

across the Pacific.

Ambassador Wang, asked what the powers could do to help China, said he had heard discussion of a boycott of Japanese goods, but what we need is concerted action.

"If the nations lost trade through the boycott," he added, "they should make it up by selling to other friendly powers."

"Isn't it a fact," he was asked, "that China must whip Japan?"

"I don't see any other way," he replied. "We would accept any pacific means of settlement that were based on reason."

Asked whether the Japanese were willing to accept mediation, he replied:

"I think the Japanese people are willing, but they are under the heels of the militarists. The people have no enthusiasm for fighting China. We can win eventually by prolonging our resistance, but in doing so we would be fighting the battles of all peaceable nations."

He said he was "very much encouraged" by the resistance, to date to the "ruthless, heartless militarism of Japan."

Argentina's indorsement of President Roosevelt's call for concerted efforts to end the wars now raging, brought pleasure to officials here in view of its possible implication that other American republics might act similarly.

The convention for consultative action, signed at last December's inter-American "good-neighbor" conference at Buenos Aires, provides that "in the event of an international war outside America, which might menace the peace of the American republics," these nations may consult together "to determine the proper time and manner in which the signatory states, if they so desire, may eventually cooperate in some action tending to preserve the peace of the American continent."

In his speech at Chicago on Wednesday President Roosevelt warned that treaty violations had created "a state of international anarchy" that is menacing the peace of all nations.

While official and diplomatic circles speculated on the unlikelihood of the signers of the Nine-Power Treaty at the projected conference taking any but peaceful steps to end hostilities in China, a demand was made by Representative Celler, (Democrat), New York, for an economic boycott against Japan.

He declared that he will sponsor legislation "to permit us to align ourselves with England, France, Belgium, Holland and other countries to invoke economic sanctions."

Senator Walsh (Democrat), Massachusetts, at the same time called for a "new estimate" of this country's sea defense needs.

"The naval armament race throughout the world calls for our own country to determine a new policy and a new estimate of what is adequate naval defense," he said, adding that "we cannot close our eyes to what certain countries have done in the last year in the way of naval expansion."

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THE PRESIDENT AND MR. BLACK

A little more than three weeks ago President Roosevelt was asked to comment on the charge that Mr. Justice Black had been a member of the Ku Klux Klan. On that occasion—Sept. 14—he made the following statement:

I know only what I have read in the newspapers. I note that the stories are running serially, and their publication is not complete. Mr. Justice Black is in Europe, where undoubtedly he cannot get the full text of these articles. Until such time as he returns, there is no further comment to be made.

This statement seemed definitely to indicate that when Mr. Black returned from Europe a further comment would be made, and that it would be made by the President himself. Certainly there was good reason to hope that such a comment would be forthcoming. The Ku Klux Klan has been an evil and destructive force in the life of the American people. Its bigotry and its persecution, its kidnappings and its whippings and its lynchings reflect an attitude utterly repugnant to the concept of orderly and even-handed justice which is symbolized by the Supreme Court of the United States. And if the fact were established beyond dispute that Mr. Black had been a member of the Klan, the country would have welcomed an assurance from the President's own lips that knowledge of this fact, in advance of Mr. Black's appointment, would have caused him to withhold that nomination. Even if the question of Mr. Black's competence on other grounds were closed by the Senate's ratification, the Klan issue remained to be dealt with.

Mr. Black has now returned to the United States. He has admitted his past membership in the Klan. A week has passed since this admission was made. And no statement of any kind has been forthcoming from the President.

At his press conference yesterday Mr. Roosevelt again declined to comment on the case. After a week's silence and the rejection of opportunities for comment—first in the West, then at Hyde Park and now in Washington—it is fair to say that the President has apparently decided finally to have nothing whatever to say about Mr. Black's connection with the Klan. Particularly because his statement of Sept. 14 had encouraged many people to expect something more from him than silence, that decision is deeply to be regretted.



file personal

PSF: Agriculture

DEPARTMENT OF AGRICULTURE
WASHINGTON

*file Wallace
(S) Drawer 1-37*

October 20, 1937

The President
The White House

Dear Mr. President:

Referring to the matter Secretary Morgenthau and I were discussing with you at lunch Wednesday, I would suggest that you read the following statement made by Senator Smith on the floor of the Senate on August 3, copied from page 10474 of the Congressional Record:

"From the above-quoted sections of law relating to the creation of the Commodity Credit Corporation, it is evident that there is ample legislative authority for loans to be made, if the corporation decides such loans are needed, and from the present trend of prices, it appears that the loans should be made as they would have a tendency to offset precipitate price declines and bring about a stabilization of prices on the commodities upon which loans are available.

"With respect to the availability of funds to make these loans, in a letter from Mr. Jesse H. Jones, Chairman, Reconstruction Finance Corporation, under date of July 31, last Saturday, I was advised that the Commodity Credit Corporation and the Reconstruction Finance Corporation have ample funds to meet the commodity loan needs of the present crops. He says, however, in substance, that the loans will not be made unless the 'necessity for them develops.' Mr. Jones' letter is as follows:

'Reconstruction Finance Corporation
Washington, July 31, 1937

'Dear Senator Smith: In reply to your inquiry, I wish to advise that the Commodity Credit Corporation and the Reconstruction Finance Corporation have ample funds to meet the commodity loan needs of the present crops, should the necessity develop.

Sincerely yours,

Jesse H. Jones, Chairman'

"That was written on July 31.

"As the Commodity Credit Corporation already has ample legislative authority and ample funds to effectuate these loans, it is, in my opinion, not necessary to enact a new law at the present time, but we should concentrate our efforts on Mr. Jones and other officials connected with the R. F.C. and the Commodity Credit Corporation, who have ample law and ample funds to meet the situation, so that they will take the necessary steps to do what the law empowers them to do."

You will note in the foregoing a letter from Jesse Jones.

You will also be interested in knowing that on August 9 Bradford, clerk of the Senate Committee on Agriculture, addressed a question to the Commodity Credit Corporation asking what sum of money would be available for commodity loans during 1937. An answer was prepared and sent Mr. Bradford by the following members of the RFC and CCC: Messrs. Schram, Henderson, Klossner, Taber, Ben Johnson, Mulligan, Goodloe, Costello and Claude Hamilton. That answer was as follows:

"The remaining total borrowing powers of the RFC for the ordinary activities of the Corporation is approximately one billion dollars above obligations and commitments. Since this amount must be used to take care of all ordinary demands on the Corporation, it is not possible to allocate a definite amount for commodity loans, but it is our opinion that out of this amount sufficient funds should be available to take care of commodity loans through Section 201 (d) of the Emergency Relief and Construction Act of 1932, as amended, which does not set any limits as to amounts."

I appreciate fully the difficulties in which you, Secretary Morgenthau, Jesse Jones and I find ourselves in view of the various actions that have been taken. I am delighted that Secretary Morgenthau and Director Bell are so actively at work on this problem. It is essential that a prompt answer be found, and I am sure that it will be found.

Respectfully yours,

H A Wallace

Secretary

PSF: Agriculture



DEPARTMENT OF AGRICULTURE
WASHINGTON

P.F.

November 30, 1937

The President

The White House

Dear Mr. President:

Enclosed I am sending you a preliminary copy of the radio address I talked to you about last Friday noon. This is to be given Monday night, December 6, over the Washington Star Radio Forum. You will note that following the line I discussed with you this address reaches out into that part of the agricultural field which has to do with relationships to labor and industry. You will note that I have here put out a tentative feeler with respect to informal conferences between representatives of agriculture, labor, business and industry. If this is well received, the day may come when you will want to suggest a more formal conference on the problems of an efficient modern democracy.

At one or two points you will note that I get into Henry Morgenthau's field. It seemed to me wise to do this in order that the business public may know that the door is not absolutely closed to renewed government spending in case private capital does not take up the load. I know you will not let us get into a downward spiralling Hoover tail spin even though private capital should become completely demoralized.

Last night I had a very interesting conference with Henry Morgenthau and some of the representatives of the cotton trade at his home. These people have been fighting the cotton processing tax idea on the hill and Henry privately has agreed with them. Henry's intentions undoubtedly are of the highest but I think these trade people have been concerned chiefly with developing some scheme which would prevent a

processing tax. They examined the idea of a strong tariff or tax on jute but the State Department through Feis objected to that. Their thought now is an advertising campaign to cost \$1,500,000 of which the government through Section 32 would furnish \$1,300,000 and the trade would furnish \$200,000. One of Ayres' men presented the copy last night. From a cynical point of view, I was tempted to say to Murchison who was there representing the trade, "If you stop fighting the cotton processing tax on the hill, I will go along with you and Henry on this."

Undoubtedly the administration would make friends among business men by paying for this advertising. The daily papers would be softened just the least bit by the pap. Nevertheless, while I admire the completeness of belief which Henry (and he says Danny Bell also) has in the soundness of this approach, I cannot warm up to it. I am seeing Henry again tomorrow morning and we may join in sending you a wire on it.

When you return I wish to speak to you further about a matter which I mentioned at the close of our last conference involving mutual friends and efforts of certain so-called "good people" who are opposed to these friends.

Your Housing Message, I thought, was grand. My chief criticism, and it is one which you may have covered in your plans for the future, is how you are going to keep material costs and wage scales from getting out of line when housing gets started again. Sooner or later you will definitely have to take the leadership in building a bridge between capital and labor in the housing field and in other fields.

I do hope the sunshine is working miracles on the jaw and that you are impressing Harold and Harry with your prowess as a fisherman.

Respectfully yours

Henry A. Wallace
Secretary

Enclosure

[12-6-37]

AGRICULTURE, BUSINESS, LABOR AND GOVERNMENT

More and more it appears that the problem of one group or region in the United States is the problem of all groups or regions. This was true to a much smaller extent one hundred years ago, and was still only partially true thirty years ago. But today the whole world is tied together, and no region or class or nation can live to itself alone.

Farmers, in this closing month of 1937, realize their dependence on other groups and other nations more than ever before. They have harvested this year two hundred million bushels more wheat than our own people can possibly consume in the year 1938. Furthermore, they have harvested at least four hundred million bushels more corn and ten million bales more cotton than can possibly be consumed in the United States in twelve months. This wheat, this corn and this cotton must go into export or it will add to unemployment. Along with the surplus farm production has come a severe decline in farm prices. While that decline has brought pleasure to some consumers, it has brought fear to many laborers, farmers and business men. For laborers the fear is the fear of loss of employment, because they remember the great farm abundance of 1932 and how that abundance turned out to be a waste because of the way in which it destroyed farm purchasing power and added to unemployment in the cities. In like manner, farmers are seriously disturbed when they see thousands of men thrown out of work by the steel mills and the automobile factories, because they know these men will buy less farm products. They know that factory payrolls and farm income go up and down together.

...and ... capital ...
...with ... and other ...

Business men, seeing their volume shrink with ^{lower} farm income and farm prices, know this falling off in volume also means a shrinkage in profits.

I have before me a chart which shows year by year for over 20 years the extremely close relationship between the exchange value of farm prices and the profits of the great corporations. The figures prove beyond question that when labor and capital are working together harmoniously, then agriculture also benefits, and when farm production and prices are in balance with other production and prices, capital and labor also benefit.

Farmers know that no matter how desperately they may strive with governmental help to adjust production to demand, they cannot create farm prosperity if business and labor conditions are bad. Only half the farm problem is on the land. The other half is in the towns and cities. And some of it is overseas where rival nations are trying to destroy each other and to avoid buying anything from the United States. Therefore I say the farm problem is also a labor problem, a business problem and an international problem. Farmers want to know why it is that capital has gone on a sitdown strike and unemployment is increasing. In a nation such as ours, courageous capital is absolutely vital to a satisfactory farm income and to the general welfare. Both farmers and laboring men want to know, therefore, why it is that capital has become so timid.

When the query is raised in business circles, the reply is that if the undistributed profits tax and the capital gains tax were modified or repealed and if the budget were balanced, capital would come out of hiding and again put men to work. Undoubtedly capital likes to be patted on the back with low taxes and other favors. If it were possible to

lower taxes and balance the budget, the situation would be very encouraging to capital. But from a practical point of view the problem is not quite that simple. Undoubtedly certain desirable changes should be made and will be made by Congress in our taxation structure. These changes will no doubt be helpful to business. But it is important for business men, farmers and laboring men to realize that change in the taxation structure this year and budget balancing activities this year may not by themselves cure the present business recession. In fact, whenever government spending is cut suddenly at a time when private capital is on a strike, there is danger of a downward spiral for business. Today, when private capital is so timid, plans to encourage it to go to work again will be well worth while. In the meantime, for the sake of us all, government money may have to carry the precious human burden which private capital at the moment is too timid to carry. Insofar as possible, government money when used in this way should not only prevent the current business recession from going further but should also bring about eventual encouragement of private initiative.

The time seems to have come for leaders in business, agriculture, labor and government to counsel informally together as to the nature of the problem which confronts us all. If such informal talks are to bring constructive results, the leaders of these groups will need to face certain facts.

They will need to realize the degree to which the world has changed since the great war. The fright of that war caused every nation in the world to strive desperately to import as little as possible and export as much as possible. For fifteen years every nation has tried to develop economic independence so that in case another war should come it would

not suffer as in the last one. This world-wide desire has in some ways affected the United States more than any other nation. The United States more than any other nation was changed suddenly from a debtor to a creditor nation. Most of the other great exporting, raw-material nations were able to maintain normal markets for their products at the expense of the United States, because their debtor positions made it easier for them to sell in world markets. Nevertheless, even these nations have found the post-war situation very trying. In one way or another, all of them have been forced by the methods employed by the great importing nations to cut down their imports through the use of goods quotas, exchange quotas, increased tariff barriers and positive embargoes. Furthermore, many nations have increased the international confusion by trying to under-sell in the world markets. When nearly every nation of the world uses devices of this sort, we are forced to recognize, much as we hate to do so, that a state of economic warfare exists, and therefore the old rules of the game do not work as they did 25 years ago.

Our leaders in their various informal talks must also take into account the far-reaching effect, on the different regions and classes, of the new machinery and the new methods which have come into use so rapidly during the last fifteen years. These gains in efficiency can now be made with such great speed that the old-fashioned automatic economic adjustments are often no longer able to take care of the serious human problems that are suddenly created by machinery and new methods.

Even more important than the effect of technology are the actions of highly-organized groups equipped with great bargaining power which has been entrusted to them by the government. Among these are corporations, labor unions and farm organizations. These great groups all too often try

to increase their profits, wages or prices at the expense of the general welfare; all too often they overplay their hand and bring about either shortage or an unbalanced abundance which is equally destructive.

Actually, of course, there cannot be any lasting prosperity for corporations, labor unions or farmers unless there is increased balanced abundance which can be moved into consumption at prices low enough to be fair to consumers and high enough to keep the increased balanced abundance coming. The contribution the farmer can make to a continuing balanced abundance at fair prices is the ever-normal granary. Can labor and business make a similar contribution which will restore prosperity and prevent peaks of over-production and valleys of under-production? Business is not handicapped with heat, drought and pestilence in the same way as agriculture. It is faced with the problem of steel mills operating at 85 per cent of capacity one year and only 35 per cent another year. Labor is faced with the problem of great variations in employment. To what extent are the policies of business and labor responsible for the extraordinary swings up and down in production and employment in the cities? These problems are made by man and not by weather. Men of good will should be able to counsel with each other to eliminate much of the severity of these man-made economic storms. This does not necessarily mean more government in business but it may mean that businessmen, laboring men and farmers will counsel together to find out how to use government coordination at key points to eliminate the violence of business ups and downs in a world which has been acting so strangely since the great war came to an end.

farmers find they have to set up a system of red and green lights.

Democracy does not mean spreading the light by any single group.

Doing this job of keeping the business ship riding steady should not be labeled with some terrifying name such as communism, fascism, collectivism or the totalitarian state. Doing this job simply means making democracy efficient.

Our various leaders, as they talk informally together, might well consider this problem of recovery as a problem of how best to build an efficient democracy in the kind of world which has grown up in the last fifteen years. The essence of democracy is tolerance and belief in the sacredness of the individual. We abhor violence and bloodshed. But democracy, if it is to survive, can not be anarchy. It must have a will of its own and it must be able to act. Otherwise, foreign nations who know exactly what they want may be able to project their conflicting ideas into a peaceful and decent democracy with tragic results. An inefficient democracy afflicted with many squabbling factions can easily play into the hands of those nations which stand for ideals that are very different from ours.

If democracy is to be efficient, action must be based on the will of the majority, with the minority left free to criticize. In nations which are young, with population growing and free land to be had, democracy may be mostly license. It may be freedom to exploit natural resources and to grab profits without regard to the welfare of others. But when a nation grows up, if democracy is not to become anarchy, then license must give way to law and order. To keep business traffic from getting all snarled up business men, laboring men and farmers find they have to set up a system of red and green lights. Democracy does not mean crashing the light by any single group.

Neither does democracy mean that one group of people can determine just where the lights are to be placed without regard to the rights of other groups and of all the groups.

~~But~~ Service of the general welfare by means of democracy depends on certain principles of decency and tolerance, which ought to be observed by both the majority and the minority in their public discussions. In this respect we have something to learn from the way in which the British have handled their exceedingly difficult problems since 1931. They have maintained tolerance and free speech and all the essentials of democracy, while at the same time they have been able to achieve an increasingly efficient coordination. Their business men, faced with taxes greater than ours, have courageously gone to work on behalf of the general welfare. Their labor, after the disastrous general strike of eleven years ago, has thought increasingly in terms of the general welfare. Labor, industry and government together have been concerned with the position of agriculture in England. They have assented to a much more extensive government activity on behalf of agriculture than anything our own government has done. Because the British situation in some respects is more difficult than our own, these various groups have been forced to think about the problem of coordinated policy in the interest of all. The British government, for example, recently instructed a committee to examine the iron and steel industry with regard to how it might be coordinated best to serve the general welfare. In making its report the committee among other things advocated that the government should set up a body which might pronounce

a judgment on issues of public interest, "so that there may be a full and fair trial of the possibility of combining individual responsibility and initiative with coordinated and cooperative action and full recognition of the over-riding importance of the national interests."

Farmers, laboring men and small business men are awake today in the United States in a way they have never been before. They desire a world of greater security and abundance. President Roosevelt knows the thoughts and feelings of these people. He also has a friendly understanding of the problems of the larger business men. He sees clearly a fact which perhaps some of them have missed -- that business confidence and business prosperity can not be built on any other foundation than abundance and security for the rank and file of the people. He sees clearly, too, that to build this basis for confidence, the nation needs the cooperation of business and professional men as well as of laboring men and of farmers.

We in this country can, if we will, demonstrate our ability to bring about a coordinated drive against the business recession which began in the late summer and is now afflicting business men, laboring men and farmers equally.

We can not stop the recession if each group is to attack the prices and returns of the others. If farmers are to block the efforts of labor to maintain fair wages, they themselves will be the losers when the workers have less money to spend for farm products. If workers are to carry on strikes against fair prices for food, then they will be the losers when farmers have less money to spend for industrial products. If business is to strive above all to pay smaller taxes and to keep wages and farm prices down, then business will lose the market for the things it has to sell. No, we found out in 1932 that recovery does not lie along that road. Let us not take that road today.

The time has come for the leaders of business, labor, agriculture and government to take the other road. The time has come for us all to act thoughtfully and courageously to bring this present recession to an end.

While some business men may not agree, I believe it is vital for Congress at an early date to pass legislation protecting the prices and incomes of farmers and the pay envelopes and working conditions of labor. A practical Ever Normal Granary Act for agriculture will not only guard consumers against the extreme hazards of shortage resulting from droughts and pests, but it will give the small business men of the Middle West and South confidence in the stability of income of farmers. Similarly, a well-drawn wages and hours law will be a defense against a continued downward business spiral.

