or abandoned land, through soil conservation, through reforestation, and by building dams which brought water to the land.

Bringing electricity to his farm at a price he could afford to pay, through the Rural Electrification Administration.

Giving the tenant farmer a chance to buy and equip his own farm and settling him on new land if the land he was trying to work was worthless, through the Farm Security Administration.

The New Deal has given the working man and woman a new place in the sun by:

**"New Deal
Pipe Dreams"**

Placing a legal ceiling on hours and a legal floor under wages for "the little guy down at the bottom," through the Wage and Hour Law.

Taking children out of the factories and fields, through child labor legislation.

Giving labor the legal right to bargain collectively and to defend itself against unfair labor practices, which Republican Administrations had done nothing to discourage.

Providing legal machinery to make possible a reasonable and workable relation between owner-management and labor, through the National Labor Relations Act, which gives the working man the legal right to vote on whether he shall belong to a union or not.

The New Deal gave every American a new sense of security by:

Demonstrating that it is possible—and even profitable—for the government to give a man a job when private industry can't do it, through the WPA and PWA.

Establishing it as fact that bread lines and the dole, in times of depression, are neither profitable nor necessary in America.

Proving, with the CCC and NYA, that it is possible for the government to provide education, job training, and even physical rehabilitation for boys and girls who, through no fault of their own, have been denied these fundamental rights of American youth.

Putting the basic building industry back on its feet and making this a nation of home owners, through the small loans of the Federal Housing Administration.

Assuring a great portion of working Americans something to live on in their old age, something to tide them over when they are out of jobs, something for the support of widows, orphans, the blind, and the crippled, through the Social Security Act.

The New Deal has raised the standard of living for the American people by:

Clearing out slums and doing away with moral cesspools that breed disease and crime.

Replacing the slums with new, clean, modern apartments and houses at reasonable rentals.

Breaking up monopolies that held prices up so that electricity and electrical equipment were denied to thousands and thousands of American homes.

In making loans to the American people when they could not get credit elsewhere, this Administration not only put the country back on its feet but made a sound investment for the government.

Four-fifths of the 822½ million dollars loaned by the Public Works Administration during the depression to credit-lean counties and towns for construction work are now back in the Federal Treasury, and the government has made a net profit of over 14 million dollars.

Up to the beginning of the war, the Reconstruction Finance Corporation had collected 81 per cent of all its loans; and 89 per cent of those made to business enterprises have been repaid.

Loans made on a 25-year basis by the Rural Electrification Administration to bring electricity to more than a million farms are being repaid far ahead of schedule—\$75,970,000 this year when only \$58,482,000 was due.

The United States Treasury will not be out a penny through the million loans it made to save American homes from foreclosure through the Home Owners' Loan Corporation. Nearly 300,000 borrowers have paid in full and 100,000 more are making monthly payments larger than they bargained for.

Almost half the money the Farm Security Administration loaned to help 36,000 tenant farmers buy their own farms has been repaid with interest. Nine out of ten of the farmers rehabilitated by the FSA program are now self-supporting and more than three-fifths of the money invested to relieve farm poverty has been repaid.

Physically, morally, spiritually—even financially—those "New Deal pipe dreams," as it worked out, prepared this nation for the stress and strain it is now enduring with such magnificent fortitude in the global war.

...the ... of the ...



...the ... of the ...

*we
are*

**BUSINESS
MEN
FOR
ROOSEVELT**

*and here
is why...*

"We believe that the re-election of Franklin Delano Roosevelt provides the best assurance for the continuation of the free enterprise system"

HONORARY PRESIDENT



As a business man, I advocate the re-election of Roosevelt because his vision and actions in national and international affairs prove his unquestioned leadership. I am for him because his policies have inspired understanding and the confidence of thinking Americans and the respect of the world.

ANDREW J. HIGGINS
Higgins Industries, Inc., New Orleans, La.



I am for Roosevelt because his courage and foresight in preparing for and fighting this war together with his life long experience in world affairs prove him to be the man for the hard job ahead.

CYRIL BATH, Pres.
Cyril Bath Co., Cleveland, Ohio



I am a business man for Roosevelt because I believe he believes that the greatest good for the greatest number is good business and good citizenship, and that full employment at the highest possible wages will provide purchasing power necessary for full production.

JAMES H. MCGILL
McGill Manufacturing Co., Inc., Valparaiso, Ind.



I am for President Roosevelt because the great war machine created under his leadership is winning the war. I believe he can now contribute more toward planning and winning the peace than any other American.

B. B. MCGIMSEY, Vice-Pres. & Gen. Mgr.
San Antonio Brewing Ass'n, San Antonio, Texas



As an importer and manufacturer I am for Roosevelt because his leadership will assure the economic and political cooperation needed to attain worldwide peace and good business for us. He understands thoroughly the interdependence of American prosperity with that of other nations.

MORRIS S. ROSENTHAL
Importer, New York City



Roosevelt has directed the most efficiently managed war in history. His known plans for successful conclusion of the war and the peace are far superior to any constructive improvement that Dewey has offered.

W. L. GREGORY, V. P.
Plaza Bank, St. Louis, Mo.

Roosevelt's experience, clear understanding of the implications of the war, and his masterly conduct of the armed forces and the wartime domestic economy make him the best leader for war, for making peace and postwar conversion.

HARRISON M. ROBERTSON, Gen. Counsel
The Brown and Williamson Tobacco Corp., Louisville, Ky.

CHAIRMAN, Executive Council

No other man in history has ever been compelled to answer and decide the fate of civilization under so many trying circumstances; to bring so large a nation out of so big a depression. No other man has been called upon to engineer such a war. And no other man has ever planned more magnificently.

J. LOUIS REYNOLDS
Metals manufacturer, Richmond, Va.



Roosevelt has been good for business. He brought us out of the Hoover days and, despite heavy taxes, business is making more money than ever before. The Roosevelt concept of economic expansion leaves room for the growth of capitalism and free enterprise.

PHILIP E. WILCOX
Engineer, New York City



I am for Roosevelt because I believe he is the only candidate who has proved his concern for all the people; because he considers it the responsibility of business to protect the rights of all, to better the conditions of the workers and to consider the welfare of the people.

WALTER F. WANGER
Walter Wanger Prod., Inc., Universal City, Calif.



It is a wise business man who knows his own interest. I am for Roosevelt because I refuse to trade his proven ability, statesmanship and know-how for the promises of Mr. Dewey, who is a very young man, without the experience and maturity that is demanded by these critical times for America.

S. J. NOVICK, Pres.
Electronic Corp., New York City



Roosevelt's re-election is necessary not only to assure a continuity in the successful conduct of the war and an experienced negotiation of the peace, but also to assure proven ability in dealing constructively with every business problem affecting the welfare of every American.

DAVID A. SCHULTE
Schulte Cigars, New York City



As business men we are concerned with facts, figures. We don't believe any businessman can complain of the status of his business. The plans of Roosevelt to raise the standard of American living were not accidental, they were well-designed without depriving us of our rights.

SAMUEL RUBIN, Pres.
Fabergé, New York City



I am for Roosevelt because of his extraordinary foresight and courage in tackling the unprecedented problems which faced his administration from its first day. History will place his full record of accomplishment very high.

HENRY S. DENNISON, Pres.
Dennison Mfg. Co., Framingham, Mass.

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(In Process of Formation)

published by

BUSINESS MEN FOR ROOSEVELT, INC.

Hotel Delmonico, 502 Park Ave., N. Y. 22, Volunteer 5-2500

KNOW ALL THE ANSWERS

Familiarize yourself with the following material. You will very likely be asked questions along these lines. If other questions arise, list them and we shall add other answers to the sheet as they come in.

1. The Charge:

Roosevelt considers himself indispensable.

The Answer:

Indispensability is not an issue. The point is: Which man is most qualified for the job. This is a world-wide war. From the first, F.D.R. has realized this and has worked out a strategy with our own General Staff and with Churchill, Stalin, and Chiang Kai Shek. More Problems will arise even after Germany is defeated. Is this the time to risk confusion and delay while our allies get acquainted with a new Commander-in-Chief?

2. The Charge:

Sixteen Years are too long for one man to be president.

The Answer:

Not if he is the best man. If the makers of the Constitution had thought any definite number of years was too many, they would have made some statement to that effect. They left it to the people, because they trusted the people.

3. The Charge:

Roosevelt is a dictator.

The Answer:

You couldn't even make that charge in a dictatorship. Why, before you got across the street, you would be thrown into a concentration camp. No dictator has ever permitted a free election; no dictator has ever had 85 per cent of the press against him; no dictator has ever been checked by a freely elected Congress. This isn't a dictatorship - this is a Democracy where you and your family can vote for whomever you want for president.

This dictatorship charge is an old red herring. Back in 1941, the Daily News and the subversive press yelled DICTATOR and warned that we would have no other election. We had one in 1942 - we are having another in 1944. Roosevelt was elected by the people before - he'll be elected by them again.

4. The Charge:

Why did Roosevelt say "clear it all with Sydney"?

The Answer:

Neither the President nor any other Democrat made that remark. This is part of the Republican Smear Campaign. They have to smear Labor as they know that not only Sidney Hillman and the C I O but all other reputable labor leaders are behind President Roosevelt. They know full well that from Mr. Dewey and the Republicans they can expect nothing but bread lines and apple selling.

5. THE CHARGE:

Hillman and P A C are "buying the election".

THE ANSWER:

In our own Congress, before the House Campaign Expenditures Committee, it was revealed that only \$60,000 had been collected by the PAC, most of this in \$1 individual contributions. The Pew family alone, before the Hatch Act prevented it, contributed more than the whole PAC to the Republican Campaign Fund. How about clearing that with Mr. Dewey?

6. THE CHARGE:

Communists are running the government.

THE ANSWER:

President Roosevelt himself answers the outrageous charge that 'the Red spectre of Communism is stalking our country' in his speech of October 5th. In this speech, he said:

"This form of fear propoganda isn't new among rabble-rousers and fomenters of class hatred, who seek to destroy democracy itself...

...I have never sought and I do not welcome the support of any person or group committed to communism or fascism or any other foreign ideology which would undermine the American system of government or the American system of free competitive enterprise and private property.

That does not in the least interfere with the firm and friendly relationship which this nation has in this war, and will, I hope, continue to have with the people of the Soviet Union. The kind of economy that suits the Russian people I take it is their own affair."

7. THE CHARGE:

There are too many war-time strikes.

THE ANSWER:

No one condones strikes in War-time, but actually only 1/10th of one percent man hours have been lost as a result of strikes. In this 1/10th of one percent, is included John L. Lewis' strikes and he is strongly pro-Dewey. The Republicans seem to have lost sight of the fact that American Labor, during this war, has piled up the most phenomenal production record in the entire world.

8. THE CHARGE:

Roosevelt did nothing about unemployment. In 1932 we had 13 million unemployed; in 1940 there were still 10 million.

THE ANSWER:

That's the Republican way of figuring. They hope you won't realize that there were a lot more people in the country in 1940 than in 1932. Look at the employment figures: 37 million increased to 45 million. In other words, in 1932, twenty-six per cent of the working people were out of work. In 1940 that had dropped to 18 percent. Unemployment had decreased by practically a third during the New Deal.

9. THE CHARGE:

Roosevelt has destroyed free enterprise.

THE ANSWER:

That is nonsense. Business profits, even after taxes, have been greater than ever before in the history of the country. If free enterprise had been destroyed, could American Industry have done the production job it did? Could we have made the profits we have? Business profits, after taxes, are at an all-time high - business failures are at an all-time low.

Under-Secretary of War, Robert Patterson, recently testified before a Senate Committee that, by the end of 1945, large corporations in this country will have a post-war reserve of \$42,000,000,000 - two billion more than our entire national income in 1932. War Mobilization Director Byrnes has recommended that Congress remove the excess profit tax as soon as the War is over, and the Government is already passing measures that war plants be taken over by private industry.

(See page 12-13, THE RECORD SHINES THROUGH)

10. THE CHARGE:

Roosevelt has killed little business.

THE ANSWER:

This statement is another red herring. Actually the checking accounts of small retail businesses have increased 95 percent between June 1942 and June 1943. Business failures are at an all-time low. 4/5ths of the national income is now in the hands of people earning \$5,000 a year or less. And business profits, after taxes, were at an all-time high in 1943.

11. THE CHARGE:

Our taxes are too high.

