Franklin D. Roosevelt — "The Great Communicator"

The Master Speech Files, 1898, 1910-1945

Series 3: "The Four Freedoms" and FDR in World War II

File No. 1431-A

1942 September 7

Fireside Chat #21- Inflation

THE WHITE HOUSE
WASHINGTON

September 15,1942.

MEMORANDUM FOR MR. MALONEY
G.P.O.

Will you tie as usual and mark box as follows:

F.D.R. Fireside Chat #21 - Re: Inflation
& High Cost of Living - Sept. 7, 1942

Dorothy Brady

RADIO ADDRESS OF THE PRESIDENT

SEPTEMBER 7, 1942

My friends

I wish that all ~~the~~ Americans ~~people~~ could read all the citations for various medals recommended for our soldiers, sailors and marines. I am picking out one of these citations which tells of the accomplishments of Lieutenant John James Powers, United States Navy, during three days of the battles with Japanese forces in the Coral Sea.

During the first two days, Lieutenant Powers, flying a dive-bomber in the face of blasting enemy anti-aircraft fire, demolished one large enemy gunboat, put another gunboat out of commission, severely damaged an aircraft tender and a twenty thousand ton transport, and scored a direct hit on an aircraft carrier which burst into flames and sank soon after.

The official citation describes the morning of the third day of battle. As the pilots of his squadron left the ready room to man their planes, Lieutenant Powers said to them, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck".

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting anti-aircraft shells and swarms of enemy planes. He dived almost to the very deck of the enemy carrier, and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of two hundred feet, amid a terrific barrage of shell and bomb fragments, smoke, flame and debris from the stricken vessel. His own plane was destroyed by the explosion of his own bomb. But he had made good his promise to "lay it on the flight deck".

I have received a recommendation from the Secretary of the Navy that Lieutenant John James Powers, of New York City, missing in action, be awarded the Medal of Honor. I hereby and now make this award.

You and I are "the folks back home" for whose protection Lieutenant Powers fought and repeatedly risked his life. He said that we counted on him and his men. We did not count in vain. But have not those men a right to be counting on us? How are we playing our part "back home" in winning this war?

The answer is that we are not doing enough.

Today I sent a message to the Congress, pointing out the overwhelming urgency of the serious domestic economic crisis with which we are threatened. Some call it "inflation", which is a vague sort of term, and others call it a "rise in the cost of living", which is much more easily understood by most families.

That phrase, "the cost of living", means essentially what a dollar can buy.

From January 1, 1941 to May of this year, the cost of living went up about 15%. At that point we undertook to freeze the cost of living. But we could not do a complete job of it, because the Congressional authority at the time exempted a large part of farm products used for food and for making clothing; though several weeks before, I had asked the Congress for legislation to stabilize all farm prices.

9.35

At that time I had told the Congress that there were seven elements in our national economy, all of which had to be controlled; and that if any one essential element remained exempt, the cost of living could not be held down.

On only two of these points -- both of them vital however -- did I call for Congressional action. These were: first, taxation; and, second, the stabilization of all farm prices at parity.

"Parity" is a standard for the maintenance of good farm prices. It was established as our national policy in 1933. It means that the farmer and the city worker are on the same relative ratio with each other in purchasing power as they were during a period some thirty years ago -- at a time when the farmer had a satisfactory purchasing power. 100% parity, therefore, has been accepted by farmers as the fair standard for their prices.

Last January, however, the Congress passed a law forbidding ceilings on farm prices below 110% of parity on some commodities. On other commodities the ceiling was even higher, so that the average possible ceiling is now about 116% of parity for agricultural products as a whole.

This act of favoritism for one particular group in the community increased the cost of food to everybody -- not only to the workers in the city or in the munitions' plants, and their families, but also to the families of the farmers themselves.

Since last May, ceilings have been set on nearly all commodities, rents and services, except the exempted farm products. Installment buying has been effectively controlled.

Wages in certain key industries have been stabilized on the basis of the present cost of living.

It is obvious, however, that if the cost of food continues to go up, as it is doing at present, the wage earner, particularly in the lower brackets, will have a right to an increase in his wages. That would be essential justice and a practical necessity.

Our experience with the control of other prices during the past few months has brought out one important fact -- the rising cost of living can be controlled, providing all elements making up the cost of living are controlled at the same time. We know that parity prices for farm products not now controlled will not put up the cost of living more than a very small amount. But we also

know that if we must go up to an average of 116% of parity for food and other farm products -- which is necessary at present under the Emergency Price Control Act before we can control all farm prices -- the cost of living will get well out of hand. We are face to face with this danger today. Let us meet it and remove it.

I realize that it may seem to you to be over-stressing these economic problems at a time like this when we are all deeply concerned about the news from far distant fields of battle. But I give you the solemn assurance that failure to solve this problem here at home -- and to solve it now -- will make more difficult the winning of this war.

If the vicious spiral of inflation ever gets under way, the whole economic system will stagger. Prices and wages will go up so rapidly that the entire production program will be endangered. The cost of the war, paid by taxpayers, will jump beyond all present

calculations. It will mean an uncontrollable rise in prices and in wages which can result in raising the over-all cost of living as high as another 20% soon. That would mean that the purchasing power of every dollar you have in your pay envelope, or in the bank, or included in your insurance policy or your pension would be reduced to about eighty cents. I need not tell you that this would have a demoralizing effect on our people, soldiers and civilians alike.

9.40

Over-all stabilization of prices, salaries, wages and profits is necessary to the continued increasing production of planes and tanks and ships and guns.

In my message today I have told the Congress that this must be done quickly. If we wait for two or three or four or six months it may well be too late.

I have told the Congress that the Administration cannot hold the actual cost of food and clothing down to the present level beyond October first.

Therefore, I have asked the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher. The purpose should also be to keep wages at a point stabilized with today's cost of living. Both must be regulated at the same time; and neither can or should be regulated without the other.

At the same time that farm prices are stabilized, I will stabilize wages.

This is plain justice -- and plain common sense.

I have asked the Congress to take this action by the first of October. We must now act with the despatch which the stern necessities of war require.

I have told the Congress that inaction on their part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by the threat of economic chaos.

As I said in my message to the Congress: In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

The President has the powers, under the Constitution and under Congressional Acts, to take measures necessary to avert a disaster which would interfere with the winning of the war.

I have given the most thoughtful consideration to meeting this issue without further reference to the Congress. I have determined, however, on this vital matter to consult with the Congress.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should use my powers and act now. I can only say that I have approached this problem from every angle, and that I have decided that the course of conduct which I am following in this case is consistent with my sense of responsibility as President in time of war, and with my deep and unalterable devotion to the processes of democracy.

The responsibilities of the President in war time to protect the nation are very grave. This total war, with our fighting fronts all over the world, makes the use of executive power far more essential than in any previous war.

If we ~~are~~ were invaded, the people of this country would expect the President to use any and all means to repel the invader.

9.45

The Revolution and the War Between the States were fought on our own soil but today this war will be won or lost on other continents and remote seas. I cannot tell what powers may have to be exercised in order to win this war.

The American people can be sure that I will use my powers with a full sense of responsibility to the Constitution and to my country. The American people can also be sure that I shall not hesitate to use every power vested in me to accomplish the defeat of our enemies in any part of the world where our own safety demands such defeat.

When the war is won, the powers under which I act will automatically revert to the people -- to whom they belong.

I think I know the American farmers. I know that they are as wholehearted in their patriotism as any other group. They have suffered from the constant fluctuations of farm prices -- occasionally too high, more often too low. Nobody knows better than farmers the disastrous effects of war time inflationary booms and post-war deflationary panics.

I have today suggested that the Congress make our agricultural economy more stable. I have recommended that in addition to putting ceilings on all farm products now, we also place a definite floor under those prices for a period beginning now, continuing through the war, and for as long as necessary after the war. In this way we will be able to avoid the collapse of farm prices which happened after the last war. The farmers must be assured of a fair minimum price during the re-adjustment period which will follow the excessive world food demands which now prevail.

We must have some floor under farm prices, as we have under wages, if we are to avoid the dangers of a post-war inflation on the one hand, or the catastrophe of a crash in farm prices and wages, on the other.

Today I have also advised the Congress of the importance of speeding up the passage of the tax bill. The Federal Treasury is losing millions of dollars a day because the bill has not yet been passed. Taxation is the only practical way of preventing the incomes and profits of individuals and corporations from getting too high.

I have told the Congress once more that all net individual incomes, after payment of all taxes, should be limited effectively by further taxation to a maximum net income of $25,000 a year. And it is equally important that corporate profits should not exceed a reasonable amount in any case.

The nation must have more money to run the war. People must stop spending for luxuries. Our country needs a far greater share of our incomes.

For this is a global war and it will cost this nation nearly one hundred billion dollars in 1943.

In that global war there are now four main areas of combat; and I should like to speak briefly of them, not in the order of importance, for all of them are vital and all of them inter-related.

4.50

(1) The Russian front. Here the Germans are still unable to gain the smashing victory which, almost a year ago, Hitler announced he had already achieved. Germany has been able to capture important Russian territory. Nevertheless, Hitler has been unable to destroy a single Russian Army; and this, you may be sure, has been, and still is, his main objective. Millions of German troops seem doomed to spend another cruel and bitter winter on the Russian front.

The Russians are killing more Nazis, and destroying more airplanes and tanks than are being smashed on any other front. They are fighting not only bravely but brilliantly. In spite of any setbacks Russia will hold out, and with the help of her Allies will ultimately drive every Nazi from her soil.

(2) The Pacific Ocean Area. This area must be grouped together as a whole -- every part of it -- land and sea. We have stopped one major Japanese offensive; and have inflicted heavy losses on their fleet. But they still possess great strength; they seek to keep the initiative; and they will undoubtedly strike hard again. We must not over-rate the importance of our successes in the Solomon Islands, though we may be proud of the skill with which these local operations were conducted. At the same time, we need not under-rate the significance of our victory at Midway. There we stopped the major Japanese offensive.

(3) In the Mediterranean and the Middle East Area the British, together with the South Africans, Australians, New Zealanders, Indian troops and others of the United Nations, including ourselves, are fighting a desperate battle with the Germans and Italians. The Axis powers are fighting to gain control of that area, dominate the Mediterranean and Indian Ocean, and gain contact with the Japanese Navy. The battle is now joined. We are well aware of our danger, but we are hopeful of the outcome.

(4) The European Area. Here the aim is an offensive against Germany. There are at least a dozen different points at which attacks can be launched. You, of course, do not expect me to give details of future plans, but you can rest assured that preparations are being made here and in Britain toward this purpose. The power of Germany must be broken on the battlefields of Europe.

Various people urge that we concentrate our forces on one or another of these four Areas, although no one suggests that any one of the four Areas should be abandoned. Certainly, it could not be seriously urged that we abandon aid to Russia, or surrender all of the Pacific to Japan, or the Mediterranean and Middle East to Germany, or give up an offensive against Germany. The American people may be sure that we shall neglect none of the four great theatres of war.

Certain vital military decisions have been made. In due time you will know what these decisions are -- and so will our enemies. I can say now that all of these decisions are directed toward taking the offensive.

9.55

Today, exactly nine months after Pearl Harbor, we have sent overseas three times more men than we transported to France in the first nine months of the first World War. We have done this in spite of greater danger and fewer ships. And every week sees a gain

in the actual number of American men and weapons in the fighting areas. These reinforcements in men and munitions will continue to go forward.

This war will finally be won by the coordination of all the armies, navies and air forces of the United Nations operating in unison against our enemies.

This will require vast assemblies of weapons and men at all the vital points of attack. We and our allies have worked for years to achieve superiority in weapons. We have no doubts about the superiority of our men. We glory in the individual exploits of our soldiers, our sailors, our marines, our merchant seamen. Lieutenant John James Powers was one of these -- and there are thousands of others in the forces of the United Nations.

Several thousand Americans have met death in battle.

Other thousands will lose their lives. But many millions stand ready to step into their places -- to engage in a struggle to the very death. For they know that the enemy is determined to destroy us, our homes and our institutions -- that in this war it is kill or be killed.

Battles are not won by soldiers or sailors who think first of their own personal safety. And wars are not won by people who are concerned primarily with their own comfort, their own convenience, their own pocketbooks.

We Americans of today bear the gravest of responsibilities. All of the United Nations share them.

All of us here at home are being tested -- for our fortitude, for our selfless devotion to our country and our cause.

This is the toughest war of all time. We need not leave it to historians of the future to answer the question whether we are tough enough to meet this unprecedented challenge. We can give that answer now. The answer is "yes".

Franklin D. Roosevelt

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Orig. sending copy - Hyde Park Library

LABOR DAY
RADIO ADDRESS OF THE PRESIDENT,
SEPTEMBER 7, 1942,
AT 9.30 P.M., E.W.T.

MY FRIENDS:

I wish that all (the) Americans (people) could read all the citations for various medals recommended for our soldiers and sailors and marines. I am picking out one of these citations which tells of the accomplishments of Lieutenant John James Powers, United States Navy, during three days of the battles with Japanese forces in the Coral Sea.

During the first two days, Lieutenant Powers, flying a dive-bomber in the face of blasting enemy anti-aircraft fire, demolished one large enemy gunboat, put another gunboat out of commission, severely damaged an aircraft tender and a twenty-thousand-ton transport, and scored a direct hit on an aircraft carrier which burst into flames and sank soon after.

The official citation then describes the morning of the third day of battle. As the pilots of his squadron left the ready room to man their planes, Lieutenant Powers said to them, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck."

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting anti-aircraft shells and swarms of enemy planes. He dived almost to the very deck of the enemy carrier, and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of two hundred feet, amid a terrific barrage of shell and bomb fragments, and smoke and flame and debris from the stricken vessel. His own plane was destroyed by the explosion of his own bomb. But he had made good his promise to "lay

Franklin D. Roosevelt Library

This is a transcript made by the White House stenographer from his shorthand notes taken at the time the speech was made. Underlining indicates words extemporaneously added to the previously prepared reading copy text. Words in parentheses are words that were omitted when the speech was delivered, though they appear in the previously prepared reading copy text.

it on the flight deck."

I have received a recommendation from the Secretary of the Navy that Lieutenant John James Powers of New York City, missing in action, be awarded the Medal of Honor. I hereby and now make this award.

You and I are "the folks back home" for whose protection Lieutenant Powers fought and repeatedly risked his life. He said that we counted on him and his men. We did not count in vain. But have not those men a right to be counting on us? How are we playing our part "back home" in winning this war?

The answer is that we are not doing enough.

Today I sent a message to the Congress, pointing out the overwhelming urgency of the serious domestic economic crisis with which we are threatened. Some call it "inflation," which is a vague sort of term, and others call it a "rise in the cost of living," which is much more easily understood by most families..

That phrase, "the cost of living," means essentially what a dollar can buy.

From January 1, 1941, to May of this year, nearly a year and a half, the cost of living went up about 15%. And at that point last May we undertook to freeze the cost of living. But we could not do a complete job of it, because the Congressional authority at the time exempted a large part of farm products used for food and for making clothing, although several weeks before, I had asked the Congress for legislation to stabilize all farm prices.

At that time I had told the Congress that there were seven elements in our national economy, all of which had to be controlled; and that if any one essential element remained exempt, the cost of living could not be held

down.

On only two of these points -- both of them vital however -- did I call for Congressional action. These two vital points were: First, taxation; and, second, the stabilization of all farm prices at parity.

"Parity" is a standard for the maintenance of good farm prices. It was established as our national policy way back in 1933. It means that the farmer and the city worker are on the same relative ratio with each other in purchasing power as they were during a period some thirty years (ago) before -- at a time when the farmer had a satisfactory purchasing power. 100% of parity, therefore, has been accepted by farmers as the fair standard for (their) the prices they receive.

Last January, however, the Congress passed a law forbidding ceilings on farm prices below 110% of parity on some commodities. And on other commodities the ceiling was even higher, so that the average possible ceiling is now about 116% of parity for agricultural products as a whole.

This act of favoritism for one particular group in the community increased the cost of food to everybody -- not only to the workers in the city or in the munitions plants, and their families, but also to the families of the farmers themselves.

Since last May, ceilings have been set on nearly all commodities, rents, (and) services, except the exempted farm products. Installment buying, for example, has been (effectively) effectually stabilized and controlled.

Wages in certain key industries have been stabilized on the basis of the present cost of living.

But it is obvious to all of us (however) that if the cost of food continues to go up, as it is doing at present, the wage earner, particularly

in the lower brackets, will have a right to an increase in his wages. I think that would be essential justice and a practical necessity.

Our experience with the control of other prices during the past few months has brought out one important fact -- the rising cost of living can be controlled, providing that all elements making up the cost of living are controlled at the same time. I think that also is an essential justice and a practical necessity. We know that parity prices for farm products not now controlled will not put up the cost of living more than a very small amount; but we also know that if we must go up to an average of 116% of parity for food and other farm products -- which is necessary at present under the Emergency Price Control Act before we can control all farm prices -- the cost of living will get well out of hand. We are face to face with this danger today. Let us meet it and remove it.

I realize that it may seem out of proportion to you to be (worrying about) over-stressing these economic problems at a time like this, when we are all deeply concerned about the news from far distant fields of battle. But I give you the solemn assurance that failure to solve this problem here at home -- and to solve it now -- will make more difficult the winning of this war.

If the vicious spiral of inflation ever gets under way, the whole economic system will stagger. Prices and wages will go up so rapidly that the entire production program will be endangered. The cost of the war, paid by taxpayers, will jump beyond all present calculations. It will mean an uncontrollable rise in prices and in wages, which can result in raising the over-all cost of living as high as another 20% soon. That would mean that the purchasing power of every dollar that you have in your pay envelope, or in the bank, or included in your insurance policy or your pension, would

be reduced to about eighty cents worth. I need not tell you that this would have a demoralizing effect on our people, soldiers and civilians alike.

Over-all stabilization of prices, and salaries, and wages and profits is necessary to the continued increasing production of planes and tanks and ships and guns.

In my Message to Congress today, I have (told the Congress) said that this must be done quickly. If we wait for two or three or four or six months it may well be too late.

I have told the Congress that the Administration can not hold the actual cost of food and clothing down to the present level beyond October first.

Therefore, I have asked the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher. The purpose should also be to keep wages at a point stabilized with today's cost of living. Both must be regulated at the same time; and neither one of them can or should be regulated without the other.

At the same time that farm prices are stabilized, I will stabilize wages.

(This) That is plain justice -- and plain common sense.

And so I have asked the Congress to take this action by the first of October. We must now act with the despatch which the stern necessities of war require.

I have told the Congress that inaction on their part by that date will leave me with an inescapable responsibility, a responsibility to the people of this country to see to it that the war effort is no longer imperiled

by the threat of economic chaos.

As I said in my Message to the Congress:

In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

The President has the powers, under the Constitution and under Congressional Acts, to take measures necessary to avert a disaster which would interfere with the winning of the war.

I have given the most careful and thoughtful consideration to meeting this issue without further reference to the Congress. I have determined, however, on this vital matter to consult with the Congress.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should use my powers and act now. I can only say that I have approached this problem from every angle, and that I have decided that the course of conduct which I am following in this case is consistent with my sense of responsibility as President in time of war, and with my deep and unalterable devotion to the processes of democracy.

The responsibilities of the President in wartime to protect the Nation are very grave. This total war, with our fighting fronts all over the world, makes the use of the executive power far more essential than in any previous war.

If we were invaded, the people of this country would expect the President to use any and all means to repel the invader.

Now the Revolution and the War between the States were fought on our own soil, but today this war will be won or lost on other continents and in remote seas. I cannot tell what powers may have to be exercised in order to win this war.

The American people can be sure that I will use my powers with a

full sense of responsibility to the Constitution and to my country. The American people can also be sure that I shall not hesitate to use every power vested in me to accomplish the defeat of our enemies in any part of the world where our own safety demands such defeat.

And when the war is won, the powers under which I act will automatically revert to the people of the United States -- to the people to whom (they) those powers belong.

I think I know the American farmers. I know (that) they are as wholehearted in their patriotism as any other group. They have suffered from the constant fluctuations of farm prices -- occasionally too high, more often too low. Nobody knows better than farmers the disastrous effects of wartime inflationary booms, and post-war deflationary panics.

So I have also suggested today (suggested) that the Congress make our agricultural economy more stable. I have recommended that in addition to putting ceilings on all farm products now, we also place a definite floor under those prices for a period beginning now, continuing through the war, and for as long as necessary after the war. In this way we will be able to avoid the collapse of farm prices (which) that happened after the last war. The farmers must be assured of a fair minimum price during the readjustment period which will follow the great, excessive world food demands (which) that now prevail.

We must have some floor under farm prices, as we must have under wages, if we are to avoid the dangers of a post-war inflation on the one hand, or the catastrophe of a crash in farm prices and wages on the other.

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In that global war there are now four main areas of combat; and I should like to speak briefly of them, not in the order of their importance, for all of them are vital and all of them are inter-related.

(1) The Russian front. Here the Germans are still unable to gain the smashing victory which, almost a year ago, Hitler announced he had already achieved. Germany has been able to capture important Russian territory. Nevertheless, Hitler has been unable to destroy a single Russian Army; and this, you may be sure, has been, and still is, his main objective. Millions of German troops seem doomed to spend another cruel and bitter winter on the Russian front. Yes, the Russians are killing more Nazis, and destroying more airplanes and tanks than are being smashed on any other front. They are fighting not only bravely but brilliantly. In spite of any setbacks Russia will hold out, and with the help of her Allies will ultimately drive every Nazi from her soil.

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Japanese offensive; and we have inflicted heavy losses on their fleet. But they still possess great strength; they seek to keep the initiative; and they will undoubtedly strike hard again. We must not over-rate the importance of our successes in the Solomon Islands, though we may be proud of the skill with which these local operations were conducted. At the same time, we need not under-rate the significance of our victory at Midway. There we stopped the major Japanese offensive.

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neglect none of the four great theatres of war.

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This will require vast assemblies of weapons and men at all the vital points of attack. We and our allies have worked for years to achieve superiority in weapons. We have no doubts about the superiority of our men. We glory in the individual exploits of our soldiers, our sailors, our marines, our merchant seamen. Lieutenant John James Powers was one of these -- and there are thousands of others in the forces of the United Nations.

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All of us here at home are being tested -- for our fortitude, for our selfless devotion to our country and to our cause.

This is the toughest war of all time. We need not leave it to historians of the future to answer the question whether we are tough enough to meet this unprecedented challenge. We can give that answer now. The answer is "Yes."

*****

HOLD FOR RELEASE HOLD FOR RELEASE HOLD FOR RELEASE

September 7, 1942

CAUTION: The following address of the President MUST BE HELD IN CONFIDENCE until released.

NOTE: Release to editions of all newspapers appearing on the streets NOT EARLIER THAN 9:30 O'CLOCK, P.M., EWT., Monday, September 7, 1942. The same release also applies to radio announcers and news commentators.

CARE MUST BE EXERCISED TO PREVENT PREMATURE PUBLICATION.

STEPHEN EARLY
Secretary to the President

I wish that all the American people could read all the citations for various medals recommended for our soldiers, sailors and marines. I am picking out one of these citations which tells of the accomplishments of Lieutenant John James Powers, United States Navy, during three days of the battles with Japanese forces in the Coral Sea.

During the first two days, Lieutenant Powers, flying a dive-bomber in the face of blasting enemy anti-aircraft fire, demolished one large enemy gunboat, put another gunboat out of commission, severely damaged an aircraft tender and a twenty thousand ton transport, and scored a direct hit on an aircraft carrier which burst into flames and sank soon after.

The official citation describes the morning of the third day of battle. As the pilots of his squadron left the ready room to man their planes, Lieutenant Powers said to them, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck".

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting anti-aircraft shells and swarms of enemy planes. He dived almost to the very deck of the enemy carrier, and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of two hundred feet, amid a terrific barrage of shell and bomb fragments, smoke, flame and debris from the stricken vessel. His own plane was destroyed by the explosion of his own bomb. But he had made good his promise to "lay it on the flight deck".