But, in addition to these measures, others are essential. Farmers and laboring men must realize the vital importance of capital to the general welfare. And business men must realize that if private capital does not do the job, government capital must carry that part of the load which private capital can not or will not carry. More and more the leading nations of the world have discovered that in times of depression government capital has to carry part of the load even though this means unbalancing the budget. They have also discovered that in times of prosperity it is vital for government to shift on to private capital the burden of doing all of those things which private capital can do better than government.

In this present recession, there is needed an approach which will give private capital more courage than it has had this fall while at the same time government capital may be used to do whatever is necessary to prevent anything in the nature of a downward spiral.

The President last week in his message to Congress on housing dealt with one of the most important single items having to do with recovery. We need at least five hundred thousand new houses a year. During the last five years we have produced an average of only about a hundred and fifty thousand. In the first four months of this year we produced houses at a lively rate, but then building costs shot

There is no lack of private funds to finance the building of houses. The banks are strong and full of money, and the Federal Reserve System is in position to see that there is a

up so fast that it became apparent that the ultimate consumer of houses would have to pay too high a percentage of his income for rent. Here in the building of houses is a splendid opportunity for labor and capital, cooperating together, to serve the consumer in a way that will give the consumer the utmost satisfaction while at the same time labor is given steady employment and capital obtains satisfactory profits. To do this requires planning and coordination of exactly the sort that is a challenge to modern efficient democracy. In my opinion, the President's housing message to Congress last week was a stirring challenge to the courage and intelligence of the American people. If we start building houses in a sensible way year after year, an enormous volume of freight will be created for the railroads. The public utilities will be stimulated. The steel mills will be operating at twice their present capacity. The farmers will have good customers in the cities, and the automobile factories will have a market for production fully equal to that of last year. It is important, of course, in housing as in everything else to observe the fundamental principles of balance and coordination so as to avoid the danger of several years of over-production of houses followed by several years of dull times.

There is no lack of private funds to finance the building of houses. The banks are strong and full of money, and the Federal Reserve System is in position to see that there is a

super-abundance of cheap credit insofar as that will help. Yes, we have the power to pull out of this present recession with great speed, but the government cannot do the job by itself. Labor, agriculture and industry must all think more definitely about functioning in a coordinated way. Each of the three groups may have to give up some of its pet ideas and substitute for them ideas which make possible cooperation and the service of the general welfare. If this is done, the industrial production of the United States within three years can be 60 percent greater than it is today. Such a volume of production is a moderate goal that should not be outside the realm of practical attainment. If by taking thought we can maintain a volume of industrial production this great, year after year, the result will be greater profits for capital, greater real wages for labor, and a greater purchasing power for farm products. The national budget can be balanced and the public debt reduced.

In brief, there are certain practical policies and measures that are called for and with which thoughtful business men and laborers and farmers can agree. These are the steps to revive housing, as outlined by the President; revision of taxation policy that, while insuring present volume of revenue, will give relief ^{along the} ~~to corporations~~ *lines now being considered by Congress* ~~that need relief~~; maintenance of farm purchasing power through a workable ever normal granary program; maintenance of labor purchasing power by a sensible labor program; assurance of ample and cheap credit and a healthy functioning of the security markets for capital investment; and encouragement of private initiative and private capital to carry on expansion of output and employment, with government capital ready to

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take a part of the burden in case of need. Through such steps as these, agriculture, labor and business may cooperate in a common-sense way to resume the recovery march.

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HENRY A. WALLACE
WARDMAN PARK HOTEL
WASHINGTON, D. C.

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PERSONAL CONFIDENTIAL UNOFFICIAL

Dear Mr. President,

I am typing this myself because after thinking the matter over carefully and sleeping on it I feel that the Corcoran statement you showed me late Friday afternoon would cause more harm than good. This applies especially to the three groups involved whose emotions have been aroused and against whose emotions in the future so many vicious and underground attacks are certain to be launched. The Corcoran statement is legally sound but emotionally bad not only so far as the three groups are concerned but from the standpoint of many others as well.

The only statement which I can think of which would answer the purpose from the long run standpoint of removing any possible stain from your glorious record in the field of racial and religious toleration is the following:

"It would have been fair to acquaint the people with the facts before the confirmation."

This statement will produce its week of comments just like the Corcoran statement but I feel in one case the net residual effect is good and in the other case bad.

Respectfully yours,

Henry A Wallace

I do hope you can work out a united front for the Americas to check the ruthlessness of the invaders. Involvement with certain overseas nations is certain to bring later

Disillusionment

file
private

PST Agriculture

THE WHITE HOUSE
WASHINGTON

[1938?]

Dear Mr. President, -

I if you are going
ahead with the
Pan American
matter - and if
neither Sec. Hull
nor Under Sec. Welles
wish to take charge,
I would be much interested
in taking on the

job,

Respectfully

Haw

The President

WASHINGTON
THE WHITE HOUSE

[1891]

175 E *Harold Z. Pahas*

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON

January 10, 1938.

MEMORANDUM for the President:

Mr. Farley handed me the attached memorandum at a recent Cabinet meeting. It relates to the price the Government is alleged to be receiving for stumpage in Oregon, which is considerably below the price received in private sales.

I find that the Brooks Scanlon Lumber Company operates at Bend, Oregon, on the Deschutes National Forest, which is located about 100 miles north of the Klamath Indian Reservation. This company purchases from the U. S. Forest Service and not from the Department of the Interior. The Indian Service, I may say, keeps a record of sales in order to have a knowledge of the market. It receives reports from the U. S. Forest Service Regional Forester for the Pacific Northwest which are on file here.

On March 23, 1936, the Forest Service report shows that 28,440,000 feet of ponderoso pine were sold to the Brooks Scanlon Lumber Company at a price of \$1.80 per thousand. The forester reports that this timber was on the desert edge and had been severely attacked by beetles and that the drought damage had been heavy.

Another sale on March 28, 1934, to the same company consisted of 11,500,000 feet of ponderoso pine at \$2.25 per thousand. This timber was not reported as beetle-infested.

In a report of the Assistant Regional Forester of June 11, 1937, a sale to the Shevlin-Hixon Company of 3,210,000 feet of ponderoso pine is reported at \$2.90 per thousand. This timber was not reported as beetle-infested and is located on the Deschutes National Forest.

The Indian Service sells similar timber on the Klamath Indian Reservation within 100 miles of the Deschutes National Forest at a minimum price of \$3.25 per thousand feet and a maximum price of \$4.50 per thousand feet for ponderoso pine. In fact, the Indian Service has a minimum rate of \$3.00 per thousand feet throughout the country for ponderoso pine timber.

Harold Z. Pahas

Secretary of the Interior.

Brooks Scanlon are purchasing from the Government stumpage in Oregon at \$2 whereas the going price for private sale is from \$3 to \$3.50. There is a large amount of stumpage available at private prices. The Government should not enter into competition with private industry if the purchases were made in the public interest.

Lakes



DEPARTMENT OF AGRICULTURE
WASHINGTON

THE WHITE HOUSE
FEB 4 10 16 AM '38

RECEIVED
February 2, 1938

The President,

The White House.

Dear Mr. President:

I have your note of January 17 about prices for National Forest timber in Oregon, and have discussed the matter with the Forest Service.

It is quite natural to find a considerable range in the prices at which stumpage is sold. Variations occur between different tracts of timber, both public and private, depending upon several factors, such as quality, cost of logging, and the like. Without more data than your note affords as to the specific location of the tracts cited I can not discuss the cases listed, but certain general and specific facts are already well established, as follows:

1. The timber of best quality and accessibility in this region passed to private ownership under the land laws before the National Forests were created. The National Forest timber is what was left after selection of the best, and its average value is therefore less than the average for the private timber.

2. On December 16, 1937, the National Forest Reservation Commission approved an offer to sell to the United States, for \$288,000, in the county adjoining that in which the Brooks-Scanlon Company is operating in Oregon, 20,985 acres of land bearing an estimated stand of 262 million feet of pine timber. The land is worth at least \$1 per acre, without the timber, for grazing. This private timber is therefore being sold to the United States for an average of about \$1.02 per thousand, or, if no value is assigned to the land, about \$1.10 per thousand.

3. We know of a recent sale of pine stumpage situated directly on a highway in this vicinity and therefore very

accessible for motor truck logging, at \$3.00 per thousand. This sale was between a private owner and an independent operator. The timber is certainly more accessible and is probably of better quality than that involved in the sales of National Forest timber to Brooks-Scanlon mentioned by you. Another sale of somewhat less accessible private timber has been made at \$2.25 per thousand.

4. National Forest timber is appraised by determining the quantity, quality and accessibility of the timber on the specific area, and estimating the logging costs and value of the products on the basis of regional average costs and values, adjusted to cover any unusual physical conditions of the tract or its timber. Regional selling prices of lumber by grades are recorded by years, and an average of the past three or more years is used, with due consideration of trends. Similarly, average logging costs over a corresponding period are used, with recognition of trends and the special conditions on the tract concerned. The effort is to determine a fair value, on the basis of regional costs and selling prices. This gives opportunity for reward to operators of better than average efficiency, and does not cause the Government to lose part of the value of its property because an operator is inefficient. These appraisals are made by especially trained personnel employed for the purpose, and are then reviewed and checked by experienced officers. The prices so determined are named as the upset prices in advertising the timber.

5. All sales of National Forest timber exceeding \$500 in value are advertised in the local newspapers. Even if competitive bids do not result, offerings at less than fair prices, accessibility and quality considered, could be expected to bring protest or criticism from local people. We have no previous record of any protests or criticisms having been made against the advertised prices in the sales bid in by the Brooks-Scanlon Company.

6. Some private owners in Oregon are known to have placed high "asking prices" on their stumpage, perhaps higher than its fair commercial value. Offers to sell or to exchange timberland for additions to National Forests are constantly being made to us at higher prices than the property is worth. The best comparisons are therefore with the prices obtained in actual sales, and as indicated previously, the records of actual sales available now do not indicate that the sales made to

-3-

Brooks-Scanlon have been for less than fair values.

I shall, of course, look into the question further, and a more detailed report will be sent you later.

Very respectfully,

Hawallac

Secretary

8
Sales, R-6
Deschutes
(Brooks-Seanlon Lbr. Co.)

February 2, 1938.

The President,

The White House.

Dear Mr. President:

I have your note of January 19 about prices for National Forest timber in Oregon, and have discussed the matter with the Forest Service.

It is quite natural to find a considerable range in the prices at which stumpage is sold. Variations occur between different tracts of timber, both public and private, depending upon several factors, such as quality, cost of logging, and the like. Without more data than your note affords as to the specific location of the tracts cited I can not discuss the cases listed, but certain general and specific facts are already well established, as follows:

1. The timber of best quality and accessibility in this region passed to private ownership under the land laws before the National Forests were created. The National Forest timber is what was left after selection of the best, and its average value is therefore less than the average for the private timber.

2. On December 16, 1937, the National Forest Reservation Commission approved an offer to sell to the United States, for \$200,000, in the county adjoining that in which the Brooks-Seanlon Company is operating in Oregon, 20,000 acres of land bearing an estimated stand of 265 million feet of pine timber. The land is worth at least \$1 per acre, without the timber, for grazing. This private timber is therefore being sold to the United States for an average of about \$1.02 per thousand, or, if no value is assigned to the land, about \$1.10 per thousand.

3. We know of a recent sale of pine stumpage situated directly on a highway in this vicinity and therefore very

accessible for motor truck logging, at \$5.00 per thousand. This sale was between a private owner and an independent operator. The timber is certainly more accessible and is probably of better quality than that involved in the sales of National Forest timber to Brooks-Scanlon mentioned by you. Another sale of somewhat less accessible private timber has been made at \$2.25 per thousand.

4. National Forest timber is appraised by determining the quantity, quality and accessibility of the timber on the specific area, and estimating the logging costs and value of the products on the basis of regional average costs and values, adjusted to cover any unusual physical conditions of the tract or its timber. Regional selling prices of lumber by grades are recorded by years, and an average of the past three or more years is used, with due consideration of trends. Similarly, average logging costs over a corresponding period are used, with recognition of trends and the special conditions on the tract concerned. The effort is to determine a fair value, on the basis of regional costs and selling prices. This gives opportunity for reward to operators of better than average efficiency, and does not cause the Government to lose part of the value of its property because an operator is inefficient. These appraisals are made by especially trained personnel employed for the purpose, and are then reviewed and checked by experienced officers. The prices so determined are named as the upset prices in advertising the timber.

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Brooks-Scanlon have been for less than fair values.

I shall, of course, look into the question further, and a more detailed report will be sent you later.

Very respectfully,

Secretary's File Room
(Signed)

Hawallace

Secretary

Originated in FS
Initialed by PEP & GMB
Rewritten Oic of Secty - RHA:nc

January 17, 1938

*file
personal
release
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MEMORANDUM FOR THE SECRETARY OF AGRICULTURE

I am a little worried about the prices the U. S. Forest Service is getting for Government-owned timber in Oregon. I understand that Brocks Scanlon Lumber Company has been buying Government lumber on the stump at a price of \$1.80 per thousand--that this lumber has been severely attacked by beetles and that the drought damage was heavy. But, at the same time, I understand the same company bought 11,500,000 feet of ponderosa pine at \$2.25 per thousand and that this timber was not beetle-infested. Another non-beetle-infested lot of over three million feet was sold at \$2.90 per thousand.

As against these prices, I understand that the asking price for private sale is from \$3.00 minimum to \$4.50 maximum, per thousand.

Will you have this looked into.

F. D. R.

*file
personal*

PSF: Agriculture

HENRY A. WALLACE
WARDMAN PARK HOTEL
WASHINGTON, D.C.

January 12, 1938

Dear Mr. President:

I greatly appreciated receiving your Christmas gift consisting of the speeches you made on your trip to South America.

As you know, I have long felt that one of the most important points in our national policy is cultivating the maximum of understanding with our neighbors to the South.

I had hoped to spend some time wrestling with those of your addresses given in Spanish but thus far there has been no opportunity.

Respectfully yours

Henry A. Wallace
Secretary

The President
The White House

PSF Agriculture



DEPARTMENT OF AGRICULTURE
WASHINGTON

THE WHITE HOUSE

file
personal
JAN 19 9 05 AM '38
RECEIVED

January 18, 1938

The President

The White House

Dear Mr. President:

Enclosed I am sending you copy of a letter from Dr. H. C. Taylor of the Farm Foundation of Chicago and Chief of the Bureau of Agricultural Economics when my father was Secretary of Agriculture. He had a great deal to do with setting up President Harding's Agricultural Conference in January of 1923. It happens at that time I was serving on a committee on which Gompers, the President of the American Federation of Labor, was also a member. Both Dr. Taylor and I discussed at that time the eventual economic significance of Gompers' attitude and what it might mean with respect to long time agricultural tactics.

Dr. Taylor, because of his Chicago atmosphere during the last few years, is perhaps not quite as sympathetic with labor as he should be but nevertheless his letter is worth reading because he is a sincere servant of the general welfare.

It is exceedingly important that we get labor, agriculture and business more and more interested in the right kind of balanced volume and somewhat less interested in contracting volume for purposes of sustaining prices, profits and wages in terms of dollars.

Respectfully yours

Hawallea
Secretary

Enclosure

***** "More attention should be given to the importance of the workers' annual incomes which are undoubtedly being greatly reduced by excessive wage rates per hour.

"I have a very strong feeling that too little attention is being given at this time to the importance of the adjustment of wage rates per hour in the interest of labor as a whole, as well as in the interest of society as a whole. Mr. Green's recovery proposals indicate that he is holding tenaciously to the idea of maintaining dollar rates, even tho the purchasing power of the dollar has increased, and wages, which constitute more than 80 per cent of the disposable income in the manufacturing industries, as against about 12 per cent going to dividends, constitute so large a proportion of the cost of production that with deflation, industry is paralyzed unless there is a proper adjustment of wages.

"I have read also with great interest, the President's statement: 'A government can punish specific acts of spoliation but no government can conscript co-operation.... If private co-operative endeavor fails to provide work for willing hands and relief for the unfortunate, those suffering hardship.... have a right to call upon the Government..... I do not propose to let the people down.' The weakness in this position arises out of the fact that the Government has not been disposed to control the labor organizations which have pushed the monopoly element into the wage rate. Furthermore, the problem is not so simple as stated in the President's words, because as a matter of fact, 'willing hands' have asked for a very high rate of wages. I feel sure of this one thing and I wish the President might fully grasp its significance: If every man and woman in the United States were willing to go to work, doing the thing he is capable of doing for a wage that somebody is able to pay, everybody would soon be employed, large quantities of goods would be produced with costs which would make possible prices which would enable people to buy the goods with the wages they would be receiving. I am convinced that the inflexible wage rate is the most damaging thing in our present economic order. You will remember that at the National Agricultural Congress, held in Washington in January, 1922, Gompers made an address in which he said that he had told the working people of the United States to take all of their punishment in unemployment, and not a bit of it in cuts in the rates of wages. After further describing labor policies, you will recall that he pointed his fingers at the audience and said, 'And I say to you farmers, go thou and do likewise.' Furthermore, I have not forgotten that in 1917, when the United States entered the World War, I was visiting in the office of the Association for Labor Legislation in New York City, and heard a conversation in which the statement was made and agreed to that during the War, labor should hold fast to every gain that had been made in the past, and miss no opportunities for making any gains during the War. I think you know how well labor lived up to that rule during the War and after the War. It has been the attitude of labor during the past year in particular, and the attitude of government in furnishing and promising in advance to furnish a war chest for labor to enable labor to maintain its wage rates, that has done more than anything else to put the brakes upon

recovery. I am sorry to say it, but I believe the activity of the New Deal, while it has contained many things which I approve, has on the whole, done more to retard than to enhance recovery; has done more to create than alleviate poverty; and above all, it has softened the moral fibre of millions of people to the point where it will take at least a generation to overcome the evils that have resulted from the Government's direct participation in the class struggle. There is only one way out at this juncture, and that is a national, instead of the groupistic, approach, and a muscle-building, moral-fibre-building, more or less puritanic attitude towards those 'willing hands' which put little spirit into their work and which are not willing to work for wages which somebody is capable of paying.

"The purpose of this letter is not to state the whole case in a rounded-out way; the purpose of it is to stress this one phase which I feel has not received adequate attention. I agree with you that labor, agriculture, business, and industry, should find their common ground in their common interests. I hold no belief for capitalistic greed. I am simply trying to emphasize the fact that in the last year, organized labor has been the greatest source of maladjustment in the economic life, and that there is no hope of recovery until labor, in its own interests and in the interests of the country as a whole, is ready to do its share in the cooperative undertaking by being willing to accept employment on a wage basis that will give them parity real incomes, parity when compared with people in other occupations such as agriculture, which require equal skill and energy. It is payrolls with everybody employed that is important; not wage rates. Government employment has outbid farmers for labor. Farm machinery has, within the last two years, been rapidly substituted for hired labor on farms, because PWA projects and WPA projects were drawing off the farm labor and paying rates far beyond that which the farmer could afford to pay.

"You will pardon me for writing at such great length. No reply to this letter will be expected. I simply want you to know how the thing looks to me. I recognize that it is just as likely that I am failing to see the whole picture as that others should fail to see the whole picture. If we are really going to get some recovery, this question of cooperation must apply to everybody concerned. When Green asked for the maintenance of wage rates at a time when there is a tremendous unemployment and when the prices of products are down so that real wages, based on the rate, are clearly too high for the best interests of labor as a whole, to say nothing of society as a whole, the time has come to stop the soft-peddling on the proper place of labor in the national cooperative enterprise, and to call for its cooperation along with every other element in the social order."

file
personal

PSF
Agriculture

[1938]

THE WHITE HOUSE
WASHINGTON

3/15/38

Memo for the President
From Sec. Wallace:

"I wanted to thank you for the splendid job you did yesterday with Frank Sayre on the cotton situation.