THE ANSWER:

Certainly we have big taxes. But we have a big war on, and 97% out of every dollar paid in taxes goes toward the cost of winning the war. This is spent directly on victory itself, and does not include the civilian agencies in Washington.

Here are some figures on the cost of the War:

It cost six and a half billion dollars to march from Naples to Rome.

It cost six billion dollars to take the Marshall Islands.

War is expensive, but at the same time the average American is better off than he ever was before, despite the high taxes. According to the Bureau of Labor Statistics, the weekly pay average in manufacturing and industry has jumped from \$23.69 in June 1939 to \$46.28, five years later in June of 1944.

The people who yell the loudest about taxes are those who have the most left after taxes are deducted.

(See pages 16 and 22 of THE RECORD SHINES THROUGH)

This terrible national debt will ruin the country.

THE ANSWER:

Experts say that there is no danger until the national debt is twice the national income. Our debt of 170 billion dollars is very little more than our income of 159 billion dollars. Besides this, we are paying much lower interest on the debt than we did in World War I. The actual amount of money spent on interest charges represents about the same proportion of our national income as it did in 1920.

13. THE CHARGE:

Roosevelt promised not to send our boys into foreign wars.

THE ANSWER:

Roosevelt did promise this; but you forgot to add the rest of the statement, which is "except in case of attack." Look this up for yourself. It was stated in Roosevelt's speeches of September 11th, 1940 and again on October 23rd.

And we were attacked by Japan at Pearl Harbor, sneakily and deceitfully, even as the Japanese "peace" mission was negotiating in Washington. Then Germany and Italy declared war on the United States. From that moment on, our very existence was threatened.

14. THE CHARGE:

Why hasn't the blame for Pearl Harbor been definitely placed by court martial.

THE ANSWER:

It was the Roberts Committee which gathered the facts on Pearl Harbor. Roberts, a Republican, found it not to the public interest to have a court martial now.

As to the blame for Pearl Harbor, if the Republicans in Congress had voted for fortifying Guam, as President Roosevelt had asked, we would have been better prepared for the Japs. The Republicans declared again and again that we were in no danger of attack from anyone. In 1939 they voted 122 to 5 to cut the army air force. Four months to the day before Pearl Harbor, they voted against extending the Selective Service Act... Due to their opposition, this bill was almost defeated. It passed the House by one single vote. With their record, how can the Republicans dare to question Pearl Harbor!

15. THE CHARGE:

Roosevelt did nothing to prepare us for war.

THE ANSWER:

This statement is utterly fantastic. Roosevelt was urging preparedness when the Republicans called him a war monger. Let's look at the record. There are three measures on which the preparedness of the American people for the war depended more than anything else.

1. The Repeal of the Arms Embargo without which our present allies would have gone under, leaving us alone to fight Germany and Japan at their own sweet time...in Congress the Republicans voted 21 in favor and 143 against, the Repeal of the Arms Embargo.

2. Selective Service, which gave us an army of our own, was not considered essential by the Republicans who voted against it 143 to 52.

(continued on next page)

(15 Continued)

3. Lend Lease, which enabled our allies to hold off Hitler while we prepared, was voted down by the Republicans in Congress 135 to 24.

Every other single defense measure was opposed by a majority of Republicans in Congress, including the fortification of Guam and the extension of the original Selective Service Act, just four months before Pearl Harbor.

16. THE CHARGE:

The Democrats won't bring our boys home because it's cheaper to keep them in the Army.

THE ANSWER:

President Roosevelt himself answered this lie, when he said our boys will be brought home at the earliest possible moment consistent with national safety. The record is clear on this point and dates back nearly a year. Bills providing for demobilization were passed months ago.

17. THE CHARGE:

The Administration has bungled the war effort.

THE ANSWER:

It's a new kind of bungling that brings forth the tremendous, miraculous accomplishment of production by the American people. Just let's look at the record. Today we have the best equipped and the finest Army ever put into the field. General Patton marched through France on his equipment.

Let's compare some figures in 1941 and in 1944:

In 1941 we were producing 10,000 tons of shipping per month... in 1944, 208,000 per month.

In 1941 we were producing 2,062 airplanes per month... In 1944 we turned out 9,117 per month.

In 1941 we produced 25,000 machine guns per month.... 67,000 in 1944.

These are just a few figures. Is this bungling the war effort? (See page 20 and page 5 of THE RECORD SHINES THROUGH)

18. THE CHARGE:

Roosevelt and his Administration are tired old men.

THE ANSWER:

Roosevelt is 62. That is the same age as Admiral Halsey: two years younger than MacArthur and Marshall, and four years younger than Admiral King. And all these men are engaged in actual fighting. If Dewey thinks Roosevelt is too old, would he fire Marshall and King if he should get in?

19. THE CHARGE:

MacArthur hasn't received enough supplies.

THE ANSWER:

Dewey said he would not interfere with the conduct of the war but would leave it to the General Staff, yet he makes remarks like that one about Roosevelt refusing supplies to MacArthur on account of politics. Would Dewey go against the General Staff? It was part of the Grand Strategy of the Allied High Command to beat Germany first, so the major part of our supplies went there first.

20. THE CHARGE

Nothing is being done for post-war reemployment.

THE ANSWER

The Administration has been planning for the speedy reemployment not only of our armed forces, but for those who have been working in war industries. The whole object of this planning is to prevent a period of unemployment such as followed World War 1.

The American people remember the Hoover bread lines—they are not going to be taken in by Republican promises of post-war full employment through industry's mystic magic. They know that this administration has always recognized the Government's responsibility for the welfare of the people. Dewey suggests that we go back to Hoover and that the Government have nothing to do with the people.

21. THE CHARGE

There are too many bureaucrats in Washington.

THE ANSWER

Sure there are a lot of people working for the Government now, and certainly we have a lot of bureaus. But we have to have a big government because we are engaged in a big war. That is the sole reason for the number of governmental employees. In March, 1944 there were 2,839,000 paid civilian governmental employees...but 72% of them work for agencies whose sole existence is the war. The Army and Navy alone employ two-thirds of all the so-called bureaucrats.

Deducting the 2 million employees of the Army and Navy and the for-war-only agencies, there are some 800,000 government employees left. Of this, almost half work for the Post Office. The rest work in food production; direct the sale of war bonds; protect us from enemy sabotage; direct domestic aviation activities; are our weather men; direct our public health, and care for war veterans.

(See page 14-15 of THE RECORD SHINES THROUGH)

22. THE CHARGE

Attacks on Mrs. Roosevelt.

THE ANSWER.

The attacks on Mrs. Roosevelt have been nasty and unfair and have generally originated with the alleged seditionists and Westbrook Pegler. What has she done outside of acting the part of a fine humanitarian? Her trip to Australia was arranged for by the Red Cross and paid for by herself. All of the income from her writing about her experience, and from her column, during the whole time, went to the Red Cross and the Friends' Service Committee.

23. THE CHARGE

The Administration has done nothing for the Negro.

THE ANSWER

The Roosevelt Administration has always recognized minority groups. The F & P C (The Fair Employment Practices Committee) was created by an executive order; the Committee to form a permanent FEPC is government-sponsored. President Roosevelt did not fail the negro when Philadelphia's transportation workers defied the FEPC directive. He ordered the Army into Philadelphia without delay; the order to return to work was not only enforced but strike leaders were arrested and are now facing Federal prosecution.

(23 Continued)

The Republicans have promised much to the Negro, but actions speak louder than words. What have they got to show? Absolutely nothing. Dewey himself sabotaged a New York State FEPC Bill in the Legislature; he also scuttled a bill setting up a Civil Rights Bureau. When Dewey allowed these two bills to be dropped, most of the Committee who drew them up resigned. What was Dewey's answer? To appoint another committee to "study" the problem of race discrimination.

24. THE CHARGE

Truman is a machine Democrat.

THE ANSWER

Truman has a record of fine service as a completely independent thinker. It was the Truman Committee which investigated the re-negotiation of contracts; the charge of Government wastage; war plants giving defective materials. Truman was a Democrat, yet he impartially sought out the faults of the country's gigantic war efforts. Does this sound like a machine Democrat? Does not this prove his true patriotism, his non-partisanship and his opposition to machine politics? He comes before us as a candidate for Vice President as a true public servant.

25. THE CHARGE

The OPA is bungling.

THE ANSWER

OPA isn't bungling. It is Price Control which has held the rise of living costs to less than half of what it was during World War I. Since prices were fixed, the over-all cost of living has not risen as much as 1%. Before that it had risen more than 2%. (In World War I it had risen 63% in the same period.)

Here are some OPA accomplishments:

World War I ...	Butter	\$.78 a Lb.	Today ..	\$.52
	Flour	3.22 for 50 Lbs.	Today ..	1.67
	Sugar	.27 a Lb.	Today ..	.07
	Bacon	.59 a Lb.	Today ..	.41

Price Control will be in effect only as long as the war lasts. All rationing will be speedily dropped as soon as the war is over.

26. THE CHARGE

What about Hague and Kelley?

THE ANSWER

People in glass houses shouldn't throw stones. The Republicans have their Pews, their Bertie McCormicks, and their Ham Fishes.

WHY BUSINESS IS FOR ROOSEVELT

Every business man takes inventory at regular intervals in the fiscal year. He wants to know where he stands. And during a presidential election year the business man has to take inventory politically. He has to decide what gains business in general has made under the national leadership. He has to know what losses he may incur, if that leadership is changed.

Business men deal in cold hard facts. For a long time these facts have demonstrated that the best assurance of the maintenance of business' gains and the continuation of free enterprise is the re-election of Franklin Delano Roosevelt. Even though a small but voluble minority has given the American people the erroneous idea that practically all business men are hostile towards Roosevelt, the record shows how dishonest this claim is.

Let's examine that record. What has Roosevelt done for business? For one thing, he stimulated business from the day he took office. From that time up to 1939, America's net income nearly doubled. For another, he overhauled the banking structure. He virtually eliminated bank failures and gave the business man renewed confidence in his bank. Moreover, Roosevelt contributed to stability in Wall Street--he eliminated rampant speculation and

shady/

- 2 -

operators; he helped legitimate brokers and investors by demanding truth and a square deal in securities' dealings.

The list of accomplishments is long and spectacular. Grateful business men know that Roosevelt saved American homes, farms and small businesses. The Home Owners' Loan Corporation rescued about 3-million families from foreclosure. Think of what this meant for savings and loan associations, trust companies, mortgage and insurance companies and individual mortgagers.

Roosevelt raised living standards and bolstered purchasing power. By clearing the slums and setting up tremendous public work projects, he provided employment for millions of forgotten men. TVA alone provided four-and-a-half million people with new ways of making a living. And Roosevelt went on throughout this period to fight monopoly; he recognized that monopolies stifle competition; that competition is the lifeblood of free enterprise. And even today, when thousands upon thousands of business men are haunted by the nightmare of inflated rentals on commercial properties, the Roosevelt Administration is going to bat for business. Commercial rent inflators are being exposed for what they are. They're being discouraged from wrecking the splendid record the Roosevelt Administration has achieved in fighting inflation.

May/

- 3 -

May I be personal for one moment. If I am elected to office, I shall come out and work for a commercial rent freeze at 15% above the January 1943 rate for as long as the national needs demand it.

It is worth noting in this connection that the inflationary trends that caused so much trouble in the last war have been checked. Millions of people are saving for post-war buying. And business men have also saved--they have 52 billion dollars available for post-war investment.

To make sure that post-war investment is going to be sound, that reconversion will be carried out with a minimum of strain, that international trade will be expanded on a vast scale, -- to make sure of these urgent needs and many others--is to make sure that Franklin Delano Roosevelt is re-elected.

FULL EMPLOYMENT

Full employment after the war is the goal of the Democratic party. Today, at the height of our war activity, we have full employment, and every American must also have the opportunity to work in peacetime. That is the problem of full employment. You and I, our families and our boys, need to know which party is more likely to lead us to this goal.

Let us go back to March 1933, when FDR became President. We were then truly a bankrupt nation; paralyzed with fear. What had we been having in the way of leadership up till then? Nothing but Herbert Hoover, now Governor Dewey's friend and advisor, sitting in the White House trying to overcome his terror with expressions of hope that prosperity was just around the corner. Instead, around each corner lurked more poverty and desperation where threadbare men were selling apples.

We never rounded the right corner until Roosevelt was elected. He came forth with a daring and dynamic program. By 1940, twelve million more men and women were employed in industry than in 1932. Our national income had doubled. How had Roosevelt done this?

He created a social security system of unemployment insurance, of minimum wage and maximum hour standards.

