September 7, 1942 [Fireside Chat #21 - Inflation] 1+318

FDR Speech File

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 bravery given with the Medal of Honor to many of our soldiers, sailors and marines. I am picking out one of these for us to be thinking about. It is what might be called "the Lesson of the day", 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.

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 ..... in five engagements with Japanese forces in the Coral Sea ..... during the period May 4-8, 1942.

Three attacks were made ..... near Tulagi on May 4th. In these attacks he scored a direct hit which instantly demolished a large enemy gunboat or destroyer -- and is

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

credited with two close misses, one of which severely damaged an aircraft tender, the other damaging a twenty thousand ton transport. He fearlessly strafed a gunboat .....amid intense anti-aircraft fire. This gunboat .....later was seen beached on a nearby island.

On May 7th ..... he fearlessly led his attack section of three dive bombers, to attack the carrier ..... He dove in the face of heavy anti-aircraft fire, to an altitude well above safety, at the risk of his life, in order that he might 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 evening, ... as Squadron Gunnery Officer, he gave a lecture to the squadron on point of aim and diving technique. During this discourse he advocated low release point in order to insure greater accuracy, yet he stressed the danger not only from enemy fire and the resultant low pull out, but from his own bomb blast. .... Thus, his low dive bombing attacks were deliberate and premeditated, 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

The next morning, May 8th, as the pilots of the attack group left the ready room to man planes, his indomitable 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 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.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 our long-range planes, every man, every piece of his

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

As I have so often said, the World War problem was much simpler because a very large proportion of the troops wexm 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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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. 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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

(6) Ration all essential commodities which are scarce.

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

On
Not 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 along, 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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. 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 dollarxxxxx in the bank or owns an insurance policy.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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".

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 currency to 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.

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 they will recognize that the crisis is far more dangerous than it was in March 1933, 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 ~~f~~ 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 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.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 necessary objectives 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, stabilize wages 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 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

FIRST DRAFT

profits which are unreasonably unsound or unjust to others in days like these.

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.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 gixs many of those nations in order to keep them going in the war effort. Therefore, through the processes of Land-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 kxxs ever did at home.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 gixx 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 kxxx ever did at home.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 af 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 powers insofar as possible. Careful study shows that the

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

S. I. R.

SECOND DRAFT

SPEECH OF THE PRESIDENT

SEPTEMBER 7, 1942

Second

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

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.]

8882

The first day's fighting took place near Tulagi in the Solomon Islands on May fourth. Lieutenant Powers scored a direct hit which instantly demolished a large enemy gunboat [or destroyer --] and from his 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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

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 their planes, he 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. Completely disregarding the great dangers of which he was so well aware, he dived almost

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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 this story of Lieutenant Powers is "the ~~lesson~~ example 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 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 in winning this war?

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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 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 ~~it~~ we undertook to freeze the cost of living; but since then it has 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:

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

(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 was Congressional action called for by us. 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. Installment buying has been effectively controlled; scarce commodities have been rationed; 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 a rise in his wages. He feels, and rightly, that that would be essential justi

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 general farm price of these crops went up 6%.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 for powers as great as if were 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 to meet 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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

I have therefore told Congress that there is a positive need for an overall stabilization of 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. 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 pass the legislation by October first.

I have told them also that inaction on their part when that date comes leaves me with a responsibility to the people of this country to see to it that the war effort is not impeded.

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 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 nothind 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

Xxxxxxxx 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 existing zones, leaving out of the discussion certain objective, 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 are as follows -- not in the order of importance, but all of them 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

Obviously before any 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 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 theatres 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, if we singled 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

Our participation in this war is nine months old today. Fortunately we were not caught unprepared because we then had an enormous manpower and production power program well under way in everyconceivable field. You all know that this has involved huge training programs — hundreds of new factories and the conversion of hundreds of new factories and the conversion 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 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 device more perfectly adjusted to the constantly changing conditions of battle.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 "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.

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. 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

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 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 victory against a major attacking force.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

SECOND DRAFT

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.

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 provide a text for this talk.

It tells of the 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 was himself still alive.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

I ~~may~~ 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 almost 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

INSERT - BOTTOM OF PAGE #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 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 if their wages go up 25%; they are not worse off to pay the additional cost but they are not any better off. They have the same purchasing power as they had before. But, at the same time, if the cost of living goes up everything is unsettled -- wages, bank deposits, credits and so on -- and the country enters into a scramble which really means only more pieces of paper called dollars and less buying power to live on.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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; 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. 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 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

at parity.