"Our boys who attended the commercial policy committee meeting this morning indicated that Frank was very fine and we see our way clear to as much mutual satisfaction as is possible under the circumstances.

"For a considerable part of this we believe we have you to thank."

*file
personal*



DEPARTMENT OF AGRICULTURE
WASHINGTON

March 22, 1938

The President

The White House

Dear Mr. President:

With regard to the committee about which we were speaking Saturday afternoon and again over the telephone this noon, I would like to suggest that Cordell Hull be chairman and that the other members be Secretary Morgenthau, Attorney General Cummings, Secretary Roper and Secretary Wallace. Isador Lubin from Labor might very well serve as executive secretary. He could simultaneously furnish the necessary contacts with the Department of Labor and with the various technical staffs in government.

The purpose of the committee would be to help you work out with the greatest speed possible the necessary integration of the various proposals which you have in mind for business recovery. Also the committee would bring forward any additional proposals which seemed desirable. I agree with you fully that speed and vigor are of the essence. It seems to me, however, that we can act speedily and vigorously and at the same time hold our mistakes down to the minimum.

Fundamentally, the objectives of the committee would be as follows:

To bring forward proposals whereby a minimum of government money will put a maximum of private money to work, and which will result in the maximum output of goods without an undue advance in price and which will assure sustained employment and profits without serious recession. In order to strive towards these objectives rapidly and vigorously it would seem to be necessary to work out first a definite division of the budget into two parts; one part would be the current budget of the type we now have and the other would be the long-time self-liquidating budget which would take into account capital values as an asset. With money appropriated for a budget of the second type a series of corporations financed

in part by government and in part by industry would be set up. An effort would be made to get the maximum participation by industry. Provision might be made for private capital to take over the activities of the corporations when certain objectives in reemployment have been attained. The corporations would have to do with such things as building houses for rent, with the construction of railroad equipment for rent, and with loans to small business of the type you have frequently mentioned. In the case of the housing corporation the activity might well be confined to houses costing less than \$2,500 in order that the housing activity under McDonald's FHA would not be hampered by competition from the corporation.

It is vital that the plan behind which you and the Cabinet would be prepared to put full effort should be of such a nature as to bring about the maximum of private participation. I would hope that a Cabinet committee such as I have suggested could agree on the outlines of some such program as this and have it ready for you by the time you are back from Warm Springs.

If you care to take into the committee others than those in the Cabinet, I would suggest the inclusion of Douglas, Jesse Jones, Eccles and Aubrey Williams. This would probably make the committee unwieldy, however, and it might be better to hold the number down and to obtain the necessary contacts by way of Lubin.

I feel the international situation is such that we should push on the domestic front with the utmost vigor and should endeavor, once the tax bill is out of the way, to get the utmost cooperation from business. The situation demands a firm, courageous leadership such as you furnished in March, 1933. The problem is more complex now than it was then and we want to have reasonable assurance that the program we now bring forward will not have a repercussion of the type which follows from sudden governmental expenditures of the type of the bonus in 1936 and the CWA in 1934.

We are all eager to be of the utmost help and I am confident that by conferring together under your direction we can help you in proceeding speedily and vigorously toward a solution.

Respectfully yours,

H A Wallace

Secretary

LHB--10/3/38

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file personal HP

If the U.S. were to purchase no silk from Japan, if we and India were to sell no cotton to Japan, and if the Japanese markets for textile products were limited to the Orient, the net economic effect on our economy would be to increase employment by perhaps 5,000 to 10,000 persons to produce rayon and cotton substitutes (but yielding less consumer satisfaction, particularly in hosiery products) provided the loss in exports to Japan is made up by increased exports to the United Kingdom and a net loss of about 35 million dollars of dollar exchange to Japan from the reduction in her silk exports is offset by increased gold shipments to the U. S.

Our total merchandise trade with Japan has been running this year at an annual rate of about 200 million dollars of exports and about 120 million dollars of imports, balanced largely by gold imports. Silk imports from Japan have been at an annual rate of 70 million dollars and cotton exports around 35 million dollars. At the rate of cotton exports to Japan during the first six months of this year, we now have apparently an outlet there for about 700,000 bales, but were this outlet to be closed, a good part of it would undoubtedly be made up by increased exports to the United Kingdom, for the United Kingdom would be in a position to regain the markets it has lost to Japan in recent years. Of a total of 2,644 million yards of cotton piece goods exported by Japan during 1937, only 18% went to countries in the Orient other than British India which took 13%, the Netherlands Indies 15%, and the balance of 44% to Africa, Argentina, the U. S. and other countries. Indian and American cotton constitute

about 85% of the raw cotton supply of Japan, and if these were unavailable, the bulk of her piece goods markets would undoubtedly go to the United Kingdom and possibly to the U. S. The U.S. would thus make up ^{at least in part} for a loss in exports of raw cotton to Japan by an increase in exports to the United Kingdom.

Of our total supply of silk so far this year, about 92% has been supplied by Japan. In 1929 about 80% was supplied by Japan. Thus, if no Japanese silk were imported, we would still be able to import some from other sources sufficient to take care of those products where substitutes for silk would not be feasible. The bulk of our silk consumption can, however, be replaced by rayon and cotton. During 1937, 65% of our raw silk consumption was for hosiery, 33% for woven goods, and 2% for other uses. In that year we imported 53 million pounds from Japan. It is generally believed that practically all of this could be replaced by rayon. In the case of hosiery, however, a substantial part of silk consumption might be replaced by mercerized cotton instead of rayon. If we assume that about half of the silk used in the production of hosiery would be replaced by cotton and half by rayon, there would be an increased demand for rayon amounting to about two-thirds of the annual silk consumption. On a pound to pound displacement, we would need perhaps about 35 million pounds of rayon and about 50,000 bales of cotton. This additional use of rayon would give employment in rayon mills to at least 5,000 persons, and probably more as manufacturers learned to make rayon substitutes for silk products more attractive to consumers.

During 1937 and so far this year, Japan has shipped gold to the U. S. to pay for her excess imports from the U. S. If we purchased no silk and sold no cotton, Japan would have a net loss of American exchange amounting to about 35 million dollars. This would need to be made up by increasing her gold shipments or curtailing her merchandise imports from the U.S. If the latter policy, the products that would be affected in the order of their importance in the 1938 exports to Japan would be: crude petroleum, iron and steel products, power driven metal working machinery, aircraft and parts, copper, and oil. In most of these items, however, Japan has actually increased its purchases from us this year in spite of the ~~general~~ reduction in *the total* her purchases *from us*. Petroleum, oil, machinery and aircraft are apparently needed by Japan more than other goods from us, and any reduction in purchasing power not made up by shipments of gold might therefore be distributed among the many items of lesser importance in our sales to Japan.

*See
Personal*

PSF: Agriculture

THE WHITE HOUSE
WASHINGTON

October 14, 1938.

MEMORANDUM FOR
THE SECRETARY OF AGRICULTURE

I understand we have to choose a successor to Chief Meteorologist Gregg of the Weather Service. Would you be good enough to send for Chairman Noble of the Civil Aeronautics Authority, as he has, I think, some thoughts on the subject?

F. D. R.

THE SECRETARY OF THE HOUSE OF REPRESENTATIVES
WASHINGTON, D. C.
OFFICE OF THE CLERK
OFFICE OF THE CLERK
OFFICE OF THE CLERK

PSF: Agriculture

TELEGRAM

The White House
Washington

WX 10-6-38

Memo. for S TE

Chairman Noble, Civil Aeronautics Authority, made this suggestion this morning:

In connection with the selection of a successor to Gregg, chief meteorologist of the Weather Service, he would like to be able to discuss with Secretary Wallace, with some help to make the Secretary receptive, the idea of appointing as head of the service some one who could give direction to organizing the Weather reporting for air transport. At the present time the inadequacy of weather reporting both because of inadequate funds and inadequate attention is the weakest point in the air safety and in the air defense program. He suggests that the Agricultural side of the weather service is already well enough routinized so that it could run along safely even with this new emphasis by new chief of the service and that some one should be selected who would be able to sell to the Hill the idea of adequate appropriations for the air transport service. There has been suggested to him as a combination of scientist, organizer and advocate on the Hill, Commander Francis W. Reichelderfer, of the Navy, now stationed on the battleship UTAH and formerly head of the Weather Service at the Lakehurst station. Noble hopes that this idea will be in time for consideration before Gregg's place is filled.

Corcoran.

1230pm



DEPARTMENT OF AGRICULTURE
WASHINGTON

PSF Agriculture

*file
personal*

THE WHITE HOUSE
Nov 5 9 13 AM '38
RECEIVED

November 4, 1938

The President

The White House

Dear Mr. President:

Following our conversation at cabinet meeting concerning the new Dupont synthetic fiber, I asked Dr. Knight of the Bureau of Chemistry and Soils to give me a memorandum which I am enclosing herewith. You will note at the bottom of page 2 that apparently phenol and castor oil are used in this product.

It may also interest you to know that on the west coast Mr. Hurst has developed a new method of handling silk cocoons by means of which it is claimed that the cost of producing silk in this country can be cut materially below the cost of producing silk in Japan. The secret of this process is an automatic silk reeling machine which takes the place of work which is done by hand in Japan. It will be interesting to see whether the Dupont approach or the silk reeling approach will prove the most significant in the production of cheaper silk.

Respectfully yours

J. A. Walker

Secretary

Enclosure

- 2 -

A NEW SYNTHETIC FIBER BEING DEVELOPED BY
E. I. DU PONT DE NEMOURS AND COMPANY

The new du Pont synthetic fiber is the product of the late Dr. Wallace H. Carothers' wonderful work. The patent for the preparation of the material was issued September 20, 1938. This patent (U. S. No. 2,130,523) covers the linear polyamides and their production. Dr. Carothers' patent covers all the polyamides of the dibasic carboxylic acids from carbonic acid to octadecanedioic (18 carbon) acid with all the diamines, from ethylenediamine (2-carbon) to the octadecamethylene diamine (18-carbon). An example given in the patent specifies sebacic acid (10-carbon dibasic carboxylic acid). But, due to the fact that the fiber is called "66", and from information from commercial sources other than the du Pont Company, we have reason to believe that the dibasic carboxylic acid used is adipic acid (6-carbon dibasic carboxylic acid). On the same day, United States Patent No. 2,130,947 was also issued to Dr. Carothers, covering preparation of the salts which are necessary in the process.

The basic synthetic fiber patent, U. S. No. 2,130,948, was also issued on September 20, 1938. This fiber has reported tensile strength of 4.32 grams per denier. The wet strength is 90 percent of its dry strength. In addition, it has the desirable properties of high flexibility and elasticity. The du Pont Company launched three projects to capitalize on the three desirable characteristics just mentioned. The high water-resistant quality made this fiber very desirable for toothbrush bristles. This project was started earliest and is the most advanced. There are, on the market today, articles (toothbrushes) using this fiber for bristles. The bristles are

transparent and water-resistant. By shaking the toothbrush, it becomes practically dry. For the utilization of this fiber, this project is not a large one. To utilize the desirable high flexibility of this fiber, there is a project by the du Pont Company for producing wire insulation material. The information is that this project shows great promise and the results are very encouraging. If successful, this should use a considerable amount of fiber. To utilize the very desirable characteristic of high elasticity, the du Pont Company has launched a project for the production of "synthetic silk fiber". The intention is to compete with silk in women's hosiery. It is known that over 1,000 pairs of women's hose have been made, regardless of price, and are now being tested out in actual use in this country. The elasticity of this fiber makes this hose very desirable and the high tensile strength should give this fiber advantages over silk. The reports coming in are very enthusiastic. Last week a news item reported that the duPont Company is setting up a \$9,000,000 plant at Seaford, Delaware, for the production of this fiber.

The raw materials necessary for the production of these fibers will vary with the dibasic carboxylic acid used, as well as with the diamine. The diamine can be produced by catalytic reduction of the diamide, which is made from the corresponding acid. If the adipic acid (6-carbon) is used, this can be made by the oxidation of cyclohexanol which, in turn, is made by the hydrogenation of phenol, a coal-tar product. If sebacic acid (10-carbon dibasic acid) is used, this can be most readily obtained from ricinoleic acid which, in turn, comes from castor oil.

The du Pont Company "synthetic fiber" came up for discussion at the Sericulture conference on October 27, 1938. A report of this discussion is contained in the confidential report on Sericulture, a copy of which is attached.

Attached:-
Confidential report on Sericulture.

175F: Agriculture

THE WHITE HOUSE
WASHINGTON

December 10, 1938.

MEMORANDUM FOR
THE SECRETARY OF AGRICULTURE

Will you ask Mr.
MacDonald what I can say in
reply to Congressman Sabath?

I am enclosing my
file on the subject.

F. D. R.

(Enclosures)

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Don't send

P S F: Agriculturists

Hyde Park, N. Y.,
June 28, 1938.

My dear A. J.:-

Thank you for yours of June seventeenth. As I understand it, the problem of expansion joints is generally left to the States. When I was Governor I went into the matter very carefully and the New York State Highway Department experimented with many types of expansion joints. After all these experiments were completed, the State of New York decided to continue to use the wooden joint which can be placed for about seventy-five cents -- whereas the patented metal joints cost all the way from \$6.00 to \$15.00. Probably the National Metallic Expansion Joint is good but it is very complicated in addition to being practically prohibitive in cost.

That seems to be the problem.

Very sincerely yours,

Honorable A. J. Sabath,
House of Representatives,
Washington, D. C.

A. J. SABATH
FIFTH DISTRICT ILLINOIS
SEVENTY-FIFTH CONGRESS

PSF: Agriculture
MEMBER OF
COMMITTEE ON RULES

Congress of the United States
House of Representatives

Washington, D. C.

June 17, 1938.

THE WHITE HOUSE
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Honorable Franklin D. Roosevelt,
The White House,
Washington, D. C.

My dear Mr. President:

As suggested by you, I am sending information on road building with especial reference to expansion joints.

Concrete is recognized as the most durable material for road construction. However, heat expands and frost contracts it, causing curling, cracking, etc. in the pavement. Engineers have been attempting to overcome this by insertion of joints of varied materials.

To supplant the old mastic joint, a metallic expansion joint was devised about five years ago in endeavor to correct these failures. Mr. R. E. Toms, Chief of Design, U. S. Bureau of Public Roads, after months' study, delivered a comprehensive paper at a convention of State engineers, enunciating seven cardinal principles of requirements for a perfect joint to eliminate these troubles.

The National Metallic Expansion Joint embraces these principles. It successfully passed trials of foremost testing laboratories, many State Engineers, and the U. S. Bureau of Public Roads. It has been used in fifteen States inclusive of two years' useage on some of the heaviest-traveled roads in the country. It definitely prevents cracking, cupping, curling and blow-ups, insures smoother and safer roads, and therefore lengthens their life by many years. Well informed road builders acknowledge its superiority.

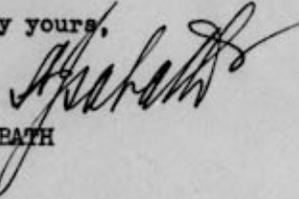
Rigidly held to prices set by the steel trust, the Truscon company -- a part of Girdler's Republic Steel -- thwarts its confederates by underpricing its joint thereby cornering most of the steel as well as joint business in road construction.

The practice of these reprehensible tactics in various States has been exposed in the press. I tried to inform Secretary Wallace of them, but because of his manifold duties he evidently missed their serious significance, simply referring the matter to the Bureau of Public Roads. But the Bureau continues to approve State specifications for any kind of road joint, without insistence on the seven fundamentals laid down by Mr. Toms. Naturally contractors buy the cheapest, the least effective, joint.

Honorable Franklin D. Roosevelt.
Page two.

All Government departments hold to high-quality standards for materials they purchase. Congress has appropriated hundreds of millions of dollars for State-aid roads, and similar high standards should be compulsory in road building. Only in that way will taxpayers receive more durable, safer and longer-lived roads.

Sincerely yours,

A handwritten signature in cursive script, appearing to read 'A. J. Sabath', written over the typed name.

A. J. SABATH



DEPARTMENT OF AGRICULTURE
WASHINGTON

December 15, 1938.

The President

The White House

Dear Mr. President:

The following letter from R. I. Mason, a farmer of Hardin County, Iowa, represents a pretty fair cross-section of the sentiment among the more thoughtful, liberal farmers in the Corn Belt. I thought you would be interested not merely in the reflections on the farm situation but also on government spending, Germany, Japan and national defense:

"I am sorry that you were not a good enough man to keep Iowa and Kansas Democratic, too much inherited politics yet. I am sure the Republicans can easily change it back again in a couple of years if they make many changes in the farm bill. They have not had much to do in this state since 1932 but to talk. Now that they have a real job, I am sure that we will hear much less from them. I also much fear that any farm bill by them, will be written by those who do not know what is necessary to make farm aid work.

"Whether farm committees went Democratic depends on what farm organization is strong there, and what is the attitude of the local leaders. In Hardin County every precinct where the farmers were in the majority was carried by the Democrats, but all those containing towns, Alden, Ackley, Eldora, Iowa Falls, Union, went Republican and the Republicans had a slight majority in the county.

"In Iowa the Farm Bill would have been a wonderful thing if it had been given to us by the Republican Party. Since the Democrats did it we were worried about the balancing of the budget. The Democrats have one great weakness in the mind of the average voter, both times they have gotten the government into debt. I, myself, feel that we have the condition now that we are going to

PSE Agriculture

File
THE WHITE HOUSE
RECEIVED
9 09 AM '38

live with for some time and that we had better begin to get a start in the direction of paying the bills as we go. In that connection I should like to have the President do some fighting for 'no new spending without taxes to raise the revenue needed' in connection with the proposed vastly increased spending for the army and the navy. It might help to keep those within what we would consider more proper limits.

"There is plenty of sentiment here in the middle west to back breaking of trade relations with both Germany and Japan. The sooner we would stop supplying them with war materials with which they spread their ideas of good government over the other parts of the world, the better satisfied a lot of people here would be.

"You have done a lot for the Corn Belt and since they have not stood by, I am prepared to take what may happen to them. It does hurt me to read in the papers and hear over the radio day after day that the farmers have turned the farm program down, when it was defeated by a party appeal to the class instincts of those living in our towns and cities."

It is interesting to note how often from the Middle West comes the suggestion that those Republican Congressmen from rural areas fared best who voted for the farm legislation. For example, William Allen White has written me as follows:

"Politics are grotesque. The ninety thousand votes or so that overwhelmed McGill, also elected Hope and Carlson in the Kansas wheat country who more or less duplicated McGill's farm record. In eastern Kansas, the same party that elected Carlson and Hope and overwhelmed McGill, elected by a substantial majority the four--maybe five--Congressmen who voted the other way."

You will also note the enclosed clipping from Guy Jossierand, a Republican, who is chairman of the Kansas State Board of Agriculture.

Fred Gilchrist, a Republican Congressman from Iowa, who has voted steadily for all the farm legislation, wrote a friend of mine as follows:

"The vote which I got in this District on election day is a vindication of my vote on the Farm Bill and consequently is a vindication of the Farm Bill itself. I carried every County in the District and I carried every precinct in my home county and trebled the highest previous majority that I ever got."

What it boils down to apparently is the following: Republicans from farm sections benefited by voting for the farm legislation. Democrats from the same kind of regions, however, did not benefit to the same extent because they were hooked up all along the line with huge government spending, and the farmers and the small town people recur again and again to the thought that we have got to stop spending, and moreover they don't like people on relief. Of course, you and I know the fallacies in their argument but it does seem that it is necessary to do some fundamental educational work as soon as possible along the general lines sketched out in the book which I sent you down at Warm Springs called AN ECONOMIC PROGRAM FOR AMERICAN DEMOCRACY. The ground work for this approach might well be laid in your message to Congress.

I do hope that during this winter we can clarify our position relative to government debt, government spending, and private investment so that it won't be necessary for us to go into another tailspin because of a shortage in the flow of capital (either private or governmental).