Ho/

He set up public works projects to provide useful jobs.

He laid the foundations of sound international trade through his Good Neighbor policy, so that by 1940 we had trade agreements with most of the Latin American countries.

Aid to farmers and price control programs quadrupled the farmers incomes between 1932 and 1940.

Finally the country's banking system was strengthened. We have Federal insurance of bank deposits. Federal regulation of stock exchanges protects the small investor. Interest rates have gone down so that it is easier to start a new business or expand an old one. And government agencies have been set up to lend money to farmers and small businessmen.

Now, what does Thomas Dewey say about these government measures that brought about recovery? Today he says, "Me too. I think social legislation is marvelous. Of course Labor must bargain collectively, and the Wage Hour Act is a fine thing."

But what did the Republicans do at the time? They voted against the wage-hour bill. They tried to cripple the Labor Relations Act. They voted against Federal insurance of bank deposits and loans to small home owners. They propose to destroy our trade agreements
plan, /

- 3 -

plan, generally conceded to be the most constructive experiment in tariff reform ever undertaken by this country.

The Republican Party prides itself on its interest in sound currency. Yet, if their vote had been decisive, we would have inflation today. They voted against food subsidies to prices down. They voted against Emergency Price Control just 9 days before Pearl Harbor.

As the war draws to its close, new problems affecting full employment arise. Already the question of reconverting war plants to civilian use has come up. The administration wants reconversion to begin as soon as possible without interfering with war needs. This is elementary commonsense; factories that are not needed for war work must be converted to civilian production as soon as materials are available.

We expect one million workers to be released from war work this year. The Government's plan will give them immediate employment. What, you may ask, can anyone oppose in this? But you don't know the opposition.

Dewey's Big Business backers are afraid to let any factory go back to civilian production before all are ready to go back. They say it is unfair, but I say that planning jobs for millions of war workers is more important.

Wo/

- 4 -

We believe in an orderly program for demobilizing civilian war workers, for re-employing them in peacetime occupations, and for providing unemployment benefits when necessary. The Murray-Kilgore bill dealt with all aspects of reconversion, but it was voted down by the Republicans.

But what is the Republican plan for full employment? They believe that all you have to do is to lift government controls, reduce taxes, and give private enterprise a free hand. But we know that this gigantic task cannot be done by Big Business alone. Business under Hoover had a free hand, and look where it got us. The Administration believes that Government, Business, and Labor, acting as partners, can do the job just as this partnership led us into the miracles of our war production record.

As a woman with a family of my own, I say that every individual who wants work must have it. I remember the depression, and the bread lines, and I say it must not happen again! I don't trust Republican vision to get us all jobs. It was Republican 'vision' which led us to the Depression of 1929. It was Republican 'vision' that voted against the New Deal measures that brought us out of that depression. I am not taken in just because today they think it politic to praise and promise to even further these reforms that they did everything to stifle. It was Republican 'vision' that said we'd never make 50,000 planes a year--let alone double that.

I don't/

- 5 -

I don't want any more Republican visions. I want President Roosevelt and his administration. It was Roosevelt who took us out of the Depression, by enacting wise and just legislation. It was Roosevelt who had faith in what America could accomplish in war. I trust him and his record to see that these production records will be carried over into peace, so that we can have full employment for all, accompanied by the high standard of living to which every one of us is entitled.

October 25, 1944

October 25, 1944.

Received

Dear Miss Kirchway:

I want to compliment you on your issue of October 21 and the supplement. I have recommended to all of my staff that they read all of the articles listed in "Campaign Roundup" and the whole of the supplement as well.

Sincerely,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Sincerely yours,

(Signed) Harry

Miss Freda Kirchway
Editor and Publisher, The Nation
20 Vesey Street
New York 7, New York

Major General Edwin W. Watson,
The Pentagon,
Washington, D.C.

HEG/mah



THE WHITE HOUSE
WASHINGTON

October 24, 1944.

MEMORANDUM FOR SECRETARY MORGENTHAU:

Dear H. M., Jr.:

I was rather disturbed because you didn't think the War Department had stood by you one hundred percent, as you have always stood by us.

I asked for a report and here it is, from my liaison officer Colonel Davenport, who took the place of Colonel McCarthy, who in turn took the place of Major General Maxwell Taylor, who in turn followed Lieutenant General Beedle Smith. This boy has followed a distinguished line. He comes from Virginia and I consider him OK. I know he wanted to do everything possible to facilitate you and I thought this report would explain some of the difficulties he encountered and perhaps some of the misunderstandings.

Hope you will always call on us. We will do our dammedest -- and that's all a steer can do, they tell me!

Yours,

Pa
E.M.W.



WAR DEPARTMENT
OFFICE OF THE CHIEF OF STAFF
WASHINGTON 25, D. C.

October 24, 1944

MEMORANDUM FOR GENERAL WATSON:

Today I received reports from our Priorities Officers in Dallas and Los Angeles regarding the handling of Secretary Morgenthau's trip from Dallas to Los Angeles and from Los Angeles to Washington.

As I advised you over the phone on the afternoon of October 12, I intended to get in touch with Mr. Morgenthau to determine whether or not commercial air transportation from Dallas to Los Angeles would be satisfactory and if it would not, we would locate an Army plane to carry him to Los Angeles. Mr. Morgenthau later in the afternoon indicated to me over the telephone from New Orleans that he was proceeding to Dallas, and that the American Airlines Flight 7 leaving Dallas at 7:26 a.m., October 13, would be entirely satisfactory. I advised Mr. Morgenthau that we would have our Air Priorities Officer meet him when he arrived in Dallas to work out all arrangements for the flight the next morning.

The Air Priorities Officer in Dallas has now reported that when he appeared at the Dallas Air Field to meet the Secretary of the Treasury, he was paged over the public address system by a Mr. Charles Elliott "who represented himself as the person handling all arrangements for the entire party". The Priorities Officer and Mr. Elliott arranged with the American Airlines' officials to transport Mr. Morgenthau and Mr. Gaydica on Class 1 priorities, and raised existing Class 3 priorities to Class 2 priorities in order to accommodate fourteen other Treasury Department officials. Furthermore, the Priorities Officer effected the displacement of other American Airlines' passengers in order that the entire party could travel on the same airplane. The following is quoted from the Air Priorities Officer's report: "It is desired to include in this report the impression given to this office that Mr. Charles Elliott of Mr. Morgenthau's immediate party and Mr. Leo Williams of the Secret Service Branch of the Treasury Department, Dallas, were both entirely satisfied with the services rendered by this office".

The Officer in Los Angeles was instructed by me through the Headquarters, Air Transport Command, to accommodate Secretary Morgenthau and his party on commercial transportation with Class 1 priorities provided this arrangement was agreeable to the Secretary of the Treasury. The officer was given to understand that if commercial transportation was not satisfactory, he was to communicate with the Headquarters, Air Transport Command, in order to arrange for a special airplane. The Los Angeles Air Priorities Officer having determined from the Regional

Director, War Finance Division, U. S. Treasury Department, Los Angeles, that Secretary Morgenthau would stay at the Ambassador Hotel, attempted to get in touch with Secretary Morgenthau or Mr. Gaydica. However, Mr. Himiyasen of the Treasury Department Secret Service advised the officer that Mr. Gaydica and Secretary Morgenthau were not available. The officer left a message with Mr. Himiyasen requesting Mr. Gaydica to telephone the officer as soon as possible, and at 6:30 p.m., Pacific War Time, October 13, Mr. Gaydica returned the officer's call. Mr. Gaydica advised the officer "that personal contact with Secretary Morgenthau was not considered necessary since arrangements for transportation from Los Angeles to Washington had been completed for Secretary Morgenthau and his party and it was understood that transportation would be by U. S. Coast Guard Plane".

The officer then asked Mr. Gaydica to get in touch with him at his office or his quarters in the event that other transportation facilities were desired by the Secretary of the Treasury. The officer concluded his report with the following statement: "To the date of this report no further request was received by this officer or this station for the establishment of commercial air priorities for Secretary Morgenthau and his party of four".

The above described reports make me believe that the Secretary of the Treasury has not received the full and complete information from the Treasury Department officials who handled his transportation. I feel certain that Mr. Elliott who handled the matter in Dallas and Mr. Gaydica who handled the matter in Los Angeles would be glad to state that the Air Transport Command officers involved operated efficiently and entirely cooperatively.


B. W. DAVENPORT,
Lt. Colonel, G. S. C.,
Asst. Secretary, General Staff.

October 25, 1944

MEMORANDUM FOR THE SECRETARY

From: Mr. Blough

(For your information; no action required)

In accordance with your instructions, I have sent a copy of the attached memorandum on tax policy to Judge Rosenman, together with a short letter of which a copy is attached.

Before sending the memorandum it was read by Messrs. Gaston, Sullivan, White, O'Connell, Oliphant and Murphy. The only objection was from Mr. Sullivan who questioned the recommendation for "substantial acceleration of depreciation."

RB.

Attachments

COPY

October 25, 1944

My dear Judge Rosenman:

In response to your recent oral request to Mr. Harry White for a short memorandum on tax policy there is attached a suggested tentative draft. This draft has been examined by several people in the Treasury Department but not by Secretary Morgenthau who suggested that I transmit it to you, with the understanding that he has not gone over it.

There is not universal agreement in the Treasury Department on the desirability of recommending at this time "substantial acceleration of depreciation." I hope that no more definite recommendation will be made on this point than is contained in the suggested draft. The matter involves technicalities that are not apparent at first glance. A more definite commitment might later be found not in harmony with desired tax goals.

Sincerely yours,

(s) Roy Blough
Director of Tax Research

The Honorable Samuel I. Rosenman

The White House

10/25/44

Taxes should fit the needs of the times -- that has been the consistent policy of this Administration. That was the policy we adopted when we inherited a tax structure that yielded less than two billion dollars in the fiscal year 1933 -- a tax structure full of holes inviting the wealthy to escape their taxes by incorporating yachts and racing stables, by setting up trusts and holding companies, and by numerous other devices. We remodeled the tax structure to stop up the holes and greatly strengthened the revenue yield while protecting consumer purchasing power.

But the peacetime system could not serve the needs of war. Beginning in 1940 we again had to adapt the tax system, this time to meet the demands of the wartime period. To arm the Nation and fight the war has required revenues of unprecedented amounts. Taxes were raised, not all at once -- that would have been unnecessarily severe -- but in stages, year by year, so that business and labor and farmers could adjust themselves to the heavier loads with a minimum of shock and hardship.

The response of the American people to wartime taxes has been truly magnificent. In four years tax collections increased eight-fold to more than forty billion dollars.

- 2 -

This represents perhaps the world's greatest achievement in the history of wartime finance. And the people, knowing that these taxes, ninety-five cents out of every dollar, are directly backing up our fighting men and women, are paying them gladly, and are buying bonds besides.

But the success of our wartime tax policy is not to be measured by revenue alone. Wartime taxes have struck at the heart of war profiteering. Yet they have given industry full opportunity to build up its financial strength for postwar reconversion. Wartime taxes have powerfully supported our economic stabilization program by removing billions of restless consumer dollars. Yet they have protected the minimum standard of living and promoted equity in the distribution of the war's financial cost. Wartime tax laws have introduced new and easier methods of budgeting and paying taxes and have drastically simplified the income tax returns which you will file next March and thereafter. Yet the Government's collection costs have been brought down to a fraction of one cent per dollar of revenue collected.

- 3 -

Successful as it is and will continue to be while the war lasts, the wartime tax system will not serve and never was intended to serve as a postwar tax system. Conditions will be different after the war and the tax system must be adapted to the new conditions. In making the postwar tax adjustments we will continue to have before us the goal of tax fairness. We will also continue to have before us the goal of an expanding production and employment. The keys to expanding production and employment are expanding investment and consumption and these tax policy should encourage.

Investment in new plant and equipment gives employment and increases productivity, while idle savings repress employment and production. The excess profits tax should be repealed as soon as war-caused profits have come to an end. Its continuance beyond that time would interfere with the healthy growth of peacetime industry. Expansion of industry to provide peacetime jobs should be encouraged by allowing for tax purposes substantial acceleration of depreciation for new plant and equipment. Additional incentive will thereby be given to new investment and to the prompt replacement of obsolescent plant and equipment.