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 the same relative ratio with each other that they had during a period some thirty years ago, when the farmer had the highest relative purchasing power. Parity, therefore, became the objective of all farm organizations on the basis of parity.

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 the cost of food was 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 will have a right to demand a rise in his wages. That would be essential justice and 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 ~~tremendous~~ 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 ~~controlled~~ crops the cost of living will get well out of hand and will

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 6%.

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 as disastrous in its consequences for our nation as [serious] defeats on the actual fighting fronts of this war. We cannot 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.~~ staggers. 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~~ coming 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 eighty cents. I need

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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. 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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 which would specifically authorize the President to stabilize wages and the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at existing levels or at parity, whichever is higher. If the price of any farm commodity is too high in relation to existing price ceilings, it should be reduced to a lower level. The purpose should also be to keep wages down to 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 stabilized without

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 ~~this~~ Congressional under acts, ~~grant of war powers~~, to do whatever is required to win the war. In this war disruption of our economic system would be comparable to demoralization of our armed forces.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

INSERT A

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 too high, next year 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 be assured of a fair minimum price during the re-adjustment period following the excessive food demands of the war which now prevail.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 preferred rejected this 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 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 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,

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 operations, leaving out of discussion certain objectives such as the defense of Britain which is, of course, an essential even though Germany has never 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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.

(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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 [redacted] 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, 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 power in men and munitions is so vast that we are constantly strengthening our power in all 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 enormous manpower and a production program well under way in every conceivable field. We developed a huge training program -- 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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. ~~xxxx

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 a thousand other items. These reinforcements in men and munitions go forward in spite of the submarines.

I must warn the citizens 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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 -- our submarine ~~commanders~~ crews -- 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 -- vast ground forces -- and thousands of planes operating in unison on the enemy.

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

FIFTH 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 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".

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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?

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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, 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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 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 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. Let us meet it and remove it.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 struggled long and seriously with this problem, and that I have decided that the course of conduct which I am following 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.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 would seem not unreasonable that corporate profits should not exceed 6% on the true value of the investment.

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 one hundred billion dollars next year.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 but brilliantly. Russia, in spite of any setbacks, with the help of her Allies, will hold out and drive every German 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 the 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. Here the British, together with the South Africans, New Zealanders, Indian troops and others of the United

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 toward Britain/this main 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 fifty new dangers~~

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. That will mean vast assemblies of ~~munitions and~~ weapons and men. Our weapons will be superior to those of the Germans and the Japanese. ~~in number and~~

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 responsibilities 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".

FIFTH 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 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".

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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?

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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 continue to rise to a very grave extent. We are face to face with this danger today. Let us meet it and remove it.

because the fact is that farm prices are already at an average of 109% of parity

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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, whicheger is higher. At the same time as farm prices are stabilized, wages can be and will be stabilized, including voluntary increases.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 X 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 struggled long and seriously with this problem, and that I have decided that the course of conduct which I am following 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.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 would seem not unreasonable that corporate profits should not exceed 6% on the true value of the investment.

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 one hundred billion dollars next year.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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. Here the British, together with the South Africans, New Zealanders, Indian troops and others of the United

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 main 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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~~

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 responsibilities 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".

FIFTH 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 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".

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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?

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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, 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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 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 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. Let us meet it and remove it.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 struggled long and seriously with this problem, and that I have decided that the course of conduct which I am following 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.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 would seem not unreasonable that corporate profits should not exceed 6% on the true value of the investment.

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 one hundred billion dollars next year.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 but brilliantly. Russia, in spite of any setbacks, with the help of her Allies, will hold out and drive every German 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 the 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. Here the British, together with the South Africans, New Zealanders, Indian troops and others of the United

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 main 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 responsibilities 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".

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

SEVENTH DRAFT

SPEECH OF THE PRESIDENT

SEPTEMBER 7, 1942

666

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 Seal

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 1 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".

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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?

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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 beyond our control, the cost of living could not be held down.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 — 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 —

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 interfere with 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 levels of a recent date,

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

whichever is higher. 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.

At the same time as 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

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 senne of responsibility as President in time of war and with my deep and unalterable devotion to the democratic process.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 now 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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 collpase 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 flåor 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

(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 destroyong more airplanes and tanks than 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 cannot afford to lose 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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".