Respectfully yours,

H A Wallace

Enclosure

Secretary

12-8-38

Farm Vote No Indictment Of AAA

—SAYS JOSSERAND.

Other Things About New Deal Brought The Swing, He Says

BY CLIF STRATTON

If Guy D. Jossierand of Copeland, chairman of the Kansas State Board of Agriculture, knows what he is talking about, the demand from the wheat and corn belts for a different kind of a National Farm program is not as great as the November election returns have been interpreted to mean.

"The Farm Belt vote was not a vote against the AAA," according to Jossierand. "This is true of the Kansas wheat belt. It also is true of the Iowa corn belt. I do not look for great changes in the present farm program, when Congress gets down to the job of amending it. But the wheat farmers and the corn farmers both appreciate that the basic program in the AAA is the soundest that has been proposed."

Republicans

Jossierand pointed to the fact that Rep. Clifford Hope in the Seventh, and Rep. Frank Carlson in the Sixth, both of whom voted for the present act, were re-elected by the largest majorities given any Kansas Congressmen. And the Republicans in Iowa who supported the AAA of 1938 also were re-elected.

"It was other things about the New Deal that brought about the huge Republican swing this year," said Jossierand.

"Of course, our farmers complain of the AAA, and complain bitterly. But most of us know that we have to have that or something like it."

Double Doses

Jossierand grinned.

"Fact is," he added, "we refused to take our castor oil yesterday, when we should have. Today we had to take a double dose, and you can't expect us to say we like castor oil in double doses."

BEST AVAILABLE COPY

What about the Farmer?

PSF
Agriculture
[Nov. 1936?]



THE STORY OF WHAT HAS HAPPENED
IN AMERICAN AGRICULTURE

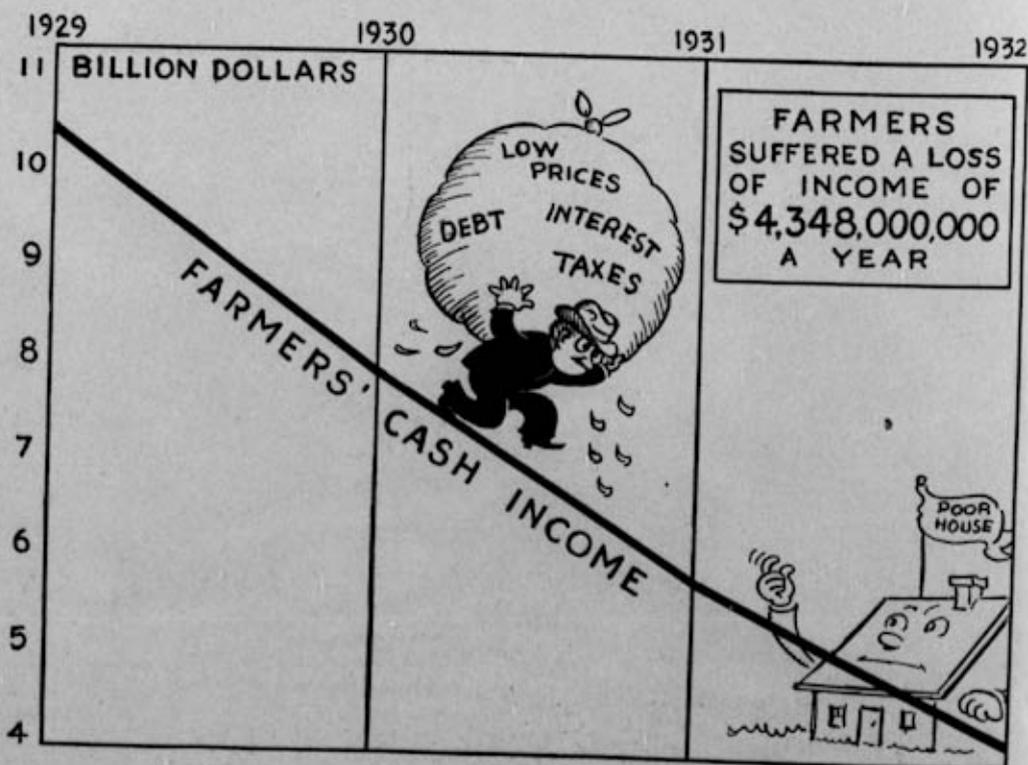
05 - TPFD

REPUBLICANS SAID TO FARMERS

"The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries to insure its prosperity and success."

Republican Platform, 1928

and did this -



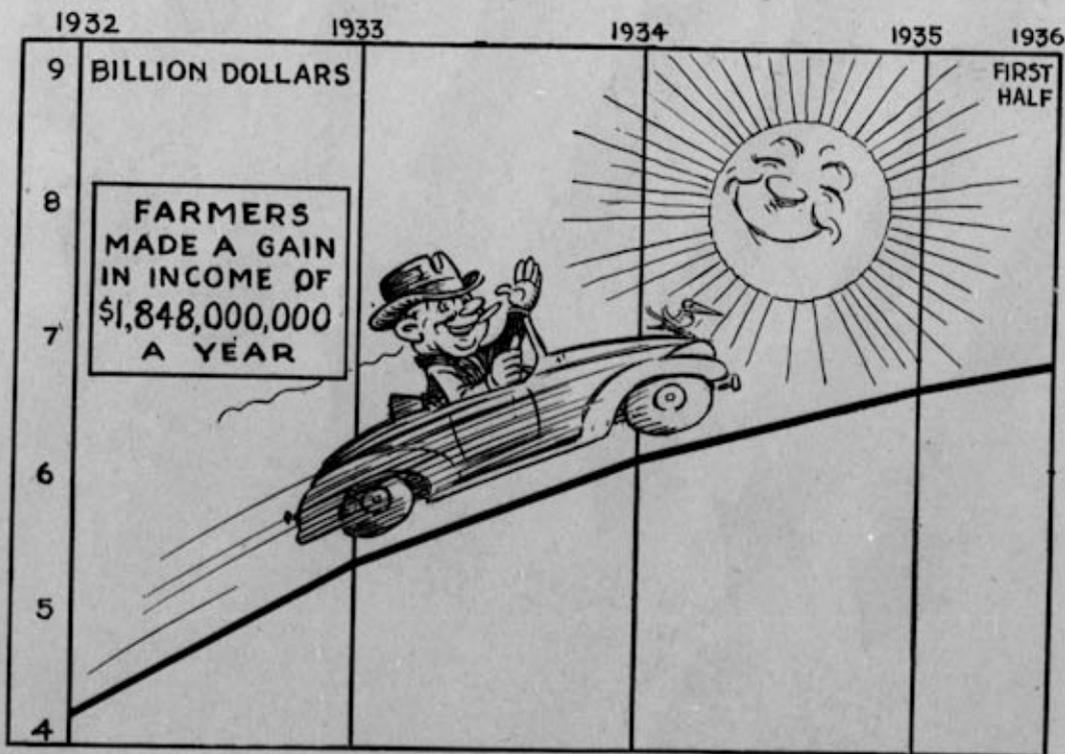
S

ROOSEVELT SAID TO FARMERS

"We must devise means to provide for the farmer a benefit that will give him in the shortest possible time the equivalent of what the protected manufacturer gets from the tariff."

September 14, 1932

- and made good!

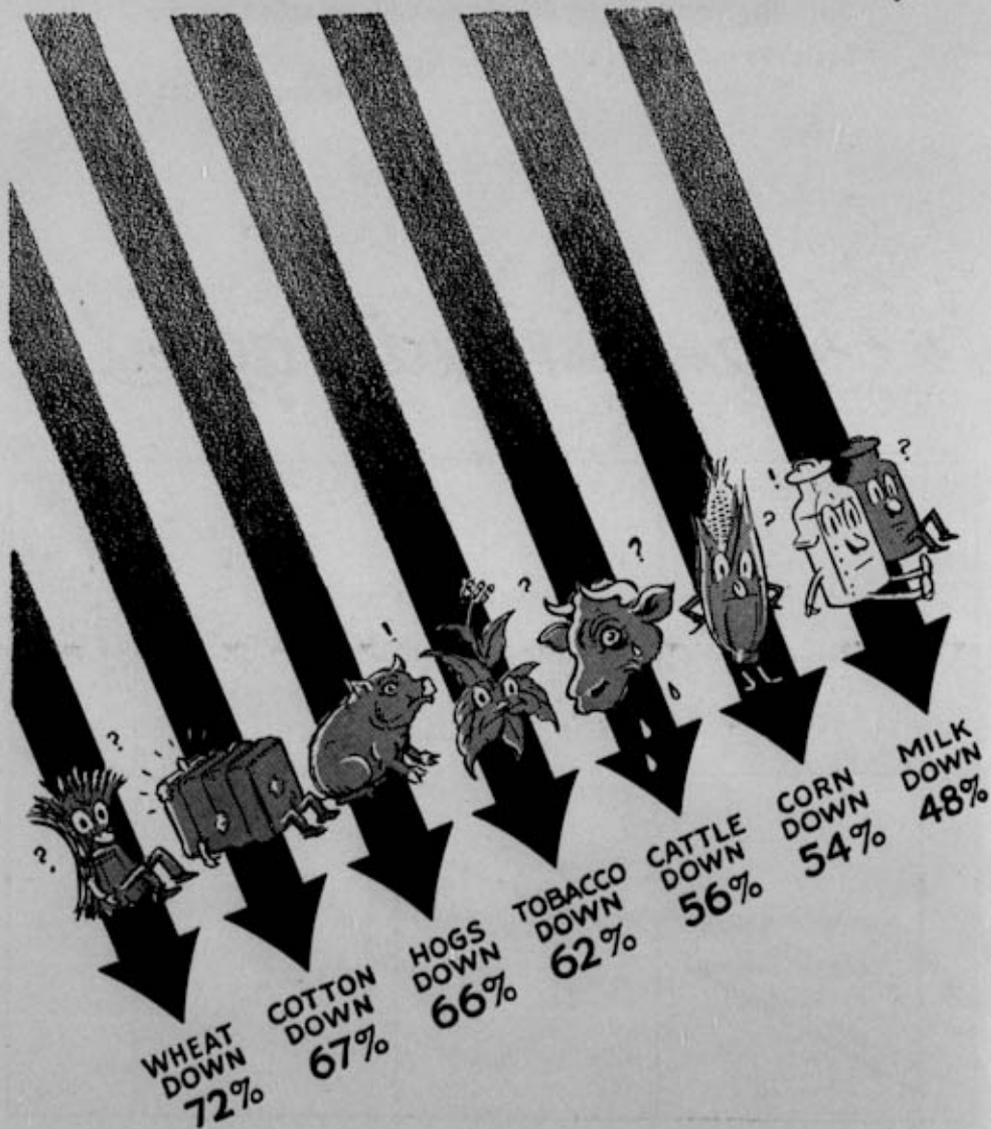


12

REMEMBER THIS ?

1929 *to* 1932

CASH FROM CROPS GOING DOWN!



THE ROOSEVELT

1932 - 19

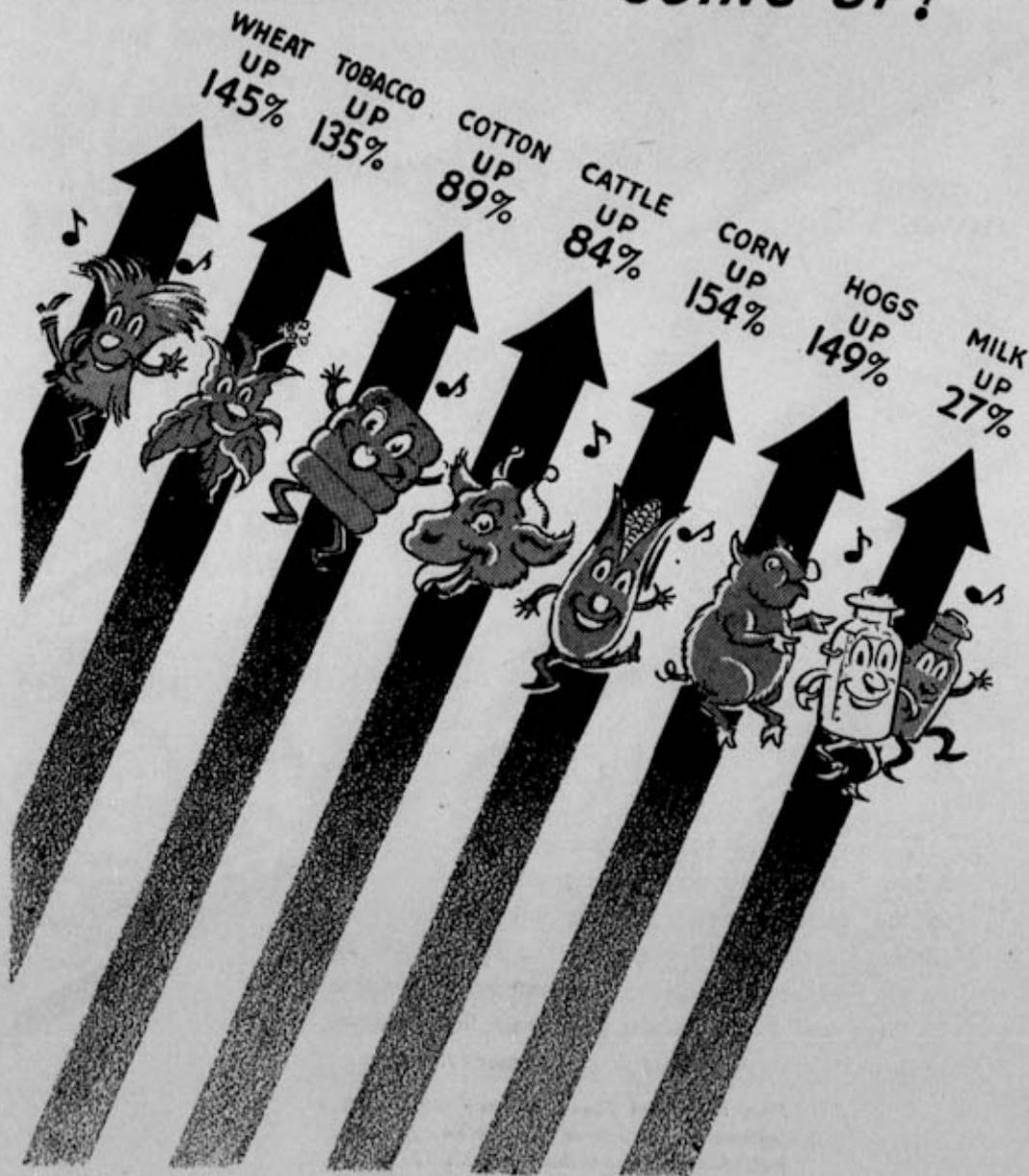
CASH FROM CROPS GO



THE ROOSEVELT RECORD

1932 to 1935

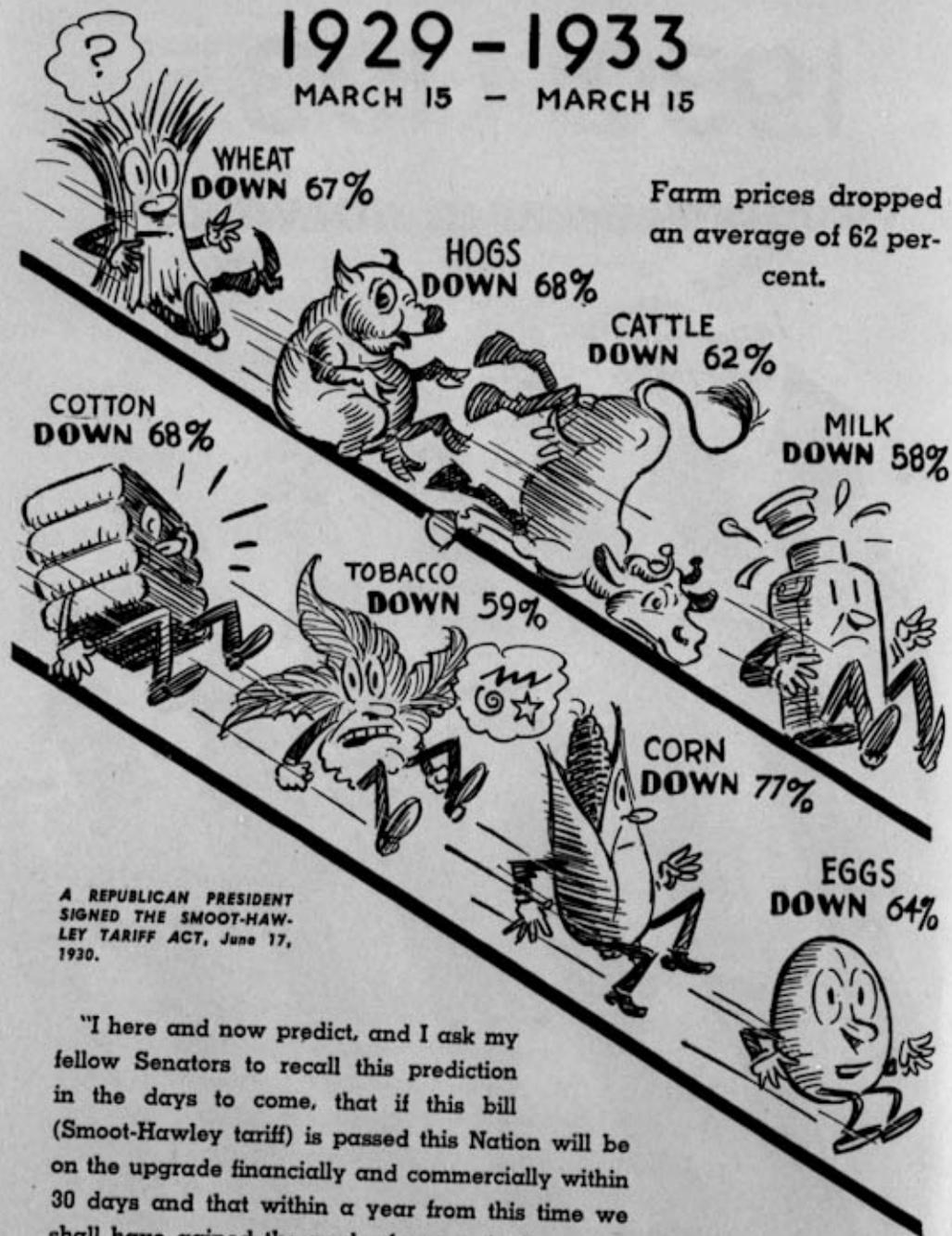
CASH FROM CROPS GOING UP!



ANOTHER REPUBLICAN RECORD

1929-1933

MARCH 15 - MARCH 15



A REPUBLICAN PRESIDENT
SIGNED THE SMOOT-HAW-
LEY TARIFF ACT, June 17,
1930.

"I here and now predict, and I ask my fellow Senators to recall this prediction in the days to come, that if this bill (Smoot-Hawley tariff) is passed this Nation will be on the upgrade financially and commercially within 30 days and that within a year from this time we shall have gained the peak of prosperity."