- 4 -

But the primary motive for investment is the prospect of profitable markets. The depression taught us all that investment is without profit if goods cannot be sold. The sound foundation for an expanding investment is an expanding mass consumption. Postwar tax policy should be designed to promote maximum consumption by reducing and eliminating as rapidly as possible wartime taxes that would restrict consumption in the postwar period. This will promote the goal of expanding production and employment. At the same time it will promote the goal of tax fairness by distributing the tax load in accordance with ability to pay.

I hold out no easy promise of wholesale, drastic tax reductions. Those who do so mislead the American people. After the war is over there will be tax reductions as early and as large as possible, but these must be consistent with budgetary requirements and the continuing integrity of the national credit.



TREASURY DEPARTMENT
PROCUREMENT DIVISION



OFFICE OF THE DIRECTOR

WASHINGTON 25

October 25, 1944

~~SECRET~~

MEMORANDUM TO THE SECRETARY:

There is submitted herewith the weekly report of Lend-Lease purchases.

A requirement has been received for 10,000 Induction Motors, amounting to approximately \$2,080,000.00 for use within the industries in Russia.

Clifton E. Mack
Clifton E. Mack
Director of Procurement
ECM

~~SECRET~~

LEND-LEASE
 TREASURY DEPARTMENT, PROCUREMENT DIVISION
 STATEMENT OF ALLOCATIONS, OBLIGATIONS (PURCHASES) AND
 DELIVERIES TO FOREIGN GOVERNMENTS AT U. S. PORTS
 AS OF OCTOBER 18, 1944
 (In Millions of Dollars)

	<u>Total</u>	<u>U. K.</u>	<u>Russia</u>	<u>China</u>	<u>Administrative Expenses</u>	<u>Miscellaneous & Undistributed</u>
Allocations	\$5574.6 (5574.6)	\$2627.1 (2627.1)	\$2257.3 (2257.3)	\$133.9 (133.9)	\$15.9 (15.9)	\$540.4 (540.4)
Requisitions in Purchase	\$ 212.8 (226.2)	\$ 28.3 (27.6)	\$ 61.5 (73.0)	\$ 1.9 (1.8)	-	\$121.1 (123.8)
Requisitions not Cleared by W.P.B.	\$ 137.4 (108.5)	\$ 31.7 (33.3)	\$ 91.8 (63.7)	\$.2 (.1)	-	\$ 13.7 (11.4)
Obligations (Purchases)	\$4180.7 (4142.7)	\$2020.6 (2013.5)	\$1759.1 (1736.3)	\$ 67.7 (62.7)	\$14.4 (14.4)	\$318.9 (315.8)
Deliveries to Foreign Governments at U. S. Ports*	\$2499.2 (2470.1)	\$1497.7 (1490.9)	\$ 924.6 (902.5)	\$ 24.7 (24.7)	-	\$ 52.2 (52.0)

*Deliveries to foreign governments at U. S. Ports do not include the tonnage that is either in storage, "in-transit" storage, or in the port area for which actual receipts have not been received from the foreign governments.

Note: Figures in parentheses are those shown on report of October 11, 1944.

DECLASSIFIED FOR T.D. 160

~~SECRET~~

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

October 25, 1944

~~CONFIDENTIAL~~

Received this date from the Federal Reserve Bank of New York, for the confidential information of the Secretary of the Treasury, compilation for the week ended October 18, 1944, showing dollar disbursements out of the British Empire and French accounts at the Federal Reserve Bank of New York and the means by which these expenditures were financed.

E. M. B.

ANALYSIS OF BRITISH AND FRENCH ACCOUNTS
(In Millions of Dollars)

Week Ended October 18, 1944

PERIOD	DEBITS				CREDITS				BANK OF FRANCE				
	Total Debits	Gov't Expenditures (a)	Treasuries to Official Canadian Account	Other Debits	Total Credits	Proceeds of Sales of Gold	Securities (Official) (b)	Transfers from Official Australian Account	Other Credits (c)	Net Incr. (+) or Decr. (-) in \$ Funds (d)	Total Debits (e)	Total Credits (e)	Net Incr. (+) or Decr. (-) in \$ Funds (d)
War Years (g)													
First	1,793.2	605.6	20.9	1,166.7	1,828.2	1,356.1	52.0	3.9	416.2	+ 35.0	866.3 (f)	1,095.3 (f)	+ 299.0
Second	2,203.0	1,792.2	3.4	407.4	2,189.8	1,193.7	274.0	16.7	705.4	- 13.2	38.9	8.8	- 30.1
Third	1,235.6	904.8	7.7	223.1	1,361.5	21.8	5.5	57.4	1,276.8	+ 125.9	18.5	4.4	- 14.1
Fourth	764.0	512.7	170.4	280.9	1,072.3	-	0.5	155.1	916.7	+ 308.3	10.3	1.0	- 9.3
Fifth	1,197.7	300.4	61.4	835.9	1,369.6	-	-	253.0	1,116.6	+ 171.9	-	-	-
1944													
September	151.0	19.9	50.4	80.7	56.5	-	-	1.0	55.5	- 94.5	-	-	-
October													
November													
December													
1945													
January													
February													
March													
April													
May													
June													
July													
August													
Week Ended													
September 27, 1944	69.2	5.5	-	63.7	18.3	-	-	-	18.3	- 50.9	-	-	-
October 4, 1944	15.4	6.3	-	9.1	7.9	-	-	1.0	6.9	- 7.5	-	-	-
October 11, 1944	59.4	3.5	-	55.9	10.7	-	-	-	10.7	- 48.7	-	-	-
October 18, 1944	7.8	6.3	-	1.5	2.6(h)	-	-	-	2.6(h)	- 5.2	-	-	-

See attached sheet for footnotes.

Average Weekly Expenditures Since Outbreak of War
 France (through June 19, 1940) \$19.6 million
 England (through June 19, 1940) \$27.6 million
 England (through June 20, 1940 to March 12, 1941) \$54.9 million
 England (since March 12, 1941) 22.0 million

- (a) Includes payments for account of British Ministry of Supply Mission, British Supply Board, Ministry of Supply Timber Control, and Ministry of Shipping.
- (b) Estimated figures based on transfers from the New York Agency of the Bank of Montreal, which apparently represent the proceeds of official British sales of American securities, including those effected through direct negotiation. In addition to the official selling, substantial liquidation of securities for private British account occurred, particularly during the early months of the war, although the receipt of the proceeds at this Bank cannot be identified with any accuracy. According to data supplied by the British Treasury and released by Secretary Morgenthau, total official and private British liquidation of our securities through December, 1940 amounted to \$334 million.
- (c) Includes about \$85 million received during October, 1939 from the accounts of British authorized banks with New York banks, presumably reflecting the requisitioning of private dollar balances. Other large transfers from such accounts since October, 1939 apparently represent current acquisitions of proceeds of exports from the sterling area and other accruing dollar receipts. See (k) below.
- (d) Reflects net change in all dollar holdings payable on demand or maturing in one year.
- (e) For breakdown by types of debits and credits see tabulations prior to March 10, 1943.
- (f) Adjusted to eliminate the effect of \$20 million paid out on June 26, 1940 and returned the following day.
- (g) For monthly breakdown see tabulations prior to April 23, 1941; October 8, 1941; October 14, 1942; September 29, 1943; September 6, 1944.
- (h) Includes \$1.7 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandise exports.

ANALYSIS OF CANADIAN AND AUSTRALIAN ACCOUNTS
(In Millions of Dollars)

Week Ended October 18, 1944.

PERIOD	BANK OF CANADA (and Canadian Government)				COMMONWEALTH BANK OF AUSTRALIA (and Australian Government)				Net Incr. (+) or Decr. (-) in Funds (e)								
	DEBITS		CREDITS		DEBITS		CREDITS										
	Total Debits	Transfers to Official British A/C	Proceeds of Gold Sales	Transfers from Official British A/C	Total Debits	Transfers to Official British A/C	Proceeds of Gold Sales	Total Credits									
War Years (a)																	
First	323.0	16.6	306.4	504.7	412.7	20.9	38.7	32.4	181.7	31.2	3.9	27.3	36.1	30.0	6.1	4.9	
Second	460.4	-	460.4	462.0	246.2	3.4	123.9	88.5	1.6	72.2	16.7	55.5	81.2	62.9	18.3	9.0	
Third	525.8	0.3	525.5	566.3	198.6	7.7	-	360.0	40.5	107.2	57.4	49.8	112.2	17.2	95.0	5.0	
Fourth	723.6	-	723.6	958.8	47.1	170.4	-	741.3	235.2	197.0	155.1	41.9	200.4	-	200.4	3.4	
Fifth	849.3	1.0	848.3	958.5	38.1	61.4	-	859.0	283.3	298.6	252.5	46.1	287.7	-	287.7	10.9	
1944																	
September	24.5	0.1	24.4	91.8	-	50.4	-	41.4	67.3	5.8	1.0	4.8	7.3	-	7.3	1.5	
October																	
November																	
December																	
1945																	
January																	
February																	
March																	
April																	
May																	
June																	
July																	
August																	
Week Ended																	
September 27, 1944	16.9	-	16.9	5.1	-	-	-	5.1	- 11.8	1.3	-	1.2	0.8	-	0.8	- 0.5	
October 4, 1944	14.9	-	14.9	16.8	-	-	-	16.8	+ 1.9	3.0	1.0	2.0	0.5	-	0.5	- 2.5	
October 11, 1944	5.8	-	5.8	30.6	-	-	-	30.6	+ 24.8	-	-	-	3.1	-	3.1	+ 3.1	
October 18, 1944	3.1(c)	-	3.1	5.2(c)	-	-	-	5.2(d)	+ 2.1	0.2	-	0.2	0.4	-	0.4	+ 0.2	

Average Weekly expenditures for

- First year of war 6.2 million.
- Second year of war 8.9 million.
- Third year of war 10.1 million.
- Fourth year of war 13.9 million.
- Fifth year of war 16.1 million.
- Sixth year of war 6.9 million.

- (a) For monthly breakdowns see tabulations prior to: April 23, 1941; October 8, 1941; October 14, 1942; September 29, 1943; September 6, 1944.
- (b) Reflects changes in all dollar holdings payable on demand or maturing in one year.
- (c) Does not reflect transactions in short term U. S. securities.
- (d) Includes \$ 1.2 million deposited by War Supplies, Ltd. and \$ 3.6 million received from New York accounts of Canadian chartered banks.

October 18, 1944

October 25, 1944

MEMORANDUM TO MR. HARRY L. HOPKINS

This is to acknowledge your memorandum of October 2, 1944 in which you were kind enough to give me a copy of a memorandum written by Darryl F. Zanuck to you on the subject of the movie industry of post-war Germany.

I agree with you that this is an interesting approach towards the problem of controlling the movie industry in Germany. Many of the steps listed in the memorandum are undoubtedly desirable. However, I feel that something more is needed to assure the development of a democratically-minded personnel in this strategic industry. I suggest that consideration be given to a licensing system, which might supplement some or all of the controls listed in Mr. Zanuck's memorandum. The Allied authorities would, over a period of years, license movie producers and actors on a year to year basis. The licenses issued to producers or actors could be revoked at any time, or the yearly renewal denied, if they failed to live up to democratic standards of professional conduct. Thus, the licensing technique would serve as a selective device for encouraging democratic political ideals in the movie industry.

H. A. M. Jr

~~SECRET~~ 9.43 190
THE WHITE HOUSE
WASHINGTON

October 2, 1944

MEMORANDUM FOR THE HON HENRY MORGENTHAU, JR.

Dear Henry:

This sounds interesting

to me.

H.L.H.

encl. re Motion Picture Production
in Post-War Germany

~~SECRET~~

COPY

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DOD DIR. 5200.9 (9/27/58)
Date- 5-7-70
Signature- *PHR*

TO: : Mr. Harry Hopkins
FROM: Darryl F. Zanuck
Colonel, A.U.S. (Inactive)

SUBJECT: Motion Picture Production
in Post-War Germany.

HISTORY:

In the years preceding Hitler's rise to power, motion pictures produced in Germany were usually quite free of propaganda. They were generally of a higher quality than other European productions and showed particular excellence in their technical phases.

German films were translated into the French and Italian languages and, in the case of the more important productions, into other languages as well. They were quite popular throughout Central Europe, the Scandinavian countries, the Mediterranean area and to a lesser but still noteworthy degree throughout Latin America. They naturally reflected the German point of view but they were commonly free of deliberate or "planted" propaganda.

Certain of these German films were imported to the United States. Frequently, they were quite successful. Among these were the Early Emil Jannings and Ernst Lubitsch productions.