I have received a recommendation from the Secretary of the Navy that Lieutenant James Powers, of New York City, missing in action, be awarded the Medal of Honor. I hereby and now make this award.

You and I are "the folks back home" for whose protection Lieutenant Powers fought and repeatedly risked his life. He said that we counted on him and his men. We did not count in vain. But have not those men a right to be counting on us? How are we playing our part "back home" in winning this war?

The answer is that we are not doing enough.

Today I sent a message to the Congress, pointing out the overwhelming urgency of the serious domestic economic crisis with which we are threatened. Some call it "inflation", which is a vague sort of term, and others call it a "rise in the cost of living", which is much more easily understood by most families.

That phrase, "the cost of living", means essentially what a dollar can buy.

From January 1, 1941 to May of this year, the cost of living went up about 15%. At that point we undertook to freeze the cost of living. But we could not do a complete job of it, because the Congressional authority at the time exempted a large part of farm products used for food and for making clothing; though several weeks before, I had asked the Congress for legislation to stabilize all farm prices.

At that time I had told the Congress that there were seven elements in our national economy, all of which had to be controlled; and that if any one essential element remained exempt, the cost of living could not be held down.

On only two of these points -- both of them vital however -- did I call for Congressional action. These were: first, taxation; and, second, the stabilization of all farm prices at parity.

"Parity" is a standard for the maintenance of good farm prices. It was established as our national policy in 1933. It means that the farmer and the city worker are on the same relative ratio with each other in purchasing power as they were during a period some thirty years ago -- at a time when the farmer had a satisfactory purchasing power. 100% parity, therefore, has been accepted by farmers as the fair standard for their prices.

Last January, however, the Congress passed a law forbidding ceilings on farm prices below 110% of parity on some commodities. On other commodities the ceiling was even higher, so that the average possible ceiling is now about 116% of parity for agricultural products as a whole.

This act of favoritism for one particular group in the community increased the cost of food to everybody -- not only to the workers in the city or in the munitions plants, and their families, but also to the families of the farmers themselves.

Since last May, ceilings have been set on nearly all commodities, rents and services, except the exempted farm products. Installment buying has been effectively controlled.

Wages in certain key industries have been stabilized on the basis of the present cost of living.

It is obvious, however, that if the cost of food continues to go up, as it is doing at present, the wage earner, particularly in the lower brackets, will have a right to an increase in his wages. That would be essential justice and a practical necessity.

Our experience with the control of other prices during the past few months has brought out one important fact — the rising cost of living can be controlled, providing all elements making up the cost of living are controlled at the same time. We know that parity prices for farm products not now controlled will not put up the cost of living more than a very small amount; but that if we must go up to an average of 116% of parity for food and other farm products — which is necessary at present under the Emergency Price Control Act before we can control all farm prices — the cost of living will get well out of hand. We are face to face with this danger today. Let us meet it and remove it.

I realize that it may seem out of proportion to you to be worrying about these economic problems at a time like this when we are all deeply concerned about the news from far distant fields of battle. But I give you the solemn assurance that failure to solve this problem here at home — and to solve it now — will make more difficult the winning of this war.

If the vicious spiral of inflation ever gets under way, the whole economic system will stagger. Prices and wages will go up so rapidly that the entire production program will be endangered. The cost of the war, paid by taxpayers, will jump beyond all present calculations. It will mean an uncontrollable rise in prices and in wages which can result in raising the over-all cost of living as high as another 20%. That would mean that the purchasing power of every dollar you have in your pay envelope, or in the bank, or included in your insurance policy or your pension would be reduced to about eighty cents. I need not tell you that this would have a demoralizing effect on our people, soldiers and civilians alike.

Over-all stabilization of prices, salaries, wages and profits is necessary to the continued increasing production of planes and tanks and ships and guns.

In my message today I have told the Congress that this must be done quickly. If we wait for two or three or four or six months it may well be too late.

I have told the Congress that the Administration can not hold the actual cost of food and clothing down to the present level beyond October first.

Therefore, I have asked the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher. The purpose should also be to keep wages at a point stabilized with today's cost of living. Both must be regulated at the same time; and neither can or should be regulated without the other.

At the same time that farm prices are stabilized, I will stabilize wages.

This is plain justice — and plain common sense.

I have asked the Congress to take this action by the first of October. We must now act with the despatch which the stern necessities of war require.

I have told the Congress that inaction on their part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by the threat of economic chaos.

As I said in my message to the Congress:

In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

The President has the powers, under the Constitution and under Congressional Acts, to take measures necessary to avert a disaster which would interfere with the winning of the war.

I have given the most thoughtful consideration to meeting this issue without further reference to the Congress. I have determined, however, on this vital matter to consult with the Congress.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should use my powers and act now. I can only say that I have approached this problem from every angle, and that I have decided that the course of conduct which I am following in this case is consistent with my sense of responsibility as President in time of war, and with my deep and unalterable devotion to the processes of democracy.

The responsibilities of the President in war time to protect the Nation are very grave. This total war, with our fighting fronts all over the world, makes the use of executive power far more essential than in any previous war.

If we were invaded, the people of this country would expect the President to use any and all means to repel the invader.

The Revolution and the War between the States were fought on our own soil but to-day this war will be won or lost on other continents and remote seas. I cannot tell what powers may have to be exercised in order to win this war.

The American people can be sure that I will use my powers with a full sense of responsibility to the Constitution and to my country. The American people can also be sure that I shall not hesitate to use every power vested in me to accomplish the defeat of our enemies in any part of the world where our own safety demands such defeat.

When the war is won, the powers under which I act will automatically revert to the people — to whom they belong.

I think I know the American farmers. I know that they are as wholehearted in their patriotism as any other group. They have suffered from the constant fluctuations of farm prices -- occasionally too high, more often too low. Nobody knows better than farmers the disastrous effects of war time inflationary booms and post-war deflationary panics.

I have today suggested that the Congress make our agricultural economy more stable. I have recommended that in addition to putting ceilings on all farm products now, we also place a definite floor under those prices for a period beginning now, continuing through the war, and for as long as necessary after the war. In this way we will be able to avoid the collapse of farm prices which happened after the last war. The farmers must be assured of a fair minimum price during the re-adjustment period which will follow the excessive world food demands which now prevail.

We must have some floor under farm prices, as we have under wages, if we are to avoid the dangers of a post-war inflation on the one hand, or the catastrophe of a crash in farm prices and wages, on the other.

Today I have also advised the Congress of the importance of speeding up the passage of the tax bill. The Federal Treasury is losing millions of dollars a day because the bill has not yet been passed. Taxation is the only practical way of preventing the incomes and profits of individuals and corporations from getting too high.

I have told the Congress once more that all net individual incomes, after payment of all taxes, should be limited effectively by further taxation to a maximum net income of $25,000 a year. And it is equally important that corporate profits should not exceed a reasonable amount in any case.

The nation must have more money to run the War. People must stop spending for luxuries. Our country needs a far greater share of our incomes.

For this is a global war and it will cost this nation nearly one hundred billion dollars in 1943.

In that global war there are now four main areas of combat; and I should like to speak briefly of them, not in the order of importance, for all of them are vital and all of them inter-related.

(1) The Russian front. Here the Germans are still unable to gain the smashing victory which, almost a year ago, Hitler announced he had already achieved. Germany has been able to capture important Russian territory. Nevertheless, Hitler has been unable to destroy a single Russian Army; and this, you may be sure, has been, and still is, his main objective. Millions of German troops seem doomed to spend another cruel and bitter winter on the Russian front. The Russians are killing more Nazis, and destroying more airplanes and tanks than are being smashed on any other front. They are fighting not only bravely but brilliantly. In spite of any setbacks Russia, will hold out, and with the help of her Allies will ultimately drive every Nazi from her soil.

(2) The Pacific Ocean Area. This area must be grouped together as a whole -- every part of it, land and sea. We have stopped one major Japanese offensive; and have inflicted heavy losses on their fleet. But they still possess great strength; they seek to keep the initiative; and they will undoubtedly strike hard again. We must not over-rate the importance of our successes in the Solomon Islands, though we may be proud of the skill with which these local operations were conducted. At the same time, we need not under-rate the significance of our victory at Midway. There we stopped the major Japanese offensive.

(3) In the Mediterranean and the Middle East area the British, together with the South Africans, Australians, New Zealanders, Indian troops and others of the United Nations, including ourselves, are fighting a desperate battle with the Germans and Italians. The Axis powers are fighting to gain control of that area, dominate the Mediterranean and Indian Ocean, and gain contact with the Japanese Navy. The battle is now joined. We are well aware of our danger, but we are hopeful of the outcome.

(4) The European area. Here the aim is an offensive against Germany. There are at least a dozen different points at which attacks can be launched. You, of course, do not expect me to give details of future plans, but you can rest assured that preparations are being made here and in Britain toward this purpose. The power of Germany must be broken on the battlefields of Europe.

Various people urge that we concentrate our forces on one or another of these four areas, although no one suggests that any one of the four areas should be abandoned. Certainly, it could not be seriously urged that we abandon aid to Russia, or surrender all of the Pacific to Japan, or the Mediterranean and Middle East to Germany, or give up an offensive against Germany. The American people may be sure that we shall neglect none of the four great theatres of war.

Certain vital military decisions have been made. In due time you will know what these decisions are — and so will our enemies. I can say now that all of these decisions are directed toward taking the offensive.

Today, exactly nine months after Pearl Harbor, we have sent overseas three times more men than we transported to France in the first nine months of the first World War. We have done this in spite of greater danger and fewer ships. And every week sees a gain in the actual number of American men and weapons in the fighting areas. These reinforcements in men and munitions will continue to go forward.

This war will finally be won by the coordination of all the armies, navies and air forces of the United Nations operating in unison against our enemies.

This will require vast assemblies of weapons and men at all the vital points of attack. We and our allies have worked for years to achieve superiority in weapons. We have no doubts about the superiority of our men. We glory in the individual exploits of our soldiers, our sailors, our marines, our merchant seamen. Lieutenant John James Powers was one of these — and there are thousands of others in the forces of the United Nations.

Several thousand Americans have met death in battle. Other thousands will lose their lives. But many millions stand ready to step into their places — to engage in a struggle to the very death. For they know that the enemy is determined to destroy us, our homes and our institutions — that in this war it is kill or be killed.

Battles are not won by soldiers or sailors who think first of their own personal safety. And wars are not won by people who are concerned primarily with their own comfort, their own convenience, their own pocket-books.

We Americans of today bear the greatest of responsibilities. All of the United Nations share them.

All of us here at home are being tested — for our fortitude, for our selfless devotion to our country and our cause.

This is the toughest war of all time. We need not leave it to historians of the future to answer the question whether we are tough enough to meet this unprecedented challenge. We can give that answer now. The answer is "yes".

FIRST DRAFT

SPEECH OF THE PRESIDENT

SEPTEMBER 7, 1942

I wish that all the American people could have the time and opportunity to read the citations for various medals recommended bravery given with the Medal of Honor to for many of our soldiers, sailors and marines. I am picking out one of these ~~for us~~ citations, and to be thinking about. It is what might be called "the Lesson ~~of the~~ for today", and I hope you will see the application of it when I get through talking a little later on about a purely domestic subject which, however, will have a great influence on the actual winning of the war.

¶ Details of the exploits of

The Medal of Honor has been awarded to Lieutenant John James Powers, United States Navy, "For distinguished and conspicuous gallantry and intrepidity at the risk of his life, above and beyond the call of duty, while pilot of an airplane of Bombing Squadron FIVE, he participated .....

during three days of the battles

In five engagements with Japanese forces in the Coral Sea last May.

..... during the period May 4-8, 1942.

¶ The first Japs fighting took place

Three attacks were made ..... near Tulagi in the Solomon Islands on May 4th.

Lieutenant Powers

In these attacks he scored a direct hit which instantly demolished a large enemy gunboat or destroyer -- and ~~is~~

credited with two close misses, one of which from his dive-bomber severely damaged an aircraft tender, and the other damaging a twenty thousand ton transport. Flying low he He fearlessly strafed a gunboat .... amid intense anti-aircraft fire, and this gunboat was forced to run aground ..... later was seen beached on a nearby island.

On May 7th .... he fearlessly led his attack section of three dive bombers, to attack ~~the~~ a Japanese aircraft carrier, ... He dove in the face of heavy anti-aircraft fire, to an altitude well below the ~~above~~ safety level, and scored a direct hit on the carrier, at the risk of his life, in order that he might which burst into flame and sank positively obtain a hit in the vital part of the ship ..... This bomb hit was noted by many pilots ... to cause a tremendous explosion ..... The ship sank soon after.

That same evening, ... as Squadron Gunnery Officer, Lieutenant Powers ~~he~~ gave a lecture to the squadron on aiming point of aim and diving technique. He pointed out that During this discourse he advocated low release of a bomb point in order to insure greater accuracy, but warned of many dangers yet he stressed the danger not only from enemy fire, ~~and~~ from the resultant low pull out, and from the but from his own bomb blast itself. ... Thus, his low dive bombing attacks were deliberate and premeditated, with complete awareness of since he knew ... the dangers of such tactics, but went far beyond the call of duty in order to further the cause which he knew to be right.

The next morning, May 8th, as the pilots of the attack group left the ready ~~room~~ room to man planes, ~~his indomitable~~ he said to them, spirit and leadership was well expressed in his own words, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck".

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting anti-aircraft shells and into the face of enemy planes. Again, completely disregarding the great dangers of which he was as well aware, he dove safety altitude and without ..... concern for his own safety, he courageously pressed home his attack almost to the very deck of an enemy carrier and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of two hundred feet, amid a terrific barrage of shell and bomb fragments, smoke, flame and debris from the stricken vessel. His own plane was instantly destroyed by the explosion of his own bomb. (But he had made good his promise to "lay it on the flight deck")

~~On my desk lies~~ a recommendation from the Secretary of the Navy that Lieutenant James Powers, of New York City, missing in action, be awarded the Medal of Honor. I hereby and now confirm this award.

I have received

I say that this story of Lieutenant Powers is "the lesson for today", because I want to talk to you about our duties here at home and also about the present state of the war on many fronts.

You and I are "the folks back home" for whose protection Lieut. Powers fought and repeatedly risked his life. He said that we counted on him and his men. We counted not in vain. But haven't those men a right to be counting on us? How are we playing our part in winning this war?

Today, I sent a message to the Congress, pointing out the almost overwhelming urgency of the present peril in the cost of living

Now I want to give you, as a layman, a general outline a greatly simplified picture of the World War and its problems from the point of view of the twenty-nine United Nations. This review omits very many details which are of great importance in the conduct of ~~any~~ each individual operation, large or small. These problems include every item that commences when troops and crews are thoroughly trained and ready for active service; when guns and planes and tanks and warships and merchant ships are ready to move to a given fighting front.

Therefore, in making the picture clearer, I am dividing the ~~theatre~~ world area of combat into four existing zones, leaving out of the discussion certain objectives, such as the defense of Britain which is, of course, an essential even though Germany has not landed troops on that Island.

The four combat areas are as follows -- not in the order of importance, but all of them essential and all of them inter-related.

(a) is the continued defense of Russia. Here it is imperative that the United States assist in every way possible. We are giving this help now and we are making every effort to increase that help. We are ~~thrilled~~ impressed and inspired by the spirit of unanimity of the Russian Armies and the Russian people as a whole. We, like they, are confident that

The Russian front, where the Germans will meet their greatest defeat, is now in the making and the end will come when the Hitler dynasty is overthrown.

eventually launch a counter-offensive and

Russia will not only hold out but will throw the Germans out of their land.

(b) The Pacific Ocean as a whole must be grouped together -- every part of it — and there we must prevent the extension of Japanese advance and as quickly as possibly turn that advance in the opposite direction.

(c) ~~In~~ The area of the Mediterranean and the Middle East. ~~Britain, assisted by~~ Here the British, together with the South Africans, New Zealanders, Indian troops and others ~~Colonials and troops~~ of the United Nations, ~~xxx~~ including ourselves, ~~is~~ are putting up a magnificent resistance to ~~on serious~~ a desperate effort ~~on the part of~~ by the Germans and Italians to gain [such complete] control of the area ~~that they could hope to~~ and thereby dominate the Mediterranean, the Indian Ocean and the South Atlantic and join forces ~~[illegible]~~ on the sea with the Japanese Navy.

(d) ~~This represents a problem~~ The continental European area. of an offensive against Germany. Obviously before any ~~objective~~ offensive (d) can be launched in its finality, it is necessary to feel out the strength of the enemy. The Dieppe raid was a successful testing operation, in which ~~[illegible]~~ The British, Canadians and a few of our own troops ~~[illegible]~~ made valuable observation of ~~experience and the [illegible] enemy~~ ~~[illegible]~~ the form and power of the enemy defense. The effects of this raid will ultimately be apparent.

This is the subject of much uninformed discussion because of the obvious desirability

(A) on next page

There are at least a dozen ways of accomplishing this, with the objective, of course, of whittling down German strength, not only in Germany but in all those nations which have been overrun by her. You will, of course, not expect details of future plans, but I think that you can rest assured that every effort is being made here and in Britain toward the main purpose. A

In all four of these areas or objectives, things have been going as well as could be expected during the past few months. I find that a survey of the various amateur strategists, who appear in print or on the radio, ~~shows that most of them~~ urge that we concentrate our forces on one or another ~~could bring to bear one~~ of these four areas, although no one ~~mind the most important of all four. None of them will~~ suggests that any one of the four areas should be abandoned. Unfortunately, to make one a major purpose entails giving up one or more of the other three. Certainly, Nobody ~~in their a-mind would think~~ could seriously urge that we abandon ~~have we given up~~ aid to Russia, or ~~the holding of~~ surrender all of the Pacific, to Japan, or ~~the holding of~~ the Mediterranean and Middle East ~~or some~~ (to Germany!) or give up all hope of an ~~form of~~ offensive against Germany. And yet, if we singled out any one of the four vital areas for ~~special attention or over-whelming~~ an all-out attack, we would have to ~~withdraw~~ divert troops and ships and munitions from the other three, thereby weakening them to such a point that their safety would be endangered.

Our participation in this war is nine months old today. Fortunately we were not caught unprepared because ~~for~~ Then we had ~~several prior years we had been getting~~ an enormous manpower and production power program well under way in every conceivable field. You all know that this has involved huge training programs -- hundreds of new factories and the conversion of hundreds of others -- and ~~which involves~~ a considerable

~~without the~~ dislocation of peacetime life in our own country. A program which means stepping up production anywhere from 25% to 1000% in many lines of munitions is bound to creak~~s~~ and groan~~s~~ as it moves forward; despite errors and delays here and there, we ~~the net results we can be proud of and we~~ have every right to be proud of the net results — as the forthcoming ~~can that while some of our objectives may have been impossible~~ Lend-Lease report will substantially prove. ~~of attainment, and while in some individual items we are not up to the goal, we are not behind that goal in any item to an extent that could be called a failure.~~ On the whole we have done, and are doing, a job of a magnitude never before attempted by any nation.

We must remember, too, ~~that~~ the progress of war new inventions and new designs call for shifts in emphasis. ~~That article which was in the first category a year ago may, because of experience in fighting, slide down into a lower priority today; and a design which was of the best known type a year ago may have to be replaced with a much better article, newly devised today.~~ machines or weapons which seemed of tremendous effectiveness may have to be replaced today by a new device more perfectly adjusted to the constantly changing conditions of battle. This was on many fronts in never-ending as was the trench warfare in 1914-1918.

People come to see me who say "Why don't you do thus or so in such and such a theatre of war next month"? I say to them "How will I get the necessary ships, troops, munitions to that area"? That particular ~~little thought~~ problem had ~~never~~ not ~~troubled~~ troubled them before. They forget that, with the exception of ~~the~~ long-range planes, every man, every piece of his

equipment -- every gun, every tank -- has to be taken to the theatre of war in a ship.

We have been worried about shipping losses. The situation at the present time is not as serious as it was a few months ago, but it is still a dangerous situation and the fact remains that we have not got enough ships anywhere in the world to enable us to do what we want to do.

Today, nine months after Pearl Harbor, we have over five hundred thousand troops outside the continental limits of the United States. It is obvious, however, that when we send troops in such great numbers, we must send with them all the accoutrements and munitions and supplies that they will need for fighting; and, furthermore, once they are in the field of action, we have to maintain an endless line of supplies to them, consisting of more troops, more guns, more ammunition, more food and a thousand other items. That is, in spite of greater danger and fewer facilities, a better record than the record of the shipment of troops to France in the first nine months of the first World War. Every week sees a gain in the actual number of American Forces in the fighting areas.

As I have so often said, the World War problem was much simpler because a very large proportion of the troops were sent to France were supplied with guns and ammunition by the British and the French; were supplied with food and transportation from Britain and France, thereby creating a shipping situation far less difficult than the present one.

I must warn the citizenry of the United States, [as I warned my Press Conference the other day,] that they must not believe screaming headlines to the effect that we have won major victories. [For example,] Many accounts which I read led one to believe that the actions in the Solomon Islands constituted a major victory against a major attacking force.

Actually the operation on our part was brilliantly executed in the original landings and has been [brilliantly] successfully maintained for a month. The Japanese, however, have not thrown a major attack against our positions. They have made what might be called "a reconnaissance in force" and these reconnaissances so far have been successfully replused, thereby at least slowing up any major attack by the Japanese in a southerly or southeasterly direction.

Personally I am sure that the people of the United States are keeping both feet on the ground and that as the war progresses they will be less and less inclined to go from the heights of ecstacy to the depths of despair and vice versa. When you read any exaggerated account, put your tongue in your cheek.

Several thousand Americans have met death at the hands of the enemy. Other thousands will lose their lives, but many millions stand ready to step into their places -- to engage in a struggle to the very death; for they know that the enemy is determined to destroy us, our lives, our economy and our institutions; that in this war it is kill or be killed.

But the success of the men in our armed forces is being hampered by two elements in our own midst, both of which we at home have the right and the need to eliminate.

The first is the small minority of which I have spoken -- little men of little faith -- and public opinion can eliminate the harm they seek to do.

The other, not of course an ally of Hitler, but an unwitting helper of Hitler, is an economic peril that hangs over us in our war work at home. Some call it "inflation", which is a vague sort of term, and others call it "rise in

the cost of living", which is much more easily understood by most families.

Let me put it this way. The cost of living is based about 34% on the cost of food of the kind that the average family eats. It does not include luxury food. Rent is about 20% of the cost of living. Clothing is about 10%; fuel is about 6%; necessary household furnishings about 4%. The other 26% being made up of certain miscellaneous items, including [services] charge, medical care and insurance From January 1, 1941 to May of this year, the cost of living went up about 15%. At that point we undertook to freeze the cost of living; [and] but since then it has [only] gone up about 1½%. Last April I told the Congress that there were seven elements in our national economy, all of which had to be controlled, and that if even one essential element was not controlled, the cost of living could not be held down. The seven items for an economic policy of stability were:

(1) Tax heavily and hold profits down.
(2) Fix ceilings on price and rents.
(3) Stabilize wages.
(4) Stabilize farm prices.
(5) Put more billions into War Bonds.

(6) Ration all essential commodities which are scarce.

(7) Discourage installment buying, and encourage paying off debts and mortgages.

On ~~But~~ only two of the seven points, both of them, however, vital was Congressional action called for by me. These were, first, taxation and, second, the stabilization of farm prices at parity. Several months previously the Congress had passed a law placing the ceiling on farm prices at about 16% above parity, thus throwing the cost of living schedule completely out of line, with the result, of course, that sooner or later the cost of food would be seriously increased to everybody -- not to the worker in the city or munitions' plant alone, but also to the wife and family of the farmer himself.

Prices and ceilings on nearly all commodities and services have been set [where the law permit] Installment buying has been effectively controlled; scarce commodities have been rationed; [some] progress has been made toward stabilizing wages, but it is obvious that if the cost of food continues to go up, the wage earner will expect an [equivalent] rise in his wages. He feels, and rightly, that that would be essential justice.