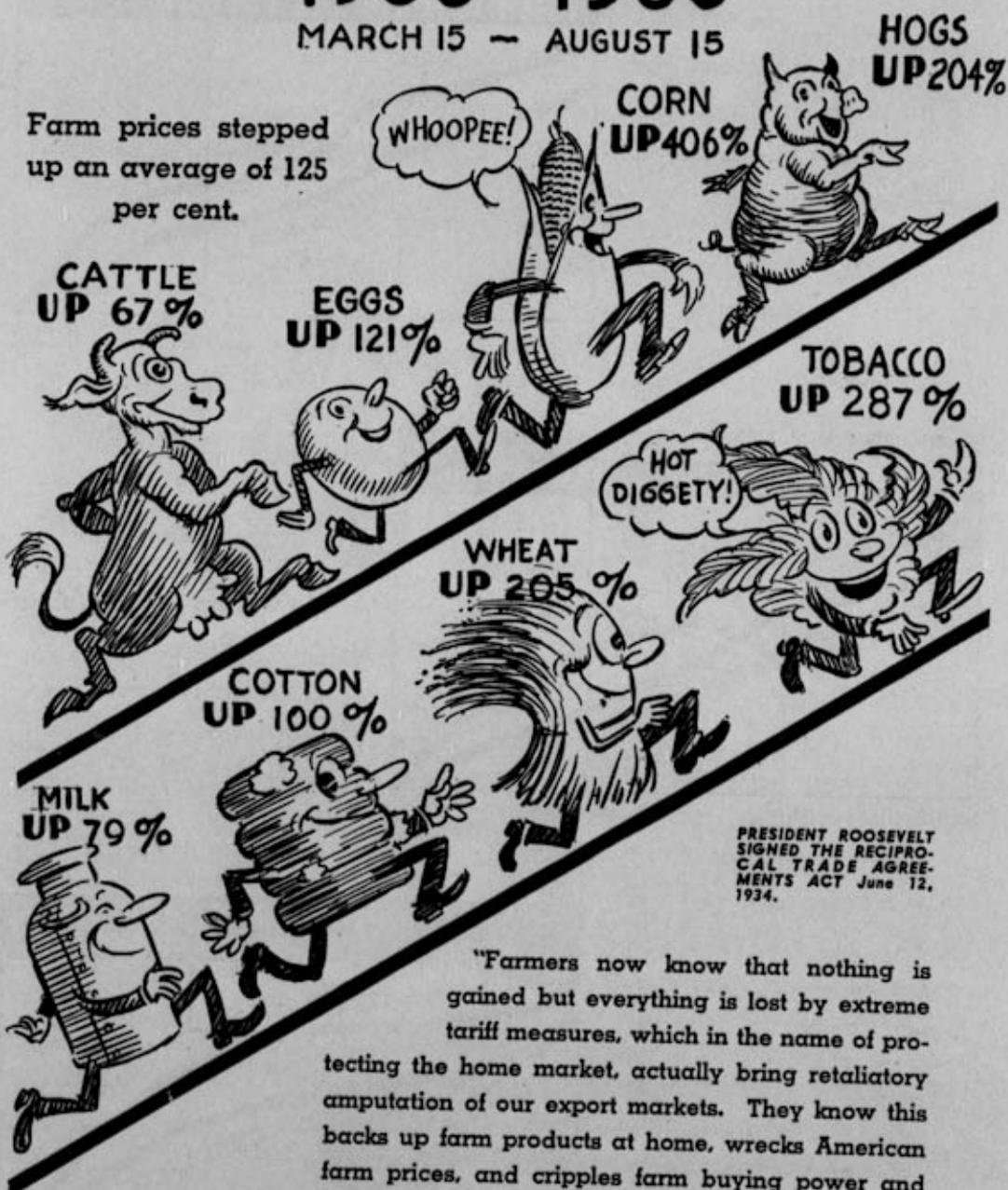
Final speech of Senator James Watson of Indiana on passage of Smoot-Hawley Tariff Act. Congressional Record, June 13, 1930.

ANOTHER ROOSEVELT RECORD

1933 1936

MARCH 15 - AUGUST 15

Farm prices stepped
up an average of 125
per cent.



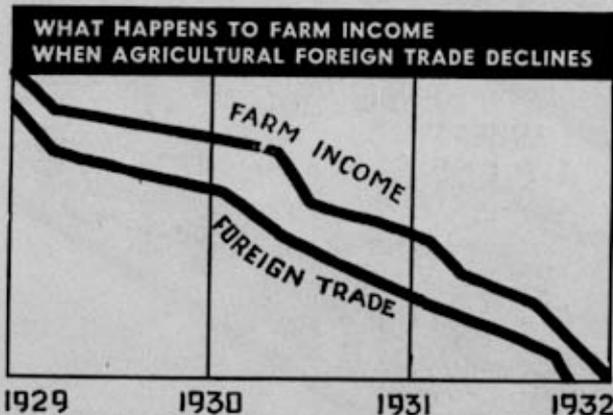
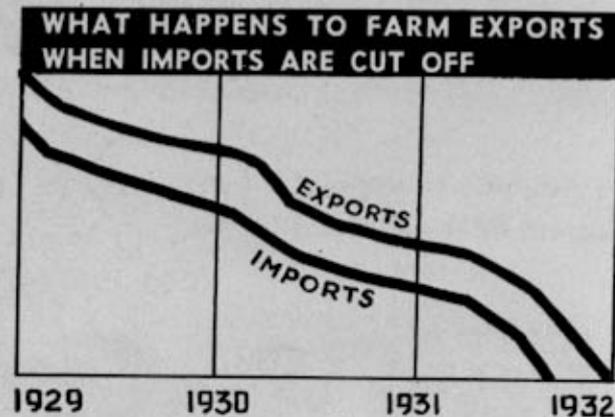
PRESIDENT ROOSEVELT
SIGNED THE RECIPROCAL
TRADE AGREEMENTS
ACT June 12,
1934.

"Farmers now know that nothing is gained but everything is lost by extreme tariff measures, which in the name of protecting the home market, actually bring retaliatory amputation of our export markets. They know this backs up farm products at home, wrecks American farm prices, and cripples farm buying power and instead of building up the home market actually ruins it."

Secretary of Agriculture Henry A. Wallace,
May 4, 1936.

REPUBLICAN TRADE EXCLUSION POLICY

The 1936 Republican Platform promises a tariff policy of national isolation and exclusion.

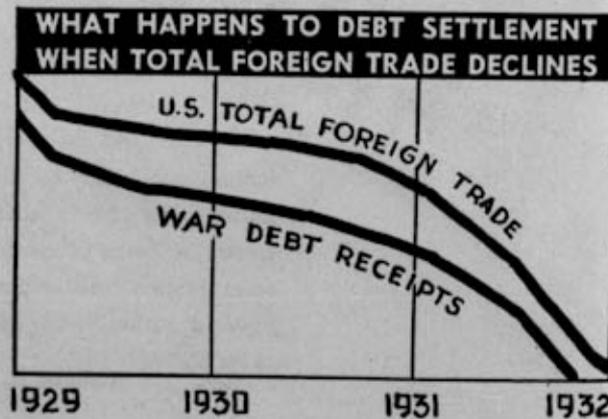


"We will repeal the reciprocal trade agreement law. ... We will restore the principle of the flexible tariff...."

REPUBLICAN PLATFORM, 1936

"We shall use every effort to collect the war debt due us from foreign countries...."

REPUBLICAN PLATFORM, 1936



THE IMPORT B
EXPOS

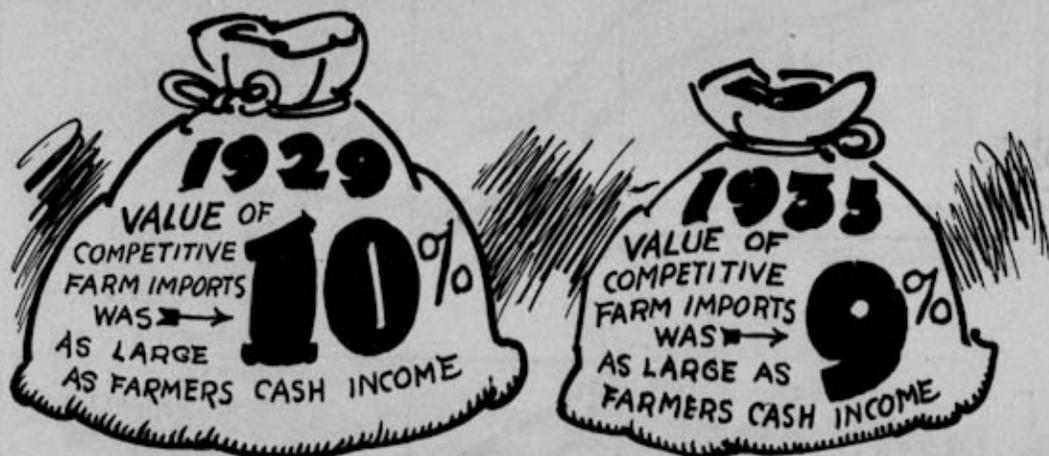
Republicans didn't have
about imports in the
Republican year—



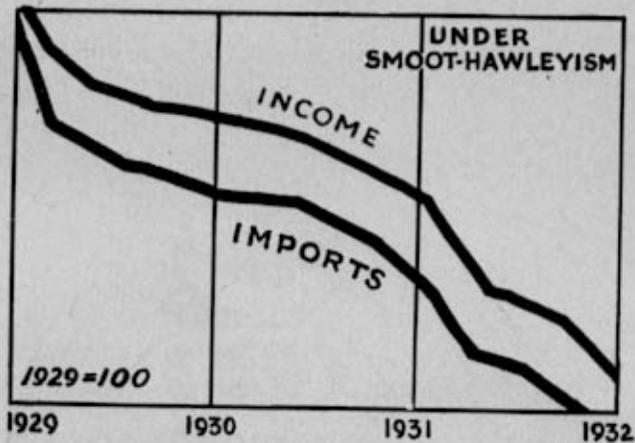
THE IMPORT BUGABOO *EXPOSED!*

Republicans didn't howl
about imports in this
Republican year—

Why howl now when
imports are relatively
smaller?

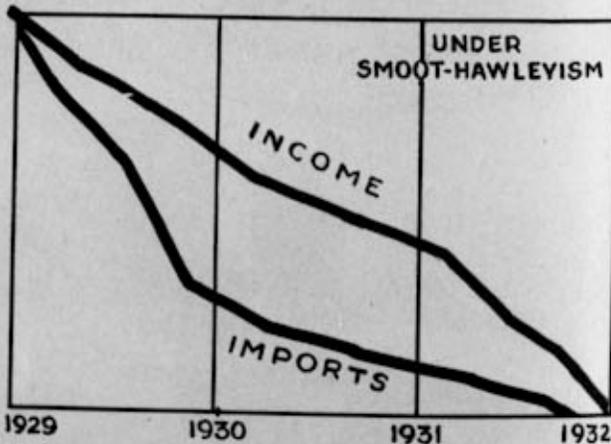


HOW REPUBLICAN EXCLUSION HURT THE DAIRYMEN AND CATTLEMEN



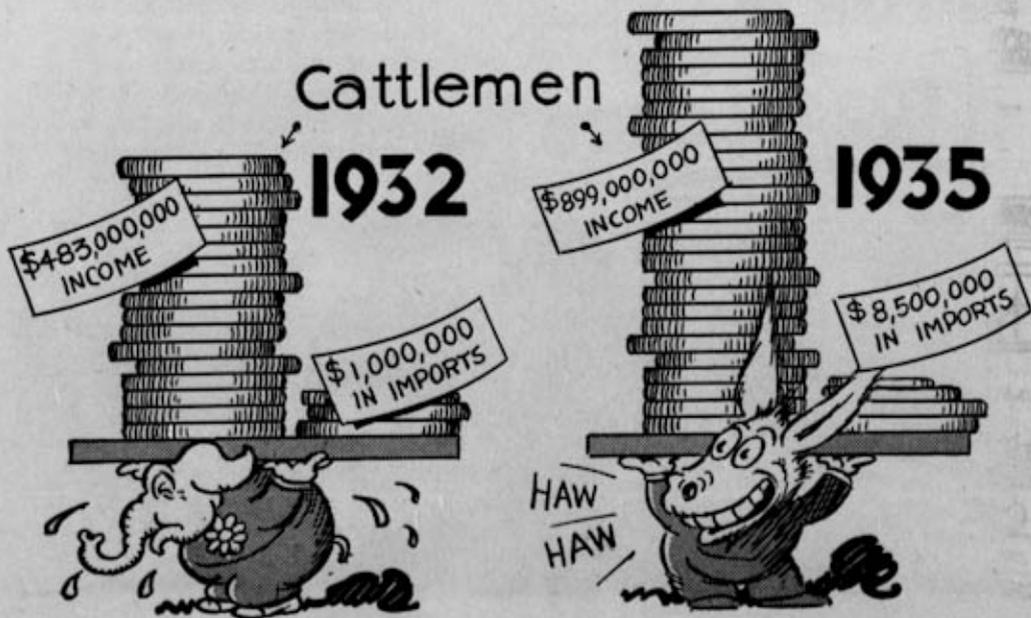
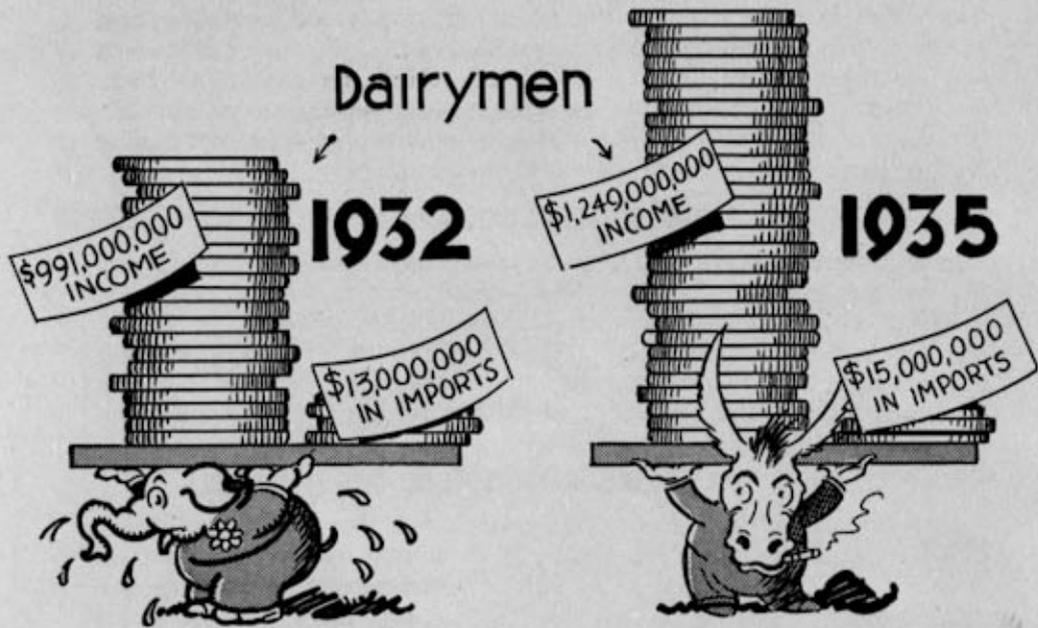
**DOWN GOES
DAIRY INCOME**

**DOWN GOES
CATTLE INCOME**



**1936 MEDICINE—
THE SAME OLD
REPUBLICAN PROMISE
OF EXCLUSION**

HOW DEMOCRATIC POLICIES RAISED THEIR INCOME



ISM

1932

STOPPING FORECLOSURES

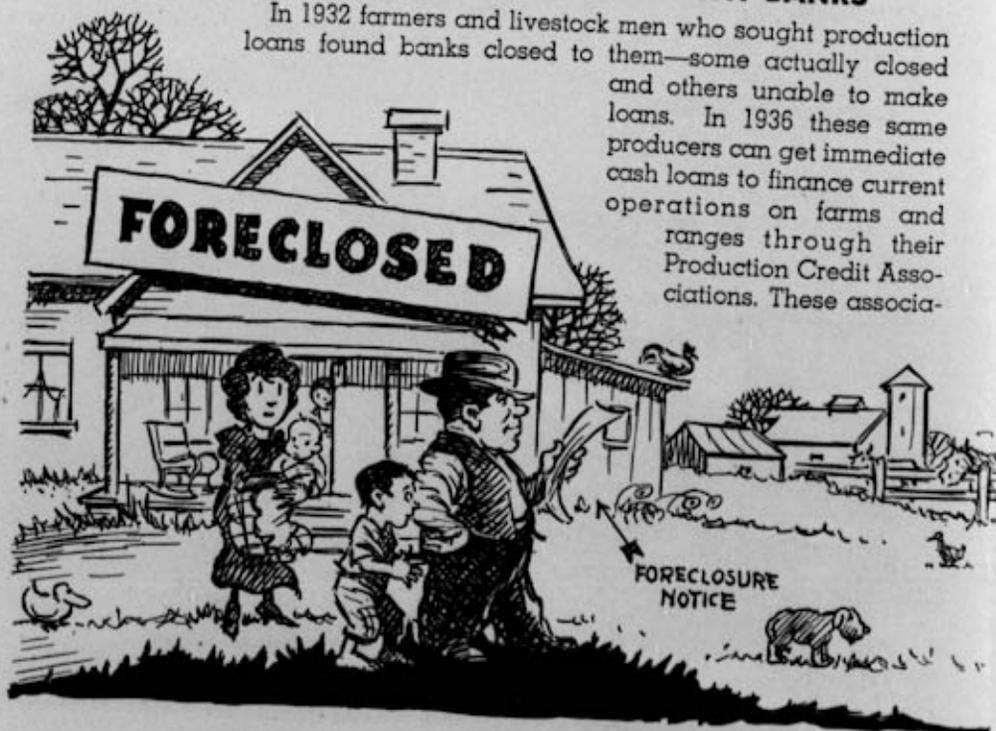
When President Roosevelt took office, farm homes were being foreclosed at the rate of more than 1,000 a day. One of the first acts of the Roosevelt Administration was to establish the Farm Credit Administration which brought together the makeshift farm credit agencies then existing, coordinated them into a single system. President Roosevelt stopped the wave of farm foreclosures. During the past three years more than 760,000 loans have been made, aggregating about two billion dollars. A special fund was set up for farmers who could not qualify for long term credit through the usual channels.

LOWER INTEREST RATES

In 1932 farmers borrowing through Land Banks were required to pay $5\frac{1}{2}$ per cent interest. In June, 1935, Land Bank rate was reduced to 4 per cent, and through special acts of the Congress farmers who borrow through associations now pay $3\frac{1}{2}$ per cent. Better prices and lower interest rates have combined to reduce the debt program. Fewer bushels of corn, fewer bushels of wheat are needed to pay interest and to liquidate mortgages.