However, even when German film production was at its highest level, American motion pictures were far more popular throughout the world and even in the territories adjacent to Germany itself. American

copies sent to Mr. DeLoach

stars and personalities dominated the screen in almost all lands, with French films second in international favor and German pictures a close third.

With the advent of Hitler, an immediate and pronounced change took place. Nazi propoganda began to emerge. It showed itself first in the German newsreels. They became, for all purposes, a department of the Nazi propoganda machine. They stressed the Nazi ideals as exemplified by the Youth Movements and mass athletic contests. They underscored in film the semi-military demonstrations and they trumpeted to the world the Nazi worship of regimented power. As the German newsreel agencies expanded to meet the new demands placed upon them, the Nazi ideology began to make itself apparent in certain feature productions which were exported under pressure.

By 1938, the process was complete. The German film industry was as closely under the control of Hitler and Goebbels as was the German munitions industry. Many of their films were exported free of charge, particularly to South America. American film companies were given gratis newsreel footage of Nazi "popular demonstrations." Special propoganda films based on such seemingly innocent events as the Olympic Games in Berlin were developed into extensive features and translated throughout the world. More than 500 cameramen were assigned to photograph the Games. In all sequences dealing with this event, Germany's might and unity of purpose was repeatedly emphasized. In spite of their obvious propoganda content, these

particular films served their purpose well. For no one viewing them could fail but be impressed by the leashed power they displayed.

On the outbreak of the war, the German film industry became part and parcel of the Nazi war machine. It was utilized not only to show the "blessings" of Nazi rule to the Germans and the peoples of the satellite nations, but more than ever it was made a vehicle for the export of Nazi concepts to the rest of the world.

Use was made of every possible device to get German films before audiences in neutral lands. American newsreel companies continued to receive outright donations of film from Germany for almost a year after the outbreak of hostilities. Those "donations" undoubtedly would have continued but for the fact that the American companies refused longer to accept them. However, foreign translations of German newsreels continued to appear in Mexico, throughout South American, and all over Europe with the exception of England and France.

As the war progressed, the Nazis invoked the weapon of terror in their film technique. Both the bombing of Warsaw and Rotterdam were shown on the screen in all their horror as a means of demoralizing Germany's potential enemies. These "terror" films were used to good effect in Norway and other European countries in the war of nerves. Prints of this particular film were even illicitly exported to the United States.

PROBLEM:

How can the post-war German film industry be prevented

from taking the following propoganda lines?

- (a) Germany actually did not lose the war.
- (b) Hitler and his Nazis were beaten, but the German people were not defeated.
- (c) Germany can triumph in the future if the German people maintain their spirit and their pan-Germanic ideals while appearing outwardly submissive.

POSSIBLE REMEDIES:

- (a) Complete abolition of the German motion picture industry.

More than fifteen persons at one time prominent in German or European film production and distribution have been consulted. They are virtuelly unanimous in the opinion that the only effective means of guarding against propoganda in post-war German films is to abolish that nation's film industry in toto. Otherwise, they hold, those in control in Germany will find, sooner or later, some devious means of again injecting propoganda into these films.

The above proposal, however, has one vital flaw: Prohibition results in bootlegging; prohibition makes for an underground. As an example, hidden German capital might quite easily establish a film propoganda mill in the Argentine whose product could be exported to the rest of the world. Or, on the other hand, German film artists and technicians might find their way to Sweden and there, through superior talent, acquire a dominant position in the motion picture industry of that nation.

(b) Rigid censorship by an Allied Control Board of all German film production.

This would mean that an active reviewing committee would have to approve every scenario and every foot of film exposed. This is an extensive operation and one which would have to be carried out and supervised by qualified experts.

This proposal also presents a major international problem of great delicacy. Russian members of such a board might often and appropriately disagree with other members of the group on German films which come before it. The USSR delegation naturally would find no objection to films of Communistic flavor while the British and American representatives of the Board would be quite certain to raise objections. On the other hand, Russia's representatives on the Board might take issue with the other members for their insistence on democratic concepts in German pictures. It is obvious that such a proposal, if carried out, might easily lead to unnecessary disputes and misunderstandings.

(c) British, French, Russian and American film companies to operate subsidiaries in Germany as a means of replacing the German film industry.

This proposal envisions the establishment of studios and production facilities in Berlin, Vienna and elsewhere by film companies of any of the Allied nations. The pattern for such a procedure has

already been established. American companies are now producing pictures in Great Britain and in the past have also produced films in France, Mexico and South America. Certain British companies have in the past produced films in Canada and India. Under this proposal, there would be no German film industry as such. German creative talent would be absorbed by the foreign companies authorized to operate within Germany. The films produced by these subsidiary companies, of course, would come under the censorship supervision of the Allied commission.

A commercial race for supremacy in this field might easily ensue under this plan. It is well to remember, however, that American films were always more popular in Germany than British, French, Russian or Italian pictures. There can be little doubt that the American subsidiaries would easily emerge at the top in a free competitive market of this kind.

RECOMMENDATION:

It is obvious that there are both advantages and drawbacks in any of these foregoing proposals. It is therefore recommended, subject to further investigation in Germany itself, that the following plan be given the fullest consideration:

- (a) The German film industry be abolished for a period of approximately three years after Germany's defeat.
- (b) The Allied Film Control Board be alerted for immediate action.
- (c) All German film now in existence be seized and examined

by the Control Board, and all objectionable negative destroyed.

(d) Commercial film companies of the various Allied nations be encouraged to establish subsidiary units within Germany, subject, of course, to the censorship requirements of the Allied Film Control Board.

(e) A long-range program for the re-education of the German people be established immediately, in order to eradicate Nazi philosophies and counteract Nazi indoctrination. Such a program should be divided into two distinct categories in order to utilize to the full the potentialities of the film medium in such an undertaking.

In the first of these categories would come educational films produced almost solely for exhibition in all German schools and colleges and aimed at German youth. These films would be made an integral part of the German school curriculum and their periodic showing enforced by governmental decree. They should expose the Nazi racial and philosophic fallacies; they should lay bare the frauds practiced on Germany by the Nazi overlords and they should reveal, in terrifying detail, the bestialities practiced by Germany against helpless peoples. In this manner the German youth would be given a logical understanding of the reasons for the occupation of their country and the penalties inflicted on them.

In the second category would come films made for showing to the German masses outside of the schools and universities. It goes without saying that no way exists of forcing the average German to go to a theatre. Consequently, the dramatic and entertainment

values would have to be stressed, and the point we wish to make presented with subtlety and skill. It is reasonable to assume that the German people have become weary of unvarnished propaganda and documentary pictures. Reports from Germany itself indicate as much. It was pictures of this type that helped to convert millions to the Nazi cause and to a belief in their military invincibility. But they know pretty well by now and will know full well when the Allies march in that they've lost the war. They will therefore be suspicious of all openly propagandizing films, whether they bear a German or an Allied stamp. Carefully selected features which entertain and at the same time show the freedom and benefits of democracy would consequently be far more effective.

For such a task, a potential reservoir of cinema experts already exists. They are the men and women who have found a haven here and who are thoroughly familiar with German thought patterns and German life. A great many of them have had wide experience in the German film industry -- men like Ernst Lubitsch and writers like Thomas Mann, Feuchtwanger and Werfel. They could be formed immediately into a skeleton organization which would be prepared to step in the moment they are summoned.

The foregoing procedure has certain obvious advantages to recommend it.

(a) It would eliminate the German film industry entirely for a period of some three years.

(b) It would tend to eliminate the possibility of friction between the representatives of the various nations on the Allied Film Control Board.

(c) It would prevent the establishment of a German film underground since talented personnel within Germany undoubtedly would be absorbed by the subsidiary companies established there.

(d) It would bring into use immediately excellent studio facilities already existing in Berlin and Vienna. The true and legal owners of these facilities, once they are established, could be indemnified by the subsidiary operators.

(e) It would give the Allied governments indirect control of the German film industry for a far longer period than three years since, by the end of that time, the various subsidiaries will be firmly established and German companies will be able to enter the field only on a very limited scale.

To put this plan into effective operation, it would be essential, of course, that the Film Control Board be given full powers to accept or reject any film sent into Germany and to exercise this power with extreme caution.

The Film Control Board would continue to function as long as deemed necessary, certainly as long as the United Nations feel it necessary to maintain their control over the German munitions industry. For, in a sense, the two are inseparable.

Visual education has developed to such a point that it is now universally accepted as the most effective and rapid method of instruction. Motion pictures in themselves are the most popular form of entertainment throughout the world. Therefore, a combination of popular entertainment with visual education is utterly essential if the youth of Germany is to be re-awakened to the principles of Freedom.

77, GREAT RUSSELL STREET,
W.C.1.

25th October, 1944.

Hon. Henry Morgenthau,
Treasury,
WASHINGTON, D.C.

My dear Mr. Morgenthau,

I wrote to you not long ago, but your Mr. Bernstein, whom I saw the other day, was kind enough to suggest that I should write again, and to say that he would forward the letter.

There is nothing fundamentally new to add to my previous letters, except perhaps a few facts which have recently come to light, and which illustrate the difficulties of the position in which we now find ourselves.

You may perhaps have noticed the statements published in the press on behalf of the Government about the recent outrages in Palestine? I hasten to say that we all utterly condemn these attacks on British officers; in many cases Jews have co-operated with the police in attempting to stop them, and in bringing the guilty to justice. But the police in Palestine are not always too efficient. Nevertheless, the Government has thought fit to censure practically the whole of Jewry for these actions of a few miscreants in Palestine; the whole business is being used in order to discredit our work and ourselves.

Into the same category falls the constant stream of alarming (and alarmist) rumours about tension between Jews and Arabs in Palestine. These rumours have certainly no foundation in fact: the situation is certainly no worse than it was five years or so ago - probably better. But the rumours are being spread by responsible officials - and it may be that the wish is father to the thought.

It all tends to rouse public opinion against us, and to make any future settlement of the Palestine problem much more difficult. It upsets our friends and heartens our enemies. It is because of all this that I so greatly fear the sort of project which seems likely - unless the matter is dealt with at the highest possible level - to emerge after the war for the "settlement" of the problem. As long as the Prime Minister and the President give their personal attention to the matter, we can look with confidence for fair treatment. But that will not be so if the Colonial bureaucracy takes a hand in shaping the plans for our future.

/From

death must be informed that they have friends among the free nations of the world. By word and by concrete act, the American people and their allies must let them know that there are hearts that understand their sufferings and hands that are eager to help them.

WAR REFUGEE BOARD

Executive Office of the President

Washington

RELEASE NO. 16

FOR RELEASE MORNING PAPERS
Wednesday, October 25, 1944

On Monday, October 23, in a speech at Denver, Colorado, Governor Bricker of Ohio assailed the action of President Roosevelt in providing temporary haven in the United States for the duration of the war for approximately 1,000 refugees from Italy. These are the refugees who were brought to the United States in August, 1944, and are located at the Emergency Refugee Shelter, Oswego, New York. The majority are women and children.

Following Governor Bricker's statement, the War Refugee Board has received numerous inquiries from the press as to whether Governor Bricker joined in the appeal to the President in May, 1944, by the late Alfred E. Smith urging the establishment of temporary refugee havens in the United States. There follows the full text of the appeal and a complete list of its signers, as transmitted to the Board on May 26, 1944, by Governor Smith:

"The civilized world is appalled by the news of new criminal plans of Hitler and his puppets to exterminate the innocent and helpless minorities that have lately fallen into their hands. In Hungary alone nearly a million lives hang in the balance. Men, women and children, who have committed no recognized crime but whose only offense is an ancient lineage and a high moral code hated by the Nazis, are being herded into concentration camps. There, in defiance of all the laws of Christian civilization, they are about to be exterminated.

"As citizens of a free nation and as believers in the doctrine of the sanctity of human life, we cannot remain silent while those shocking crimes are being committed, but are forced by our deepest convictions to protest against the Nazi barbarities.

"We call upon the Governments of the United States and all the Allied Nations to repeat their warnings to the Nazis and their satellites that no person who participates in crimes against the Jews and other minorities shall escape punishment. We urge the Allied Governments to speak directly to the people of the satellite countries through all the broadcasting facilities owned by the United Nations and to warn their puppet officials and other collaborators through neutral diplomatic channels that the end of the war will bring swift retribution upon all those guilty of atrocities.

"Furthermore, it is our belief that the people marked for death must be informed that they have friends among the free nations of the world. By word and by concrete act, the American people and their allies must let them know that there are hearts that understand their sufferings and hands that are eager to help them.