That word "parity" when it was established as our national policy in 1933, meant that in purchasing power the farmer and the city worker should be placed on a ratio which was based on a period many years ago when the farmer had the highest relative purchasing power. Parity, therefore, became the ideal of all farm organizations, and it seems a bit inconsistent with that goal in a crisis like this for a relatively small number of agricultural organization leaders to work for more than parity at a moment when we are actually a little bit above parity in the average of farm prices.

Our experience with the control of other prices during the past few months has brought out one tremendous fact -- the rising cost of living can be controlled providing all elements making up the cost of living are controlled at the same time. We know now that parity prices for food and clothing will not put up the cost of living, but that if we go up to 116% of parity the cost of living will get well out of hand and will rise to a very grave extent. We are in the midst of this today -- because between the 15th of July and the 15th of August the price of these crops went up 6%.

There is one other result of an increase in the cost of living which one does not like to talk about lest one be

called an alarmist. You have been buying War Bonds magnificently. If you have $1,000 coming back to you from bonds which you bought several years ago, you will only get $800 worth of purchasing power if the cost of living in the meantime has gone up 20%. That in itself ought to cause a tremendous popular demand by every War Bond purchaser that the purchasing power should not continue to grow less through a further increase in what it costs you to live on. And the same thing applies to everybody who has one dollar in the bank or owns an insurance policy.

Inflation can only benefit debtors for it enables them to pay their debts with dollars of inferior purchasing power. These things are elementary and unless something is done about them immediately, this nation of ours is going to go through an inflationary period. Also, if it should do so, the actual cost of the war in dollars would obviously leap upward in large volume and that would mean not just that our children would be saddled with a much higher war debt, but that you and I would/ during the rest of our lives.

Therefore, something has to be done. Let me explain to you in language less technical than my message to Congress today just what I have said to the Congress of the United States.

I told them that in March and April 1933 this country faced a very serious domestic crisis. Indeed I said on March 4, 1933 in my Inaugural Address "(quote actual language to the effect that unless something is done to mend the situation I would ask the Congress for powers as great as if we were in a war".

The Congress responded magnificently. They passed the necessary legislation without long debate, without party politics, and without being influenced by any special group seeking special privileges. Then the nation was faced by personal inconveniences which made it impossible to cash checks at a bank, to find the money [currency] to meet [pay] payrolls and to do anything for the enormous number of unemployed.

Today the situation facing the Nation is infinitely more serious than the situation which faced the nation in March 1933. The life of the nation was not then at stake. The life of the nation is today at stake. We are at grips with a powerful enemy in a life and death struggle.

The Congress has given to the President, who is also the Commander-in-Chief of the Army and Navy in time of war certain powers by legislation during the past two years. I have used many of these powers. [though from the breadth of them, I could have gone much further.] I do not need to remind you of my passionate devotion to the principles of the Constitution and to democracy itself.

I want to exercise as few unusual powers as possible and fundamentally, I want all powers of the President which accrue in time of war or emergency only to be restored to the Congress of the United States just as soon as the emergency passes.

Therefore, I have explained to the Congress that the war effort can be as seriously injured by the cost of living getting out of hand, followed of course by an increase in wages, as if a large percentage of our production were to be tied up by strikes.

Labor has agreed not to strike during the war. That is a fine act. It is incumbent on all of us outside of the ranks of labor to see to it that workers in factories are not penalized because another great group in the country starts to receive much more pay which would mean that everybody who buys food would have to spend a lot more without larger incomes.

This, I am sure, the Congress knows and I have told them that there is a positive need for an overall stabilization, prices, wages and everything that go with them and that putting

this stabilization into effect is as necessary to the war effort as it is to continue turning out planes and tanks.

For the safety of the nation, it must be done.

I have told the Congress that it must be done quickly because if we wait for two or three or four or six months it will be too late. The cost of living prices will have got so high then that it will be impossible to lower them.

I have told the Congress that my expert advisers tell me that they think they can hold the actual cost of food and clothing down to approximately the present level for another three weeks. This means using certain means -- certain expenditures -- the cost of which will have to be born by the general public that they do not But we are can give any assurance that the cost of living can be held down after that date.

Therefore, I have asked the Congress to pass a simple measure directing that the President take all necessary means to stabilize the cost of living from now on, including specific authority to hold farm prices at parity or, in other words, in the same relationship to wages that those two things

bore to each other in a period when the farmers were most prosperous.

I have asked the Congress to take this action by the first of October. [Most of them have been away on their vacations for a month or more. I realize and sympathize with the fact that this is a congressional campaign year] but [if I believe] they will recognize that the crisis is far more dangerous than it was in March 1933, and I am sure they can act with enough speed to pass the legislation by October first.

I have told them also that inaction on their part when that date comes leaves me [in a very difficult situation.] [It leaves me] with a responsibility to the people of this country to see to it that the war effort is not impeded, [goes on efficiently without interruption and with all possible speed.] [If I do nothing the production end of the war effort will affect the lives of all our citizens and the future good economy of the nation will be greatly and irreparably impaired.]

Insert A

I have told the Congress, therefore, that my duty would impel me to [do something] exercise my full power -- that I could not let the situation drift any longer.

TELEPHONED BY MR. LEWIS DOUGLAS. Sept. 4, 1942

Insert A

To permit the inflationary forces much longer to gather and accumulate strength is to run the serious risk of waiting until disaster overtakes us.

The Congress, under the Constitution, has conferred upon me certain broad war powers and the Constitution itself has clothed me with the authority of the Commander-in-Chief of our armed forces. It is likely that the office of President and Commander-in-Chief has on its own motion sufficient jurisdiction to take hold of the problem and to impose effective checks and restraints on the various forces that singly and together are now pressing prices upward. [But it is important even in times of war when action is imperative and speed is essential to retain and to protect the substance of our American form of government.] From our Constitution the Congress of the United States derives certain powers, among them is the power to legislate [over certain matters]. [The Congress is a dignified and important part of our democratic system.] Therefore, on a matter like the one we are now discussing, even though I may already possess the extraordinary power to act, I prefer to consult the legislative branch of our government.

put

We cannot afford to waste too much time. We cannot run the danger of allowing precious weeks to slip by without vigorous action. Accordingly, I shall lay before the Congress this important subject in all of its implications and I shall candidly say to the Congress that, if within two weeks it does not by law restrain me from taking the necessary steps to combat a strong inflationary movement, I shall feel that it approves of my proposal to act and confirms my plan. Should

the Congress by majority vote of both houses enact legislation prohibiting me from initiating measures designed to prevent a movement harmful to all Americans, ruinous to many, I shall not exercise my power of veto, but, on the contrary, shall observe the wishes of the legislative branch. Thus it will be for the Congress to say whether inflation shall proceed or be arrested.

I told them that I had asked for this legislation as far back as last April and nothing had come of it.

I told them that in the event of a failure of legislation by October first I would have to do things to get things done -- to get the necessary and related objectives of stabilizing our cost of living accomplished, [that the most practical way of doing it would be to set up a very small group with centralized authority, which the Attorney General advises me that I have the right to do,] [in order to stabilize the cost of living, We must not only stabilize wages but must [and] put into effect all of the other seven objectives which I listed in April. The only one which I could not seek to accomplish is the passing of the tax bill which is still being considered by the Congress [after eight months of study.]

I have advised the committees of the two Houses of the importance of speeding up the passage of the tax bill. The Federal Treasury is losing [twenty-five] 3 million dollars a day because it has failed to pass the bill. Furthermore, the tax method is the simplest and most practical way of preventing either net incomes to individuals that are, in my judgment, far out of line, far too high for days like these, or corporate

profits which are unreasonably unsound or unjust to others in days like these. We must have more money to run the war. People must stop spending for luxuries. Our ~~[illegible]~~ country needs a far greater share of our income.

One word about carrying out the problem of the cost of living. As President and Commander-in-Chief, I would rather have the Congress take action. They now have the opportunity to do so.

[If I am forced to do it, I have authority under the Second War Powers Act passed by the Congress on the 21st day of March, last. It gives to the President full power in the event of scarcity of any article to allocate such an article in accordance with the many needs and to place conditions on the sale of such allocations, which, of course, includes the condition of selling at a fair price, which does not throw the cost of living out of line.]

Apart from the tax bill,

The chief thing which makes necessary a full control is the fact that in the law of last January -- before these later situations became clear through experience, the Congress set ceilings on food prices that were far above the previous policy of parity. Two months after the passage of that Act, the Congress gave authority to the President to take action through allocation and the placing of conditions

upon these allocations in the event of scarcity. It can, of course, be well shown that there is an actual scarcity of almost every article of necessary food which is produced in this country today. The criterion of scarcity depends not on what our civilian population eats alone. Because this is a war in which twenty-nine United Nations have joined their forces, It is incumbent on us to help many of those nations in order to keep them going in the war effort. Therefore, through the processes of Lend-Lease, through the processes of relief for our friends whom we can keep alive, through relief, millions of tons of foodstuffs have to be sent out of the country to keep them going. It is also a fact that our armed forces not only here, but overseas, require to be supplied with food. We are proud of the fact that the American Army and Navy are better fed than any other armed forces in the world. We intend to maintain that and remember that those boys are probably consuming more food even today in volume and in vitamins than they ever did at home.

It is probable, therefore, that keeping food prices down to a general standard of parity for the direct benefit of the United Nations and our own men in the winning of the war brings the authority squarely within the constitutional war powers of the President for which no specific legislation has been passed.

If, for example, a large Army had landed on our continent and was marching on the Capitol of the nation, I could not wait to go to the Congress to get authority to seize buildings and other forms of private property in order to repel the invader. I would, of course, have to seize anything that came at hand with, of course, remuneration to the owner ~~mf~~ a little later on. That right of eminent domain is as old as government itself.

Let me sum up this matter of responsibility by saying that I have the authority today, both under the Second War Powers Act of March 21, 1942, and also under the general war or emergency powers of the President as Commander-in-Chief. Nevertheless, it has always been my desire that the Congress be kept in touch with existing situations and exercise their ~~fuller~~ powers insofar as possible. Careful study shows that the

situation can be held in line for another three weeks, but that after that it can not. Therefore, I am asking the Congress to act within that period.

situation can be held in line for another three weeks, but that after that it can not. Therefore, I am asking the Congress to act within that period.

Now I want to give you, as a layman, a greatly simplified picture of the World War and its problems from the point of view of the twenty-nine United Nations. This review omits very many details which are of great importance in the conduct of any individual operation, large or small. These problems include every item that commences when troops and crews are thoroughly trained and ready for active service; when guns and planes and tanks and warships and merchant ships are ready to move to a given fighting front.

Therefore, in making the picture clearer, I am dividing the total of combat into four existing zones, leaving out of the discussion certain objectives, such as the defense of Britain which is, of course, an essential even though Germany has not landed troops on that Island.

The four combat areas are as follows -- not in the order of importance, but all of them essential and all of them inter-related.

(a) is the continued defense of Russia. Here it is imperative that the United States assist in every way possible. We are giving this help now and we are making every effort to increase that help. We are thrilled by the spirit of unanimity of the Russian Armies and the Russian people as a whole. We, like they, are confident that

Russia will not only hold out but will throw the Germans out of their land.

(b) The Pacific Ocean as a whole must be grouped together -- every part of it -- and there we must prevent the extension of Japanese advance and as quickly as possibly turn that advance in the opposite direction.

(c) is the area of the Mediterranean and the Middle East. Britain, assisted by Colonials and troops of United Nations, xxx is putting up a magnificent resistance to an obvious effort on the part of Germans and Italians to gain such complete control of the area that they could hope to dominate the Mediterranean, the Indian Ocean and the South Atlantic and join hands on the sea with the Japanese Navy.

(d) This represents a problem of an offensive against Germany. Obviously before any objective (d) can be launched in its finality, it is necessary to feel out the strength of the enemy. The Dieppe raid was successful because the British and a few of our own troops gained valuable experience and learned many lessons in regard to the form and power of the enemy defense.

There are at least a dozen ways of accomplishing this, with the objective, of course, of whittling down German strength, not only in Germany but in all those nations which have been overrun by her. You will, of course, not expect details of future plans, but I think that you can rest assured that every effort is being made here and in Britain toward the main purpose.

In all four of these areas or objectives, things have been going as well as could be expected during the past few months. I find that a survey of the amateur strategists, who appear in print or on the radio, shows that most of them would like to see one of these four objectives stressed and made the most important of all four. None of them admit that any one of the four should be abandoned. Unfortunately, to make one a major purpose entails giving up one or more of the other three. Nobody in their senses would ~~think~~ have us give up aid to Russia, or the holding of the Pacific, or the holding of the Mediterranean and Middle East or some form of offensive against Germany, and yet if we singled out any one of the four for special attention or overwhelming attack, we would have to borrow troops and ships and munitions from the other three, thereby weakening them to such a point that their safety would be endangered.

Our participation in this war is nine months old today. Fortunately we were not caught unprepared because for several prior years we had been getting an enormous manpower and production power program under way in every conceivable field. You all know that this has involved huge training programs -- hundreds of new factories and the conversion of hundreds of others -- and what I have

called the dislocation of peacetime life in our own country. A program which means stepping up production anywhere from 25% to 1000% in many lines of munitions creaks and groans as it moves forward, but the net results we can be proud of and we can that while some of our objectives may have been impossible of attainment, and while in some individual items we are not up to the goal, we are not behind that goal in any item to an extent that could be called a failure. On the whole we have done, and are doing, a job never before attempted by any nation.

We must remember, too, with the progress of war new inventions and new designs call for shifts in emphasis. That article which was in the first category a year ago may, because of experience in fighting, slide down into a lower priority today; and a design which was of the best known type a year ago may have to be replaced with a much better article, newly devised today.

People come to see me who say "Why don't you do thus or so in such and such a theatre of war next month"? I say to them "How will I get the necessary ships, troops, munitions to that area"? That particular little thought had never struck them before. They forget that, with the exception of long-range planes, every man, every piece of his

equipment -- every gun, every tank -- has to be taken to the theatre of war in a ship.

We have been worried about shipping losses. The situation at the present time is not as serious as it was a few months ago but it is still a dangerous situation and the fact remains that we have not got enough ships anywhere in the world to enable us to do what we want to do.

Today, nine months after Pearl Harbor, we have over five hundred thousand troops outside the continental limits of the United States -- and it is obvious that when we talk in terms of five hundred thousand troops, all the accouterments and munitions and supplies have to go with them; and, furthermore, once they are there we have to maintain a line of supplies to them at all times, consisting of more troops, more guns, more ammunition, more food and a thousand other items. That is, in spite of greater danger and fewer facilities, a better record than the record of the shipment of troops to France in the first nine months of the first World War. Every week sees a gain in the actual number of American Forces in the fighting areas.

SECOND DRAFT

SPEECH OF THE PRESIDENT

SEPTEMBER 7, 1942

I wish that all the American people could have the ~~time and opportunity to~~ read all the citations for various medals recommended for many of our soldiers, sailors and marines. I am picking out ~~I am picking out~~ one of these citations and it which might be called as example of ~~"the lesson for~~ today". provide a text for this talk.

It tells of the exploits of Lieutenant John James Powers, United States Navy, during three days of the battles with Japanese forces in the Coral Sea ~~last May~~.

The first day's fighting took place near Tulagi in the Solomon Islands on May fourth. During the first two days Lieutenant Powers scored a direct hit which instantly demolished one large enemy gunboat, ~~or destroyer~~ -- and from his dive-bomber flying a dive-bomber severely damaged an aircraft tender and a twenty thousand ton transport, Flying low, he strafed a gunboat amid intense anti-aircraft fire and this gunboat was forced to run aground on a nearby island. put another gunboat out of commission,

(A) p. 2

This had all been done in the face of blasting anti aircraft fire. He had flown at very low altitudes; his own plane had been damaged; and it was considered miraculous that he was himself still alive.

Lieutenant Powers made a pep talk this year from which the official citation selects these words:

The official citation describes the final morning of the battle. As the pilots of his squadron left the ready room to man their planes, ~~he p~~ Lieutenant Powers said to them

On May seventh he led his attack section of three dive bombers, to attack a Japanese aircraft carrier. He ~~done~~ dived in the face of heavy anti-aircraft fire, ~~to an altitude well below the safety level~~, and scored a direct hit on ~~the~~ an aircraft carrier which burst into flame and sank soon after.

(A) ?

That same evening, as Squadron Gunnery Officer, Lieutenant Powers gave a lecture to the squadron on aiming and diving technique. He pointed out that low release of a bomb insured greater accuracy, but involved many dangers from enemy fire, from the resultant low pull out and from the bomb blast itself. Thus, his low dive bombing attacks were deliberate and premeditated, with complete awareness of the dangers of such tactics.

~~The next morning, May eighth, as the pilots of the attack group left the ready room to man planes, he said to them,~~ ~~On the final morning of the battle,~~ ~~their~~ ~~this squadron~~

"Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck".

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting anti-aircraft shells and into the face of enemy planes. Completely disregarding the great dangers of which he was so well aware, he ~~done~~ dived almost

to the very deck of ~~an~~ the enemy carrier and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of two hundred feet, amid a terrific barrage of shell and bomb fragments, smoke, flame and debris from the stricken vessel. His own plane was undoubtedly destroyed by the explosion of his own bomb. But he had made good his promise to "lay it on the flight deck".

I have received a recommendation from the Secretary of the Navy that Lieutenant James Powers, of New York City, missing in action, be awarded the Medal of Honor. I hereby and now confirm this award.

I ~~say that~~ feel this story of Lieutenant Powers ~~is "the lesson for today"~~ simple as a text for this evening because I want to talk to you about our duties here at home and also ~~about~~ I want to say something about the present state of the war on many fronts.

You and I are "the folks back home" for whose protection Lieutenant Powers fought and repeatedly risked his life. He said that we counted on him and his men. We counted not in vain. But haven't those men a right to be counting on us? How are we playing our part "back home" in winning this war?

I am afraid that the answer is that we are not doing nearly enough.

Today, I sent a message to the Congress, pointing out the almost overwhelming urgency of the present threat of a drastic rise in the cost of living.

~~For~~ There is an economic peril that hangs over us in our war work at home. Some call it "inflation", which is a vague sort of term, and others call it a "rise in the cost of living", which is much more easily understood by most families.

Let me put it this way. The cost of living is based about 34% on the cost of food of the kind that the average family eats; ~~It~~ That does not include caviar or other luxury foods. Rent is about 20% of the cost of living. Clothing is about 10%; fuel is about 6%; necessary household furnishings about 4%. The other 26% being made up of certain miscellaneous items, including drugs, medical care and insurance. From January 1, 1941 to May of this year, the cost of living went up about 15%. At that point we undertook to freeze the cost of living; ~~but~~ and since then it has gone up only about 1½%.

Last April I then told the Congress that there were seven elements in our national economy, all of which had to be controlled, and that if even one essential element remained beyond our control, ~~was not controlled~~, the cost of living could not be held down. The seven items for an economic policy of stability were:

(1) Tax heavily and hold profits down.

(2) Fix ceilings on price and rents.

(3) Stabilize wages.

(4) Stabilize farm prices.

(5) Put more billions into War Bonds.

(6) Ration all essential commodities which are scarce.

(7) Discourage installment buying, and encourage paying off debts and mortgages.

On only two of the seven points, both of them, however, vital — did I call for ~~was~~ Congressional action, ~~called for by me~~. These were, first, taxation and, second, the stabilization of farm prices at parity. (A)

Last January, however, ~~Several months previously~~, the Congress had passed a law ~~which~~ (B) placing the ceiling on farm prices at about 16% above parity, thus throw~~ing~~ the cost of living schedule completely out of line, with the result, of course, that sooner or later the cost of food would be seriously increased to everybody -- not only to the worker in the city or in the munitions' plant alone, but also to the wife and family of the farmer himself.

¶ Since last May, ~~Prices and~~ ceilings have been set on nearly all commodities, rents, and services except the exempted farm products. ~~have been set.~~ Installment buying has been effectively controlled; ¶ Some scarce commodities have been rationed. ¶ Progress has been made toward stabilizing wages. But it is obvious that ~~if~~ as the cost of food continues to go up, as it is doing at present, the wage earner will have the right to demand ~~expect~~ a rise in his wages. He feels, and rightly, that that would be essential justice

(C)

110
120
130

(B)

in which it was stated that ~~the~~ ~~too~~ ceilings, ~~could~~ on farm prices could not be placed ~~on~~ ~~farm products~~ below 110% of parity ~~or even higher~~ on some commodities and even higher on others, making an average of about 116% of parity for all ~~farm~~ agricultural products.

This act of favoritism for one particular group in the community tended to throw

(C)

price of the

and practical necessity. You cannot expect a man's purses to remain stationary if the things he and his family eat and wear ~~and use~~ continues to go up.

1909-1914

(A) That word "parity" when it was established as our national policy in 1933, means that in purchasing power the farmer and the city worker should be placed on a the same relative ratio with each other ~~that~~ they had during a ~~which was based on a~~ period ~~some~~ some thirty years ago, when the farmer had the highest relative purchasing power. Parity, therefore, became the ideal of all farm organizations, and it seems a bit inconsistent with that goal in a crisis like this for a relatively small number of agricultural organization leaders to work for more than a parity price at a moment when we are actually a little bit above parity in the average of farm prices.

Our experience with the control of other prices during the past few months has brought out one tremendous fact -- the rising cost of living can be controlled, providing all elements making up the cost of living are controlled at the same time. The proof is that price was started this control last May the cost of living has gone up only 1/3 per cent. We know now that parity prices for food and clothing will not put up the cost of living more than a very small amount; but that if we go up to 116% of parity for food and other crops the cost of living will get well out of hand and will rise to a very grave extent. We are ~~up the night of this today~~ face to face with this danger to-day -- because between the 15th of July and the 15th of August ~~the~~ general farm price; ~~clothing~~ ~~crops~~ went up 6%.

, to the average American,

I realize that it may seem out of proportion to be worrying about these economic problems at a time like this when we are all deeply concerned about the news from far distant fields of battle. But I give you the solemn assurance that failure to solve this problem here at home — and to solve it now — can be as disastrous in its consequences for our nation as serious defeats on the actual fighting fronts of this war. We can not and will not afford to fail on this vital part of our tremendous job.

For if the vicious spiral of inflation ever gets under way and gets beyond control the whole economic system will get out of joint. Prices and wages will go up so rapidly that the entire production program will be endangered. The actual cost of the war, paid by taxpayers, would jump beyond all present calculations. It would mean a rise in the cost of living of as high as 20% in the next few months. That would mean that every dollar you have in your pay envelope or in the bank or in your insurance policy or your pension would be worth only 80¢.

I need not tell you where all this would end.

There is one other result of an increase in the cost of living which one does not like to talk about lest one be called an alarmist. You have been buying War Bonds magnificently. If you have $1,000 coming back to you from bonds which you bought ~~several years~~ some time ago, you will only get $800 worth of purchasing power if the cost of living in the meantime has gone up 20%. That in itself ought to cause a tremendous popular demand by every War Bond purchaser that the purchasing power should not continue to grow less through a further increase in what it costs you to live on. And the same thing applies to everybody who has one dollar in the bank or owns an insurance policy.

Inflation can only benefit debtors for it enables them to pay their debts with dollars of inferior purchasing power. These things are elementary and unless something is done about them immediately, this nation of ours ~~is going to go through~~ will be hopelessly involved in an inflationary period. Also, if it should do so, the actual cost of the war in dollars would obviously leap upward in large volume and that would mean not just that our children would be saddled with a much higher war debt, but that you and I would during the rest of our lives.

Therefore, something has to be done. Let me explain to you in language less technical than my message to Congress today just what I have said to the Congress of the United States.

To-day I told them the Congress that in March and April 1933 this country faced a very serious domestic crisis, and that drastic measures were necessary. Indeed I said, on March 4, 1933, in my Inaugural Address: (quote actual language to the effect that unless something is done to mend the situation I would ask for powers as great as if were were in a war)

The Congress responded magnificently. They passed all the necessary legislation without long debate, without party politics, and without yielding to the ~~being~~ influenced ~~by~~ of any special group seeking special privileges. Then the nation was faced by personal inconveniences which made it impossible to cash checks at a bank, to find the money to meet payrolls and to do anything for the enormous number of unemployed.