FARMERS RUN THEIR OWN BANKS

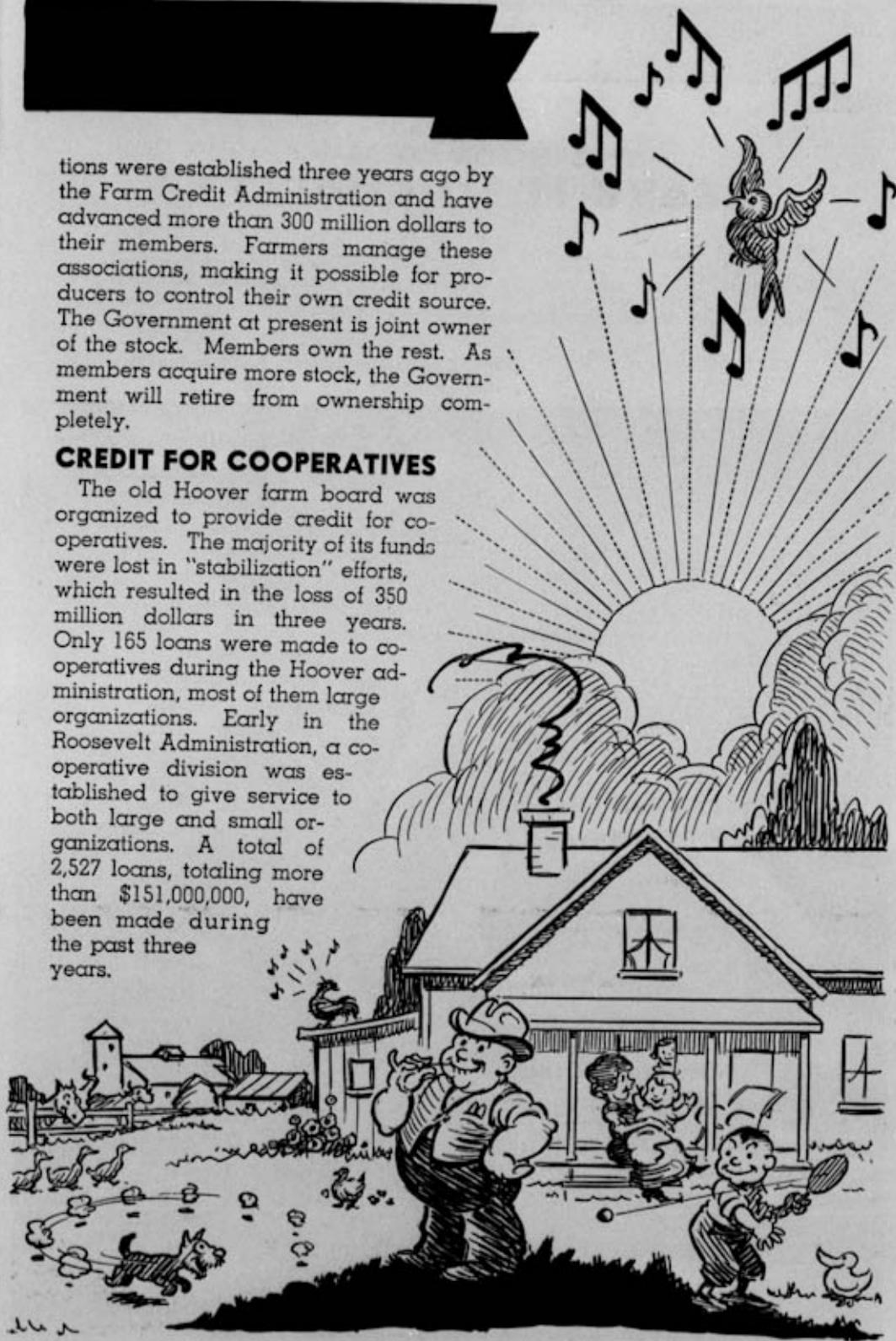
In 1932 farmers and livestock men who sought production loans found banks closed to them—some actually closed and others unable to make loans. In 1936 these same producers can get immediate cash loans to finance current operations on farms and ranges through their Production Credit Associations. These associa-



tions were established three years ago by the Farm Credit Administration and have advanced more than 300 million dollars to their members. Farmers manage these associations, making it possible for producers to control their own credit source. The Government at present is joint owner of the stock. Members own the rest. As members acquire more stock, the Government will retire from ownership completely.

CREDIT FOR COOPERATIVES

The old Hoover farm board was organized to provide credit for cooperatives. The majority of its funds were lost in "stabilization" efforts, which resulted in the loss of 350 million dollars in three years. Only 165 loans were made to cooperatives during the Hoover administration, most of them large organizations. Early in the Roosevelt Administration, a cooperative division was established to give service to both large and small organizations. A total of 2,527 loans, totaling more than \$151,000,000, have been made during the past three years.



1930

THE HOOVER WAY- LEAVE IT TO CHARITY

"The Red Cross can relieve the cases of individual distress"—(As President, Hoover successfully fought an appropriation of \$25,000,000 for relief to be distributed by the Red Cross.)

Herbert Hoover,
Message to Congress, December 1, 1930.



1934 AND 1936

THE ROOSEVELT WAY— THE GOVERNMENT ACTS

"I am utterly unwilling that economy should be practised at the expense of starving people. . . . We cannot fail to act. . . . This is especially a national problem."

President Franklin D. Roosevelt, 1934.

Food and clothing for
drought stricken families.

Work for those the
drought made idle.

AAA payments to insure
incomes for drought rid-
den farmers.

Encouragement of production of
drought resistant forage crops.

Soil and water conservation to
guard against future droughts.

Conservation of feed and seed
through loans and purchases.

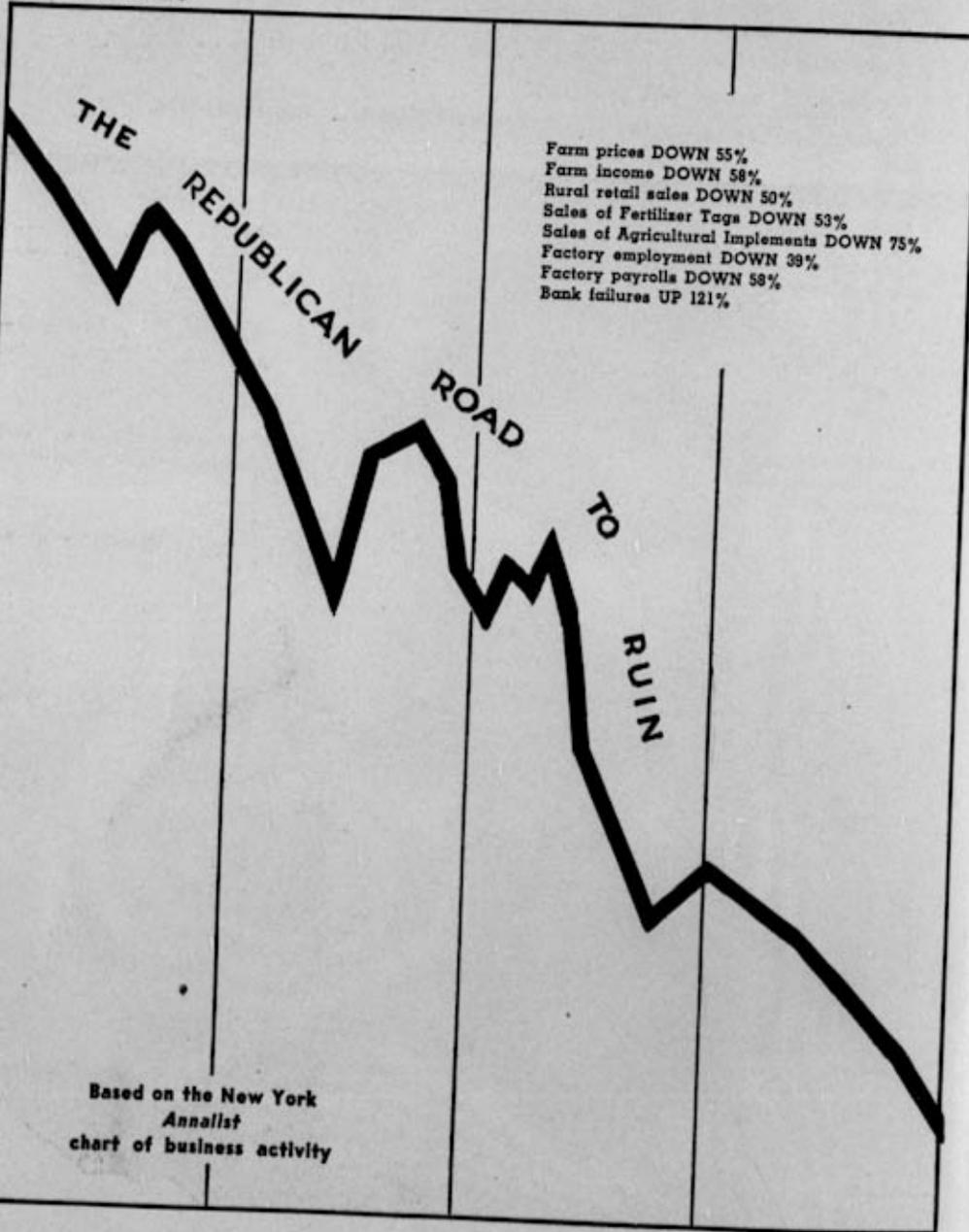
Livestock purchases
to salvage animals
and prevent price
collapse.

A billion pounds
of meat for city
and rural families
on relief.



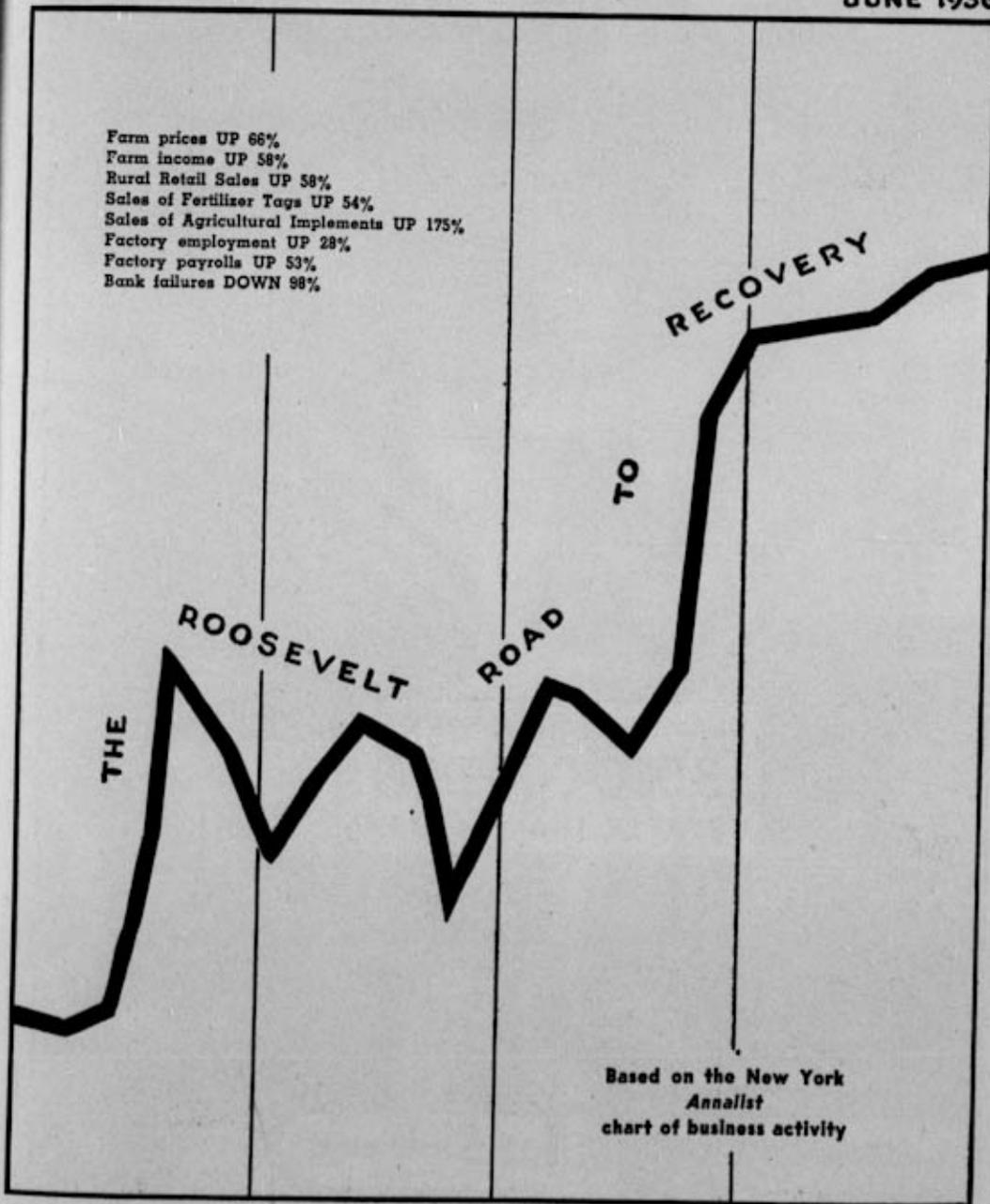
1929-1933

MARCH 1929



1932 - 1936

JUNE 1936



UNDER THE ROOSEVELT



Work for the jobless.



Employment through public works.



Security for the aged.

URBAN INCOME IN 1935 WAS
\$8,000,000,000
GREATER THAN IN 1933



Security for children.



Relief in surplus food for millions.

RECOVERY PROGRAM



R. F. C. loans to
revive industry.



New
roads to
market
built by
C. C. C.



IF RECOVERY CONTINUES AT
THE PRESENT RATE, URBAN
INCOMES IN 1936 WILL BE
\$12,000,000,000
GREATER THAN IN 1934

Tax reforms put
money where it can
be spent.



Home improvement
stimulated.

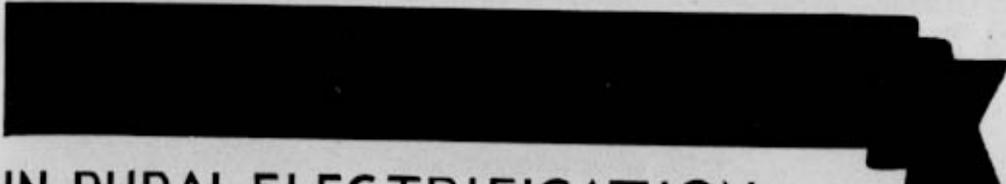


Safety for savings under
Federal bank laws.

THE ROOSEVELT RECORD

President Roosevelt created the Rural Electrification Administration in 1935. Electricity has already been brought to 80,000 American farms. Cooperative rural societies are being organized throughout America to bring electric power to the farm and reduce costs.

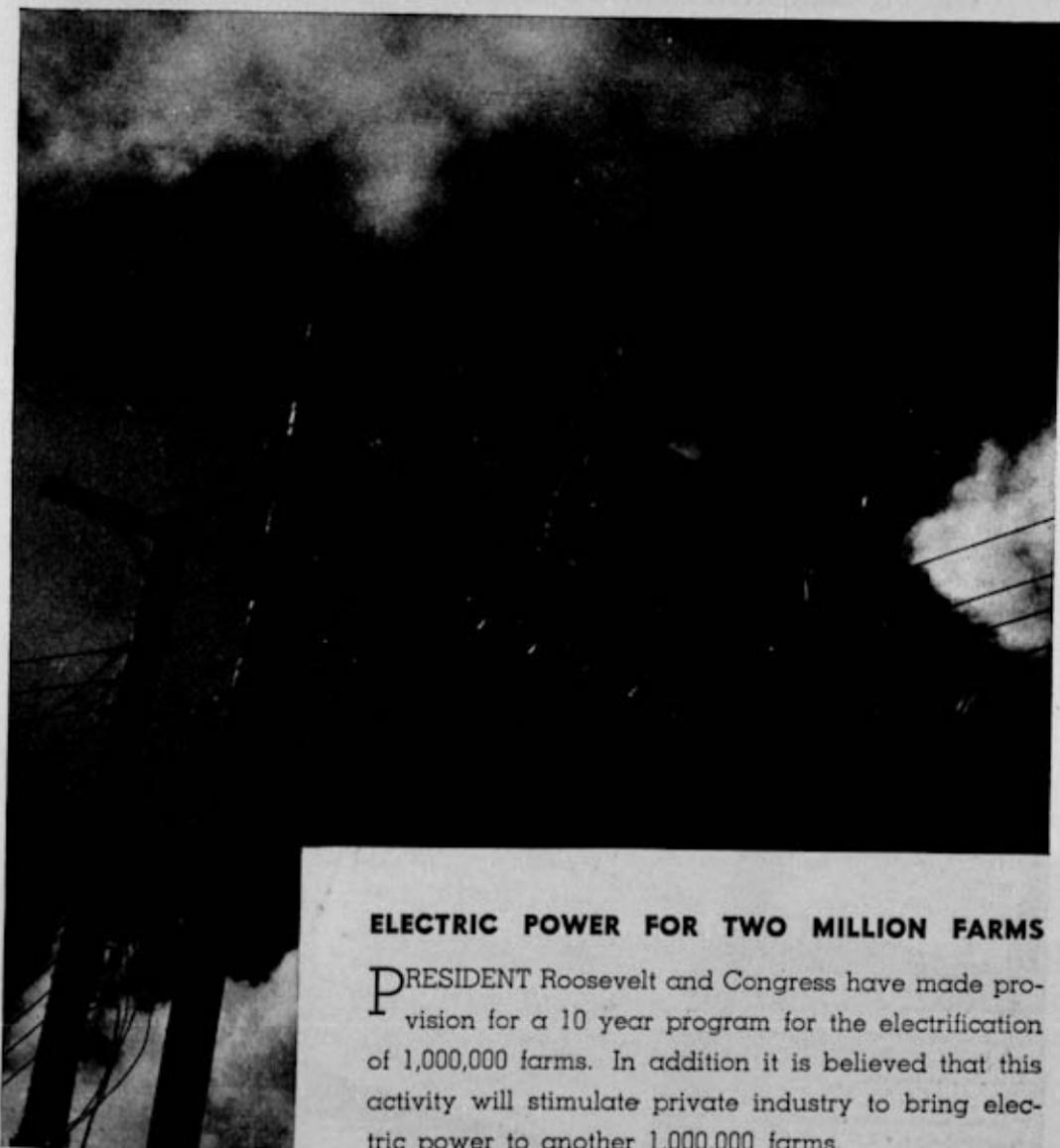




IN RURAL ELECTRIFICATION

"Electricity is no longer a luxury, it is a definite necessity. It can relieve the drudgery of the housewife and lift a great burden from the shoulders of the farmers."

Franklin D. Roosevelt.



ELECTRIC POWER FOR TWO MILLION FARMS

PRESIDENT Roosevelt and Congress have made provision for a 10 year program for the electrification of 1,000,000 farms. In addition it is believed that this activity will stimulate private industry to bring electric power to another 1,000,000 farms.

THE GREATEST ABOUT 1932

**"THE FUNDAMENTAL PROBLEM OF AGRICULTURE
IS THE CONTROL OF PRODUCTION."**

Republican Platform, 1932



...WOMEN... FUNDAMENTAL, DOLL DIRECTORS OF THE NEW YORK LIFE...
...ance Co.—refused last night to defend or approve this...
...ment of Alf M. Landon's running mate on the republican...

...ver sprinted for his car after...
...rd meeting, dourly declining...
...ment; Smith dodged inter-...
...w and maintained an embar-...
...sion. Not so the execu-...
...of two of the biggest Ameri-...
...insurance companies. They...
...he be direct to Col. Knox.

TRUE' DECLARE TWO
Franklin D'Osser, vice presi-...
...dents charge of the main office of...
...cidental Life Insurance Co.,...
...work, said crisply:...

Roosevelt Cheered on Dixie Trip

G. O. P. SECRETARY URGES CONTROL OF FARM PRODUCTION

Hyde Advocates Limiting Produc-
tion of Agriculture To Demand

"If we can get him (the farmer) to limit
his production to the demand, then we have
accomplished some-
thing."

Republican Secretary
of Agriculture
Arthur M. Hyde
June 12, 1931

...snapped,
...politics in an in-
...office."

HYDE EVADES QUESTION
...let's step outside, then,"...
...ated the reporter, as Hoover...
...ented it for a waiting car.
...ill you vote for a man who...
...that life insurance policies are...
...? " he was asked outside the...
...continued on page 4, col. 1)

LD OLIVER
...Staff Writer)
...C., Sept. 10...
...by the nat-...
...of the Great...
...national park...
...velt arose...
...complete writ-...
...a southern...
...ette.
...ress at...

HOOVER ACTS TO BAR NEW FARM AID PLAN

\$200,000,000 Relief Move Assailed

Washington (Mar. 16, 1932) . . . The
Administration feels that Agriculture
should not have priority over banking at
this time. . . . Another objection is that
instead of bringing about curtailment of
acreage, such distribution would encour-
age crop expansion. . . .

New York Journal of Commerce
March 17, 1932

(Continued on page 4, col. 1)

...FROM THE CARE OF BUREAU, 1930, TO JUNE 30, 1932, THE
net public debt of the United States excluding the increase in
the balance on the general fund of the Treasury has increased
about \$10,400,000,000. In addition to this, the government has
guaranteed bonds of federal agencies so that contingent li-
abilities of about \$4,700,000,000 have arisen during the period.
But these figures alone exaggerate the increase. A correction
should be made because some of the funds obtained through
the sale of government bonds have been advanced to agencies
which will eventually repay such advances.