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If they are convinced that the free and democratic peoples recognize them as brothers under God, it will give them hope and the courage to use every means within reach to escape Hitler's torture chambers and death traps.

"For those reasons we endorse the idea of establishing in this country temporary havens of refuge for those who are brought out of Europe by the War Refugee Board. It is a moral obligation of the United States and all other freedom-loving nations to erect temporary havens where the refugees may find sanctuary until conditions in their native lands enable them to return and take up their lives in the atmosphere of respect and decency and charity that our certain victory will create.

(signed)

Alfred E. Smith
 Chauncey Sparks, Governor of Alabama
 Sidney P. Osborn, Governor of Arizona
 John C. Vivian, Governor of Colorado
 Spessard L. Holland, Governor of Florida
 C. A. Bottolfsen, Governor of Idaho
 Henry F. Schricker, Governor of Indiana
 Simeon Willis, Governor of Kentucky
 Herbert R. O'Connor, Governor of Maryland
 Thomas L. Bailey, Governor of Mississippi
 Robert O. Blood, Governor of New Hampshire
 Walter E. Edge, Governor of New Jersey
 J. M. Broughton, Governor of North Carolina
 John W. Bricker, Governor of Ohio
 J. Howard McGrath, Governor of Rhode Island
 Olin D. Johnston, Governor of South Carolina
 M. Q. Shurpe, Governor of South Dakota
 Matthew M. Neely, Governor of West Virginia
 L. C. Hunt, Governor of Wyoming
 Charles G. Dawes, former Vice-President of the United States
 Frank Murphy, Associate Justice of the U. S. Supreme Court
 Robert F. Wagner, U. S. Senator from New York
 James A. Farley, former U. S. Postmaster General
 Owen D. Young, chairman of the General Electric Company
 Judge John P. McGorty, of Chicago, Illinois
 Frank S. Hogan, District Attorney of New York County
 Basil O'Connor, of New York City, former law partner of President
 Roosevelt:
 Dr. Nicholas Murray Butler, President of Columbia University and
 co-winner of the 1931 Nobel Peace Prize
 Dr. Irving Langmuir, of Schenectady, N. Y., winner of the
 1932 Nobel Prize in Chemistry
 Dr. Robert A. Millikan, of Pasadena, Calif., winner of the
 1923 Nobel Prize in Physics
 Dr. George R. Minot, of Brookline, Mass., co-winner of the
 1934 Nobel Prize in Medicine
 Dr. Harry Woodburn Chase, Chancellor of New York University

George N. Shuster, President of Hunter College
 Harry N. Wright, President of the College of the City of New York
 Frank P. Graham, President of the University of North Carolina
 Robert G. Sproul, President of the University of California
 William P. Tolley, Chancellor of Syracuse University
 Raymond R. Paty, President of the University of Alabama
 Homer P. Rainey, President of the University of Texas
 E. B. Von Kleinsmid, President of the University of Southern
 California
 Very Rev. M. J. O'Connell, President of De Paul University
 F. C. Bolton, President of Agricultural and Mechanical College
 of Texas
 L. M. Duncan, President of Alabama Polytechnic Institute
 John L. McMahon, President of Our Lady of Lake College,
 San Antonio, Texas
 Prof. Eugene H. Byrne, of Columbia University
 Prof. Harry J. Carman, of Columbia University
 Prof. Helen C. White, of the University of Wisconsin
 Thomas H. McInnerney, Chairman of the National Dairy Products Corp.
 Dr. Samuel McCrea Cavert, General Secretary, Federal Council
 of the Churches of Christ in America
 James S. Adams, President of Standard Brands
 Robert Gaylord, President of the National Association of Manufacturers
 A. T. Mercier, of Chicago, Ill., President of the Southern Pacific
 Railroad Company
 J. C. Happenny, of Tulsa, Okla., President of the Oklahoma Power &
 Water Company
 P. C. Lauinger, of Tulsa, Okla., publisher
 William Green, President, American Federation of Labor
 James B. Carey, Secretary of the CIO
 Samuel Seabury, New York
 Edward Skillin, Jr., New York, Editor of the Commonweal
 Quentin Reynolds, war correspondent and author
 William Rose Benet, New York, poet and editor
 Edna St. Vincent Millay, Poet
 Margaret Culkin Banning, Duluth, Minn., novelist
 John B. Collins, editor of The Pittsburgh Catholic
 Maurice F. Donegan, former Chief Justice of the Supreme Court of Iowa
 Martin Quigley, New York City, editor
 Daniel Mahoney, Miami, Fla.
 Leo Considine, Oklahoma City, Okla.
 Andrew T. Healy, Miami, Fla.
 Thomas F. McDonald, St. Louis, Mo., attorney
 James J. Moore, New York City
 Andrew F. Burke, San Francisco, Calif.
 George W. Strake, Houston, Texas"



EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD
WASHINGTON 25, D. C.

OFFICE OF THE
EXECUTIVE DIRECTOR

OCT 25 1944

My dear Mr. Secretary:

I am pleased to send you herewith a copy of the report of the War Refugee Board for the week of October 9 to 14, 1944.

Sincerely yours,


J. W. Felle
Executive Director

The Honorable,

The Secretary of the Treasury.

Enclosure.

Report of the War Refugee Board
for the Week of October 9 to 14, 1944

SITUATION IN HUNGARY

Minister Harrison advised us that the Swiss Foreign Office has been requested to convey to appropriate Hungarian officials our proposed message concerning the removal of Budapest Jews to provincial work camps. He also advised us that Board Representative McClelland is making arrangements to have our message included in the clandestine press for Hungary. In response to similar requests for transmission of the message through available channels, we learned from Ambassador Norweb that the Hungarian Legation in Lisbon has wired the substance of our statement to Budapest with a request for an answer, indicating that since the time for evasive or misleading statements has passed, the answer should be definite, and Ambassador Kirk advised us that in the absence of Board Representative Ackermann he requested Mr. Myron Taylor to seek Vatican intercession to bring the matter to the attention of Hungarian authorities.

Our Legation was informed by the Swiss Foreign Office that, with the added strength of more precise information, our proposed message concerning active Hungarian participation in deportations has been transmitted to the Swiss Legation in Budapest for delivery to the Hungarian Foreign Office.

Reports on Conditions in Hungary

Information furnished to our Legation in Bern by the International Red Cross Committee indicates that Hungarian officials have tried to keep the promise of the Hungarian government to cease deportations of Jews but have not always been able to resist arbitrary actions on the part of the Germans, which, however, were said to be rare. Intercross delegations are closely following the situation with the thought of possible intervention as circumstances permit. It was pointed out, however, that Intercross can exert only moral influence, probably ineffective towards reactionary elements in Hungary, largely German, and it therefore has no assurance as to the success of its endeavors. With respect to recipients of Spanish visas, it was reported that the Intercross delegation in Budapest has been instructed to take proper measures for their protection. In this connection, it was indicated that it is difficult to measure the degree of effective control and supervision which Intercross can exercise over the departure of these people and, particularly, over their security prior to emigration,

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has aided in shipping medical and sanitary supplies to alleviate the situation of these refugees.

SITUATION IN SLOVAKIA

We cabled Minister Johnson and Board Representative Olsen in Stockholm information which we received indicating that the situation in Slovakia has grown worse, that the Rabbi of Neutra and his co-workers have been arrested, and that deportations will start shortly. In response to our request that any assistance possible be given to the Rabbi of Neutra and his associates, Minister Johnson advised us that the Swedish Foreign Office, which had been approached in this connection, was not very hopeful of positive results, since its only representative in Slovakia is an honorary consul with whom the Swedish government has no cipher or pouch communications. However, special efforts to extend help to the individuals in question and to obtain any available information concerning their situation will be made through the Special Attache to the Swedish Legation in Budapest. McClelland, our representative in Switzerland, has also been advised of this report and requested to give all possible assistance to any undertaking to save the Jews in Slovakia.

Earlier reports, the latest dated September 27, from Slovakia sent to us from Bern referred to the cooperation of Jewish youth groups with Partisans as the Gestapo's reason for general concentration of Jews in provinces. While the Germans were said to be concentrating Jews at Trencsin, they apparently are being assembled mainly at the camp of Sered, which was taken early in September by the Partisans, some 500 Jews then liberated being later recaptured by the Germans. About 1,700 Jews from the camp at Novaky were recently liberated by the Partisans, who still control that region. The report stated that all able-bodied Jews from Novaky have been enrolled in resistance units. A recent telegram from responsible Jewish circles in Bratislava indicating that deportations from the provinces on an unknown scale are already taking place pointed to the unreliability of German assurances given to Marshal Tito, according to a report from Czech resistance units operating in Slovakia, that Jews in provinces were simply being concentrated and would "not be removed from Slovak territory." It was reported that the situation in Bratislava, while tense, appeared quiet so far as deportations were concerned, and the central-Jewish office there continued to function. Hiding Jews and obtaining false "Aryan" papers for them constituted the principal rescue activities. Apparently there is some flight of refugees back to Hungary.

That the situation has culminated in a debacle seems clear from the last report cabled to us by McClelland this week.

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According to information reaching Switzerland by courier from Budapest, SS soldiers and Hlinka guards blocked off the Jewish quarter of Bratislava (Pressburg) on the night of September 23 and conducted a brutal house to house roundup of between 3,000 and 4,000 persons. Two officials of the Central Jewish Organization were ordered to their office to supply authorities with information, and all other members of the organization were arrested and taken to the camp of Sered along with the mass of Jews. From 5,000 to 7,000 Jews are now concentrated in this camp, which was originally constructed for 1,000 persons. The Jews at the camp represent approximately one-third of the Jewish population of Slovakia, and the other two-thirds were believed to be either in Partisan-controlled territory or still in hiding. A communication reaching Budapest on October 2 indicated that the first transport of 2,000 Jews had already been deported from Sered. Direction of this action was attributed to a certain "Hauptsturmfuehrer" Brunner, sent to Bratislava by Eichmann in Budapest on September 26. Brunner was said to have a reputation for brutality, his past record including charges of similar actions against Jews during recent months at concentration camps at Drancy and Vienna and in Poland. The hope was expressed that Eichmann could be influenced to release at least the leading members of the Bratislava Jewish Center.

SITUATION IN POLAND AND THE BALTIC STATES

Cables were sent to our representatives in Switzerland, Italy, Sweden, Portugal, and Turkey, advising them of information received here indicating that orders have been given to exterminate the Jews, probably some 65,000, in the concentration camps of Oswiecim, Birkenau, and Nacuss. Our cables requested that any available channels be utilized by our representatives to make known to German authorities the fact that the Government of the United States is in possession of this information and further understands that the death order was personally authorized by Himmler. With direct responsibility for the proposed atrocity thus fixed we made clear that consequences in accordance with the declared policy of the United States Government will attach to all participants in the perpetration of the crime, and that this warning applies with equal force to crimes committed at other than the three specified camps.

Private organizations are also informed concerning the fate menacing inmates of these camps and have instructed their representatives to take all possible steps to help to save these people.

SECRETARY HULL'S STATEMENT ON NAZI ATROCITIES

On October 10, Secretary Hull issued the following statement which has been widely publicized both here and abroad:

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The United States Government has been informed by the Polish government that it had received reliable information that German officials in Poland are making plans for the extermination of tens of thousands of innocent persons, Polish citizens and other nationals of the United Nations, and Jewish deportees from areas under German control in Europe in the concentration camps at Brzezinka and Oswiecim. The United States Government takes this occasion to warn again the German government and Nazi officials that, if these plans are carried out, those guilty of such murderous acts will be brought to justice and pay the penalty for their heinous crimes.

EVACUATIONS FROM YUGOSLAVIA

Representative Ackermann reported that 29 refugees were evacuated from Yugoslavia by plane on September 16, but that bad flying weather and a substantially reduced number of available planes have prevented additional evacuations since then. The rest of a group of 650 Jews whose rescue in this manner was anticipated are in the neighborhood of Topusko. Ackermann was informed that they are relatively safe there from the Germans unless the course of the latter's retreat should move through that section, in which case their danger would be greatly increased since the group includes many old persons and children and is difficult to move rapidly. He urged that the situation be closely watched and that with the first indication of a German retreat in that direction the Board promptly recommend to appropriate authorities the allocation of additional planes as an emergency humanitarian measure. He estimated that the removal of the group could be accomplished with approximately 20 transport planes in one trip.