Today the situation facing the Nation is immeasurably ~~infinitely~~ more serious than the situation which faced the nation in March, 1933. The very life of the Nation was not then at stake. The life of the nation is today at stake. We are at grips with powerful enemies in a life and death struggle.

The Congress has given to the President, who is also the Commander-in-Chief of the Army and Navy in time of war, certain powers by legislation during the past two years. I have used many of these powers.

I do not need to remind you of my passionate devotion to the principles of the Constitution and to democracy itself.

I want all powers of the President which accrue in time of war or emergency to be restored to the Congress of the United States just as soon as the emergency passes.

Therefore, I have explained to the Congress that the war effort can be as seriously injured by the cost of living getting out of hand, followed of course by an increase in wages, as if a large percentage of our production were to be tied up by strikes.

Labor has agreed not to strike during the war. That is a fine act. It is incumbent on all of us outside of the ranks of labor to see to it that workers in factories are not penalized because other groups in the country receive more pay or more profits. For this means that everybody who buys food will have to spend a lot more even though their wages and salaries are fixed.

(A)

In those days the crisis was great and the path ahead uncertain. But

SECOND DRAFT

I have ~~therefore~~ told the Congress ~~that there is a~~ of the positive immediate need for an overall stabilization of prices, wages and everything that goes ~~go~~ with them, and that that putting this stabilization into effect is as necessary to the war effort as it is to continue turning out the continued production of planes and tanks and ships and guns.

For the safety of the nation, it must be done.

I have told the Congress that it must be done quickly because if we wait for two or three or four or six months it may well ~~will~~ be too late. The cost of living and wages ~~prices will~~ may then have risen ~~get~~ so high, then that it will be impossible to lower them.

I have told the Congress that ~~my expert advisers~~ the Administration ~~tell me that they~~ think ~~they~~ it can hold the actual cost of food and clothing down to approximately the present level for another three weeks. But no one can give any assurance that the cost of living can be held down after that date.

Therefore, I have asked the Congress to pass a simple measure directing that the President take all necessary means to stabilize the cost of living from now on, including specific authority to hold farm prices at parity or, in other words, in the same relationship to wages that those two things

Up to parity

Include wages

legislation which would specifically authorize the President to stabilize wages and the cost of living including the price of all farm commodities. The aim should be to hold ~~the cost of~~ farm prices at ~~parity except those the~~ existing levels or at parity, whichever is higher. ~~except that where~~ If the price of ~~farm~~ ~~was~~ too high in relation to existing price ceilings, or should be reduced ~~it~~ to a lower level. The aim should also be to keep wages down to a point stabilized with the existing cost of living so that no increases

of any farm commodity is

can be justified on the ground of higher living costs. Both must be stabilized at the same time; ~~in a~~ ~~to~~ and neither can or should be stabilized without the other.

This is just plain justice — and plain common sense.

bore to each other in a period when the farmers were most prosperous.

I have asked the Congress to take this action by the first of October. I believe they will recognize that the crisis is far more dangerous than it was in March, 1933, and I am sure they can act with enough speed to do this. pass the legislation by October first.

I have told them also that inaction on their part by when that date comes will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is not impeded. no longer imperiled by the threat of economic chaos. We cannot and will not

To permit the inflationary forces much longer to gather and accumulate strength to run the serious risk of waiting until disaster overtakes us.

The Congress, under the Constitution, has conferred upon the President certain broad war powers, and the Constitution itself has given the President the authority of the Commander-in-Chief of all our armed forces. The It is likely that the office of President and Commander-in-Chief has on its own motion sufficient jurisdiction to take hold of the problem and to impose effective checks and restraints on the various forces that singly and together are now pressing

~~HA~~ (A)

the power, ~~either~~
~~but~~ under the constitution ~~and~~ the
~~legislat~~ Congressional ~~usurp~~ grant
of war powers, to do what is
required to, [~~stabilize wages and~~
~~prices of all commodities, including~~]
~~prevent the chaos which will~~
~~come with inflation. However under~~

win the war and, ~~that includes the~~
~~total economic front~~ the war
can never be won if there is
chaos in our economic system.

in the ~~winning of~~ this war disruption of
our economic system would be
comparable to demoralization of our
armed forces. ~~Indeed it.~~

I have been urged, and indeed I have given the most thoughtful consideration to exercising these powers without further reference to the Congress. I have rejected this because I am convinced that, ~~this being~~ since this is a people's war, there should be full consultation with the people's representatives.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should have used my powers at once. I can only say that I have struggled long and solemnly with this problem and have decided that the course of conduct which I have followed is the only one that is consistent with my sense of responsibility as a President in time of war and my deep and unalterable devotion to the democratic process.

prices upward. From our Constitution the Congress of the United States derives certain powers, among them is the power to legislate. Therefore, on a matter like the one we are now discussing, even though I may already possess the extraordinary power to act, I prefer to consult the legislative branch of our government.

I have told the Congress, therefore, that my duty would impel me to exercise my full powers -- that I could not let the situation drift any longer.

I told them that I had asked for this legislation as far back as last April and nothing had come of it.

I told them that in the event of a failure of legislation by October first, I would have to do things to get things done -- to get the necessary and vital objective of controlling our cost of living accomplished.

We must not only stabilize wages but must put into effect all of the other seven objectives which I listed in April. The only one which I could not seek to accomplish is the passing of the tax bill which is still being considered by the Congress.

I have advised the committees of the two Houses of the importance of speeding up the passage of the tax bill. The Federal Treasury is losing three million dollars a day because it has failed to pass the bill. Furthermore, the tax method is the simplest and most practical way of preventing either net incomes to individuals that are, in my judgment, far out of line, far too high for days like these, or corporate profits which are unreasonably unsound or unjust to others in days like these. We must have more money to run the war. People must stop spending for luxuries. Our country needs a far greater share of our incomes.

One word about carrying out the problem of the cost of living. As President and Commander-in-Chief, I would rather have the Congress take action. They now have the opportunity to do so.

~~Therefore~~ Apart from the tax bill, the chief thing which makes necessary a full control is the fact that in the law of last January -- before these later situations became clear through experience, the Congress set ceilings on food prices that were far above the previous policy of parity. Two months

after the passage of that Act, the Congress gave authority to the President to take action ~~through allocation and the placing of conditions upon these allocations in the event of scarcity.~~ It can, of course, be well shown that there is an actual scarcity of almost every article of necessary food which is produced in this country today. The criterion of scarcity depends not on what our civilian population eats alone. Because this is a war in which twenty-nine United Nations have joined their forces, it is incumbent on us to help many of those nations in order to keep them going in the war effort. Therefore, through the processes of Lend-Lease, millions of tons of foodstuffs have to be sent out of the country. It is also a fact that our armed forces not only here, but overseas, require to be supplied with food. We are proud of the fact that the American Army and Navy are better fed than any other armed forces in the world. We intend to maintain that. More than before.

It is probable, therefore, that keeping food prices down to a general standard of parity for the direct benefit of the United Nations and our own men in the winning of the war brings the authority squarely within the constitutional war powers

of the President for which no specific legislation has been passed.

Nevertheless, it has always been my desire that the Congress be kept in touch with existing situations and exercise their proper powers.

Trans 11

Now I want to give you, as a layman, a general outline of this World War and its problems from the point of view of the twenty-nine United Nations. Naturally, I cannot give you many details which are of great importance in the conduct of each individual operation, large or small.

To make the picture clearer, I am dividing the word "area of combat" into four ~~combat zones~~ operations, leaving out of the discussion certain objectives, such as the defense of Britain which is, of course, an essential even though Germany has never yet succeeded in landing troops on that Island.

The four ~~combat areas~~ objectives at this time are as follows -- not in the order of importance, ~~but~~ for all of them are vital and all of them inter-related.

(a) The Russian front, where the Germans still advance but where they are still unable to gain the smashing victory which Hitler announced he had already achieved almost a year ago. Here it is imperative that the United States assist in every way possible. We are giving this help now and we are making every effort to increase that help. We are impressed and inspired by the spirit of unanimity of the Russian Armies and the Russian people as a whole. We, like they, are confident that Russia will not only hold out but will eventually launch a counter-offensive and throw the Germans out of their land.

(b) The Pacific Ocean as a whole must be grouped together -- every part of it -- and there we must prevent the extension of Japanese advance and as quickly as possible turn that advance in the opposite direction.

(c) The area of the Mediterranean and the Middle East. Here the British, together with the South Africans, New Zealanders, Indian troops and others of the United Nations, including ourselves, are putting up a magnificent resistance to a desperate effort by the Germans and Italians to gain control of the area and thereby dominate the Mediterranean, the Indian Ocean and the South Atlantic and join forces on the sea with the Japanese Navy.

(d) The continental European area. This is the subject of much uninformed discussion because of the obvious desirability of an offensive against Germany. There are at least a dozen ways of accomplishing this, with the objective, of course, of whittling down German strength, not only in Germany but in all those nations which have been overrun by her. You will, of course, not expect details of future plans, but I think that you can rest assured that every effort is being made here and in Britain toward the main purpose.

Obviously before any offensive can be launched in its finality, it is necessary to feel out the strength of the enemy. The Dieppe raid was a successful testing operation in which the British, Canadians and a few of our own troops made valuable observation of the form and power of the enemy defense. The effects of this raid will ultimately be apparent.

In all four of these things have been going as well as could be expected during the past few months. Various amateur strategists, who appear in print or on the radio, urge that we concentrate our forces on one or another of these four areas, although no one suggests that any one of the four areas should be abandoned. Certainly, nobody could seriously urge that we abandon aid to Russia, or surrender all of the Pacific to Japan, or the Mediterranean and Middle East to Germany, or give up all hope of an offensive against Germany. And yet, we single out any one of the four vital areas for an all-out attack, we would have to divert troops and ships and munitions from the other three, thereby weakening them to such a point that their safety would be endangered.

Our participation in this war is nine months old today. Fortunately we were not caught unprepared because we then had an enormous manpower and a production ~~power~~ program well under way in everyconceivable field. We developed a You all know that this has involved huge training programs -- hundreds of new factories were built and the conversion of hundreds of other factories ~~and the~~ converted to the making of munitions. ~~of~~ hundreds of others and a considerable dislocation of peacetime life in our own country. A program which means stepping up production anywhere from 25% to 1000% in many lines of munitions is bound to creak and groan as it moves forward; but, despite errors and delays here and there, we have every right to be proud of the net results -- as the forthcoming Lend-Lease report will substantially prove. On the whole we have done, and are doing, a job of magnitude never before attempted by any nation.

We must remember, too, that in the progress of war new inventions and new designs call for shifts in emphasis. Weapons or machines which seemed of tremendous effectiveness may have to be replaced today by a new ~~design~~ design more perfectly adjusted to the constantly changing conditions of battle.

This war on many fronts is never static as was the trench warfare in 1914-1918.

People come to see me who say "Why don't you do thus or so in such and such a theatre of war next month"? I say to them "From what theatre shall we divert [How will I get] the necessary ships, troops, munitions to that area"? [That particular problem had not troubled them before.] They forget that, with the exception of long-range planes, every man, every piece of his equipment -- every gun, every tank -- has to be taken to the theatre of war in a ship. Our military leaders have committed every ship and unit to specific operations: Fireplug Present B

We have [been worried about] shipping losses. The situation at the present time is not as serious as it was a few months ago, but it is still a dangerous [situation and the fact remains that we have not got enough ships anywhere in the world to enable us to do what we want to do.] The submarine is a major menace.

Today, nine months after Pearl Harbor, we have over five hundred thousand troops outside the continental limits of the United States. That is, in spite of greater danger and fewer facilities, we have sent more men overseas than [a better record than the record of the shipment of troops] we shipped to France in the first nine months of the first World War. Every week sees a gain in the actual number of American Forces in the fighting areas.

It is obvious, however, that when we send troops in such great numbers, we must send with them all the accoutrements and munitions and supplies that they will need for fighting; and, furthermore, once they are in the field of action, we have to maintain an endless line of supplies to them, consisting of more troops, more guns, more ammunition, more food and a thousand other items. These requirements in men and munitions go forward in spite of the enemy.

As I have so often said, the World War problem was much simpler because a very large proportion of the troops we sent to France were supplied with guns and ammunition by the British and the French; were supplied with food and transportation from Britain and France, thereby creating a shipping situation far less difficult than the present one.

I must warn the citizenry of the United States that they must not believe all screaming headlines to the effect that we have won major victories. Many accounts which I read led one to believe that the actions in the Solomon Islands constituted ~~a major~~ such a victory against a major attacking force.

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Insert B.

They alter these commitments whenever they consider the strategy of the war requires it. ~~Upon~~ The American people may be sure that the Chiefs of Staff canvass every possible move that would improve our military position.

Insert C

- Page 22

I rejoice with you — our victories — as I read the reports about every hour of the day — I do not like our losses. For these losses mean valuable ships taking munitions to the battlefields of the world — above all they mean the lives of your sons — trained to fight — destined to die for their country. I glory in the individual exploits of our flyers — our submarine commanders — our merchant seamen. But I am also aware that ~~war~~ this war will finally be won by the coordination of individuals — but of our great fleet — vast ground forces — and thousands of planes operating in unison on the enemy.

Actually the operation on our part was brilliantly executed in the original landings and has been successfully maintained for a month. The Japanese, however, have not thrown a major attack against our positions. They have made what might be called "a reconnaissance in force" and these reconnaissances so far have been successfully repulsed, thereby at least slowing up any major attack by the Japanese in a southerly or southeasterly direction.

Insert C [Personally I am sure that the people of the United States are keeping both feet on the ground and that as the war progresses they will be less and less inclined to go from the heights of ecstasy to the depths of discouragement.]

Several thousand Americans have met death at the hands of the enemy. Other thousands will lose their lives, but many millions stand ready to step into their places -- to engage in a struggle to the very death; for they know that the enemy is determined to destroy us, our lives, and our institutions; that in this war it is kill or be killed.

What are the prospects for the future? I suppose the simplest answer is that the resources in men and in raw materials and in manufacturing capacities are constantly growing among the Armies, Navies and air weapons. If you were to add up the size of the fighting man power of the United Nations today as compared with their fighting man power a year ago, you would find an enormous increase -- and this is being added to week by week and month by month. If you take the total of planes which are being turned out by the United Nations each day now and compare that total with what was being turned out one year ago, you will again find startling increases. And if you compare the figures we expect to have in daily production one year from now, you will get another surprise. This same mathematical test can be applied to other essentials -- ~~especially~~ shipping, naval vessels, guns, tanks and munitions. We of the United Nations are gaining not only steadily but rapidly.

On the other hand, it is fair to say that the Axis Powers have probably reached the maximum of their man power. Their losses have been very great in killed, wounded and incapacity. They have few additional reserves of population to draw on. The same thing applies to the people in their munitions'

plants. They are working their labor as high as one hundred hours a week -- over fourteen hours a day if they work every day in the week and sixteen and a half hours a day if they only work six full days in a week. The human body cannot maintain continuous work like that indefinitely. The cracking point cannot be far off. ~~Wexmayxpraperix~~ We may, therefore, properly figure that it will be extremely difficult for the three Axis Powers to step up their full production of planes, tanks, ships, guns and all the other munitions to any level that is substantially higher than their present level.

Actually we know that in some categories the Axis Powers are not replacing their losses in destroyed or worn out munitions of war. If anything, they are sliding down hill while we are going upward.

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THIRD DRAFT

SPEECH OF THE PRESIDENT

SEPTEMBER 7, 1942

I wish that all the American people could read all the citations for various medals recommended for our soldiers, sailors and marines. I am picking out one of these citations which provides a text for this talk.

It tells of the [redacted] actions of Lieutenant John James Powers, United States Navy, during three days of the battles with Japanese forces in the Coral Sea last May.

During the first two days, Lieutenant Powers, flying a dive-bomber, demolished one large enemy gunboat, put another gunboat out of commission, severely damaged an aircraft tender and a twenty thousand ton transport, and scored a direct hit on an aircraft carrier which burst into flame and sank soon after.

This had all been done in the face of blasting anti-aircraft fire. He had flown at very low altitudes; his own plane had been damaged; and it was considered miraculous that he [redacted] himself was still alive.

The official citation describes the final morning of the battle. As the pilots of his squadron left the ready room to man their planes, Lieutenant Powers said to them, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck".

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting anti-aircraft shells and into the face of enemy planes. He dived almost to the very deck of the enemy carrier and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of two hundred feet, amid a terrific barrage of shell and bomb fragments, smoke, flame and debris from the stricken vessel. His own plane was undoubtedly destroyed by the explosion of his own bomb. But he had made good his promise to "lay it on the flight deck".

I have received a recommendation from the Secretary of the Navy that Lieutenant James Powers, of New York City, missing in action, be awarded the Medal of Honor. I hereby and now confirm this award.

I tell this story of Lieutenant Powers as a text for this evening because I want to talk to you about our duties here at home, and I also want to say something about the present state of the war on many fronts.

You and I are "the folks back home" for whose protection Lieutenant Powers fought and repeatedly risked his life. He said that we counted on him and his men. We counted not in vain. But have not those men a right to be counting on us? How are we playing our part "back home" in winning this war?

I am afraid that the answer is that we are not doing nearly enough.

Today I sent a message to the Congress, pointing out the overwhelming urgency of the serious domestic economic crisis with which we are threatened.

There is an economic peril that hangs over us in our war work at home. Some call it "inflation", which is a vague sort of term, and others call it a "rise in the cost of living", which is much more easily understood by most families.

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That phrase, "the cost of living", means essentially what a dollar can buy. If it costs a dollar to buy a certain amount of food and clothes, to pay rent, etc., the average family is worse off at the end of the week or the end of the month if it costs a dollar and a quarter to pay for the same articles. ~~In the same way~~ Even if their wages go up 25%; they are not worse off to pay the additional cost but they are not any better off. They only have the same purchasing power as they had ~~before.~~ before the increases in cost of living and in wages. ~~Now~~ And at the same time, if the cost of living goes up everything is unsettled -- wages, bank deposits, prices, credits and so on -- and the country enters into a scramble which really means results only in more pieces of paper called dollars and less buying power ~~to~~ the rich of them.

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THE WHITE HOUSE
WASHINGTON

INSERT A - PAGE #4

But the Congressional authority failed at the time to cover a large part of farm products used for food and clothing; though several weeks before I had asked the Congress for legislation to stabilize all farm prices.

~~Let me put it this way: The cost of living is based about 14% on the cost of food of the kind that the average family eats; and that does not include caviar or other luxury foods.~~ From January 1, 1941 to May of this year, the cost of living went up about 15%. At that point we undertook to freeze the cost of living. (A)

At that time I had ~~I then~~ told the Congress that there were seven elements in our national economy, all of which had to be controlled; and that if even one essential element remained beyond our control, the cost of living could not be held down. The seven items for an economic policy of stability were:

(1) Tax heavily and hold profits down.

(2) Fix ceilings on price and rents.

(3) Stabilize wages.

(4) Stabilize farm prices.

(5) Put more billions into War Bonds.

(6) Ration all essential commodities which are scarce.

(7) Discourage installment buying, and encourage paying off debts and mortgages.

On only two of the seven points -- both of them vital however -- did I call for Congressional action. These were: first, taxation and, second, the stabilization of all farm prices at parity

at parity.

That word "parity" — good farm prices — since ~~when~~ it was established as our national policy in 1933, has ~~meant~~ that in purchasing power the farmer and the city worker should be placed on the same relative ratio with each other that they had during a period some thirty years ago, when the farmer had ~~the highest~~ a higher relative purchasing power than at any time since. Parity, therefore, became the ~~[illegible]~~ objective of all farm organizations on the basis of equity.

Last January, however, the Congress had passed a law in which it was stated that ceilings on farm prices could not be placed below 110% of parity on some commodities and even higher on others, making an average of about 116% of parity for all agricultural products.

This act of favoritism for one particular group in the community tended to throw the cost of living schedule completely out of line, with the result, of course, ~~that sooner or later~~ that the cost of food ~~would be seriously~~ has greatly increased to everybody -- not only to the worker in the city or in the munitions' plant, but also to the family of the farmer himself.

Since last May, ceilings have been set on nearly all commodities, rents and services except the exempted farm products. Installment buying has been effectively controlled; some scarce commodities have been rationed.

Progress has been made toward stabilizing wages. But it is obvious that as the cost of food continues to go up, as it is doing at present, the wage earner particularly in the lower brackets, will have a right to demand a rise in his wages. That would be essential justice and a practical necessity. You cannot expect a man's wages to remain stationary if the price of the things he and his family eat and wear continues to go up.

Our experience with the control of other prices during the past few months has brought out one ~~[illegible]~~ important fact -- the rising cost of living can be controlled, providing all elements making up the cost of living are controlled at the same time. ~~The proof is that since we started this control last May the cost of living has gone up only 1 1/3 %.~~ We know now that parity prices for ~~food and clothing~~ crops not now controlled will not put up the cost of living more than a very small amount; but that if we go up to 116% of parity for food and other crops the cost of living will get well out of hand and will

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INSERT B - PAGE #6

-- and by this I mean all elements

without exception.

rise to a very grave extent. We are face to face with this danger today -- because between the 15th of July and the 15th of August general farm prices went up [redacted] — 9% x

I realize that, to the average American, it may seem out of proportion to be worrying about these economic problems at a time like this when we are all deeply concerned about the news from far distant fields of battle. But I give you the solemn assurance that failure to solve this problem here at home -- and to solve it now -- can be almost as disastrous in its consequences for our nation as ~~serious~~ defeats on the actual fighting fronts of this war. We cannot and will not [redacted] fail on this vital part of our tremendous job.

For if the vicious spiral of inflation ever gets under way and gets beyond control, the whole economic system will stagger. ~~get out of joint.~~ Prices and wages will go up so rapidly that the entire production program will be endangered. The actual cost of the war, paid by taxpayers, ~~would~~ will jump beyond all present calculations. It would mean a tremendous rise in uncontrolled food prices which would cause a rise in wages and would result in raising the overall cost of living ~~of~~ as high as 20% ~~in the next few~~ several months. That would mean that every dollar you have in your pay envelope, or in the bank, or included in your insurance policy or your pension would be worth only eighty cents. I need

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WASHINGTON

INSERT C- PAGE #7

This is because a chaotic price situation at home would probably bring speculation in crops and smaller plantings, and less overall production in our munitions' plants. News of anything like that would not be good bad news to our troops on distant battlefields.

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not tell you where all this would end.

These things are elementary and unless something more is done about them ~~immediately~~, this nation of ours will be hopelessly involved in an inflationary period.

~~Today I told the Congress that~~ In March and April, 1933, this country faced a very serious domestic crisis, ~~and that~~ drastic measures were necessary. The Congress responded magnificently. They passed all the necessary legislation without long debate, without party politics, and without yielding to the influence of any special group seeking special privileges. In those days the crisis was great and the path ahead uncertain. But today the situation facing the Nation is immeasurably more serious than the situation which faced the Nation in March, 1933. The very life of the Nation was not then at stake. The life of the Nation is ~~today~~ at stake today. We are at grips with powerful enemies in a life and death struggle.

I have told the Congress of the positive need for an overall stabilization of prices, wages, salaries, profits, and ~~everything that goes with them~~ and that that is as necessary to the war effort as the continued production of planes and tanks and ships and guns.

I have told the Congress that it must be done quickly. If we wait for two or three or four or six months it may well be too late. The cost of living and wages may then have risen so high that it will be difficult, if not impossible, to lower them.

I have told the Congress that the Administration thinks it can hold the actual cost of food and clothing down to approximately the present level for another three weeks. But no one can give any assurance that the cost of living can be held down after that date.