****

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

Shortages have developed and are developing in meat and dairy products as well as in other agricultural commodities. The diversion of huge quantities of foods to our armed forces and other vital war needs has left less than enough for civilians who want and need the foods. Without the allocation of these relatively limited supplies upon workable conditions, rapidly rising prices have compounded the inequalities. Non-governmental rationing -- unfair and inequitable allocation of the existing short supply -- has been effected by high prices and in turn makes the prices go higher. As I pointed out in my Message of April 27, 1942, only by governmental rationing can "essential commodities of which there is a shortage..... be distributed fairly among consumers and not merely in accordance with financial ability to pay high prices for them". Governmental rationing -- fair allocation of the short supply -- can very often be accomplished by allocating the quantity available, by limiting the price, or both. If commodities in short supply are rationed only as to the quantity available to each person, and the price of them rises ~~moderately~~ inordinately, then only the very well-to-do can purchase them. That causes inequity. Price can be -- and often is --

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

the most simple and direct of rationing measures. If you cannot pay the price you do not get the commodity.

It is vital to the winning of the war that essential commodities, which are now in short supply, be allocated not haphazardly and inequitably by the mechanism of uncontrolled high prices, but by governmental action aimed at achieving the allocation which will best promote the war effort and the public interest.

The Second War Powers Act ~~specifically~~ added on March 27, 1942 an amendment to the existing allocation statute, granting the power to allocate materials "upon such conditions" as the President deems necessary or appropriate in the public interest and to promote the national defense." This statute clearly authorizes the allocation of agricultural commodities. It authorizes it where the fulfillment of the requirements of the war effort will result in shortages to meet any of the military and civilian needs. In fact this is the basic statute under which sugar has been allocated and rationed. It is the statute which would authorize the allocation and rationing of meat.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

I am advised by the Attorney General that, without recourse to my constitutional powers as Commander-in-Chief, the amendment to the allocation statute authorizes the attaching of conditions as to price when they are necessary or appropriate to promote the war effort and the general welfare. When higher prices for agricultural commodities would prevent a fair and equitable allocation, would bring about inflation or would otherwise prevent the effective waging of the war, they can be limited as a condition of the statutory allocation.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

The Attorney General also advises me that the Second War Powers Act is not controlled by the restrictions in the Emergency Price Control Act to control limiting the prices of agricultural commodities. The Emergency Price Control Act does not authorize the control of the price for any agricultural commodity below the highest of the figures yielded by the use of four specified formulas -- one of which is 110% of parity. This Act also provides that nothing in existing law -- law in existence on January 30, 1942 -- shall authorize the setting of maximum prices of agricultural commodities below 110% of parity.

The amendment to the allocation statute explicitly authorizing allocations "upon such conditions" as the President deems necessary or appropriate in the public interest and to promote the national defense was passed on March 27, 1942 -- nearly two months after the Price Act. The amended allocation statute -- giving the flexibility to fix the conditions of an allocation -- was not existing law when the Price Act was passed.

It follows that, in authorizing the Economic Stabilization Administration not only to allocate agricultural commodities in short supply, but also to establish, as conditions upon which allocations are made, prices lower than those specified in the

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

Price Control Act, I am merely delegating to him -- pursuant to the authority to delegate contained in the First and Second War Powers Act -- a power vested in me by Congress.

The Administrator, is therefore, authorized to allocate agricultural commodities in accordance with the statute. When he is satisfied that there is not or is not likely to be enough of an agricultural commodity to meet any or all of the needs of our own and the allied armed forces, the war workers, and the civilian population, he can allocate such commodity, as the statute puts it, "in such manner, or upon such conditions, and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense." Among these conditions which he is authorized to impose, he can attach a condition of price if that is necessary or appropriate to carry out the purpose of the statute. That would mean, for example, that if there is not an adequate amount of beef to fill ~~all the demands~~ bill he can impose the condition that no consumer can purchase more than a certain number of pounds per week or that no processor or other seller can dispose of it in excess of a stipulated price, or both.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

In putting the Second War Powers Act into effect to meet the conditions that face us today I am performing my constitutional duty to see to it that the laws -- and that means the latest acts of Congress even if they are inconsistent with earlier acts of Congress -- are executed.

The Congress recognized this principle in the Price Control Act. For it provided that no provision of existing (not of future) legislation should be construed to authorize any action contrary to the farm price provisions of the Act. Congress could not and would not provide in one statute that no future statute should be viewed as overriding it.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

RIDER A p 3.

Conditions have now reached a point at which to the problems now before us. this statute becomes applicable. I have previously used that statute chiefly to control the supply of critical goods for war production purposes. It now becomes ~~more~~ pertinent for me to use it to control the supply and distribution of farm commodities.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

RIDER A p 3.