CONDITIONS IN NORTHERN ITALY

In a report received from Northern Italy and relayed to Representative McClelland by a representative of a private organization, the number of Jews remaining in German-occupied Italy was estimated at 15,000.

WAR CRIMES

In response to Representative Mann's recommendation with respect to treatment by the War Crimes Commission of crimes committed by an Axis state against its own nationals or against nationals of another Axis state, we advised him that the position of the Board in this matter has been made clear to the Department of State and that it is understood that discussions on this subject between that Department and other interested agencies are continuing.

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EXCHANGE PROPOSALS

Having learned of the preparation by the Dutch Government of a list of Dutch Jews in German concentration camps for exchange against a corresponding number of German civilians interned in Dutch colonies, the Czechoslovak Government-in-Exile has approached our Embassy in London for assistance in arranging a similar exchange of Czech citizens interned by the Germans at Theresienstadt or elsewhere. Since the Czechoslovak Government does not hold any German subjects whom it could offer in exchange, it has requested that the United States Government give consideration to an exchange of German civilians interned in territory under its jurisdiction for a corresponding number of Czechoslovakians interned in German-controlled territory, who might in this way be enabled to utilize Palestine certificates which Palestinian authorities are said to be willing to let them have. It was stated that the proposal involves approximately 250 persons.

VISAS FOR REFUGEE CHILDREN

Ambassador Hayes has returned unused 224 non-preference quota numbers allotted for the month of September for refugee children and advised that one German non-preference quota number was assigned to Lisbon during that month.

RECOGNITION OF LATIN AMERICAN PASSPORTS

Our Embassy in Tegucigalpa advised us that the Government of Honduras does not have a list of persons in enemy territory holding documents issued by its former honorary consular officers and is not able to check any list which might be submitted by the Swiss or other authorities. The names of the persons to whom such documents were issued were not furnished to the Honduran Ministry for Foreign Affairs.

Our Legation in Bern was notified by the Swiss Federal Political Department that the Federal Council is fully disposed to assume representation of Nicaraguan interests in Hungary, subject to the Hungarian Government's assent. Instructions to seek the latter's agreement have been sent to the Swiss Legation at Budapest.

According to the Swiss Foreign Office, the Haitian Legation in Bern is not aware of the declaration of the Government of Haiti with respect to non-forfeiture of Haitian citizenship by persons in enemy territory who were unable to return to Haiti in accordance with the decree law of February 1942.

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CONDITIONS IN LIBERATED AREAS

Incident to the assistance which the Board has lent to facilitate the rescue programs of various private agencies, information concerning relief and similar problems in newly liberated areas has come to us. Plans for activities of this nature already in progress or being mapped include the reopening of children's homes and medical centers in France and the organization of research facilities there and in Switzerland to aid in reuniting families and in repatriation and emigration services. It appears that one of the greatest tasks along these lines is expected to be encountered in Poland. In the belief that the majority of deported Jews still alive will be found in Eastern Europe, particularly Poland and other territories liberated by Soviet forces, a representative of one private organization has recommended that permission be sought for special units to follow in the wake of the Russian armies to deal with the registration of deportees, medical aid, relief and social work, preparatory for repatriation or emigration of displaced persons.

With the Board's assistance, approval by interested government agencies and military authorities has been obtained for the purchase in Switzerland of foodstuffs of non-Swiss origin for the American Friends' relief project for refugees in France. Representative McClelland was notified that authorization to make such purchases through the Joint Relief Commission of the International Red Cross may be granted.


J. W. Pehle
Executive Director

OUTGOING MESSAGE

A-485

AIRGRAM SENT

4:20 P.M.

October 25, 1944

AMERICAN EMBASSY,

QUITO.

Department's 813, October 13.

Information received from Bern indicates that while the Ecuadoran Government has requested Switzerland to give protection to bearers of Ecuadoran documents in Hungary it has not formally requested Switzerland to represent Ecuadoran interests in Hungary. Consequently Swiss Government is unable to extend protection to bearers of Ecuadoran documents in Hungary.

Embassy is requested to urge upon Ecuadoran Government desirability of taking prompt action envisaged by Department's secret circular airgram of August 3, 1944 with reference to Ecuadoran interests in Hungary.

STETTINIUS

Acting

SWP:RCE:amc

Miss Chauncey (for the Sec'y) Abrahamson, Ackermann, Aczin, Cohn, Drury, DuBois, Friednan, Gaston, Hodel, Lesser, Marks, Mannon, McCormack, Pehle, Files.

EXHIBIT

ORIGINAL TEXT OF TELEGRAM SENT

FROM: ^{FBI} Secretary of State, Washington ^{October 25, 1944}
reading only by special

TO: ^{AMVAT, Rome}

DATED: October 25, 1944

NUMBER: 55

In cable from [redacted] numbered 3155, dated October 16, 6 p.m. [redacted] 150,000,000 now [redacted] 150,000,000 [redacted]

In view of reliable reports that imminent deportation and extermination threaten Jews in Budapest and other parts of Hungary under German control, variously reported to number between two and three hundred thousand, you are requested urgently to approach the Pope with the suggestion that he broadcast a public appeal to the people and clergy in those parts of Hungary, urging them to aid to the utmost of their abilities the temporary concealment of Jews and to oppose their deportation and extermination.

In doing so please indicate that in Board's opinion it seems unlikely that approaches to local authorities will accomplish purpose and that a public appeal by the Holy See to people and clergy appears to the Board to offer the best chance of keeping these hapless people alive.

STETTINIUS
 (Acting)

CORRECTION

FBM
Distribution of true
reading only by special
arrangement. [REDACTED]-W)

October 25, 1944

In cable from Lisbon, numbered 3156, dated
October 16, 6 p.m., line 14, delete "150" insert
"150,000,000". now reads "Filderman has secured
150,000,000 lei against credit".

DIVISION OF COMMUNICATIONS AND RECORDS

JMB

October 25, 1944

8 p.m.

AMEMBASSY

LISBON

2808

The cable below is WRB 108/

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

QUOTE Vaad Hahatzala has asked Spanish Ambassador Washington intervene with Japanese regarding release 500 rabbis, deans and scholars now Shanghai to a neutral country. Spanish Ambassador has referred matter to his Government by cable. View fact Spanish Government is protecting power Japanese interests here, Ambassador believes such intervention might bring results. Please urge Hickenstaff follow up matter with appropriate authorities and push it yourself. For your information Vatican has also intervened but thus far received no reply from Japanese authorities. Please keep us advised. UNQUOTE

STETTINIUS
(Acting)
(GLW)

SNP

WE

JA

WRB:MKV:K3
10/23/44

Miss Chauncey (for the Sec'y) Abrahamson, Aksin, Cohn, Frury, DuBois, Friedman, Gaston, Hodel, Lesser, Marks, Hannon, McCormack, Pehle, Piles.

Distribution of true
reading only by special
arrangement (W)

PLAIN

October 25, 1944
October 25, 1944

2 p.m.

AMEMBASSY

MADRID

2871

The following is from Department and War Refugee Board.

Reference is made to your 3488 of October 18 and appreciation is expressed of your initiative reported therein.

For your information, the following is the substance of a letter written by Spanish Ambassador in Washington to representative of a Jewish welfare organization on October 13:

QUOTE I am glad to inform you that I have just received a cable from my Government directing me to tell you that, although Spain has been doing all in her power to ameliorate the Jewish present situation, is very pleased now to grant the request of the Vaad Hahatzala. To this effect, special instructions have been given to the Ambassador in Berlin to take with all speed and interest the necessary steps tending to the defense of the Jewry and to the special protection of the Spanish-American Jews, emphasizing that this help is not only to be extended to these citizens of countries which have entrusted Spain with their protection, but also to those of all other countries.

I am also authorized to inform your Committee that the Spanish Government has always made all possible efforts to protect the Sefardites of Spanish nationality now interned in German concentration camps, though, unhappily, not always with the desired results. Nevertheless, it is gratifying to point out that, due to the Spanish intervention, several hundreds of them have been able to reach Spain in safety and to leave afterwards in complete freedom for their other destinations. UNQUOTE

Please advise Department and Board whether such instructions mentioned in foregoing letter have been issued and are being carried out.

STETTINIUS
(ACTING)
(GHW)

WEB:MMV:KG
10/24/44

WE

Mrs Chauncey (for the Sec'y) Abrahamson, Alzin, Cohn, Drury, DuBois, Friedman, Gaston, Hedel, Lessor, Marks, Mannon, McCormack, Pehle, Files

10-21-

PLAIN

Stockholm PLAIN

Dated October 25, 1944

Re: [unclear]

AMLEGATION [unclear]

STOCKHOLM

2144 [unclear]

For AMCROSS - Whialer

QUOTE SS 25. Latvian Legation here requesting Amcross transfer \$10,000. Latvian funds to Swecross for assistance Latvian refugees through Svensk-Lettiska Rjaelpkommitten. Treasury has released funds and we prepared effect transfer in kroner or dollars as desired upon receipt assurance Swecross agreeable acceptance and handling of funds. Clear and advise.

STETTINIUS

ACTING

SWP:KIK:EBJ

WEB --- NOTE: The transfer referred to herein is not being made pending further consideration.

DU-251.

PLAIN

Stockholm via London

100-240

Dated October 25, 1944

Rec'd 8:48 p.m. 26th

Secretary of State

Dated October 25, 1944

Washington

Rec'd 8:42 p.m. 26th

Secret 4335, Twenty-fifth

DANISH NEWS.

DAGENS, twenty-fourth: Copenhagen TT deliveries from Germany have begun to diminish. During October November Denmark will receive no kerosene. Police gasoline reserves amounting to one million liters were seized and sent Germanyward. Shift now being made with crude oil produced at Kalundborg. Only 156,000 tons coal arrived Denmark September instead of promised 230,000 tons and coke quantity was also lower.

Idem, DPT: According to recent investigations by Danish authorities about 10,000 Danes now under arrest by Germans. Figure is 6,000 if deported Jews and police are deducted. About 2,200 held in Copenhagen and remainder in Proslav Camp Danish provincial cities and Germany itself. Refugees represent different democratic parties and there many Social Democrats included.

Idem, DPT: Gestapo has recently sought contact with Freedom Council under pretense Germans couldn't longer maintain law order with own police alone. When every contact proposal was rejected, Gestapo contacted state attorney Troels Roff under promise of safe conduct and later arrested him thus breaking promise. This shows German feelers mere clumsy attempt to penetrate inner opposition movement circles. Russian occupation for they recall 1940-1941 occupation and its

SVENSKA, twenty-fourth, Copenhagen correspondent: Danish Norwegian trade agreement signed for period October first to March thirty-first. Agreement calls for delivery 50 million crowns worth Danish commodities to Norway and 47 million crowns worth Norwegian goods to Denmark. Danish exports include foodstuffs, seeds, machinery, medical goods, iron and steel products. Norwegian exports include fertilizers, paper, pulp and other raw materials.

JOHNSON: den do everything possible receive in friendly fashion representatives these agreeable worthy capable Baltic peoples

ALH-243

PLAIN

Stockholm via London

Dated October 25, 1944

Rec'd 8:42 p.m., 26th

Secretary of State,

Washington.

4339, Twenty-fifth.

SWEDISH POLITICAL

MORGONTIDNINGEN today carries article by Baltic friendly Swedish Professor Birger Nerman (see our 4307). Nerman writes practically all Baltic refugees are democrats and nationally minded. Far as known there no Nazis or Nazi sympathizers among them because few that existed in Baltic countries de-camped to Germany, not Sweden. I know prominent refugees personally and haven't met single Nazi or Nazi sympathizer nor anyone admiring Germans. Generally speaking refugees detest Germans and Russians alike. Refugees represent different democratic parties and there many Social Democrats including Estonian ex-President August Rei and Latvian ex-Foreign-Minister Felix Cielens. Fact most refugees only came Sweden recently isn't due their having collaborated with Germans but to fear of Russians. Formerly 'twas exceedingly difficult flee and Germans attempted prevent flight by imprisoning many making attempt and firing upon their vessels. Should'nt cause surprise that Balts fleeing from another Russian occupation for they recall 1940-1941 occupation and its unspeakable horrors when over 130000 deported to Russian, 6500 murdered and inhuman torture methods practiced. No small nations have suffered so dreadfully during this war as Balts who exposed two Russian occupations and one German. Balts have most to fear from future because they're facing prospect remaining under Russian yoke after other small nations liberated. Nevertheless nobody can accuse them of aggressive plans. They desire peaceful neighborly relations and be allowed develop own cultures on territory to which nobody else has right. Its matter of honor for Sweden do everything possible receive in friendly fashion representatives these agreeable worthy capable Baltic

peoples

-2- #4339, twenty-fifth from Stockholm via London

peoples coming her shores and thats what we intend doing.