Therefore, I have asked the Congress to pass legislation under which [would specifically authorize] the President would be specifically authorized to stabilize wages and the cost of living, including the price of all farm commodities. The aim should be to hold farm prices at existing levels or at parity, whichever is higher. But, if the price of any farm commodity is too high in relation to existing price ceilings, ~~it should be~~ may be necessary in some cases that they be reduced to a lower level. (E) The purpose should also be to keep wages ~~down to~~ at a point stabilized with the existing cost of living so that no increases can be justified on the ground of higher living costs. Both must be stabilized at the same time; and neither can or should be firmly stabilized without

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INSERT E - PAGE #9 (Alternate)

But if the very small number of the less important commodities, not now controlled, should continue at prices too high in relation to existing price ceilings, it would probably be practicable for the Government to cease buying them until they could be bought at present price ceiling levels.

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the other.

This is just plain justice -- and plain common sense.

I have asked the Congress to take this action by the first of October. I am sure they can act with enough speed to do this.

I have told them that inaction on their part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by the threat of economic chaos.

We cannot and will not permit inflationary forces to gather and accumulate strength until disaster overtakes us.

~~The Congress has conferred upon the President certain broad war powers; and the Constitution itself has given the President the authority of Commander-in-Chief of all our armed forces.~~ The President ~~and Commander-in-Chief~~ has the power, under the Constitution and ~~the~~ under Congressional ~~grant of war powers,~~ acts to ~~do whatever is required to win the war, and in this war disruption of our economic system would be comparable to demoralization of our armed forces.~~ avert a disaster which would interfere with the winning of the war

We must now act with the despatch which the stern necessities of wars always require, rather than with the long deliberation and debate which are permitted to us in the fortunate times of peace

I have been urged, and indeed I have given the most thoughtful consideration to exercising these powers without further reference to the Congress. I have ~~rejected this~~ preferred however to consult with the Congress because I am convinced that, since this is a people's war, there should be full consultation with the people's representatives.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should have used my powers at once. I can only say that I have struggled long and ~~solemnly~~ seriously with this problem, and have decided that the course of conduct which I have followed is the only one that is consistent with my sense of responsibility as a President in time of war and with my deep and unalterable devotion to the democratic process.

I have advised the committees of the two Houses of the importance of speeding up the passage of the tax bill. The Federal Treasury is losing three (7) million dollars a day because it has failed to pass the bill. Furthermore, the tax method is the simplest and most practical way of preventing either net incomes to individuals that are

INSERT F p 11

(1)

I think I know the American farmers. I know that they are just as patriotic as any other group -- that they will gladly give up any special privilege for the general good of all. They, more than any other part of our community, have suffered from the constant fluctuations of farm prices -- ~~one year~~ occasionally, too high, ~~next year~~ more often too low. I am sure that the Government can help stabilize their own special economy and I have today suggested a method to the Congress along this line. I have recommended that in addition to putting present ceilings on farm products, we also place a definite floor under those prices for a period beginning now and ending one or possibly two years after the war. In this way we will be able to avoid the collapse of farm prices which happened after the last war. ~~and~~ The farmers ~~can~~ should be assured of a fair minimum price during the re-adjustment period which will follow the excessive food demands of the war which now prevail.

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~~INSERT G - PAGE (SEGMENT F)~~

At the same time, in fairness, I have suggested to the Congress that for a similar period after the war, a ceiling and a floor be placed on wages. If, as I have suggested, farm crop prices received by farmers and wages received by industrial workers are put into a stable ratio now and for the balance of the war, the same ratio should be ~~accepted~~ continued as ~~the administration~~ our policy for the

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(3)

difficult period immediately following the [end of the] war. ~~Thus~~ In this way we would avoid the dangers of a post-war inflation on the one hand, or the catastrophe of a crash in farm prices and wages, on the other, such as we had on a former occasion. These proposals for post war stabilization are, of course, long-range and do not require immediate Congressional action. I hope, however, that they will receive the immediate attention of the Congress and will be adopted as the national policy as quickly as possible.

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INSERT B (BOB'S)

These pressure groups do not represent, for example, all the farmers in the country. The often a political pressure group, ~~and other pressure groups,~~ represents merely organization officials who, for one reason or another, speak for their own purposes. I am sure the farmers as a whole do not agree in insisting on prices that are far above parity. Neither the farmers nor any other elements in this country wish to capitalize this emergency, this time of national peril, for the furtherance of selfish interests.

(4)

~~INSERT B~~

The plain, blunt fact is that some farmers -- and I regret to say other minority groups too -- ~~although each admittedly is a minority~~ exert through their leaders and lobbyists in Washington a political power out of all proportion to the merits of their special cases.

INSERT B (Bob's)

Pressure groups may exercise a useful function in peace-time, and certainly the farmers have as much right as any other element of the population to fight politically for their interests.

In war-time, however, the pressure group can do serious damage to the essential interests of the nation as a whole. In war-time, for the duration, we willingly give up many of the very rights and privileges for which we fight. The supreme examples of that are our acceptance of conscription and censorship. This voluntary, temporary renunciation applies to minority groups as well as individuals.

I am now speaking not only to the farm leaders, but of all minority pressure groups who might seek to capitalize the emergency for the furtherance of their own selfish interests. This is no time for economic pressure groups,

~~INSERT B~~ (5)

sectional pressure groups, religious or racial pressure groups.

Let us remember that the great mass of the American people -- the great, loyal, unselfish majority -- has no pressure group, no lobbyists in Washington. It puts faith in its elected officers and representatives to serve the best interests of the nation as a whole. And I warn the politically-minded leaders of minority groups, to beware the wrath of the whole people who have one purpose and one goal -- victory for our country's cause.

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- whether they serve economic, sectional, religious or racial interests —

in my judgment, far out of line, far too high, for days like these, or corporate profits which are unreasonably unsound or unjust to others in days like these. We must have more money to run the war. People must stop spending for luxuries. Our country needs a far greater share of our incomes. The excess of purchasing power in the hands of our people over what our people can buy during this shortage of civilian supply is an element of grave danger. That purchasing power is like steam inside a boiler. We cannot permit the steam to increase without check or the boiler will burst.

Now I want to give you, as a layman, a general ~~outline~~ picture of this World War and its problems from the point of view of the twenty-nine United Nations. Naturally, you would not want me to I cannot give you many details which are of great importance in the conduct of each individual operation, large or small.

To make the picture clearer, I am dividing the word "area of combat" into four operations, leaving out of the discussion certain other objectives such as the defense of Britain which is, of course, an essential, ~~even though~~ and which, to date, has been thoroughly successful Germany has ~~never~~ not yet succeeded in landing a single soldier on that Island.

The four objectives at this time are as follows -- not in the order of importance, for all of them are vital and all of them inter-related.

(a) The Russian front, where the Germans still advance, but where they are still unable to gain the smashing victory which Hitler announced he had already achieved almost a year ago. Germany has been able to capture important territory, nevertheless, Hitler has been unable to destroy a single Russian Army and this, you may be sure, has been and still is his main objective. Millions of German troops are doomed to spend another cruel and bitter winter on the Russian front. The Russians are killing more Germans and destroying more airplanes and tanks than in any other theatre. They are fighting not only bravely

Do not indent

the other areas. These difficult military decisions constitute one of the risks of war. Some of these decisions have been made, ~~but~~ of two things the American people may be sure. First, that we shall abandon no one of the four great theatres of war. Indeed our capacity in men and munitions is so vast that we are constantly strengthening our power in all these areas, ~~and~~ Secondly, our military machine is on the offensive and we intend to have it remain there.

Our participation in this war is nine months old today. Fortunately we were not caught unprepared because we then had ~~an~~ a ~~enormous manpower~~ training program and a production program well under way in every conceivable field. We developed a huge ~~training program~~ series of Army Camps -- hundreds of new factories were built and hundreds of other factories converted to the making of munitions. On the whole we have done, and are doing, a job of magnitude never before attempted by any nation.

We must remember, too, that in the progress of war new inventions and new designs call for shifts in emphasis. Weapons or machines which seemed of tremendous effectiveness may have to be replaced today by a new design more perfectly adjusted to the constantly changing conditions of battle. This war on many fronts is never static as was the trench warfare in 1914-1918.

THIRD DRAFT

People come to see me who say "Why don't you do thus or so in such and such a theatre of war next month?" I say to them "From what theatre shall we divert the necessary ships, troops, munitions to that area?" They forget that, with the exception of long-range planes, every man, every piece of his equipment -- every gun, every tank -- has to be taken to the theatre of war in a ship.

Our military leaders have committed every ship and unit to specific operations. ~~We have had large shipping losses.~~ They alter these committments whenever they consider the strategy of the war requires it. The American people may be sure that the Chiefs of Staff canvas every possible move that would improve our military position. We have had large shipping losses. The situation at the present time is not as serious as it was a few months ago, but it is still dangerous. The submarine is a major menace.

Today, nine months after Pearl Harbor, we have shipped over five hundred thousand troops outside the continental limits of the United States. ~~That is,~~ In spite of greater danger and fewer facilities, we have sent 3 Times more men overseas than we shipped to France in the first nine months of the first World War.

And every week sees a gain in the actual number of American forces in the fighting areas.

It is obvious that Once our airmen and ground forces are in the field of action, we have to maintain an endless line of supplies to them, consisting of more troops, more guns, more ammunition, more food and more of a thousand other items. These reinforcements in men and munitions ~~go~~ are now going forward in spite of the submarines — and they will continue to go forward

I must warn the citizens of the United States that they must not believe all screaming headlines to the effect that every time we have won a battle, we have won major victories. Many accounts which I read led one to believe that the actions in the Solomon Islands constituted such a victory against a major attacking force.

Actually the operation on our part was brilliantly executed in the original landings and has been successfully maintained for a month. The Japanese, however, have not thrown a major attack against our positions. They have made what might be called a "reconnaissance in force" and these reconnaissances so far have been successfully repulsed, thereby at least slowing up any major attack by the Japanese in a southerly or southeasterly direction.

with you in every victory and

As I read the reports almost every hour of the day, I rejoice with you in our victories. I do not like our losses. For these losses mean valuable ships taking munitions to the battlefields of the world -- above all they mean the lives of your sons -- trained to fight -- destined to die for their country. I glory in the individual exploits of our ~~flyers~~ soldiers, our sailors, our ~~submarine commanders~~ marines, our merchant seamen. But I am also aware that this war will finally be won by the coordination not of individuals -- but of our great fleet ~~in~~ and vast ground forces ~~in~~ and thousands of planes operating in unison with the forces of our Allies against our ~~our the~~ enemies.

Several thousand Americans have met death at the hands of the enemy. Other thousands will lose their lives, but many millions stand ready to step into their places -- to engage in a struggle to the very death; for they know that the enemy is determined to destroy us, our lives, and our institutions; that in this war it is kill or be killed.

ENDING

I return now to what I called the text for today. My Message to the Congress calls for additional sacrifice by farmers, by wage-earners, by those who work for salaries and those who have been making profits. What are such sacrifices compared to those endured by the men out there, fighting to protect us all in our opportunities to work, and till the soil, and live -- as free men, under God.

Lieutenant John James Powers, U.S.N., dived at a Japanese aircraft carrier and hit it. An expert technician, experienced in combat, he carefully calculated the odds and knew that his own chances of survival were almost nil. But he also knew that his assigned duty was to destroy that carrier, not to save his own life. He did that duty.

Lieutenant Powers will live forever as an American hero. But he is not entirely exceptional. There are thousands and millions of others like him, in our own armed forces and in those of our Allies, the British, the Russians, the Chinese and all the secret fighters in the countries occupied and oppressed by our enemies.

ENDING

Battles are not won by soldiers or sailors who think first of their own personal safety. And wars are not won by people who are too greatly concerned with their own comfort, their own convenience, their own pocket-books, their own interests.

This war is the toughest of all time. It demands personal, painful sacrifice for all of us. Some of us are called upon to sacrifice no more than a few extra dollars of our profits, or a few extra hours of our time. Others of us must sacrifice our own blood, or the blood of our sons or brothers.

All of us, however, are being tested -- for our courage, for our fortitude, for our selfless devotion to our country and our cause.

We Americans of today bear the gravest responsibilities -- and with those responsibilities go the finest opportunities -- that have ever been given to any people of any nation in the history of mankind.

****

THIRD DRAFT

but brilliantly. I feel sure that Russia, in spite of the setbacks, with the help of her Allies will hold out and from that vast country a great counter-offensive into Germany itself will ultimately develop.

(b) The Pacific Ocean as a whole must be grouped together -- every part of it -- and there we have taken the offensive against the Japanese. Admittedly we were on the defensive for the first six months of the war. The Philippines, Pearl Harbor, Hong Kong, Singapore, and the Dutch East Indies were grievous losses. But with our great victory at Midway, the development of powerful defenses of in Australia and New Zealand, the effective resistance of China, has come the slowing down of the Japs advances. turn of the tide. Now our land based aircraft menace Japanese ships. Our submarines attack their lines of communication and our Navy not only guards our western shores, but threatens defends the Japanese Fleet. I believe that we are daily gaining on Japanese power. We are no longer wholly on the defensive in the Pacific.

from attacking overburn at will

(c) The area of the Mediterranean and the Middle East. Here the British, together with the South Africans, New Zealanders, Indian troops and others of the United Nations, including ourselves, are fighting a desperate battle with the Germans and Italians who wish to gain control of the area and thereby dominate the Mediterranean and Indian Ocean and join forces on the sea with the Japanese Navy. The battle is now joined. ~~We are hopeful~~ of the outcome.

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INSERT H - PAGE 14

We are well aware of our danger but we are hopeful, etc.

The Pacific Ocean as a whole must be grouped together - every part of it - and there we have stopped the Japanese major offensive - at least for the present. But they will strike hard again.

A

THIRD DRAFT

(d) The continental European area. This is the subject of much discussion because of the obvious desirability of an offensive against Germany. There are at least a dozen ways of accomplishing this. You will, of course, not expect details of future plans, but I think you can rest assured that every effort is being made here and in Britain toward the main purpose.

Obviously before any offensive can be launched in its finality, it is necessary to feel out the strength of the enemy. The Dieppe raid was a successful testing operation in which the British, Canadians and a few of our own troops made valuable observation of the form and power of the enemy defense. The effects of this raid will ultimately be apparent.

In all four of these operations things have been going as well as could be expected during the past few months. Various people urge that we concentrate our forces on one or another of these four areas, although no one suggests that any one of the four areas should be abandoned. Certainly, nobody could seriously urge that we abandon aid to Russia, or surrender all of the Pacific to Japan, or the Mediterranean and Middle East to Germany, or give up an offensive against Germany. And yet, as we single out any one or more of the four vital areas for an all-out attack, we must divert to some extent troops and ships and munitions from

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INSERT I - PAGE #15

~~main purposes~~; for the power of Germany must be broken on the battlefields of Europe.

Insert B

Third Draft

—and I regret to say other groups too—

The plain, blunt fact is that the farmers ~~are represented in Washington by a strong pressure group which~~, although each admittedly is a ~~pressure~~ minority, exert through their leaders and lobbyists in Washington a political power out of all proportion to the merits of their special cases.

Pressure groups may ~~and~~ exercise a useful function in peace-time, and certainly the farmers have as much right as any other element of the population to fight politically for their interests.

In wartime, however, the pressure groups can become do serious ~~impediment~~ damage to the essential interests of the nation as a whole. In wartime, for the duration, we willingly give up many of the very rights and privileges for which we fight. The supreme examples of that are our acceptance of conscription and censorship. This voluntary, temporary renunciation applies to minority groups as well as individuals.

I am now speaking not only of the farm leaders, but of all minority pressure groups who might ~~seek~~ to capitalize the emergency for the furtherance of their own selfish interests. ~~There~~ This is no time for economic pressure groups, sectional pressure groups, religious or racial pressure groups.

Let us remember that the great mass of the American people — the great, loyal, unselfish majority — has no pressure groups, no lobbyists in Washington. It puts faith in its elected officers and representatives to serve the best interests of the nation as a whole. And I warn the politically-minded leaders of minority groups to beware the wrath of the people who have one purpose and one goal — victory for our country's cause.

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Insert A - Second page

I think I know the American farmer. I know that they are just as patriotic as any other group - that they will gladly give up any special privilege for the general good of all. They more than any other part of our community have suffered from the constant fluctuations of farm prices - one year too high, next year too low. I am sure that the government can help stabilize their own special economy and I have to-day suggested a method to the Congress along this line. I have recommended that in addition to putting present ceilings on farm products, we also place a definite floor below these prices for a period beginning now and ending one or possibly two years after the war. In this way we will be able to avoid the collapse of farm prices which happened after the last war

C

and the farmers can be assured ~~that~~ of a fair minimum price during the re-adjustment period following the excessive food demands of the war which now prevail

Forum bottom p 3

That phrase, the cost of living means essentially what a dollar can buy. If it costs a dollar to buy food and clothes, to pay rent etc the average family is worse off at the end > week or the end > month. It costs a dollar greater. Some unions, some industries, some way their wages go up 25%; they are not worse off. They have additional [illegible] better off. [illegible] purchasing power. [illegible] value [illegible] everything. Unsettled wages, bank deposits, credits and so on. Country enters into a scramble. Really means only more pieces of paper called dollars. [illegible] buying power. [illegible] on

FOURTH DRAFT

SPEECH OF THE PRESIDENT

SEPTEMBER 7, 1942.

I wish that all the American people could read all the citations for various medals recommended for our soldiers, sailors and marines. I am picking out one of these citations which provides a text for this talk.

It tells of the ~~actions~~ accomplishments of Lieutenant John James Powers, United States Navy, during three days of the battles with Japanese forces in the Coral Sea last May.

During the first two days, Lieutenant Powers, flying a dive-bomber, demolished one large enemy gunboat, put another gunboat out of commission, severely damaged an aircraft tender and a twenty thousand ton transport, and scored a direct hit on an aircraft carrier which burst into flames and sank soon after.

This had all been done in the face of blasting enemy anti-aircraft fire. He had flown at very low altitudes; his own plane had been damaged; and it was considered miraculous that he himself was still alive.

The official citation describes the final morning of the battle. As the pilots of his squadron left the ready room to man their planes, Lieutenant Powers said to them, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck".

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting anti-aircraft shells and into the face of enemy planes. He dived almost to the very deck of the enemy carrier and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of two hundred feet, amid a terrific barrage of shell and bomb fragments, smoke, flame and debris from the stricken vessel. His own plane was [undoubtedly] destroyed by the explosion of his own bomb. But he had made good his promise to "lay it on the flight deck".

I have received a recommendation from the Secretary of the Navy that Lieutenant James Powers, of New York City, missing in action, be awarded the Medal of Honor. I hereby and now confirm this award.

I tell this story of Lieutenant Powers as a text for this evening because I want to talk to you about our duties here at home, and I also want to say something about the present state of the war on many fronts.

You and I are "the folks back home" for whose protection Lieutenant Powers fought and repeatedly risked his life. He said that we counted on him and his men. We counted not in vain. But have not those men a right to be counting on us? How are we playing our part "back home" in winning this war?

I am afraid that the answer is that we are not doing ~~nearly~~ enough.

Today I sent a message to the Congress, pointing out the overwhelming urgency of the serious domestic economic crisis with which we are threatened.

~~There is a [illegible] peril that hangs over us in our war work at home.~~ Some call it "inflation", which is a vague sort of term, and others call it a "rise in the cost of living", which is much more easily understood by most families.

That phrase, "the cost of living", means essentially what a dollar can buy. If it costs a dollar to buy a certain amount of food and clothes, the average family is worse off at the end of the month if it costs a dollar and a quarter to pay for the same articles. ~~Even if their wages go up 25%, they are not any better off. They only have the same purchasing power as they had before the increases in cost of living and in wages.~~ If the cost of living goes up, everything is unsettled -- wages, bank deposits, prices, credits -- and the country enters into a mad scramble. ~~which results only in more pieces of paper called dollars and less buying power to each of them.~~

From January 1, 1941 to May of this year, the cost of living went up about 15%. At that point we undertook to freeze the cost of living, but we could not do a complete job of it. Because ~~But~~ the Congressional authority failed at the time did not to cover a large part of farm products used for food and clothing; though several weeks before I had asked the Congress for legislation to stabilize all farm prices.

At that time I had told the Congress that there were seven elements in our national economy, all of which had to be controlled; and that if even one essential element remained beyond our control, the cost of living could not be held down.

The seven items for an economic policy of stability were:

(1) Tax heavily and hold profits down.

(2) Fix ceilings on price and rents.

(3) Stabilize wages.

(4) Stabilize farm prices.

(5) Put more billions into War Bonds.

(6) Ration all essential commodities which are scarce.

(7) Discourage instalment buying, and encourage paying off debts and mortgages.

On only two of the seven points -- both of them vital however -- did I call for Congressional action. These were: first, taxation and, second, the stabilization of all farm prices at parity.

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The other points, [five] including stabilization of wages, could be attained with existing executive authority.

~~The word~~ "Parity" is a standard for the maintenance of good farm prices. ~~since~~ It was established as our national policy in 1933. It means ~~has meant~~ that in purchasing power the farmer and the city worker [should be placed] are on the same relative ratio with each other that they had during a period some thirty years ago — at a time when the farmer had higher relative purchasing power than at any time since. 100% Parity, therefore, [became the objective of] has been accepted by farmers as the fair basis for their prices. [all farm organizations on the basis of equity.]

Last January, however, the Congress [had] passed a law forbidding [in which it was stated that] ceilings on farm prices [could not be placed] below 110% of parity on some commodities. On other commodities the ceiling was ~~and~~ even higher, ~~on others, making an average of~~ so that the average percentage ceiling is about 116% of parity for all agricultural products.

This act of favoritism for one particular group in the community [tended to throw the cost of living schedule completely out of line, with the result, of course, that] increased the cost of food [was greatly increased] to everybody -- not only to the workers in the city or in the munitions' plants, and their wives, but also to the families of the farmers ~~himself~~ themselves.

Since last May, ceilings have been set on nearly all commodities, rents and services except the exempted farm products. ~~Installment buying has been effectively controlled; some scarce commodities have been rationed. Progress has been made toward stabilizing wages. But~~ It is obvious that as the cost of food continues to go up, as it is doing at present, the wage earner, particularly in the lower brackets, will have a right to ~~demand~~ receive a rise in his wages. That would beessential justice and a practical necessity. ~~You cannot expect a man's wages to remain stationary if the price of the things he and his family eat and wear continues to go up.~~

Our experience with the control of other prices during the past few months has brought out one important fact -- the rising cost of living can be controlled, providing all elements making up the cost of living are controlled at the same time. -- and by this I mean all elements without exception. We know now that parity prices for crops not now controlled will not put up the cost of living more than a very small amount; but that if we go up to 116% of parity for food and other crops, the cost of living

will get well out of hand and will rise to a very grave extent. We are face to face with this danger today. -- ~~because between the 15th of July and the 15th of August general farm prices went up ___ for~~ Let us meet it - and remove it.

I realize that, to the average American, it may seem out of proportion to be worrying about these economic problems at a time like this when we are all deeply concerned about the news from far distant fields of battle. But I give you the solemn assurance that failure to solve this problem here at home -- and to solve it now -- ~~can be almost as disastrous in its consequences for our nation as defeats on the actual fighting fronts of this war. A chaotic price situation at home would bring speculation in crops and less production in our war plants. News of anything like that would be bad news to our troops on distant battlefields. We cannot and will not fail on this vital part of our tremendous job.~~

For if the vicious spiral of inflation ever gets under way ~~and gets beyond control~~, the whole economic system will stagger. Prices and wages will go up so rapidly that the entire production program will be endangered. The actual cost of the war, paid by taxpayers, will jump beyond all present calculations. It would mean tremendous rise in

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-- and to solve it now -- will slow up our war effort. This means hampering hurting our men at the front and all that they are doing.

uncontrolled food prices which would cause a rise in wages and would result in raising the over-all cost of living as high as 20% in several months. That would mean that every dollar you have in your pay envelope, or in the bank, or included in your insurance policy or your pension would be worth only eighty cents. I need not tell you where all this would end.

These things are elementary and unless something more is done about them, this nation of ours will be hopelessly involved in an inflationary period.

In March and April, 1933, this country faced a very serious domestic crisis. Drastic measures were necessary. The Congress responded magnificently. They passed all the necessary legislation without long debate, without party politics, and without yielding to the influence of any special group seeking special privileges.