Conditions have now reached a point at which to the problem now before us.
this statute becomes applicable. I have previously used that statute chiefly to control the supply of critical goods for war production purposes. It now becomes ~~xxxx~~ pertinent for me to use it to control the supply and distribution of farm commodities.

SUGGESTION - 1 -

The wage situation is today efficiently stabilized. The officers of organized labor have agreed not to strike. They have agreed that without retention of collective bargaining they will submit all disputes to the War Labor Board and or to arbitration.

The War Labor Board has established a formula which is based on the cost of living, giving to labor such increases in wages as correspond to the 15% in the cost of living between January 1, 1941 and May 15, 1942. That wage scale will be the criterion just so long as the cost of living stays approximately where it is. Such a formula cannot endure if the cost of living should start to go up/ by leaps and bounds after the first of October of this year.

Under the Executive Order to which I have given consideration, the present control over disputes between employers and employees in regard to wages would be extended to cover voluntary agreements entered into without reference to the Labor Board by employer and employes.

It is, of course, of vital importance that the stealing of Labor from one plant to another by offering higher wages must stop. It was a scandal in the first World War and I

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

would propose that hereafter no employer should voluntarily increase wages without the approval of the War Labor Board.

In the same way, I would propose that any increases in wages should be discussed between the War Labor Board and the small agency which I would propose to set up to act largely in a judiciary capacity in the handling of all proposals affecting the cost of living. In the event of disagreement the matter would, of course, have to come to the final decision of the President.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

Remember always that a rise in the cost of living does not make you richer -- it actually makes you poorer. In the case of the farmer, if he gets more for his crops it costs him more to live and at the end of the year, he has no more dollars in the bank or in war bonds. The reason is that the purchasing power of the dollar has gone down.

In the case of the factory worker who gets higher wages, he is no richer if the cost of maintaining his family goes up in proportion as it is bound to do. He has no more dollars in the bank or in war bonds at the end of the year than he had before.

A rise in the cost of living is like steam inside a boiler. We cannot permit the steam to increase without check or -- the boiler will burst.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

THE LIBRARIAN OF CONGRESS

WASHINGTON

September 2, 1942

Dear Sam:

Abe Feller and Jimmy Allen and I - and Elmer, subsequently - have put in quite a lot of time talking about the speech and about the message which the speech must clarify and explain.

Elmer will tell you something of our difficulties. I should like to suggest a possible means of avoiding the principal obstacle we see.

That obstacle is the fact that the message, as at present drafted, says in effect: "The Congress has passed a law forbidding the placing of price ceilings on agricultural commodities except under certain conditions. I am disregarding that law and taking the action I consider necessary because Congress has not itself repealed the law and can't be counted on to do so."

The effect of this may well be to raise a number of very serious not to say solemn questions in the minds of many citizens, including citizens very well disposed to us.

I submit that the result desired can be achieved without raising these solemn questions if the President would take some such position as the following in his message and in his speech:

> "As the responsible head of this Nation, I am obliged to report to you the existence of an imminent and terrible danger - the danger of an inflationary inundation which will weaken or sweep away our domestic economy and drown out our powers to prosecute this war. The danger is real, is present, and is immediate. Action must be taken and taken at once to hold back the threatening flood. I propose to take the action that must be taken to hold back the waters. I will use to that end every power and every implement I possess. My purpose will be to maintain the present level of prices. I will maintain that present level of prices and the present balance between the various parts of the economy by the exercise of every power I possess and the imposition of every sanction available to me whether direct or indirect, whether economic or financial or whatever. In other words I propose to see to it that the present dyke holding back the flood waters does not break and I will use every means, direct or indirect, to hold it.

NEXT PAGE

"Congress has enacted a law under which a price ceiling cannot be put upon certain commodities at the present level but only when they shall have reached a very much higher level which would inevitably involve increases in other sections of the economy and induce - indeed compel - inflation. I have asked Congress to repeal this law and I hope that it will do so. Once Congress has repealed this law it will be possible to establish direct statutory controls of prices which will maintain the present level equitably across the board. As the responsible head of this Nation, I cannot however delay. I cannot let the water come over the dam. I must use every means to hold the present price level. I shall do so in the earnest and confident hope that Congress will take the necessary action at the earliest possible moment, etc., etc."

If the President should take this position in his message and in his speech, then the various sanctions referred to in the message as it is now drafted could be spelled out as they now are without seeming to flaunt Congressional authority while at the same time making clear the might of the powers the Executive possesses and is prepared to exercise - but prepared to exercise only until Congress can and does act.