Communist NYDAG today discusses UNRRA representative Neville Goodman's inspection Baltic refugee reception centers Gotland (see our 4308). Goodman in DAGENS interview stated he was profoundly impressed by co-operation between military and civilian authorities and coluntary aid organizations. NYDAG writes so civilian and military authorities are taking charge this importation Baltic Fascists! They're doing impressive work! They're saving Germany's Baltic catspaws from punishment! And UNRRA sent special representative from England determine whether these traitors being well looked after in Sweden and receiving necessary Swedish aid to come here! How interesting! Hasn't UNRRA something importanter do like succoring Allied peoples instead lavishing care on Germany's unsuccessful catspaws?

JOHNSON

RB

Miss Chauncey (for the Sec'y) Abrahamson, Akzin, Cohn, Drury, DuBois, Friedman, Gaston, Hodel, Lesser, Marks, Mannon, McCormack, Pehle, Files

LFG-956
 Distribution of true
 reading only by special
 arrangement. (SECRET W)

Stockholm

Dated October 25, 1944

Rec'd 2:20 a.m., 26th.

Secretary of State,
 Washington.

4348, October 25, 8 p.m.

During September received final installment of initial amount of \$200,000. (Following summarizes Tranmael-Evensen report on Norwegian operations for September. This is our No. 94 for War Refugee Board). Expenditures during month were approximately 2,000,000 Swedish kroner leaving on hand as of October one approximately 380,000 Swedish kroner and 150,000 Norwegian kroner. About 600 parcels were sent into Norway through regular license procedure. These included 4000 kg of food, 560 kg of clothing and 200 pairs of shoes. Considerable other food and clothing was sent in through underground channels. Approval has now been obtained to send to Norway monthly an additional 400 packages. Approximately 60,000 Norwegian kroner were sent in to needy families in various districts in Norway.

Largely through equipment, supplies and funds provided by American labor relief. Approximately 1000 Norwegians were brought to Sweden in September. Olsen is now exploring with them a program of evacuating refugees by sea routes. In general the Norwegian situation is now both tense and critical.

JOHNSON

WMB

DMH-771

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

Bern

Dated October 25, 1944

Rec'd 5:55 p.m.

Secretary of State,

Washington.

US URGENT

7088, October 25, 7 p.m.

IRRC has just received news in wire dated October 24 from its delegate at Budapest, Schirmer, that following dispositions with regard to Jews remaining in Budapest are actively being taken:

(One) Fifty thousand men are in process of being deported to Germany, ostensibly as labor;

(Two) All aged and ill persons including children are being concentrated in ghetto in Budapest.

(Three) Balance of able-bodied men and women are being employed at constructing fortifications in neighborhood of Budapest. Schirmer adds that situation in general is extremely grave and in particular as far as fate of Jews is concerned.

Schirmer reports he lodged energetic protest with present Hungarian Government.

HARRISON

LMS

DCG-326

PLAIN

Bern

Dated October 25, 1944

Rec'd 7:50 p.m.

Secretary of State,
Washington.

7093, Twenty-fifth.

Budapest despatch October 19 states Szalesi
Government will place Jewish questions in competence
of Justice rather than Interior Ministry treatment
Jews will depend on their attitude and Allied
airraids on Budapest and Jews will be compelled to
emigrate following victorious conclusion war.

HARRISON

EH

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

October 25, 1944

2 p.m.

AMEMBASSY

ANKARA

938

The following for Steinhardt from Department and War Refugee Board is WRB 121.

Now that Ira Hirschmann has returned to the United States, the WRB proposes to appoint Mr. Herbert E. Katzki as its Special Representative in Turkey with the designation by the State Department as Special Attache to the Embassy on war refugee matters, as provided in the President's Order of January 28, 1944.

If the appointment meets with your approval, you should advise Mr. Katzki that he is so designated, that he is to have diplomatic status, and that he has all the authority, duties and responsibilities which were given to Mr. Hirschmann in Department's no. 120 of February 12, 1944. It is assumed that there will be no objection on the part of the Turkish Government to this designation, although you may in your discretion approach the Turkish authorities informally if you consider it necessary or advisable to do so.

Please confirm action by cable.

STETTINIUS
(ACTING)
(GLW)

WEB:MMV:OMH
10/24/44

HE FA

AIRGRAM

FROM

Managua

Dated October 25, 1944.

Rec'd 2 p.m., Oct. 31, 1944

Secretary of State,
Washington.

A-449, October 26, 4 p.m.

Department's instruction no. 1359 dated September 27, 1944.

In a note dated October 18 received today, October 25, the Nicaraguan Foreign Minister reports that on the former date he transmitted the following telegram to the Swiss Foreign Office (in translation):

"I have the honor to request Your Excellency to communicate to the German Government that my Government has given authority to the United States of America to negotiate the exchange of all persons who claim Nicaraguan nationality for German nationals who find themselves in this hemisphere."

STEWART

711.5/801.2
HDF/gp

DEPARTMENT
OF
STATE

DECLASSIFIED per T.O. 160
INCOMING
TELEGRAM

227
DIVISION OF
COMMUNICATIONS
AND RECORDS

RS-710

Chungking

This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (SECRET 0)

Dated October 25, 1944

Rec'd. 2:16 p.m.

Secretary of State

Washington

1731, October 25, 10 a.m.

FOR SECRETARY OF TREASURY FROM FRIEZMLN

COMMUNICATIONS
AND RECORDS
(LIAISON)

1944 OCT 26 AM 9 27

DEPARTMENT OF STATE
DIVISION OF

For security reasons the text of this message must be closely guarded.

One. Ministry of Finance making definite suggestions to Resident Committee of People's Political Council on use of foreign exchange assets of private citizens. Draft regulations submitted by Ministry in early October stipulated that private Chinese be given two months to report foreign exchange holdings; failure to report penalized by confiscation of assets. Government, after necessary negotiations with foreign country concerned, would take over assets for use (A) as backing for bond and saving certificate issue; (B) purchase of gold; (C) purchase of goods to be imported into China for sale. Assets to be repaid without interest in local currency two years after conclusion of war at then prevailing official rate. U.S. dollar bonds and savings certificates to be excluded from order. (REMBS 1665, October 9)

-2- #1731, October 25, 10 a.m. from Chungking

October 9).

Two. Resident Committee rejected above proposals on grounds that, if farmers asked to contribute grain and wealthy merchants and industrialists, money, to finance program of improving condition of soldiers, then holders of foreign exchange should not be repaid. Ministry of Finance therefore submitting revised draft regulations under which Government would borrow, i.e. repay in local currency, 50% of holdings of any individual and require contribution of 5 to 40% of remainder on sliding scale from U.S. dollars 5000 to 1 million. To induce early registration, in case of those registering within first month, Government would borrow 40% and reduce contribution by 25%. Moreover, U.S. dollar bonds and certificates not excluded from regulations in new draft; definition of foreign exchange purposely left vague. Foreign exchange assets not borrowed or contributed would be frozen. Resident Committee sent these revised proposals on October 24. After agreement reached between Ministry of Finance and Resident Committee would then be necessary to submit proposal to executive Yuan.

Three. Above information obtained orally from

O K Yui; promised

-3- #1731, October 25, 10 a.m. from Chungking

O K Yui; promised to give us copy of proposals. Says has not informed Kung of these discussions; will inform him when agreement reached with Resident Committee.

Four. Yui says he feels U.S. dollar bonds and certificates should be treated as all other foreign exchange assets, but would not include gold holdings; informed Resident Committee that problem of enforcement would be raised with foreign governments involved, but does not consider informal approach made to us as constituting this step.

GAUSS

WME

NOT TO BE RE-TRANSMITTEDCOPY NO. 11OPTEL No. 347

Information received up to 10 a.m., 25th October, 1944.

1. NAVAL

Russian submarines have recently sunk 13 ships in the Baltic. Early this morning two of H.M. Destroyers sank an enemy tanker and escorting trawler off St. Nazaire. Many prisoners taken.

ADRIATIC. Dubrovnik Harbour facilities reported very little damaged. On 22nd a landing craft found an abandoned cargo ship laden with stores and ammunition near Pelagosa Island.

AEGEAN. Reconnaissance parties have been landed on Skiathos Island.

2. MILITARY

WESTERN EUROPE. British troops have entered Hertogenbosh and Bostel. Part of Northern outskirts of former already cleared of enemy. Canadians have advanced down Beveland Isthmus to about three and a half miles west of Woensdrecht although at times waist deep in water. In the Scheldt pocket Oostburg captured and appreciable gains made southwest of Breskens.

RUSSIA. Russians have continued to advance in East Prussia against stubborn resistance and have captured towns 18 miles north-northeast and 7 miles southeast of Goldap. Further south they have taken Augustow. In Transylvania they are fighting in Satul Mare and Hungary have captured two towns 32 miles north west and 40 miles west-northwest Szeged.

3. AIR OPERATIONS

WESTERN FRONT. 23rd/24th. 4,522 tons on Essen. - 4,108 H.E. including 519 4,000 lb. bombs.
24th. 465 aircraft attacked ground targets Hanover-Cassel area destroying or damaging 205 locomotives, 435 wagons and 51 oil tankers. German casualties 1, 0, 1 in the air and 4, 0, 3 on the ground. Ours - 16 aircraft missing of which ten believed landed in Belgium. 353 fighters (1 missing) supported land forces in Holland destroying or damaging 11 locomotives, 53 M.T. and cutting railway tracks in 12 places. 206 other fighters attacked supply dumps and German movements west of the Rhine and provided cover over the battle area. 99 aircraft carried supplies to the continent. Two Coastal Command Mosquitoes destroyed three ME 110 off Bergen.

24th/25th. Bomber Command aircraft despatched: - Hanover 57 Mosquitoes, seaming 34, bomber support 14, other tasks 10. All returned safely.

MEDITERRANEAN. 23rd. 477 escorted Mediterranean heavy bombers (14 bombers, 11 fighters missing) dropped 978 tons on industrial and other objectives Germany and Czechoslovakia. Most results unobserved owing to weather.

4. HOME SECURITY

24th/25th. 14 flying bombs plotted in two phases.

1944 OCT 26 PM 2 56

TREASURY DEPARTMENT

REF No. 147

Information received up to 10 a.m., 25th October, 1944.

1. NAVAL

Russian submarines have recently sunk 13 ships in the Baltic. Early this morning two of M.M. Dostoyevs sank an enemy tanker and escorted twelve off St. Katalina. Many prisoners taken. On 22nd a landing craft found an abandoned cargo ship laden with stores and ammunition near Rejzovsk Island. Dostoyevsk Harbor facilities reported very little damaged.

2. AIR

Reconnaissance parties have been landed on Skisthos Island.

3. MILITARY

WESTERN FRONT. British troops have entered Hergen-both and Borkel. Part of northern outskirts of former already cleared of enemy. Canadians have advanced down Beveland to about three and a half miles west of Weendrecht although at times wait deep in water. In the Scheidt pocket Goetsche turned and appreciable gains made southwest of Breckene.

4. RUSSIA

Russians have continued to advance in East Prussia against stubborn resistance and have captured towns 18 miles north-northeast and 7 miles southeast of Gollub. In south they have taken Angerode. In Transylvania they are fighting in Satu Mare and Hungary have captured two towns 32 miles north west and 40 miles west-northwest Szeged.

5. AIR OPERATIONS

WESTERN FRONT. 23rd/24th. 4,525 tons on Essen - 4,108 H.E. including 219,000 lb. bombs. 24th. 455 aircraft attacked ground targets Hannover. Casualties or damage 207 locomotives, 432 wagons and 21 oil tankers. German casualties 1,000 in the air and 4,000 on the ground. 20th. 353 fighters (1 missing) supported land forces landed in Belgium. 353 fighters (1 missing) supported land forces in Holland destroying or damaging 12 places. 206 other fighters attacked cutting railway tracks in 12 places. 206 other fighters attacked supply dumps and German movements west of the Rhine and provided cover over the battle area. 99 aircraft carried supplies to the continent. The Coastal Command destroyed three ME 110 off Bergen.

24th/25th. Bomber Command aircraft destroyed 11 other...