In those days the crisis was great and the path ahead uncertain. But today the situation facing the Nation is immeasurably more serious than the situation which faced the Nation in March, 1933. The very life of the Nation was not then at stake. The life of the Nation is at stake today. We are at grips with powerful enemies in a life

and death struggle.

I have told the Congress of the positive need for an over-all stabilization of prices, salaries, wages and profits; and that that ~~it is necessary to the war effort as the continued production of planes and tanks and ships and guns~~ C

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INSERT C - PAGE #10

~~and that it~~ is necessary to the continued production of planes, and tanks and ships and guns, at the present constantly increasing ~~level.~~ rate.

I have told the Congress that it must be done quickly. If we wait for two or three or four or six months it may well be too late. The cost of living and wages may then have risen so high that it will be difficult, if not impossible, to lower them.

I have told the Congress that the Administration thinks it can hold the actual cost of food and clothing down to approximately the present level ~~for another three weeks~~ until October 1. But no one can give any assurance that the cost of living can be held down after that date.

Therefore, I have asked the Congress to pass legislation under which the President would be specifically authorized to stabilize ~~wages and the cost of living, including the price of all farm commodities~~. The ~~aim~~ purpose should be to hold farm prices ~~at existing levels or~~ at parity, or prices of a recent date, whichever is higher. But, if the price of any farm commodity is too high in relation to existing price ceilings, it may be necessary in some cases that they be reduced to a lower level. But if the very small number of the less important commodities, not now controlled, should continue at prices too high in relation

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specifically would be authorized to stabilize the cost of living, including the price of all farm commodities, and, with that essentially, to stabilize wages also.

to existing price ceilings, it would probably be practicable for the Government to cease buying them until they could be bought at present price ceiling levels.

At the same time as farm prices are stabilized, wages can be and will be also stabilized.

The purpose should also be to keep wages at a point stabilized with today's cost of living, ~~so that no increases can be justified on the ground of higher living costs~~. Both must be stabilized regulated at the same time; and neither can or should be firmly stabilized regulated without the other.

This is just plain justice -- and plain common sense.

I have asked the Congress to take this action by the first of October. ~~I am sure they can move with enough speed to do this~~. We must now act with the despatch which the stern necessities of war always require, ~~rather than with the long deliberation and debate which are permitted to us in the fortunate times of peace~~.

I have told them that inaction on their part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by the threat of economic chaos.

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INSERT E - PAGE #13

In the event that the Congress should fail to act, and act adequately, I shall, of course, accept the responsibility and I will act.

Insert B

We cannot and will not permit inflationary forces to gather and accumulate strength until disaster overtakes us.

The President has the powers, under the Constitution and under Congressional acts, to avert a disaster which would interfere with the winning of the war.

I have ~~been urged, and indeed I have~~ given the most thoughtful consideration to exercising these powers, meeting this issue without further reference to the Congress. I have preferred, however, to consult with the Congress, ~~because~~ I am convinced that, since this is a people's war, and there should be full consultation with the people's representatives.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should have used my powers and act now at once. I can only say that I have struggled long and seriously with this problem, and that I have decided that the course of conduct which I ~~have~~ am following is the only one that is consistent with my sense of responsibility as a President in time of war and with my deep and unalterable devotion to the democratic process.

~~(Go here)~~

I think I know the American farmers. I know that they are just as patriotic as any other group, as wholeheartedly in their patriotism ~~-- that they will gladly give up any special privilege for the general good of all. They more than any other part of our community,~~ have suffered from the constant fluctuations of farm prices -- occasionally too high, more often too low. ~~I am sure that the Government can help stabilize their own special economy and~~ I have today suggested ~~a method to~~ that the Congress ~~along this line~~ make their economy more stable. I have recommended that in addition to putting present ceilings on farm products now, we also place a definite floor under those prices for a period beginning now and ending one or possibly two years continuing through the war and for ~~a period~~ as long as necessary after the war. In this way we will be able to avoid the collapse of farm prices which happened after the last war. The farmers ~~should~~ must be assured of a fair minimum price during the re-adjustment period which will follow the excessive food demands of the war which now prevail.

At the same time, in fairness, I have suggested to the Congress that for a similar period after the war, a ceiling and a floor be placed on wages. If, as I have suggested,

farm ~~cosp~~ prices received by farmers and wages received by industrial workers ~~are~~ must be put into a stable ratio now and for the balance of the war, the same ratio ~~should~~ must be continued as our policy for the difficult period immediately following the war. In this way we ~~would~~ shall avoid the dangers of a post-war inflation on the one hand, or the catastrophe of a crash in farm prices and wages, on the other, such as we had on a former occasion.

~~These proposals for post-war stabilization are, of course, long-range and do not require immediate Congressional action.~~ I hope, ~~however, that they~~ these proposals will receive the ~~immediate~~ attention of the Congress and will be adopted as national policy as quickly as possible.

The plain, blunt fact is that some farmers -- and I regret to say other minority groups too -- exert through their leaders and lobbyists in Washington a political power out of all proportion to the merits of their special cases.

These pressure groups do not represent, for example, all the farmers in the country. Too often a political pressure group represents merely organization officials who, for one reason or another, speak for their own purposes. I am sure

the farmers as a whole do not agree in insisting on prices that are far above parity. Neither the farmers nor any other elements in this country wish to capitalize this emergency, this time of national peril, for the furtherance of selfish interests.

Let us remember that the great mass of the American people -- the great, loyal, unselfish majority -- has no pressure group, no lobbyists in Washington. It puts faith in its elected officers and representatives to serve the best interests of the nation as a whole. And I warn the politically minded leaders of minority groups -- whether they serve economic, sectional, religious or racial interests -- to beware the wrath of the whole people who have one purpose and one goal -- victory for our country's cause.

¶ To-day I have also advised the Congress of ~~committees of the two Houses of~~ the importance of speeding up the passage of the tax bill. The Federal Treasury is losing ~~about~~ millions of dollars a day because the bill has not yet been passed. ~~it has failed to pass the bill. Furthermore, the tax method~~ Taxation is the only ~~simplest and most~~ practical way of preventing either net incomes to individuals that are, far out of line, far too high, or corporate profits which are

the incomes and profits of
individuals or corporations
from ~~[illegible]~~ getting too high. ~~[illegible]~~
~~[illegible]~~

~~unreasonably unsound or unjust to others, for days like these.~~ out of line

~~We~~ The nation must have more money to run the war. People must stop spending for luxuries. Our country needs a far greater share of our incomes. The excess of purchasing power in the hands of our people over what our people can buy during this shortage of civilian supply is an element of grave danger. That purchasing power is like steam inside a boiler. We cannot permit the steam to increase without check or the boiler will burst.

I have told the Congress once more that all net individual incomes after payment of all taxes should be limited effectively by further taxation to a maximum of $25,000 a year.

And it should be borne in mind that corporate profits should not exceed 6% on the true owners of the investment.

Now I want to give you, as a layman, a general picture of this World War and its problems from the point of view of the twenty-nine United Nations. Naturally, I cannot ~~you would not want to~~ give you ~~many details~~ details which ~~are of great importance in~~ affect the conduct of each individual operation, large or small.

To make the picture clearer, I am dividing the "area of combat" into four operations. I am leaving out of the discussion here certain other objectives, such as the defense of Britain which is, of course, an essential, and which, to-date, has been thoroughly successful, since Germany has not yet succeeded in landing a single soldier on that Island.

The four objectives at ~~this time~~ are as follows -- not in the order of importance, for all of them are vital and all of them inter-related.

(a) The Russian front, where the Germans ~~still advance, but where they~~ are still unable to gain the smashing victory which Hitler announced he had already achieved almost a year ago. Germany has been able to capture important territory. Nevertheless, Hitler has been unable to destroy a single Russian Army and this, you may be sure, has been and still is his main objective. Millions of German troops ~~are~~ Dies. doomed to spend another cruel and bitter winter on

(Do not indent)

stet

A p. 8

For this is a global war and it will cost this nation 100 billion dollars next year. There are now four main areas of combat and I should like to speak briefly of ~~each of them~~,

THE Russian front. The Russians are killing more Germans and destroying more airplanes and tanks than in any other theatre. They are fighting not only bravely but brilliantly. ~~I feel sure that~~ Russia, in spite of ~~the~~ any setbacks, with the help of her Allies, will hold out and drive every German from her soil ~~from that what country a great counter-offensive into Germany itself will ultimately develop.~~

(b) The Pacific Ocean as a whole must be grouped together -- every part of it -- and there we have taken the offensive against the Japanese. Admittedly we were on the defensive for the first six months of the war. The Philippines, Pearl Harbor, Hong Kong, Singapore, and the Dutch Indies were grievous losses. But with our great victory at Midway, the powerful defenses of Australia and New Zealand, the effective resistance of China, has come the turn of the tide. Now our land-based aircraft menace Japanese ships. Our submarines attack their lines of communication and our Navy not only guards our western shores, but threatens the Japanese Fleet. I believe that we are daily gaining on Japanese power. We are no longer on the defensive in the Pacific.

SUBSTITUTE DRAFT (H.H.)

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but brilliantly. I feel sure that Russia, in spite of the setbacks, with the help of her Allies will hold out and from that vast country a great counter-offensive into Germany itself will ultimately develop.

(b) The Pacific Ocean area as a whole must be grouped together -- every part of it, and there we have stopped the Japanese major offensive -- at least for the present. But they will strike hard again.

Admittedly we were on the defensive for the first six months of the war. The Philippines, Pearl Harbor, Hong Kong, Singapore, and the Dutch East Indies were grievous losses. But with our victory at Midway, the development of powerful defenses in Australia and New Zealand, the effective resistance of China, has come the slowing down of the Japanese advance. Now our land based aircraft menace Japanese ships. Our submarines attack their lines of communication and our Navy not only guards our western shores, but prevents the Japanese Fleet from attacking our bases at will. I believe that we are daily gaining on Japanese power. We are no longer wholly on the defensive in the Pacific.

(c) The area of the Mediterranean and the Middle East. Here the British, together with the South Africans, New Zealanders, Indian troops and others of the United Nations, including ourselves, are fighting a desperate battle with the Germans and Italians who wish to gain

(A) p. 19½

We have stopped one major Japanese offensive, and inflicted heavy losses on their fleet. But they still possess great ~~[illegible]~~ strength — they can not afford to lose the initiative — and they will undoubtedly strike hard again. We are ready for them.

We must not over-rate the importance of our successes in the Solomon Islands, though we may be proud of the brilliance with which these local operations were conducted. At the same time, we need not under-rate the significance of our victory at Midway.

THE WHITE HOUSE

WASHINGTON

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That is not true today. We are gaining in men, in planes, in ships, in guns and in striking power. ~~The~~ Japan is ~~Japanese are~~ not gaining in strength. ~~They are either standing still or sliding back.~~

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control of the area and thereby dominate the Mediterranean and Indian Ocean and join forces on the sea with the Japanese Navy. The battle is now joined. We are well aware of our danger but we are hopeful of the outcome.

(c) The area of the Mediterranean and the Middle East. Here the British, together with the South Africans, New Zealanders, Indian troops and others of the United Nations, including ourselves, are fighting a desperate battle with the Germans and Italians who wish to gain control of the area and thereby dominate the Mediterranean and Indian Ocean and join forces on the sea with the Japanese Navy. The battle is now joined. We are well aware of our danger but we are hopeful of the outcome.

(d) The ~~continental~~ European area. This is the subject of much discussion because of the obvious ~~[illegible]~~ desirability of an offensive against Germany. There are at least a dozen ways of accomplishing this. You will, of course, not expect details of future plans, but I think you can rest assured that every effort is being made here and in Britain toward ~~the~~ main purpose; for the power of Germany must be broken on the battlefields of Europe.

Obviously before any offensive can be launched in its finality, it is necessary to feel out the strength of the enemy. The Dieppe raid was a successful testing operation in which the British, Canadians and a few of our own troops made valuable observation of the form

p 20

(A) There are at least a dozen different points at which attacks can be launched.

and power of the enemy defense. The effects of this raid will ultimately be apparent.

Various people urge that we concentrate our forces on one or another of these four areas, although no one suggests that any one of the four areas should be abandoned. Certainly, nobody could seriously urge that we abandon aid to Russia, or surrender all of the Pacific to Japan, or the Mediterranean and Middle East to Germany, or give up an offensive against Germany. And yet, as we single out any one or more of the four vital areas for an all-out attack, we must divert to some extent troops and ships and munitions from the other areas. These difficult military decisions constitute one of the risks of war. Some of these decisions have been made, ~~Of two things~~ the American people may be sure ~~- Firstly,~~ that we shall abandon no one of the four great theatres of war. Indeed our capacity in men and munitions is so vast that we are constantly strengthening our power in all these areas. Secondly, our military machine is on the offensive and we intend to have it remain there.

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¶ Certain vital military decisions have been made. In due time you will know what these decisions are — and so will our enemies. I can only say now that all of these decisions are directed toward taking the offensive.

We have had large shipping losses. The situation at the present time is not as serious as it was a few months ago, but it is still dangerous. The submarine is a major menace.

Today, exactly nine months after Pearl Harbor, we have shipped over five hundred thousand troops outside the continental limits of the United States. ~~In spite of greater danger and fewer facilities,~~ We have sent three times more men overseas than we shipped to France in the first nine months of the first World War. We have done this in spite of greater danger and fewer ships. And every week sees a gain in the actual number of American ~~forces~~ men and weapons in the fighting areas.

Once our airmen and ground forces are in the field of action, we have to maintain an endless line of supplies to them -- more troops, more guns, more ammunition, more food and more of a thousand other items. These reinforcements in men and munitions are now going forward in spite of the submarines -- and they will continue to go forward.

I must warn the citizens of the United States that they must not believe all screaming headlines to the effect that every time we have won a battle, we have won major victories.

Lieutenant John James Powers was one of these and there are thousands of others in the forces of the United Nations.

We glory with you in every victory and in the individual exploits of our soldiers, our sailors, our marines, our merchant seamen. But I am also aware that this war will finally be won by the coordination not of individuals -- but of all the armies, navies and air forces of the United Nations our great fleet and vast ground forces and thousands of planes operating in unison with the forces of our Allies against our enemies.

Several thousand Americans have met death in battle. at the hands of the enemy. Other thousands will lose their lives; but many millions stand ready to step into their places -- to engage in a struggle to the very death. For they know that the enemy is determined to destroy us, our lives, and our institutions; that in this war it is kill or be killed.

I return now to what I called the text for today. My Message to the Congress today calls for additional sacrifice by farmers, by wage-earners, by those who work for salaries and those who have been making profits. What are such sacrifices compared to those endured by the men out there, fighting to protect us all in our opportunities to work, and till the soil, and live -- as free men, under God.

Lieutenant John James Powers, U.S.N., dived at a Japanese aircraft carrier and hit it. ~~An expert technician, experienced in combat,~~ He knew that his own chances of survival were almost nil. But he also knew that his assigned duty was to destroy that carrier, ~~not to save his own life.~~ He did that duty.

~~Lieutenant Powers will live forever as an American hero. But he is not entirely exceptional.~~ There are thousands and millions of others like him, in our own armed forces and in those of our Allies, the British, the Russians, the Chinese and all the secret fighters in the countries occupied and oppressed by our enemies.

Battles are not won by soldiers or sailors who think first of their own personal safety. And wars are not won by people who are too greatly concerned with their own comfort, their own convenience, their own pocket-books, their own interests.

This war is the toughest of all time. It demands personal, painful sacrifice for all of us. Some of us are called upon to sacrifice no more than a few extra dollars of our profits, or a few extra hours of our time. Others of us

must sacrifice our own blood, or the blood of our sons or brothers.

¶ All of us here at home are being tested -- for our courage, for our fortitude, for our selfless devotion to our country and our cause.

We Americans of today bear the gravest responsibilities -- and with those responsibilities go the greatest opportunities -- that have ever been given to any people of any nation in the history of mankind. We need not leave it to historians of the future to answer the question whether we are tough enough to meet this unprecedented challenge. We can give that answer now. The answer is "yes"

We have accepted these responsibilities and we shall fulfill those opportunities, for we know that no enemy, or any combination of enemies, can keep us from the inevitable victory

FIFTH DRAFT

SPEECH OF THE PRESIDENT

SEPTEMBER 7, 1942

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I wish that all the American people could read all the citations for various medals recommended for our soldiers, sailors and marines. I am picking out one of these citations which tells of the accomplishments of Lieutenant John James Powers, United States Navy, during three days of the battles with Japanese forces in the Coral Sea.

During the first two days, Lieutenant Powers, flying a dive-bomber in the face of blasting enemy anti-aircraft fire demolished one large enemy gunboat, put another gunboat out of commission, severely damaged an aircraft tender and a twenty thousand ton transport, and scored a direct hit on an aircraft carrier which burst into flames and sank soon after.

The official citation describes the final morning of the battle. As the pilots of his squadron left the ready room to man their planes, Lieutenant Powers said to them, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck".

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting anti-aircraft shells and into the face of enemy planes. He dived almost to the very deck of the enemy carrier and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of two hundred feet, amid a terrific barrage of shell and bomb fragments, smoke, flame and debris from the stricken vessel. His own plane was destroyed by the explosion of his own bomb. But he had made good his promise to "lay it on the flight deck".

I have received a recommendation from the Secretary of the Navy that Lieutenant James Powers, of New York City, missing in action, be awarded the Medal of Honor. I hereby and now confirm this award.

You and I are "the folks back home" for whose protection Lieutenant Powers fought and repeatedly risked his life. He said that we counted on him and his men. We counted not in vain. But have not those men a right to be counting on us? How are we playing our part "back home" in winning this war?

The answer is that we are not doing enough.

Today I sent a message to the Congress, pointing out the overwhelming urgency of the serious domestic economic crisis with which we are threatened. Some call it "inflation", which is a vague sort of term, and others call it a "rise in the cost of living", which is much more easily understood by most families.

That phrase, "the cost of living", means essentially what a dollar can buy.

From January 1, 1941 to May of this year, the cost of living went up about 15%. At that point we undertook to freeze the cost of living but we could not do a complete job of it. That was because the Congressional authority at the time did not cover a large part of farm products used for food and clothing; though several weeks before I had asked the Congress for legislation to stabilize all farm prices.

At that time I had told the Congress that there were several elements in our national economy, all of which had to be controlled; and that if any one essential element remained beyond our control, the cost of living could not be held down.

On only two of these points -- both of them vital however -- did I call for Congressional action. These were: first, taxation; and, second, the stabilization of all farm prices at parity.

"Parity" is a standard for the maintenance of good farm prices. It was established as our national policy in 1933. It means that in purchasing power the farmer and the city worker are on the same relative ratio with each other as they were ~~that they had~~ during a period some thirty years ago -- at a time when the farmer had ~~higher relative~~ a satisfactory purchasing power ~~than at any time since~~. 100% parity, therefore, has been accepted by farmers as the fair basis for their prices.

Last January, however, the Congress passed a law forbidding ceilings on farm prices below 110% of parity on some commodities. On other commodities the ceiling was even higher, so that the average possible ceiling is about 116% of parity for all agricultural products.

This act of favoritism for one particular group in the community increased the cost of food to everybody -- not only to the workers in the city or in the munitions' plants, and their wives, but also the the families of the farmers themselves.

Since last May, ceilings have been set on nearly all commodities, rents and services except the exempted farm products. Installment buying has been effectively controlled; some scarce commodities have been rationed. Progress has been made toward stabilizing wages.

It is obvious that if the cost of food continues to go up, as it is doing at present, the wage earner, particularly in the lower brackets, will have a right to receive a rise in his wages. That would be essential justice and a practical necessity.

Our experience with the control of other prices during the past few months has brought out one important fact -- the rising cost of living can be controlled, providing all elements making up the cost of living are controlled at the same time. We know now that parity prices for farm products not now controlled will not put up the cost of living more than a very small amount; but that if we go up to 116% of parity for food and other farm products, the cost of living will get well out of hand and will rise to a very grave extent. We are face to face with this danger today. Let us meet it and remove it.

I realize that, to the average American, it may seem out of proportion to be worrying about these economic problems at a time like this when we are all deeply concerned about the news from far distant fields of battle. But I give you the solemn assurance that failure to solve this problem here at home -- and to solve it now -- will slow up our war effort. This means hampering our men at the front and all that they are doing.

For if the vicious spiral of inflation ever gets under way, the whole economic system will stagger. Prices and wages will go up so rapidly that the entire production program will be endangered. The cost of the war, paid by taxpayers, will jump beyond all present calculations. It would mean tremendous rise in uncontrolled food prices which would cause a rise in wages and would result in raising the over-all cost of living as high as 20% in several months. That would mean that every dollar you have in your pay envelope, or in the bank, or included in your insurance policy or your pension would be worth only eighty cents. I need not tell you where all this would end.

I have told the Congress of the positive need for an over-all stabilization of prices, salaries, wages and profits; and that that is necessary to the continued production of planes and tanks and ships and guns, at the present constantly increasing rate.

I have told the Congress that it must be done quickly. If we wait for two or three or four or six months it may well be too late. The cost of living and wages may then have risen so high that it will be difficult if not impossible to lower them.

I have told the Congress that the Administration thinks it can hold the actual cost of food and clothing down to approximately the present level until October first. But no one can give any assurance that the cost of living can be held down after that date.

Therefore, I have asked the Congress to pass legislation under which the President specifically would be authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or levels of a recent date, whichever is higher. At the same time as farm prices are stabilized, wages can be and will be stabilized, including voluntary increases.

The purpose should also be to keep wages at a point stabilized with todays cost of living. Both must be regulated at the same time; and neither can or should be regulated without the other.

This is just plain justice -- and plain common sense.

I have asked the Congress to take this action by the first of October. We must now act with the despatch which the stern necessities of war require.

I have told them that inaction on their part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by the threat of economic chaos.

In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility and I will act.

The President has the powers, under the Constitution and under Congressional acts, to avert a disaster which would interfere with the winning of the war.

I have given the most thoughtful consideration to meeting this issue without further reference to the Congress. I have preferred, however, to consult with the Congress.

This is a people's war, and there should be full consultation with the people's representatives.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should use my powers and act now. I can only say that I have approached ~~struggled long and seriously with~~ this problem from very angle, and that I have decided that the course of conduct which I am following in this case is the only one that is consistent with my sense of responsibility as President in time of war and with my deep and unalterable devotion to the democratic process.

(A)

I think I know the American farmers. I know that they are as wholehearted in their patriotism as any other group. They have suffered from the constant fluctuations of farm prices -- occasionally too high, more often too low. I have today suggested that the Congress make their economy more stable. I have recommended that in addition to putting ceilings on farm products now, we also place a definite floor under those prices for a period beginning now and continuing through the war and for as long as necessary after the war. In this

way we will be able to avoid the collapse of farm prices which happened after the last war. The farmers must be assured of a fair minimum price during the re-adjustment period which will follow the excessive world food demands ~~of the~~ ~~war~~ which now prevail.

Farm prices received by farmers and wages received by industrial workers must be put into a stable ratio now and for the balance of the war. The same ratio must be continued as our policy for the difficult period immediately following the war. In this way we shall avoid the dangers of a post-war inflation on the one hand, or the catastrophe of a crash in farm prices and wages, on the other.

Today I have also advised the Congress of the importance of speeding up the passage of the tax bill. The Federal Treasury is losing millions of dollars a day because the bill has not yet been passed. Taxation is the only practical way of preventing the incomes and profits of individuals or corporations from getting too high.

I have told the Congress once more that all net individual incomes, after payment of all taxes, should be limited effectively by further taxation to a maximum of $25,000 a year. And it is equally important that corporate profits should not exceed a reasonable amount in any case.

The nation must have more money to run the war. People must stop spending for luxuries. Our country needs a far greater share of our incomes.

For this is a global war and it will cost this nation nearly one hundred billion dollars in 1943.

In that global war there are now four main areas of combat and I should like to speak briefly of them, not in the order of importance, for all of them are vital and all of them inter-related.