The most important of these is the Public Debt, a
large portion of the assets of which

HYDE DECLARES THAT PRODUCTION CONTROL "ECONOMIC PROGRAM"

Republican Secretary
Condemns "Quack
Schemes;" Urges Limit-
ing Production

"Then (1870-1893) as now
(1931), every quack nostrum
of political relief found an
enthusiastic following. In fact
every scheme was advocated
except the one economic pro-
gram of controlling produc-
tion."

Arthur M. Hyde
June 9, 1931

ASSETS

...increase should be made because
liquid and recoverable assets of the
...000,000,000 in the stabilization fund
...increase in debt. If these adjust-
...instead of being 15 billion comes to
...billion dollars, as is indicated in the following

(\$ billions)

-FACE IN HISTORY !

1936



"... THE RESTRICTIVE AND COERCIVE AAA ..."
Republican Platform, 1936

"... THE ADMINISTRATION THROUGH ITS PROGRAM OF SCARCITY ..."
Alf M. Landon, Acceptance Speech, July 23, 1936

"THIS PROSPECT OF REGIMENTATION ..."
Colonel Frank Knox, Acceptance Speech, July 30, 1936

KANSANS NOT SURPRISED BY BIG WHEAT VOTE

Capper, McGill and Hope Anticipated Indorsement for Farm Administration's Program.

'NOT POLITICAL QUESTION'

Trio Made Radio Appeals in Behalf of AAA Program and the Pending Amendments.

Washington, May 27, 1936
Topix Daily Capital

The overwhelming majority of the members of the national delegation, all of the AAA, ought to convince the committee that the wheat program has been a "moral effect" on the pending AAA program has been... Capper said... I am going to...

Corn-Hog Vote Proof Farmers Seek Equality

Willing to Swap Minor Liberties for Larger Economic Gains

The significance of the instant program is...

AAA INDORSED IN ALL STATES

Vote Affirmative by 6 to 1 Margin.

The AAA wheat referendum had resulted the most ever submitted to the nation. It was on the ballot both in Des Moines September 28, 1935 and...

Heavy Majorities in Favor of Continuing AAA Corn-Hog Plan

Returns from Several States Show Six to One Lead

By the Associated Press
 Heavy majorities in favor of continuing the corn-hog program were recorded in several states, according to a poll conducted by the *St. Louis City Journal* on October 27, 1935.

Record returns from a number of states, recorded even before the formal closing of the ballot boxes, showed the AAA running ahead by better than six to one.

number of votes would be considerably greater than the 579,700 farmers who voted last year. In that referendum 24 per cent voted for an adjustment year, while 190,000 voted for control. This was a percentage of opposition program ever recorded.

Over Millions There were 1,152,000 voters in 1934, and 890 of those voted. Last year 584 contract signers voted in favor of adjustment while 161,100 voted against the program. Records showed that 555 nonsigners wanted a program while opposition votes were by 29,741 nonsigners. Separate tabulations were...

FARMERS BACK A.A.A. ON WHEAT PROGRAM

Unofficial Tabulation Shows 117,625 for Crop Control with 15,617 Against

KANSAS CITY, Mo., May 27, 1936
St. Joseph Journal

ROOSEVELT HAS REDUCED DEBT BURDEN

IF EVERYONE had to pay an equal share of the National debt at the beginning of the Roosevelt Administration it would have cost each citizen \$192.00. In 1936 if everyone had to pay an equal share of debt it would cost each citizen \$242.80. The net increase in the debt during the Roosevelt Administration is approximately seven billion dollars.

But it would cost the farmers less in terms of commodities to pay a per capita share of the debt today than it would have cost at the end of the Hoover Administration. Study these figures:

	1932	1936
Wheat . . .	539 bushels	252 bushels
Corn	642 bushels	300 bushels
Hogs	4600 pounds	2600 pounds
Eggs	1600 dozen	1200 dozen
Butterfat .	1333 pounds	700 pounds

Therefore, measured in terms of the farmer's real money—the things he produces—the national debt is less today than it was when the Roosevelt Administration took office.

Moreover, the federal debt will not be paid on a per capita basis, irrespective of the wealth or earning power of the individual. It will be paid by corporations and individuals from increased earnings.

SOME RESULTS OF ROOSEVELT POLICIES

THE Roosevelt Administration has spent seven billion dollars more on recovery and relief than it has collected in taxes. Look at some of the financial results of this investment:

National income will be 20 billion dollars greater in 1936 than in 1932.

Federal tax collections are about 2 billion dollars per year more than in 1932.

Expenditures for relief and recovery have decreased every year since 1934 and thus the federal budget is on its way toward being balanced.

Farm income has increased more than 80% since 1932.

Industrial production is 80% above 1932.

Values in real property, stocks, bonds, life insurance policies and other securities have been restored by at least 150 billion dollars.

Political calamity howlers would have people believe that because of the Roosevelt policies the nation is near bankruptcy. The country **was** near insolvency when President Roosevelt took office. The bankers themselves demonstrate the present soundness of the national financial structure. In 1932 Government bonds were selling as low as 83; today, the same bonds are bringing a premium—selling as high as 104. This means that the Government's credit is better today than it was in 1932.

In spite of the increase in the national debt, interest charges are less today than they were in 1932. This means that it costs taxpayers less to carry the national debt today than when President Roosevelt took office.

THE UNDERLYING ISSUE

IN SPITE of the genuine recovery accomplished by the Roosevelt Administration, a campaign of fear is being waged in an effort to frighten voters to return to power the discredited forces responsible for the Hoover deflation. The real reason for that opposition was recently revealed by an Eastern newspaper, the Springfield (Mass.) Republican. This paper stated:

"The organized, centralized power of finance and industry—including not all men in business by any means—has learned that it cannot dominate or control the President of the United States now in office; and it has come to believe that it cannot hope to control him should he be re-elected.

"That this has proved to be true, is, perhaps, the most significant development of Roosevelt's public career. Organized finance and industry has usually dominated Presidents in the sense that it has had a decisive influence with them; and it has so much at stake that it cannot tolerate the idea of the continuation of an administration in which it cannot exercise a major control.

"If we are witnessing a struggle for power, the New Deal must be 'liquidated' in the interest of 'The real rulers of the country' in their view, regardless of the services it may have performed. That is the essence of the underlying issue."

WHY MONEY WAS BORROWED

THE Philadelphia (Pa.) Record recently, in an editorial, described the choice made by President Roosevelt in borrowing funds for recovery and relief. This newspaper said:

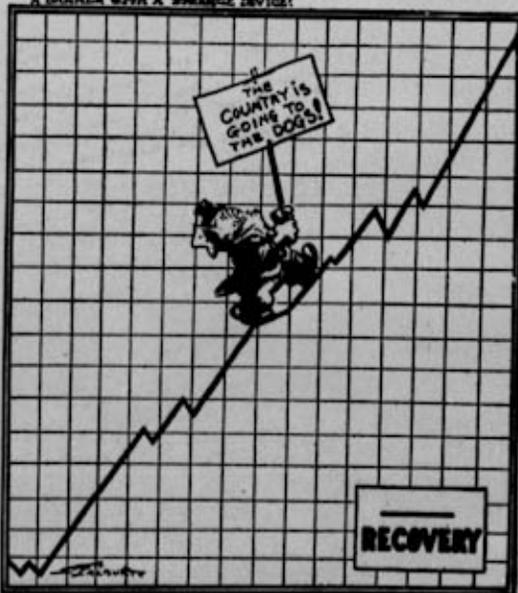
"President Roosevelt had to decide between borrowing money and letting the country suffer as Hoover let it suffer.

"Roosevelt took the human view. Roosevelt took the view that money was the servant of man, not his master. Roosevelt took the view that there is no greater, wiser investment than an investment in the stability of the United States of America and the welfare of the people."

WHO WILL PAY THE DEBT?

THE Federal Government has no power to tax land or real estate. So long as Roosevelt policies continue, necessary expenditures for relief and recovery will be obtained from an equitable system of taxation which does not involve farm land or homes. Under the proposal of Governor Landon's supporters, these expenditures will be shifted to the States and local communities. This would involve a tax on land. Under the Roosevelt policy the national debt will be retired from the earnings and profits of corporations and individuals based upon their ability to pay. These funds will be obtained from increased national income as the Roosevelt policies make recovery permanent.

A BANKER WITH A STRANGE DEVICE!

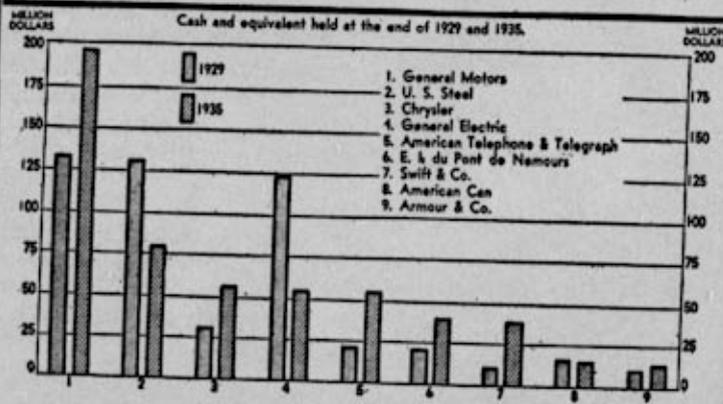


COURTESY WASHINGTON, D.C. DAILY NEWS

ANOTHER STORY FROM THE RECORD

**Industry Is Urged to 'Gang Up'
On Roosevelt Administration**
Chairman of General Foods Corporation
Calls for a '1935 Declaration of Independence by Business'

Some Large Companies Have More Cash Than They Had in 1929



WASHINGTON, Nov. 30 (DNB) — Calling for a "1935 declaration of independence by business," Edward P. Hutton, prominent chairman of the board of the General Foods corporation, Wednesday urged "all industry—big and little" to "gang up" on President Frank D. Roosevelt's administration.

Suggesting organization of an American federation of business, Hutton warned that unless businessmen hang together "our government will joyously hang them all separately."

In what was described as a "bold message," Hutton, writing in the current issue of Public Utilities Fortnightly magazine published here, discussed the attitude of the Roosevelt administration as reflected in power development, stock control and other legislation of the last two and one-half years.

"Then, he dropped his bombshell: 'All industry, big and little, has a stake in this controversy between the administration and the public utilities. If the government should succeed in carrying out plans so carefully drafted by the radical socialists, all industry must suffer sooner or later. So I say: Let's gang up!'"

Hutton reviewed in detail the presidential policies, and asked:

"Why have not these other industries whose interests are almost identical with those of the electrical industry 'ganged up' with the utilities and presented an unbroken front in opposition to government competition and punitive legislation?"

"Why hasn't all business and industry joined in the fight?"

He warned: "If the major industries of this country do not hang together, if they do not openly call their stockholders and employees to the colors of a 1935 declaration of independence, the radical legislative departments of the executive and government will joyously hang them all separately."

Holding up what he described as the specter of communism and fascism hanging over the government and the nation, Hutton proposed the organization of a super-lobby to set up shop in Washington to put pressure on congress and the executive departments, and wage war to drive out of office or prevent election or appointment to office of all persons opposed to its interests. To accomplish this he suggested organization of an American federation of business.

NOW-ALL TOGETHER

FOR THE SAKE OF MY WEALTH
AND DOMINATION!

LOBBY GROUP BARES GIFTS MADE BY RICH

Du Ponts Head List Of Back-
ers Of Such Outfits As
Liberty League

Ten Sources Gave 9% Of All
Contributions, Black Com-
mittee Reveals

(Washington, Bureau of the Sun) Washington, June 20—Ten major groups, including seven families and associates, were shown today to have contributed ninety per cent. of the funds received during the last eighteen months by such organizations as the American Liberty League and the American Federation of Utility Investors.

According to reports on record, a statement issued by the Black (Dem., Ala.) lobby investigating committee, said these ten groups provided \$324,214.84 of a total of \$1,284,604.62 collected by fourteen organizations, most of which were openly opposed to the New Deal.

Donations Listed

A consolidation of the contributors and their contributions, compiled by the committee, was as follows:

DuPont family.....	\$201,845.00
DuPont associates.....	152,822.00
Pittman family.....	100,250.00
J. P. Morgan associates.....	68,220.00
Mellon associates.....	60,724.25
Rockefeller associates.....	43,832.50
E. F. Hutton associates.....	40,871.28
Pud Oil Company associates.....	37,260.00
Wicks and brokers.....	184,224.83
Utility companies and asso- ciates.....	27,068.84

Groups Benefiting

These contributions went to the following organizations:

- American Liberty League.
- American Federation of Utility Investors.
- American Taxpayers League.
- Crusaders.
- Economists National Committee on Monetary Policy.
- Farmers Independence Council.
- League for Industrial Rights.
- Minute Men and Women of Today
- National Economy League.
- New York State Economic Council.
- Repeal Associates.
- Sentinels of the Republic.
- Southern Committee to Uphold the Constitution.

Women Investors in America, Inc. Activities of some of the above organizations were examined within the past few months by the Black committee. In numerous cases, the committee found, wealthy anti-New Dealers such as the du Ponts did not confine their contributions to one organization but spread their money among several.





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"What you wanted and what you and I have endeavored to achieve was to put an end to the destructive forces that were threatening American agriculture. We sought to stop the rule of tooth and claw that threw farmers into bankruptcy or turned them virtually into serfs, forced them to let their buildings, fences, and machinery deteriorate, made them rob their soil of its God-given fertility, deprived their sons and daughters of a decent opportunity on the farm. To those days, I trust, the organized power of the nation has put an end forever."

AN ADMINISTRATION HEADED BY ROOSEVELT DID *THIS* FOR FARMERS

Agricultural Adjustment Act
to increase farm prices

Soil Conservation and Domestic Allotment Act
to maintain farm income and save the soil

Farm Land, Cooperative, and Production Credits
to stop mortgage foreclosures and build firm credit
structure for agriculture

Gold Revaluation Act
to check ruinous deflation

Drought Relief Programs, 1934 and 1936
to protect producers and consumers

Rural Electrification Program
to electrify farm homes

Rural Rehabilitation Program
to provide opportunity for small farmers to hold and
improve their land

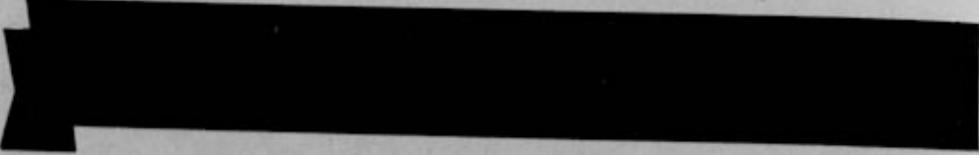
Water Conservation
to make possible better use of water and land for
people

Surplus Purchase Program
to sustain farm prices and feed surpluses to the
needy

Commodity Exchange Act
to regulate speculators

Corn and Cotton loans
to stabilize prices

INDUSTRIAL RECOVERY PROGRAM
to build up farmers' home market



**"WE HAVE TAKEN THE FARMERS OFF THE ROAD TO
RUIN.**

"WE HAVE kept our pledge to agriculture to use all available means to raise farm income toward its pre-war purchasing power. The farmer is no longer suffering from 15-cent corn, 3-cent hogs, 2½-cent beef at the farm, 5-cent wool, 30-cent wheat, 5-cent cotton and 3-cent sugar.

•

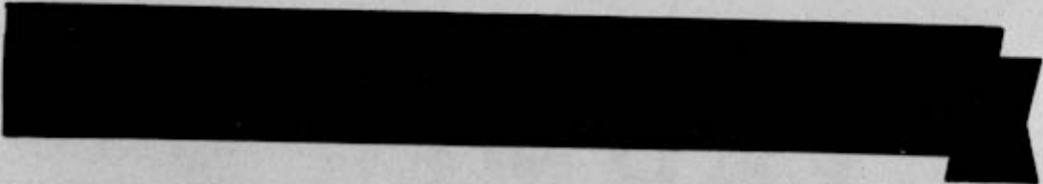
"BY FEDERAL legislation we have reduced the farmer's indebtedness and doubled his net income. In cooperation with the States and through the farmer's own committees, we are restoring the fertility of his land and checking the erosion of his soil. We are bringing electricity and good roads to his home.

•

"WE WILL continue to improve the soil conservation and domestic allotment program with payments to farmers.

•

"WE WILL continue a fair-minded administration of agricultural laws, quick to recognize and meet new problems and conditions. We recognize the gravity of



the evils of farm tenancy, and we pledge the full co-operation of the Government in the refinancing of farm indebtedness at the lowest possible rates of interest and over a long term of years.

•

“WE FAVOR the production of all the market will absorb, both at home and abroad, plus a reserve supply sufficient to insure fair prices to consumers; we favor judicious commodity loans of seasonal surpluses; and we favor assistance within Federal authority to enable farmers to adjust and balance production with demand, at a fair profit to the farmers.

•

“WE FAVOR encouragement of sound, practical farm co-operatives.

•

“BY THE purchase and retirement of 10,000,000 acres of submarginal land and assistance to those attempting to eke out an existence upon it, we have made a good beginning toward proper land use and rural rehabilitation.

“THE FARMER HAS BEEN RETURNED TO THE ROAD TO FREEDOM AND PROSPERITY. WE WILL KEEP HIM ON THAT ROAD.”

*(Platform adopted at the 1936
Democratic National Convention)*

THE AMERICAN FARMER'S CREED

THE principle of Equality for Agriculture has, for the first time in a generation, been carried into action by the Roosevelt Administration.

For 12 years preceding 1932 our fight for equality was blocked by the reactionary elements then dominating our government.

At last we have in the White House a man who combines understanding and sympathy with the courage to act.

Under the Roosevelt leadership, the American farmers have placed their feet firmly on the road to security and prosperity. Farm problems that are national in size have been met by national measures.

Farm prosperity requires the continuation of an administration which has given agriculture performance instead of promises.

Regardless of our previous party affiliations, we believe that Franklin D. Roosevelt will continue that kind of an administration and we pledge our support to his reelection.

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A BOOK OF FACTS ON AGRICULTURE

based on official data obtained from public reports of the Department of Agriculture, other government sources, and recognized independent sources.

published by the
ALL-PARTY

ROOSEVELT AGRICULTURAL COMMITTEE

166 W. JACKSON BOULEVARD

CHICAGO, ILLINOIS

The PRAIRIE FARMER

Since 1841

Illinois

OCTOBER 10 1936

Why We Are For The Roosevelt Farm Program

by CLIFFORD V. GREGORY

A few days ago Mr. Butler, our publisher, said to me:

"Our readers have so much at stake in this campaign that I believe we should present the issues to them with absolute frankness in the next issue of Prairie Farmer."

I agreed with him, and this plain statement of the issues as we see them is the result.

Neither Mr. Butler nor I owe allegiance to any political party. We have voted for Republicans as often as for Democrats. Our views now are not partisan. Our only allegiance is to our readers. Our only interest is in the welfare of American agriculture, which underlies the welfare of the entire nation.

THERE is a knock at the door. Mrs. John Smith of Boston or Mrs. William McAllister of Philadelphia or Mrs. Levi Straus of New York City opens the door.

"I have nothing to sell," the visitor hastily assures her. He has a market basket of typical food products on his arm. Each package is marked with its price today, and in the spring of 1933. "See how the cost of your food is going up," he says. "That is what the pig-killing and plowing-under programs of the Roosevelt administration have done to you."

Many big city dailies are telling and retelling the same story.

A Chicago newspaper bluntly tells its city readers that—"Mr. Roosevelt's hog program has deprived 50,000 men and women of the chance to earn a decent living," and adds: "Pork chops which sold for 17 cents a pound when Mr. Roosevelt took office now cost the housewife 35 cents a pound."