It would be foolish for me to tell you that I am concerned about all this. You are of course infinitely more concerned. You realize far better than I that this may well be a momentous turning point in American history. You probably recall as I do the section of Padover's "Life of Jefferson" which recounts the effort of the Virginia burgesses after Tarleton's attack on Charlottesville to disestablish themselves and Jefferson's impassioned reply.

With my affectionate regards.

Faithfully yours,

Archibald MacLeish

The Honorable
Samuel I. Rosenman
The White House
Washington, D. C.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Samuel I. Rosenman

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 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.

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 was himself still alive.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of Harry L. Hopkins

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 [almost] 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

About 34% of 71. Total cost of living goes for food made up.

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; 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.

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 farm prices

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

at parity.

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 the same relative ratio with each other that they had during a period some thirty years ago, when the farmer had the highest relative purchasing power. Parity, therefore, became the ideal of all farm organizations.

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 the cost of food would be seriously 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 that in the lower brackets will have a right to demand a rise in his wages. That would be essential justice and practical necessity. You cannot expect a man's wages to remain stationery 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 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 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 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 6%.

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 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 [be jeopardized 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 eighty cents. [I need

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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. We are at grips with powerful enemies in a life and death struggle.

I have told the Congress of the essential need for an overall stabilization of prices, wages, 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 which would specifically authorize the President to stabilize wages and the cost of living, including the price of all farm commodities. The [aim] objectives should be to hold farm prices at existing levels or at parity, whichever is higher. [If the price of any farm commodity is too high in relation to existing price ceilings, it should be reduced to a lower level.] The aim 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 fairly stabilized without

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
Hyde Park, N. Y.
From the Papers of
Harry L. Hopkins

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 Congressional grant of war powers, 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.

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, 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 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] 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,

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 operations, leaving out of discussion certain objectives such as the defense of Britain which is, of course, an essential even though Germany has never 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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 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.

(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. But we are well aware of our danger

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 [such] extent troops and ships and munitions from

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 power in men and munitions is so vast that we are constantly strengthening our power in all 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 enormous manpower and a production program well under way in every conceivable field. We developed a huge training program -- 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.]

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

THIRD DRAFT

People come to see me who say "Why don't you do thus or so in such and such a the tre of war next month?" I say to them "From what theatre shall we divert the necessary ships, troops, munitions to [from behind] 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. ~~xxxhxxxxhxdxkxrgxxxkipxixxkxxxxx~~. 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 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 we shipped to France in the first nine months of the first World War.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

And every week sees a gain in the [actual] number of American forces in the fighting areas. Hundreds of American combat fliers are moving each month to fight the German and Japanese airforces. 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 [a thousand other items.] These reinforcements in men and munitions go forward in spite of the submarines.

I must warn the citizens 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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 -- our submarine commanders -- 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 -- vast ground forces -- and thousands of planes operating in unison on the enemy.

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

INSERT B

The plain, blunt fact is that the farmers -- and I regret to say other 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.

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,

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 if the people who have one purpose and one goal -- victory for our country's cause.

****

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

INSERT A

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 too high, next year 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 be assured of a fair minimum price during the re-adjustment period following the excessive food demands of the war which now prevail.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

INSERT - BOTTOM OF PAGE #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 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 if their wages go up 25%; they are not worse off to pay the additional cost but they are not any better off. They have the same purchasing power as they had before. But, at the same time, if the cost of living goes up everything is unsettled -- wages, bank deposits, credits and so on -- and the country enters into a scramble which really means only more pieces of paper called dollars and less buying power to live on.

****

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

FIFTH 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 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".

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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?

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 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, 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 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 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 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. Let us meet it and remove it.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 struggled long and seriously with this problem, and that I have decided that the course of conduct which I am following 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.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 would seem not unreasonable that corporate profits should not exceed 6% on the true value of the investment.

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 one hundred billion dollars next year.

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

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 but brilliantly. Russia, in spite of any setbacks, with the help of her Allies, will hold out and drive every German 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 the 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. Here the British, together with the South Africans, New Zealanders, Indian troops and others of the United

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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/this toward main 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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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.

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.

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins

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 responsibilities 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".

GENERAL SERVICES ADMINISTRATION
National Archives and Records Service
FRANKLIN D. ROOSEVELT LIBRARY
HYDE PARK, N. Y.
From the Papers of
Harry L. Hopkins