(a) The Russian front, where the Germans are still unable to gain the smashing victory which Hitler announced he had already achieved almost a year ago. Germany has been able to capture important territory. Nevertheless, Hitler has been unable to destroy a single Russian Army and this, you may be sure, has been and still is his main objective. Millions of German troops seem doomed

to spend another cruel and bitter winter on the Russian front. The Russians are killing more Nazis and destroying more airplanes and tanks than in any other theatre. They are fighting not only bravely but brilliantly. Russia, in spite of any setbacks, with the help of her Allies, will hold out and ultimately drive every Nazi from her soil.

(b) The Pacific Ocean Area as a whole must be grouped together -- every part of it. We have stopped one major Japanese offensive, and inflicted heavy losses on their fleet. But they still possess great strength -- they cannot afford to lose the initiative -- and they will undoubtedly strike hard again. ~~We are ready for them.~~ We must not over-rate the importance of our successes in the Solomon Islands, though we may be proud of the brilliance with which these local operations were conducted. At the same time, we need not under-rate the significance of our victory at Midway. There we have stopped a Japanese major offensive. ~~-- at least for the present. But they will strike hard again.~~

(c) In the area of the Mediterranean and the Middle East the British, together with the South Africans, New Zealanders, Indian troops and others of the United

Nations, including ourselves, are fighting a desperate battle with the Germans and Italians who wish to gain control of the area and thereby dominate the Mediterranean and Indian Ocean and join forces on the sea with the Japanese Navy. The battle is now joined. We are well aware of our danger but we are hopeful of the outcome.

(d) The European area. Here the obvious aim is an offensive against Germany. There are at least a dozen different points at which attacks can be launched. You will, of course, not expect details of future plans, but you can rest assured that every effort is being made here and in Britain/toward this purpose. For the power of Germany must be broken on the battlefields of Europe.

Various people urge that we concentrate our forces on one or another of these four areas, although no one suggests that any one of the four areas should be abandoned. Certainly, nobody could seriously urge that we abandon aid to Russia, or surrender all of the Pacific to Japan, or the Mediterranean and Middle East to Germany, or give up an offensive against Germany. The American people may be sure that we shall abandon no one of the four great theatres of war.

Certain vital military decisions have been made. In due time you will know what these decisions are -- and so will our enemies. I can say now only that all of these decisions are directed toward taking the offensive.

Today, exactly nine months after Pearl Harbor, we have sent three times more men overseas than we ~~shipped~~ transported to France in the first nine months of the first World War. We have done this in spite of greater danger and fewer ships. And every week sees a gain in the actual number of American men and weapons in the fighting areas. These reinforcements in men and munitions will continue to go forward. ~~in spite of the submarines.~~

We glory in the individual exploits of our soldiers, our sailors, our marines, our merchant seamen. Lieutenant John James Powers was one of these, and there are thousands of others in the forces of the United Nations. ~~But~~ This war will finally be won by the coordination of all the armies, navies and air forces of the United Nations operating in unison ~~with the forces of our allies~~ against our enemies.

This will mean vast assemblies of weapons and men at all the vital points of attack. We and our allies have worked for years to achieve superiority in weapons. We are not worried about the superiority of our men.

Several thousand Americans have met death in battle. Other thousands will lose their lives; but many millions stand ready to step into their places -- to engage in a struggle to the very death. For they know that the enemy is determined to destroy us, our lives, and our institutions; that in this war it is kill or be killed.

Battles are not won by soldiers or sailors who think first of their own personal safety. And wars are not won by people who are concerned with their own comfort, their own convenience, their own pocket-books, their own interests.

This war is the toughest of all time.

All of us here at home are being tested -- for our fortitude, for our selfless devotion to our country and our cause.

We Americans of today bear the gravest of responsibilities, ~~that have ever been given to any people of any nation in the history of mankind.~~ All of the United Nations share this. We need not leave it to historians of the future to answer the question whether we are tough enough to meet this unprecedented challenge. We can give that answer now. The answer is "yes".

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SIXTH DRAFT

SPEECH OF THE PRESIDENT

SEPTEMBER7, 1942

I wish that all the American people could read all the citations for various medals recommended for our soldiers, sailors and marines. I am picking out one of these citations which tells of the accomplishments of Lieutenant John James Powers, United States Navy, during three days of the battles with Japanese forces in the Coral Sea.

During the first two days, Lieutenant Powers, flying a dive-bomber in the face of blasting enemy anti-aircraft fire, demolished one large enemy gunboat, put another gunboat out of commission, severely damaged an aircraft tender and a twenty thousand ton transport, and scored a direct hit on an aircraft carrier which burst into flames and sank soon after.

The official citation describes the [final] morning of the third day of battle. As the pilots of his squadron left the ready room to man their planes, Lieutenant Powers said to them, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck".

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting anti-aircraft shells and into the face of enemy planes. He dived almost to the very deck of the enemy carrier and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of two hundred feet, amid a terrific barrage of shell and bomb fragments, smoke, flame and debris from the stricken vessel. His own plane was destroyed by the explosion of his own bomb. But he had made good his promise to "lay it on the flight deck".

I have received a recommenda ion from the Secretary of the Navy that Lieutenant James Powers, of New York City, missing in action, be awarded the Medal of Honor. I hereby and now confirm this award.

You and I are "the folks back home" for whose protection Lieutenant Powers fought and repeatedly risked his life. He said that we counted on him and his men. We counted not in vain. But have not those men a right to be counting on us? How are we playing our part "back

home" in winning this war?

The answer is that we are not doing enough.

Today I sent a message to the Congress, pointing out the overwhelming urgency of the serious domestic economic crisis with which we are threatened. Some call it "inflation", which is a vague sort of term, and others call it a "rise in the cost of living", which is much more easily understood by most families.

That phrase, "the cost of living", means essentially what a dollar can buy.

From January 1, 1941 to May of this year, the cost of living went up about 15%. At that point we undertook to freeze the cost of living. But we could not do a complete job of it, That was because the Congressional authority at the time did not cover include a large part of farm products used for food and for making clothing; though several weeks before, I had asked the Congress for legislation to stabilize all farm prices.

At that time I had told the Congress that there were several seven elements in our national economy, all of which had to be controlled; and that if any one essential element remained beyond our control, the cost

of living could not be held down.

On only two of these points -- both of them vital however -- did I call for Congressional action. These were: first, taxation; and, second, the stabilization of all farm prices at parity.

"Parity" is a standard for the maintenance of good farm prices. It was established as our national policy in 1933. It means that the farmer and the city worker are on the same relative ratio with each other in purchasing power as they were during a period some thirty years ago -- at a time when the farmer had a satisfactory purchasing power. 100% parity, therefore, has been accepted by farmers as the fair ~~basis~~ standard for their prices.

Last January, however, the Congress passed a law forbidding ceilings on farm prices below 110% of parity on some commodities. On other commodities the ceiling was even higher — indeed the highest prices recorded in this century — so that the average possible ceiling is now about 116% of parity for all agricultural products as a whole.

This act of favoritism for one particular group in the community increased the cost of food to

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everybody -- not only to the workers in the city or in the munitions' plants, and their ~~wives,~~ families, but also to the families of the farmers themselves.

Since last May, ceilings have been set on nearly all commodities, rents and services, except the exempted farm products. Installment buying has been effectively controlled. Some scarce commodities have been rationed. Progress has been made toward stabilizing wages. Wages in certain key industries have been stabilized on the basis of the present cost of living.

It is obvious, however, that if the cost of food continues to go up, as it is doing at present, the wage earner, particularly in the lower brackets, will have a right to receive a rise in his wages. That would be essential justice and a practical necessity.

Our experience with the control of other prices during the past few months has brought out one important fact -- the rising cost of living can be controlled, providing all elements making up the cost of living are controlled at the same time. We know now that parity prices for farm products not now controlled will not put up the cost of living more than a very small amount; but that if we must go up to

—which is necessary at present under the Emergency Price Control Act before we can control all farm prices—

116% of parity for food and other farm products, the cost of living will get well out of hand, and will continue to rise to a very grave extent. We are face to face with this danger today. Let us meet it and remove it.

I realize that, to the average American, it may seem out of proportion to you to be worrying about these economic problems at a time like this xxx when we are all deeply concerned about the news from far distant fields of battle. But I give you the solemn assurance that failure to solve this problem here at home -- and to solve it now -- will slow up our war effort. This means hampering our men at the front and all that they are doing. interfere with the winning of this war.

For if the vicious spiral of inflation ever gets under way, the whole economic system will stagger. Prices and wages will go up so rapidly that the entire production program will be endangered. The cost of the war, paid by taxpayers, will jump beyond all present calculations. It will would mean an uncontrollable tremendous rise in uncontrolled food prices which would cause a rise and in wages and would which can result in

raising the over-all cost of living as high as another 20% in several months before the Winter is out. That would mean that the purchasing power of every dollar you have in your pay envelope, or in the bank, or included in your insurance policy or your pension would be reduced to about worth only eighty cents. I need not tell you where all this would end. That this would have a demoralizing effect on our people, soldiers and civilians alike.

I have told the Congress of the positive need for an over-all stabilization of prices, salaries, wages and profits; and that that is necessary to the continued increasing production of planes and tanks and ships and guns, at the present constantly increasing rate.

In my message to-day I have told the Congress that it This must be done quickly. If we wait for two or three or four or six months it may well be too late. The cost of living and wages may then have risen so high that it will be difficult if not impossible to lower them.

I have told the Congress that the Administration thinks it can not hold the actual cost of food and clothing down to approximately the present level until beyond October first. But no one can give any assurance that the cost of living can be held down after that date.

Therefore, I have asked the Congress to pass

legislation under which the President specifically would be authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or levels of a recent date, whichever is higher. At the same time as farm prices are stabilized, wages can be and will be stabilized, including voluntary increases.

The purpose should also be to keep wages at a point stabilized with todays cost of living. Both must be regulated at the same time; and neither can or should be regulated without the other.

This is just plain justice -- and plain common sense.

I have asked the Congress to take this action by the first of October. We must now act with the despatch which the stern necessities of war require.

I have told them that inaction on their part by that date will leave me with an inescapable responsibility to the people of this country to see

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to it that the war effort is no longer imperiled by the threat of economic chaos.

In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility and I will act.

The President has the powers, under the Constitution and under Congressional Acts, to take measures necessary to avert a disaster which would interfere with the winning of the war.

I have given the most thoughtful consideration to meeting this issue without further reference to the Congress. I have determined, however, on this vital matter to consult with the Congress. This is a people's war, and there should be full consultation with the people's representatives.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should use my powers and act now. I can only say that I have approached this problem from every angle, and that I have decided that the course of conduct which I am following in this case is the only one that is consistent with my sense of responsibility as President in time of war and with my deep and unalterable devotion to the democratic process.

The responsibilities of the President in war time to protect the Nation are very grave. Modern warfare, with our fighting fronts all over the world, makes the use of executive power, flowing from those responsibilities, far more essential. The Revolution and the War between the States were fought on our own soil but now this war may be won or lost in other continents and remote seas.

If we were invaded the people of this country would expect the President to use any and all means to repel the invader.

I cannot tell what powers may have to be exercised in order to win this war. But the American people can be sure they will be used by me with a full sense of my responsibility to the Constitution and my country. The American people can also be sure that I shall not hesitate to use every power vested in me to accomplish the defeat of our enemies in any part of the world where our own safety demands such defeat.

And when the war is won, the powers under which I act automatically revert to the people to whom they belong.

I think I know the American farmers. I know that they are as wholehearted in their patriotism as any other group. They have suffered from the constant fluctuations of farm prices -- occasionally too high, more often too low. (A) I have today suggested that the Congress make our agricultural economy more stable. I have recommended that in addition to putting ceilings on all farm products now, we also place a definite floor under those prices for a period beginning now, and continuing through the war, and for as long as necessary after the war. In this way we will be able to avoid the collapse of farm prices which happened after the last war. The farmers must be assured of a fair minimum price during the re-adjustment period which will follow the excessive world food demands which now prevail. We must have some floor under farm prices, as we have under wages if we are to Farm prices received by farmers and wages received by industrial workers must be put into a stable ratio now and for the balance of the war. The same ratio must be continued as our policy for the difficult period immediately following the war. In this way we shall avoid the dangers of a post-war inflation on the one hand, or the catastrophe of a crash in farm prices and wages, on the other.

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Nobody knows better than farmers the ~~effects~~ disastrous effects of war time inflationary booms and post war deflationary panics.

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Today I have also advised the Congress of the importance of speeding up the passage of the tax bill. The Federal Treasury is losing millions of dollars a day because the bill has not yet been passed. Taxation is the only practical way of preventing the incomes and profits of individuals and corporations from getting too high.

I have told the Congress once more that all net individual incomes, after payment of all taxes, should be limited effectively by further taxation to a maximum of $25,000 a year. And it is equally important that corporate profits should not exceed a reasonable amount in any case.

The nation must have more money to run the war. People must stop spending for luxuries. Our country needs a far greater share of our incomes.

For this is a global war and it will cost this nation nearly one hundred billion dollars in 1943.

In that global war there are now four main areas of combat, and I should like to speak briefly of them, not in the order of importance, for all of them are vital and all of them inter-related.

(1) ~~(a)~~ The Russian front, ~~where~~ Here the Germans are still unable to gain the smashing victory which Hitler announced he had already achieved almost a year ago. Germany has been able to capture important Russian territory. Nevertheless, Hitler has been unable to destroy a single Russian Army; and this, you may be sure, has been, and still is, his main objective. Millions of German troops seem doomed to spend another cruel and bitter winter on the Russian front. The Russians are killing more Nazis, and destroying more airplanes and tanks than ~~in~~ on any other front. ~~theatre.~~ They are fighting not only bravely but brilliantly. ~~Russia,~~ In spite of any setbacks, Russia, with the help of her Allies, will hold out, and will ultimately drive every Nazi from her soil.

(2) (b) The Pacific Ocean Area, ~~as a whole~~ This area must be grouped together as a whole -- every part of it, land and sea. We have stopped one major Japanese offensive, and have inflicted heavy losses on their fleet. But they still possess great strength; ~~or~~ they cannot afford to lose the initiative; ~~AA~~ and they will undoubtedly strike hard again. We must not over-rate the importance of our successes in the Solomon Islands, though we may be proud of the brilliance shown with which these

local operations were conducted. At the same time, we need not under-rate the significance of our victory at Midway. There we have stopped the major Japanese major offensive.

(3) In the area of the Mediterranean and the Middle East area the British, together with the South Africans, Australians, New Zealanders, Indian troops and others of the United Nations, including ourselves, are fighting a desperate battle with the Germans and Italians. The Axis powers are fighting who wish to gain control of that the area, and thereby dominate the Mediterranean and Indian Ocean, and join forces on the sea gain contact with the Japanese Navy. The battle is now joined. We are well aware of our danger, but we are hopeful of the outcome.

(4) The European area. Here the obvious aim is an offensive against Germany. There are at least a dozen different points at which attacks can be launched. You will, of course, do not expect me to give details of future plans; but you can rest assured that every effort is preparations are being made here and in Britain toward this purpose. For the power of Germany must be broken on the battlefields of Europe.

Various people urge that we concentrate our forces on one or another of these four areas, although no

one suggests that any one of the four areas should be abandoned. Certainly, nobody could not be seriously urged that we abandon aid to Russia, or surrender all of the Pacific to Japan, or the Mediterranean and Middle East to Germany, or give up an offensive against Germany. The American people may be sure that we shall not let more abandon no one of the four great theatres of war.

Certain vital military decisions have been made. In due time you will know what these decisions are -- and so will our enemies. I can say now only that all of these decisions are directed toward taking the offensive.

Today, exactly nine months after Pearl Harbor, we have sent three times more men overseas than we transported to France in the first nine months of the first World War. We have done this in spite of greater danger and fewer ships. And every week sees a gain in the actual number of American men and weapons in the fighting areas. These reinforcements in men and munitions will continue to go forward. This war will finally be won by the coordination of all the armies, navies and air forces of the United Nations operating in unison against our enemies.

This will ~~mean~~ require vast assemblies of weapons and men at all the vital points of attack. We and our allies have worked for years to achieve superiority in weapons. We have no doubts ~~are not worried~~ about the superiority of our men. We glory in the individual exploits of our soldiers, our sailors, our marines, our merchant seamen. Lieutenant John James Powers was one of these -- and there are thousands of others in the forces of the United Nations.

Several thousand Americans have met death in battle. Other thousands will lose their lives. But many millions stand ready to step into their places -- to engage in a struggle to the very death. For they know that the enemy is determined to destroy us, our homes, lives, and our institutions. That in this war it is kill or be killed.

Battles are not won by soldiers or sailors who think first of their own personal safety. And wars are not won by people who are concerned primarily with their own comfort, their own convenience, their own pocket-books, their own interests.

We Americans of today bear the gravest of responsibilities. All of the United Nations share them.

This war is the toughest of all time.

All of us here at home are being tested -- for our fortitude, for our selfless devotion to our country and our cause. ¶ This is the toughest war of all time. We need not leave it to historians of the future to answer the question whether we are tough enough to meet this unprecedented challenge. We can give that answer now. The answer is "yes".

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SEVENTH DRAFT

SPEECH OF THE PRESIDENT

SEPTEMBER 7, 1942

I wish that all the American people could read all the citations for various medals recommended for our soldiers, sailors and marines. I am picking out one of these citations which tells of the accomplishments of Lieutenant John James Powers, United States Navy, during three days of the battles with Japanese forces in the Coral Sea.

During the first two days, Lieutenant Powers, flying a dive-bomber in the face of blasting enemy anti-aircraft fire, demolished one large enemy gunboat, put another gunboat out of commission, severely damaged an aircraft tender and a twenty thousand ton transport, and scored a direct hit on an aircraft carrier which burst into flames and sank soon after.

The official citation describes the morning of the third day of battle. As the pilots of his squadron left the ready room to man their planes, Lieutenant Powers said to them, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck".

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting anti-aircraft shells and swarms of enemy planes. He dived almost to the very deck of the enemy carrier, and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of two hundred feet, amid a terrific barrage of shell and bomb fragments, smoke, flame and debris from the stricken vessel. His own plane was destroyed by the explosion of his own bomb. But he had made good his promise to "lay it on the flight deck".

I have received a recommendation from the Secretary of the Navy that Lieutenant John James Powers, of New York City, missing in action, be awarded the Medal of Honor. I hereby and now make this award.

You and I are "the folks back home" for whose protection Lieutenant Powers fought and repeatedly risked his life. He said that we counted on him and his men. We did not count in vain. But have not those men a right to be counting on us? How are we playing our part "back home" in winning this war?

The answer is that we are not doing enough.

Today I sent a message to the Congress, pointing out the overwhelming urgency of the serious domestic economic crisis with which we are threatened. Some call it "inflation", which is a vague sort of term, and others call it a "rise in the cost of living", which is much more easily understood by most families.

That phrase, "the cost of living", means essentially what a dollar can buy.

From January 1, 1941 to May of this year, the cost of living went up about 15%. At that point we undertook to freeze the cost of living. But we could not do a complete job of it, because the Congressional authority at the time exempted ~~did not include~~ a large part of farm products used for food and for making clothing; though several weeks before, I had asked the Congress for legislation to stabilize all farm prices.

At that time I had told the Congress that there were seven elements in our national economy, all of which had to be controlled; and that if any one essential element remained exempt ~~beyond our control~~, the cost of living could not be held down.

On only two of these points -- both of them vital however -- did I call for Congressional action. These were: first, taxation; and, second, the stabilization of all farm prices at parity.

"Parity" is a standard for the maintenance of good farm prices. It was established as our national policy in 1933. It means that the farmer and the city worker are on the same relative ratio with each other in purchasing power as they were during a period some thirty years ago -- at a time when the farmer had a satisfactory purchasing power. 100% parity, therefore, has been accepted by farmers as the fair standard for their prices.

Last January, however, the Congress passed a law forbidding ceilings on farm prices below 110% of parity on some commodities. On other commodities the ceiling was even higher, ~~as indeed the highest prices recorded in this century,~~ so that the average possible ceiling is now about 116% of parity for agricultural products as a whole.

This act of favoritism for one particular group in the community increased the cost of food to everybody --

not only to the workers in the city or in the munitions' plants, and their families, but also to the families of the farmers themselves.

Since last May, ceilings have been set on nearly all commodities, rents and services, except the exempted farm products. Installment buying has been effectively controlled.

Wages in certain key industries have been stabilized on the basis of the present cost of living.

It is obvious, however, that if the cost of food continues to go up, as it is doing at present, the wage earner, particularly in the lower brackets, will have a right to ~~receive a rise~~ an increase in his wages. That would be essential justice and a practical necessity.

Our experience with the control of other prices during the past few months has brought out one important fact -- the rising cost of living can be controlled, providing all elements making up the cost of living are controlled at the same time. We know that parity prices for farm products not now controlled will not put up the cost of living more than a very small amount; ~~but that~~ WE ALSO KNOW if we must go up to an average of

116% of parity for food and other farm products -- which is necessary at present under the Emergency Price Control Act before we can control all farm prices -- the cost of living will get well out of hand. We are face to face with this danger today. Let us meet it and remove it.

I realize that it may seem ~~out of proportion~~ to you to be ~~worrying about~~ devoting time these economic problems at a time like this when we are all deeply concerned about the news from far distant fields of battle. But I give you the solemn assurance that failure to solve this problem here at home -- and to solve it now -- will ~~interfere with~~ make more difficult the winning of this war.

If the vicious spiral of inflation ever gets under way, the whole economic system will stagger. Prices and wages will go up so rapidly that the entire production program will be endangered. The cost of the war, paid by taxpayers, will jump beyond all present calculations. It will mean an uncontrollable rise in prices and in wages which can result in

raising the over-all cost of living as high as another 20% soon. That would mean that the purchasing power of every dollar you have in your pay envelope, or in the bank, or included in your insurance policy or your pension would be reduced to about eighty cents. I need not tell you that this would have a demoralizing effect on our people, soldiers and civilians alike.

Over-all stabilization of prices, salaries, wages and profits is necessary to the continued increasing production of planes and tanks and ships and guns.

In my message today I have told the Congress that this must be done quickly. If we wait for two or three or four or six months it may well be too late.

I have told the Congress that the Administration can not hold the actual cost of food and clothing down to the present level beyond October first.

Therefore, I have asked the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date,

whichever is higher. The purpose should also be to keep wages at a point stabilized with today's cost of living. Both must be regulated at the same time; and neither can or should be regulated without the other.

At the same time ~~as~~ that farm prices are stabilized, I will stabilize wages.

This is plain justice -- and plain common sense.

I have asked the Congress to take this action by the first of October. We must now act with the despatch which the stern necessities of war require.

I have told the Congress that inaction on their part by that date will leave me with an inescapable responsibility to the people of this country to see

to it that the war effort is no longer imperiled by the threat of economic chaos.

As I said in my message to the Congress:

In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

The President has the powers, under the Constitution and under Congressional Acts, to take measures necessary to avert a disaster which would interfere with the winning of the war.

I have given the most thoughtful consideration to meeting this issue without further reference to the Congress. I have determined, however, on this vital matter to consult with the Congress.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should use my powers and act now. I can only say that I have approcahed this problem from every angle, and that I have de cided that the course of conduct which I am following in this case is consistent with my sense of responsibility as President in time of war, and with my deep and unalterable devotion to the ~~democratic~~ processes of democracy.

SEVENTH DRAFT

The responsibilities of the President in war time to protect the Nation are very grave. This total war, with our fighting fronts all over the world, makes the use of executive power far more essential than in any previous war.

If we were invaded, the people of this country would expect the President to use any and all means to repel the invader.

I cannot tell what powers may have to be exercised in order to win this war. The Revolution and the War Between the States were fought on our own soil but today this war will be won or lost in other continents and remote seas.

The American people can be sure that I will use my powers with a full sense of responsibility to the Constitution and to my country. The American people can also be sure that I shall not hesitate to use every power vested in me to accomplish the defeat of our enemies in any part of the world where our own safety demands such defeat.

When the war is won, the powers under which I act will automatically revert to the people to whom they belong.

I think I know the American farmers. I know that they are as wholehearted in their patriotism as any other group. They have suffered from the constant fluctuations of farm prices -- occasionally too high, more often too low. Nobody knows better than farmers the disastrous effects of war time inflationary booms and post-war deflationary panics.

I have today suggested that the Congress make our agricultural economy more stable. I have recommended that in addition to putting ceilings on all farm products now, we also place a definite floor under those prices for a period beginning now, continuing through the war, and for as long as necessary after the war. In this way we will be able to avoid the collapse of farm prices which happened after the last war. The farmers must be assured of a fair minimum price during the re-adjustment period which will follow the excessive world food demands which now prevail.

We must have some floor under farm prices, as we have under wages, if we are to avoid the dangers of a post-war inflation on the one hand, or the catastrophe of a crash in farm prices and wages, on the other.

Today I have also advised the Congress of the importance of speeding up the passage of the tax bill. The Federal Treasury is losing millions of dollars a day because the bill has not yet been passed. Taxation is the only practical way of preventing the incomes and profits of individuals and corporations from getting too high.

I have told the Congress once more that all net individual incomes, after payment of all taxes, should be limited effectively by further taxation to a maximum net income of $25,000 a year. And it is equally important that corporate profits should not exceed a reasonable amount in any case.

The nation must have more money to run the war. People must stop spending for luxuries. Our country needs a far greater share of our incomes.

For this is a global war and it will cost this nation nearly one hundred billion dollars in 1943.

In that global war there are now four main areas of combat; and I should like to speak briefly of them, not in the order of importance, for all of them are vital and all of them inter-related.

(1) The Russian front. Here the Germans are still unable to gain the smashing victory which, almost a year ago, Hitler announced he had already achieved. Germany has been able to capture important Russian territory. Nevertheless, Hitler has been unable to destroy a single Russian Army; and this, you may be sure, has been, and still is, his main objective. Millions of German troops seem doomed to spend another cruel and bitter winter on the Russian front. The Russians are killing more Nazis, and destroying more airplanes and tanks than are being smashed on any other front. They are fighting not only bravely but brilliantly. In spite of any setbacks Russia, ~~will~~ will hold out, and with ~~ultimately drive every Nazi~~ the help of her Allies will ultimately drive every Nazi from her soil.

(2) The Pacific Ocean Area. This area must be grouped together as a whole -- every part of it, land and sea. We have stopped one major Japanese offensive; and have inflicted heavy losses on their fleet. But they still possess great strength; they ~~cannot afford to lose~~ seek to keep the initiative; and they will undoubtedly strike hard again. We must not over-rate the importance of our successes in the Solomon Islands, though we may be proud of the skill with which these

local operations were conducted. At the same time, we need not under-rate the significance of our victory at Midway. There we stopped the major Japanese offensive.

(3) In the Mediterranean and the Middle East area the British, together with the South Africans, Australians, New Zealanders, Indian troops and others of the United Nations, including ourselves, are fighting a desperate battle with the Germans and Italians. The Axis powers are fighting to gain control of that area, dominate the Mediterranean and Indian Ocean, and gain contact with the Japanese Navy. The battle is now joined. We are well aware of our danger, but we are hopeful of the outcome.

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Various people urge that we concentrate our forces on one or another of these four areas, although no

one suggests that any one of the four areas should be abandoned. Certainly, it could not be seriously urged that we abandon aid to Russia, or surrender all of the Pacific to Japan, or the Mediterranean and Middle East to Germany, or give up an offensive against Germany. The American people may be sure that we shall neglect none of the four great theatres of war.

Certain vital military decisions have been made. In due time you will know what these decisions are -- and so will our enemies. I can say now that all of these decisions are directed toward taking the offensive.

Today, exactly nine months after Pearl Harbor, we have sent overseas three times more men than we transported to France in the first nine months of the first World War. We have done this in spite of greater danger and fewer ships. And every week sees a gain in the actual number of American men and weapons in the fighting areas. These reinforcements in men and munitions will continue to go forward.

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This will require vast assemblies of weapons and men at all the vital points of attack. We and our allies have worked for years to achieve superiority in weapons. We have no doubts about the superiority of our men. We glory in the individual exploits of our soldiers, our sailors, our marines, our merchant seamen. Lietuenant John James Powers was one of these -- and there are thousands of others in the forces of the United Nations..

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Battles are not won by soldiers or sailors who think first of their own personal safety. And wars are not won by people who are concerned primarily with their own comfort, their own convenience, their own pocket-books.

We Americans of today bear the gravest of responsibilities. All of the United Nations share them.

All of us here at home are being tested -- for our fortitude, for our selfless devotion to our country and our cause.

This is the toughest war of all time. We need not leave it to historians of the future to answer the question whether we are tough enough to meet this unprecedented challenge. We can give that answer now. The answer is "yes".

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PPF-1F

Excerpts from the President's Labor Day Address, 1942, (#1)
for the newsreels:

If the vicious spiral of inflation ever gets under way, the whole economic system will stagger. Prices and wages will go up so rapidly that the entire production program will be endangered. The cost of the war, paid by taxpayers, will jump beyond all present calculations. It will mean an uncontrollable rise in prices and in wages which can result in raising the over-all cost of living as high as another 20% soon. That would mean that the purchasing power of every dollar you have in your pay envelope, or in the bank, or included in your insurance policy or your pension would be reduced to about eighty cents. I need not tell you that this would have a demoralizing effect on our people, soldiers and civilians alike.

I have asked the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher. The purpose should also be to keep wages at a point stabilized with today's cost of living. Both must be regulated at the same time; and neither can or should be regulated without the other.

At the same time that farm prices are stabilized, I will stabilize wages.

This is plain justice -- and plain common sense.

I have asked the Congress to take this action by the first of October. We must now act with the despatch which the stern necessities of war require.

I have told the Congress that inaction on their part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by the threat of economic chaos.

(No. 3)

The responsibilities of the President in war time to protect the Nation are very grave. This total war, with our fighting fronts all over the world, makes the use of executive power far more essential than in any previous war. If we were invaded, the people of this country would expect the President to use any and all means to repel the invader. The Revolution and the War between the States were fought on our own soil but today this war will be won or lost in other continents and remote seas. I cannot tell what powers may have to be exercised in order to win this war. The American people can be sure that I will use my powers with a full sense of responsibility to the Constitution and to my country. The American people can also be sure that I shall not hesitate to use every power vested in me to accomplish the defeat of our enemies in any part of the world where our own safety demands such defeat. When the war is won, the powers under which I act will automatically revert to the people — to whom they belong.

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(No. 4)

I think I know the American farmers. I know that they are as wholehearted in their patriotism as any other group. They have suffered from the constant fluctuations of farm prices - occasionally too high, more often too low. Nobody knows better than farmers the disastrous effects of war time inflationary booms and post-war deflationary panics.

I have today suggested that the Congress make our agricultural economy more stable. I have recommended that in addition to putting ceilings on all farm products now, we also place a definite floor under those prices for a period beginning now, continuing through the war, and for as long as necessary after the war. In this way we will be able to avoid the collapse of farm prices which happened after the last war. The farmers must be assured of a fair minimum price during the readjustment period which will follow the excessive world food demands which now prevail. We must have some floor under farm prices, as we have under wages, if we are to avoid the dangers of a post-war inflation on the one hand, or the catastrophe of a crash in farm prices and wages, on the other.

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I have told the Congress once more that all net individual incomes, after payment of all taxes, should be limited effectively by further taxation to a maximum net income of $25,000 a year. And it is equally important that corporate profits should not exceed a reasonable amount in any case. The nation must have more money to run the war. People must stop spending for luxuries. Our country needs a far greater share of our incomes. For this is a global war and it will cost this nation nearly one hundred billion dollars in 1943.

(No. 6)

We Americans of today bear the gravest of responsibilities. All of the United Nations share them. All of us here at home are being tested -- for our fortitude, for our selfless devotion to our country and to our cause. This is the toughest war of all time. We need not leave it to historians of the future to answer the question whether we are tough enough to meet this unprecedented challenge. We can give that answer now. The answer is "yes".

THE WHITE HOUSE
WASHINGTON

LABOR DAY
RADIO ADDRESS
OF THE
PRESIDENT
SEPTEMBER 7, 1942
AT
9.30 PM, EWT

STATEMENTS FILE

STATEMENTS FILE

HOLD FOR RELEASE HOLD FOR RELEASE HOLD FOR RELEASE

September 7, 1942

CAUTION: The following address of the President MUST BE HELD IN CONFIDENCE until released.

NOTE: Release to editions of all newspapers appearing on the streets NOT EARLIER THAN 9:30 O'CLOCK, P.M., EWT., Monday, September 7, 1942. The same release also applies to radio announcers and news commentators.

CARE MUST BE EXERCISED TO PREVENT PREMATURE PUBLICATION.

STEPHEN EARLY
Secretary to the President

My friends:

I wish that all the American people could read all the citations for various medals recommended for our soldiers, and sailors and marines. I am picking out one of these citations which tells of the accomplishments of Lieutenant John James Powers, United States Navy, during three days of the battles with Japanese forces in the Coral Sea.

During the first two days, Lieutenant Powers, flying a dive-bomber in the face of blasting enemy anti-aircraft fire, demolished one large enemy gunboat, put another gunboat out of commission, severely damaged an aircraft tender and a twenty thousand ton transport, and scored a direct hit on an aircraft carrier which burst into flames and sank soon after.

The official citation then describes the morning of the third day of battle. As the pilots of his squadron left the ready room to man their planes, Lieutenant Powers said to them, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck".

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I have received a recommendation from the Secretary of the Navy that Lieutenant John James Powers, of New York City, missing in action, be awarded the Medal of Honor. I hereby and now make this award.

You and I are "the folks back home" for whose protection Lieutenant Powers fought and repeatedly risked his life. He said that we counted on him and his men. We did not count in vain. But have not those men a right to be counting on us? How are we playing our part "back home" in winning this war?

The answer is that we are not doing enough.

Today I sent a message to the Congress, pointing out the overwhelming urgency of the serious domestic economic crisis with which we are threatened. Some call it "inflation", which is a vague sort of term, and others call it a "rise in the cost of living", which is much more easily understood by most families.

That phrase, "the cost of living", means essentially what a dollar can buy.

From January 1, 1941, to May of this year, nearly a year and a half, the cost of living went up about 15%. At that point, last May, we undertook to freeze the cost of living. But we could not do a complete job of it, because the Congressional authority at the time exempted a large part of farm products used for food and for making clothing. Although several weeks before, I had asked the Congress for legislation to stabilize all farm prices.

At that time I had told the Congress that there were seven elements in our national economy, all of which had to be controlled; and that if any one essential element remained exempt, the cost of living could not be held down.

On only two of these points -- both of them vital however -- did I call for Congressional action. These two vital points were: first, taxation; and, second, the stabilization of all farm prices at parity.

"Parity" is a standard for the maintenance of good farm prices. It was established as our national policy way back in 1933. It means that the farmer and the city worker are on the same relative ratio with each other in purchasing power as they were during a period some thirty years ~~ago~~ before -- at a time when the farmer had a satisfactory purchasing power. 100% parity, therefore, has been accepted by farmers as the fair standard for ~~their~~ the prices they receive.

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This act of favoritism for one particular group in the community increased the cost of food to everybody -- not only to the workers in the city or in the munitions plants, and their families, but also to the families of the farmers themselves.

Since last May, ceilings have been set on nearly all commodities, rents, ~~and~~ services, except the exempted farm products. Installment buying, for example, has been effectively controlled. Wages in certain key industries have been stabilized on the basis of the present cost of living.

But it is obvious, ~~however,~~ that if the cost of food continues to go up, as it is doing at present, the wage earner, particularly in the lower brackets, will have a right to an increase in his wages. That would be essential justice and a practical necessity.

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I think that also is an essential justice and a practical necessity.

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I realize that it may seem out of proportion to you to be ~~worrying about~~ these economic problems at a time like this, when we are all deeply concerned about the news from far distant fields of battle. But I give you the solemn assurance that failure to solve this problem here at home — and to solve it now — will make more difficult the winning of this war.

One stressing

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And as I have asked the Congress to take this action by the first of October. We must now act with the despatch which the stern necessities of war require.

I have told the Congress that inaction on their part by that date will leave me with an inescapable responsibility, a responsibility to the people of this country to see to it that the war effort is no longer imperiled by the threat of economic chaos.

As I said in my message to the Congress:

In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

The President has the powers, under the Constitution and under Congressional Acts, to take measures necessary to avert a disaster which would interfere with the winning of the war.

I have given the most careful and thoughtful consideration to meeting this issue without further reference to the Congress. I have determined, however, on this vital matter to consult with the Congress.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should use my powers and act now. I can only say that I have approached this problem from every angle, and that I have decided that the course of conduct which I am following in this case is consistent with my sense of responsibility as President in time of war, and with my deep and unalterable devotion to the processes of democracy.

The responsibilities of the President in war time to protect the Nation are very grave. This total war, with our fighting fronts all over the world, makes the use of the executive power far more essential than in any previous war.

If we were invaded, the people of this country would expect the President to use any and all means to repel the invader.

Now the Revolution and the War between the States were fought on our own soil, but to-day this war will be won or lost on other continents and remote seas. I cannot tell what powers may have to be exercised in order to win this war.

The American people can be sure that I will use my powers with a full sense of responsibility to the Constitution and to my country. The American people can also be sure that I shall not hesitate to use every power vested in me to accomplish the defeat of our enemies in any part of the world where our own safety demands such defeat.

And when the war is won, the powers under which I act will automatically revert to the people of the United States — to the people to whom ~~they~~ those powers belong.

I think I know the American farmers. I know ~~that~~ they are as wholehearted in their patriotism as any other group. They have suffered from the constant fluctuations of farm prices — occasionally too high, more often too low. Nobody knows better than farmers the disastrous effects of war time inflationary booms, and post-war deflationary panics.

So I have also suggested today ~~suggested~~ that the Congress make our agricultural economy more stable. I have recommended that in addition to putting ceilings on all farm products now, we also place a definite floor under those prices for a period beginning now, continuing through the war, and for as long as necessary after the war. In this way we will be able to avoid the collapse of farm prices ~~which~~ that happened after the last war. The farmers must be assured of a fair minimum price during the re-adjustment period which will follow the great, excessive world food demands ~~which~~ now prevail.

We must have some floor under farm prices, as we must have under wages, if we are to avoid the dangers of a post-war inflation on the one hand, or the catastrophe of a crash in farm prices and wages, on the other.

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The nation must have more money to run the War. People must stop spending for luxuries. Our country needs a far greater share of our incomes.

For this is a global war, and it will cost this nation nearly one hundred billion dollars in 1943.

In that global war there are now four main areas of combat; and I should like to speak briefly of them, not in the order of their importance, for all of them are vital and all of them are inter-related.

(1) The Russian front. Here the Germans are still unable to gain the smashing victory which, almost a year ago, Hitler announced he had already achieved. Germany has been able to capture important Russian territory. Nevertheless, Hitler has been unable to destroy a single Russian Army; and this, you may be sure, has been, and still is, his main objective. Millions of German troops seem doomed to spend another cruel and bitter winter on the Russian front. The Russians are killing more Nazis, and destroying more airplanes and tanks than are being smashed on any other front. They are fighting not only bravely but brilliantly. In spite of any setbacks Russia will hold out, and with the help of her Allies will ultimately drive every Nazi from her soil.

(2) The Pacific Ocean Area. This area must be grouped together as a whole — every part of it, land and sea. We have stopped one major Japanese offensive; and we have inflicted heavy losses on their fleet. But they still possess great strength; they seek to keep the initiative; and they will undoubtedly strike hard again. We must not over-rate the importance of our successes in the Solomon Islands, though we may be proud of the skill with which these local operations were conducted. At the same time, we need not under-rate the significance of our victory at Midway. There we stopped the major Japanese offensive.

(3) In the Mediterranean and the Middle East area the British, together with the South Africans, Australians, New Zealanders, Indian troops and others of the United Nations, including ourselves, are fighting a desperate battle with the Germans and Italians. The Axis powers are fighting to gain control of that area, dominate the Mediterranean and the Indian Ocean, and gain contact with the Japanese Navy. The battle in the Middle East is now joined. We are well aware of our danger, but we are hopeful of the outcome.

(4) The European area. Here the aim is an offensive against Germany. There are at least a dozen different points at which attacks can be launched. You, of course, do not expect me to give details of future plans, but you can rest assured that preparations are being made here and in Britain toward this purpose. The power of Germany must be broken on the battlefields of Europe.

Various people urge that we concentrate our forces on one or another of these four areas, although no one suggests that any one of the four areas should be abandoned. Certainly, it could not be seriously urged that we abandon aid to Russia, or surrender all of the Pacific to Japan, or the Mediterranean and Middle East to Germany, or give up an offensive against Germany. The American people may be sure that we shall neglect none of the four great theatres of war.

Certain vital military decisions have been made. In due time you will know what these decisions are — and so will our enemies. I can say now that all of these decisions are directed toward taking the offensive.

Today, exactly nine months after Pearl Harbor, we have sent overseas three times more men than we transported to France in the first nine months of the first World War. We have done this in spite of greater danger and fewer ships. And every week sees a gain in the actual number of American men and weapons in the fighting areas. These reinforcements in men and munitions will continue to go forward.

This war will finally be won by the coordination of all the armies, navies and air forces of the United Nations operating in unison against our enemies.

This will require vast assemblies of weapons and men at all the vital points of attack. We and our allies have worked for years to achieve superiority in weapons. We have no doubts about the superiority of our men. We glory in the individual exploits of our soldiers, our sailors, our marines, our merchant seamen. Lieutenant John James Powers was one of these — and there are thousands of others in the forces of the United Nations.

Several thousand Americans have met death in battle. Other thousands will lose their lives. But many millions stand ready to step into their places — to engage in a struggle to the very death. For they know that the enemy is determined to destroy us, our homes and our institutions — that in this war it is kill or be killed.

Battles are not won by soldiers or sailors who think first of their own personal safety. And wars are not won by people who are concerned primarily with their own comfort, their own convenience, their own pocket-books.

We Americans of today bear the gravest of responsibilities. All of the United Nations share them.

All of us here at home are being tested — for our fortitude, for our selfless devotion to our country and our cause.

This is the toughest war of all time. We need not leave it to historians of the future to answer the question whether we are tough enough to meet this unprecedented challenge. We can give that answer now. The answer is "Yes."

STATEMENTS FILE

HOLD FOR RELEASE HOLD FOR RELEASE HOLD FOR RELEASE

September 7, 1942

CAUTION: The following address of the President MUST BE HELD IN CONFIDENCE until released.

NOTE: Release to editions of all newspapers appearing on the streets NOT EARLIER THAN 9:30 O'CLOCK, P.M., EWT., Monday, September 7, 1942. The same release also applies to radio announcers and news commentators.

CARE MUST BE EXERCISED TO PREVENT PREMATURE PUBLICATION.

STEPHEN EARLY
Secretary to the President

I wish that all ~~the American~~ people could read all the citations for various medals recommended for our soldiers, sailors and marines. I am picking out one of these citations which tells of the accomplishments of Lieutenant John James Powers, United States Navy, during three days of the battles with Japanese forces in the Coral Sea.

During the first two days, Lieutenant Powers, flying a dive-bomber in the face of blasting enemy anti-aircraft fire, demolished one large enemy gunboat, put another gunboat out of commission, severely damaged an aircraft tender and a twenty thousand ton transport, and scored a direct hit on an aircraft carrier which burst into flames and sank soon after.

The official citation describes the morning of the third day of battle. As the pilots of his squadron left the ready room to man their planes, Lieutenant Powers said to them, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck".

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting anti-aircraft shells and swarms of enemy planes. He dived almost to the very deck of the enemy carrier, and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of two hundred feet, amid a terrific barrage of shell and bomb fragments, smoke, flame and debris from the stricken vessel. His own plane was destroyed by the explosion of his own bomb. But he had made good his promise to "lay it on the flight deck".

I have received a recommendation from the Secretary of the Navy that Lieutenant James Powers, of New York City, missing in action, be awarded the Medal of Honor. I hereby and now make this award.

You and I are "the folks back home" for whose protection Lieutenant Powers fought and repeatedly risked his life. He said that we counted on him and his men. We did not count in vain. But have not those men a right to be counting on us? How are we playing our part "back home" in winning this war?

The answer is that we are not doing enough.

Today I sent a message to the Congress, pointing out the overwhelming urgency of the serious domestic economic crisis with which we are threatened. Some call it "inflation", which is a vague sort of term, and others call it a "rise in the cost of living", which is much more easily understood by most families.

That phrase, "the cost of living", means essentially what a dollar can buy.

From January 1, 1941, to May of this year, the cost of living went up about 15%. At that point we undertook to freeze the cost of living. But we could not do a complete job of it, because the Congressional authority at the time exempted a large part of farm products used for food and for making clothing; though several weeks before, I had asked the Congress for legislation to stabilize all farm prices.

At that time I had told the Congress that there were seven elements in our national economy, all of which had to be controlled; and that if any one essential element remained exempt, the cost of living could not be held down.

On only two of these points — both of them vital — however -- did I call for Congressional action. These were: first, taxation; and, second, the stabilization of all farm prices at parity.

"Parity" is a standard for the maintenance of good farm prices. It was established as our national policy in 1933. It means that the farmer and the city worker are on the same relative ratio with each other in purchasing power as they were during a period some thirty years ago -- at a time when the farmer had a satisfactory purchasing power. 100% parity, therefore, has been accepted by farmers as the fair standard for their prices.

Last January, however, the Congress passed a law forbidding ceilings on farm prices below 110% of parity on some commodities. On other commodities the ceiling was even higher, so that the average possible ceiling is now about 116% of parity for agricultural products as a whole.

This act of favoritism for one particular group in the community increased the cost of food to everybody — not only to the workers in the city or in the munitions plants, and their families, but also to the families of the farmers themselves.

Since last May, ceilings have been set on nearly all commodities, rents and services, except the exempted farm products. Installment buying has been effectively controlled.

Wages in certain key industries have been stabilized on the basis of the present cost of living.

It is obvious, however, that if the cost of food continues to go up, as it is doing at present, the wage earner, particularly in the lower brackets, will have a right to an increase in his wages. That would be essential justice and a practical necessity.

Our experience with the control of other prices during the past few months has brought out one important fact — the rising cost of living can be controlled, providing all elements making up the cost of living are controlled at the same time. We know that parity prices for farm products not now controlled will not put up the cost of living more than a very small amount; but that if we must go up to an average of 116% of parity for food and other farm products — which is necessary at present under the Emergency Price Control Act before we can control all farm prices — the cost of living will get well out of hand. We are face to face with this danger today. Let us meet it and remove it.

I realize that it may seem out of proportion to you to be worrying about these economic problems at a time like this when we are all deeply concerned about the news from far distant fields of battle. But I give you the solemn assurance that failure to solve this problem here at home — and to solve it now — will make more difficult the winning of this war.

If the vicious spiral of inflation ever gets under way, the whole economic system will stagger. Prices and wages will go up so rapidly that the entire production program will be endangered. The cost of the war, paid by taxpayers, will jump beyond all present calculations. It will mean an uncontrollable rise in prices and in wages which can result in raising the over-all cost of living as high as another 20%. That would mean that the purchasing power of every dollar you have in your pay envelope, or in the bank, or included in your insurance policy or your pension would be reduced to about eighty cents. I need not tell you that this would have a demoralizing effect on our people, soldiers and civilians alike.

Over-all stabilization of prices, salaries, wages and profits is necessary to the continued increasing production of planes and tanks and ships and guns.

In my message today I have told the Congress that this must be done quickly. If we wait for two or three or four or six months it may well be too late.

I have told the Congress that the Administration can not hold the actual cost of food and clothing down to the present level beyond October first.

Therefore, I have asked the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher. The purpose should also be to keep wages at a point stabilized with today's cost of living. Both must be regulated at the same time; and neither can or should be regulated without the other.

At the same time that farm prices are stabilized, I will stabilize wages.

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