That is the city end of the Republican farm campaign. It can mean only one thing. It means that the powers that control the Republican party are in favor of unrestricted farm production so that there will be more jobs and profits in the business of transporting and handling and processing farm products.

It means that the Republican party is in favor of \$3 hogs and 15-cent corn so that housewives can again buy pork chops for 17 cents a pound.

"Back to 1932 farm prices" is the plain meaning of the Republican cheap food campaign in the cities.

There is nothing in their announced farm policies to prevent this. Gov. Landon says that farm production must not be restricted. He assails the Roosevelt "program of scarcity"; says that the real function of government is "to help the farmer to produce and to finance carry-over crops."

That is what the Hoover farm board did. There was no program of scarcity then—

(Over)



except for the farmer.

In farm homes there was real scarcity—no money for new clothes or to educate the children, not enough to pay interest and taxes, no funds to replace worn-out equipment, no end in sight but foreclosure and eviction.

The real Republican farm program—the farm program that party workers and newspapers are talking about in the cities—is another program of scarcity and poverty for farm folks.

If history teaches anything, it teaches that we cannot pile up surpluses without smashing prices. And the only way to keep from piling up surpluses to the breaking point is not to produce them beyond the needs of a safe carryover.

The outstanding point in Gov. Landon's farm program is that he is opposed to any curtailment of production—in the face of the fact that restricted production is the only thing that has been effective in raising prices.

"The American farmer wants to produce without fear," says Gov. Landon.

Yes, without fear of low prices.

"There is nothing more satisfying than raising good crops," says the governor, "having a crib full of corn, plenty of hay in the mow or stack, and hogs and cattle fattening in the feedlot."

Farmers had all that in 1932, but it wasn't satisfying.

"The reciprocal trade program . . . has sold the farmer down the river," says Gov. Landon.

But he isn't being sold out under the auctioneer's hammer, as he was in 1932.

Volume vs. Profit

The trouble is that Gov. Landon has accepted advice from the wrong sources—apparently from those who make their money by handling a large volume of farm production, rather than from farmers who are interested in total net farm income.

He would have done better if he turned back to the Republican platform of 1932, which said:

"We will support any plan which will help to balance production against demand and thereby raise agricultural prices . . ."

That is the time-honored policy of industry, and the only one that has ever worked for agriculture.

Issue No. 1 in this campaign as far as farmers are concerned is this:

Do we want unrestricted production and 1932 prices, the gold standard hung around our necks again, the bank deposit guarantee act repealed? Or do we want to follow and perfect the policies of the past three and one-half years that have raised our prices and given security to our farms and our bank accounts?

Before election in 1932, Mr. Roosevelt said that he would be guided in his farm policies by the advice of farmers themselves. He has carried out that promise insofar as the majority of farmers and their leaders have been able to agree. Never in any other administration have farmers been so welcome in Washington and their influence so great.

If the Roosevelt farm policies are all wrong, the fault rests with farm folks themselves as much as with the President.

That they have not been all wrong is shown by the tremendous improvement in agriculture since the spring of 1932.

Issue No. 2 in this campaign is this: Can any political party afford to do anything for farmers?

If the majority of farmers vote against Roosevelt, and he is elected, he will owe his election to others, and he cannot be expected to go as far as he has in the past to help agriculture.

If the majority of farmers vote against Roosevelt, and Landon is elected, our position will be no better.

All the anti-farm forces which for years have opposed everything offered by either party for the betterment of agriculture, are for Landon. They will say to him in effect:

"Don't be a sucker. Roosevelt went all the way for the farmers, and see what they did for him! They have no gratitude. They don't remember their friends, but we do. You'd better get your farm policies from us."

And who could blame him, under those circumstances, if he took that advice?

Communism and Fascism

The campaign is being confused by many side issues, the most foolish of which is the charge that Roosevelt's policies are leading us into communism. Roosevelt is much further from communism than the Liberty League is from fascism. We want neither of these alien forms of government in America. We will get neither, no matter who is elected.

Nowhere is democracy more solidly entrenched than in England. Yet conservative England has done all that Roosevelt has done, and more England abandoned the gold standard before we did. Its farm relief plans are much more drastic than ours. Its housing plans and its social security legislation go far beyond ours. Yet no responsible person in England regards these things as steps to communism.

Communism does not come that way. It comes from grinding the common people down into hopeless poverty. Prosperous farmers and city workers do not become communists. They are democracy's only safe insurance policy against communism.

The National Debt

The increase in the national debt is being used as a political scarecrow. That money was spent first to save banks and insurance companies and industries; second, to make it possible for the unemployed to eat; third, to restore prosperity to agriculture.

Those things were done to pull the country out of the worst depression in its history. Who shall say that they were not worth the cost?

Now that the desired results are well on the way to accomplishment, the bill will have to be paid. But out of an annual increase of 20 billions or more in national income since the low point in 1932, it will not ruin us to pay off the eight billions that have been added to the national debt.

Taxes to pay it will not be levied on city homes or farm land. Those things the federal government has no power to tax. The bill will be paid by those who are able to pay it—by those whose incomes have been substantially increased by the expenditure of this money.

But even if the national debt were divided up equally, farmers could still pay their share more easily now than in 1932.

The per capita debt in 1932 was \$192. Now it is \$242.80. In 1932 that meant 539 bushels of wheat, 642 bushels of corn, or 4,600 pounds of hogs. Now it means only 252 bushels of wheat, 300 bushels of corn, or 2,600 pounds of hogs.

In terms of farm products, the federal debt is much more bearable now than in 1932.

There is still plenty to be done in getting the rest of the unemployed back to work—in many cases in getting back into their hearts the desire to work. Plenty of mistakes have been made. There has been too much waste in handling many of the emergency activities.

But no political party has a monopoly on waste and mistakes. Even private business makes mistakes.

There are difficult problems to be worked out in the years ahead. Neither party will do the job perfectly. It will take the best statesmanship of both.

But right now the question for farm folks to answer is whether or not they want unrestricted production and 1932 prices; whether or not they are going to stand by a President who has done everything he could for them.

Four years ago banks were crashing, farm mortgages were being foreclosed, and farm prices were at a level so low that it meant ruin for agriculture and for the country. Farm and city folks alike were in despair; hope had all but vanished from their hearts.

We do not want to go through that experience again.

This article is a reprint of an editorial which appeared in the issue of October 10 of *Prairie Farmer*, America's oldest farm paper. It is being distributed by the Roosevelt Agricultural Committee.

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T. F. Detamore

KANSAS

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L. E. Webb
Alva Stricker

NEBRASKA

Coruhusker Hotel, Lincoln
F. L. Robinson
J. E. Lawrence

ILLINOIS

424 United Mine Workers Bldg.
Springfield
J. H. Lloyd
Henry Horner
R. W. DeBord

MONTANA

360 Stapleton Bldg., Billings
Oscar Bierford
J. T. Sparling

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M. Clifford Townsend

IOWA

518 Grand Ave., Des Moines
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MISSOURI

William Birch
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PSF
Aggr



HENRY A. WALLACE, SECRETARY OF AGRICULTURE

Words vs. Action

An address delivered by Secretary Wallace over a nation-wide radio hook-up under the auspices of the Democratic National Committee, Sept. 25, 1936

WORDS vs. ACTION

As Secretary of Agriculture, I feel that I owe a real duty to both the farmers and the consumers of the nation to discuss with them as fully as possible in fourteen minutes the significance of the agricultural proposals put forward by Governor Landon last Tuesday night. Some of his promises, like those of the Harding, Coolidge, and Hoover administrations, sound attractive, but his major proposal would bring the farmers back to 1932 with the greatest speed possible.

Governor Landon promises to protect the income of the farmers, realizing that with ordinary weather this income is imperiled by exportable surpluses for which there is now no market. He promises that enough cash benefits would be paid to farmers on the domestically consumed portion of the crop to enable farmers to get an American price for that portion. He would do away with the Soil Conservation Act as soon as the 1936 obligations have been carried out, and of course there would be no production control.

In order to understand what this program really means, let's assume a year or two of normal weather and see how it would work with wheat. Average yields on this year's wheat acreage would produce a crop of 960 million bushels. Of this, we could consume at home only about 630 million bushels. This would leave 330 million bushels for export to the foreign markets, which Mr. Landon admits are gone. With a 960 million bushel crop, domestic prices would drop to about 55 cents a bushel. To lift farmers' returns, Mr. Landon would pay a "tariff equivalent" presumably of 42 cents a bushel on two-thirds of each farmer's crop. The cost to the Treasury for wheat alone would be about 265 million dollars.

Then Would Come The Smash

Now this may sound attractive to the farmer who is a one-year thinker. But Mr. Landon's plan would subsidize agriculture to keep on expanding, and to go right on piling up wheat on top of the big supply accumulated in the first year.

The plan could not possibly last through two years of ordinary weather. Some time in the second year, the crash would come. Assuming the plan were being operated for all exportable crops, the collapse would be far worse than if operated on wheat alone.

The amount of Treasury money necessary to give farmers their fair share in the national income might easily go over a billion dollars a year. The American consumer and the income taxpayer would see the difficulty of moving an ever-increasing quantity of American farm products on to a resistant foreign market. They would reach the conclusion that the program was one of even greater folly than that of the Farm Board. The whole thing would end in a smash worse than 1932.

After the smash, farmers producing expanded acreages of export crops would as in 1933 face the necessity of adjusting themselves to tremendous carry-overs. Prices would be cut to one-third or even one-fourth. This time the farmers' fate would be truly appalling because no political party would have the nerve to give them sound and effective help. All political parties would say—"It is political suicide to give real help to the farmers. They won't stand by you. All they want is promises."

They Have Not Learned Their Lesson

It seems that the Republican leaders have learned nothing from the way in which they brought this nation to its knees in the disaster of 1931 and 1932. They propose to do the same thing over again. In the decade of the 20's they used private money, gathered by the international bankers from trusting American investors, to finance the purchase by foreigners of our surplus farm products. Now they propose to use government money. In the three Republican administrations from 1921 to 1932, the only solution the Republicans had for the farm problem was higher and higher tariffs and the Farm Board. Now they propose to give the nation more of the same kind of thing. They propose to set in motion forces which will distort the judgment of producers and which will unbalance supply and demand and inevitably bring a recurrence of the 1932 crash. They are trying to lead American farmers into the trap of producing in expanding quantities for a foreign market which Republican tariff policies in large measure destroyed, and which they themselves admit does not exist.

As editor of a farm paper during the decade of the 20's, I spent the greater part of my time warning the American people of the inevitable crash which the Republican policies would bring.

At first I wrote and spoke as a Republican, but when I found that the greedy and ignorant forces behind the national Repub-

lican Party had no interest in Agriculture except getting votes every fourth year, I wrote and spoke as a non-partisan. Now I am speaking as a Democrat warning the people of the United States that the greedy and ignorant forces behind the national Republican Party have not learned the lesson of 1932 but are willing again to plunge us into that tragic chaos. They want us again to ship large quantities of American farm produce, large quantities of American fertility from land that is rapidly eroding, and large quantities of American money to foreign nations. They want us to do this and receive nothing in return from abroad. They do not and dare not indicate exactly what products they are willing to import in ever-growing volume from foreign nations in return for the increased quantities of the subsidized farm exports we would send abroad. Governor Landon is giving us words which sound good in a year of drought. But he has no plan of action which would prevent disaster to farmers and laboring men alike in case we should have only one or two years of good weather. Fortunately the common sense of the American farmer, the American business man and the American consumer will not, in my opinion, give the Republicans and Governor Landon an opportunity to try out any foolishness of this sort. The memory of the scarcity, the breadlines, and the foreclosures of 1932 with its 30-cent wheat, 5-cent cotton, 3-cent hogs and 15-cent corn is too fresh in their minds. The American people will not let the Republicans build for another 1932 explosion.

Would Return Loans to Bankers

Several of the other Landon proposals indicate even more clearly in my opinion the influence of the forces which have been behind the Republican Party since the Great War. He says informally that my actions with respect to the corn loan were good, but he himself proposes to replace the present system of State farm warehouse laws financed by money loaned from the Commodity Credit Corporation with a federal farm warehouse law financed with money loaned by the bankers. If this system as proposed by Governor Landon had been in effect in the fall of 1933, I wonder if the bankers would have loaned even one-third as much per bushel as the Government actually did loan. Appearing to be a friend of commodity crop loans, Governor Landon really is against them except on a basis of private banking.

Incidentally, his proposed system of federal farm warehouse receipts is probably unconstitutional in the case of a commodity like corn which is not destined to move in interstate commerce. At any rate that was the decision the Supreme Court handed down in *U. S. vs. Hastings* on December 9, 1935.

With regard to crop insurance Governor Landon apparently feels that private companies will eventually do all that is necessary. He thinks the subject is worthy of study and expresses no opinion of crop insurance paid in kind in such a way as to establish the Joseph plan or "ever normal" granary. It is to be assumed that he is against government crop insurance paid in kind and favors private crop insurance paid in cash. He is against the ever-normal granary. Governor Landon is against tenancy but he has no proposal for doing anything which is not now being done by the Farm Credit Administration.

Payments Only to Paupers

Governor Landon professes deep interest in soil conservation but says the present Triple A soil conservation program is a "subterfuge," that it is *not* conservation. He promises to wipe it out at the earliest opportunity and substitute a program of his own. Approximately four million farmers in every State in the Union are cooperating in good faith in the present soil conservation program, but their wishes are apparently of no consequence to Mr. Landon. The county associations of farmers and the farmer committeemen who are elected by the farmers and who are administering the current program would presumably be replaced by something which the Governor did not see fit to describe. Just how his soil conservation program would differ from the present program, the Governor did not say. He did not say whether payments under his program would be higher or lower than the present payments, but he did indicate that a farmer would have to prove himself a pauper to get any payment at all.

In view of Governor Landon's tribute to conservation it is interesting to contrast his record as Governor of Kansas from 1932 to 1936 with that of Franklin Roosevelt as Governor of New York from 1928 to 1932. The moment Roosevelt was elected in the fall of 1928 he called together an agricultural advisory commission of farm leaders, agricultural college men, and a farm newspaper man. Acting on advice of this non-partisan council he started in 1929 a careful land survey. Studies made by this council enabled Roosevelt as Governor to inaugurate a

15-year land-buying program and to lead the way to a system of taxation which improved the rural schools and the farm to market roads but lifted the unfair burden of farm taxation for such improvements off the back of the New York farmer. Governor Roosevelt actually did things for the New York farmer. Governor Roosevelt did not have to claim credit for work done in his State with federal funds.

Deflation Is What They Advocate

Frankly, no one knows anything outstanding that Governor Landon has done for the Kansas farmer or for the cause of conservation in Kansas. As has been the case with nearly all Governors he has been interested in the expenditure of federal money in his State. Apparently he has been as eager as possible to see a considerable percentage of the federal money spent for ponds. But even with considerable sums of federal money at his disposal Governor Landon's record for Kansas conservation, Kansas farms, Kansas roads and Kansas schools is not in the same class with Governor Roosevelt's record for New York.

There is no reason for believing that Landon's record as President would be any better than that of Harding, Coolidge or Hoover. Behind him stand the same men. In slightly different terms he is proposing the same policies. Like them he promises many things for the farmer but also like them his sentences are so phrased as to mean little in terms of action. Insofar as he is really prepared to act he would apparently increase tariffs and get the farmer to producing surpluses again as fast as possible. Like his Republican predecessors he believes in a monetary policy which would lead to deflation. Ever since 1921 the inside leadership of the Republican Party has believed that the real solution of the farm problem was Deflation spelled with a capital D.

Ninety-eight out of 100 big bankers are for Landon. Ninety-eight out of 100 of the big corporation executives are for Landon. No man big enough to run for President can be a complete ingrate. Landon will not and should not let the big contributors to his campaign funds suffer from his ingratitude. The State campaign in Maine tells us who some of these men are. The Liberty League roll gives us the names of others. The munitions makers, oil men, power magnates, big packers and grain gamblers are the men who have always attacked farm programs and who are now fighting Roosevelt.

While making promises to farmers in the West, the Republican high command pursues an exactly opposite course in the East. It is carrying on a systematic attempt to get housewives to demand immediate return of 1932 levels of retail food prices—and that means 1932 farm prices. Although food price levels are materially below the levels of 1928, the partisan Republican press almost daily headlines attacks upon them. Besides the newspaper attacks, the Republican managers have hired canvassers to carry market baskets from house to house calling attention to food prices today compared with prices at the bottom of the depression.

Can agriculture trust its welfare into the hands of a political organization which sets out in the industrial states to break farm prices? Low farm prices invariably mean low city wages. The fact is wages have kept pace with farm price advances since 1932. American farmers and wage earners don't want deflation. Wage earners don't want to go back to pay cuts and breadlines. The overwhelming majority of business men don't want drastic deflation any more than they want drastic inflation.

A "Golden Apple" Program

Many months ago what appears to be the inner strategy of the Republican campaign for the farm vote was described by Dan D. Casement, of Kansas, president of the Farmers' Independence Council and member of the Advisory Board of the Liberty League. Writing in the Review of Reviews for November, 1935, Mr. Casement said and I quote: "The Governor of my own State of Kansas, now prominently mentioned for the Republican presidential nomination, recently told me that the farm vote could not be gained save by tossing to the farmer a golden apple program on a 'platform of platitudes,' a policy which he frankly advocated."

So far as I know this conversation has never been denied by Governor Landon. He may choose to deny it now, but whether he does or not the quotation is a perfect description of the farm policy the Republican leadership has pursued for 16 years; platitudes and golden apple promises, and then presidential vetoes, and evasions, and ever-deepening depression.

The farmers' choice this year is between promises and action.

—HENRY A. WALLACE.

*Roosevelt
and
Lehman
They've Done Right By Us!*



**THE STORY OF A NATION'S AND A
STATE'S AID TO NEW YORK FARMERS**

Introductory

FARMERS' cash income from their production is a most significant index to their economic welfare. Other similar indexes include the prices they receive, per unit, for their products; the value that is set upon their farms; the number of farms disposed of at forced sales (foreclosures, etc.); the volume of their production; the amount of manufactured and industrial goods for which they can exchange the products of their farms; the taxes they pay; the amount of money they have in the banks; the wages of farm labor. Similarly revealing are the indications of their spending—the purchase of new automobiles, of gasoline, of life insurance, of farm machinery and of other manufactured goods. These latter points not only reveal the condition of the farmer but the extent to which his buying power is being converted into more business for manufacturers and commercial concerns.

Cash income from farm production in New York was \$270,023,000 in 1935, an increase of 39 percent over the 1932 figure of \$194,635,000. Of the 1935 income \$200,000 was in the form of rental and benefit payments on that year's production.

By 1932, farm cash income in this State had fallen to 51 percent of its 1929 level. By 1935 it had risen to 71 percent of its 1929 level. This compares favorably with farm cash income in the Nation as a whole which in 1935 was 69 percent of the 1929 level.

Cash receipts for sales of principal products, as reported from New York, constitute approximately 91 percent of the cash income from production. During the first 7 months of 1936 these cash receipts were 14 percent greater than for the same period in 1935.

DEBIT AND CREDIT

OF THE

ROOSEVELT FARM PROGRAM

The Roosevelt Farm Program has cost about \$500,000,000 a year. This is what that money has bought:

CASH FARM INCOME . . . 1932	\$4,377,000,000
1936	\$7,500,000,000

CASH FARM INCOME, NEW YORK STATE . . .	
1932	\$194,635,000
1935	\$270,023,000

In 1932 the prices farmers got were 61 percent of what they should have been to be on the same level with the prices farmers paid.

In August, 1936, the prices farmers got were 98 percent of that fair exchange level.

As farm buying power increased, shipments of goods from the industrial cities of the northeast to farming communities of the south and west improved.

From June 30, 1933, to June 30, 1935, those shipments of manufactured and commercial commodities from New York State increased 56½ percent.

That increased buying power in cities and towns was one of the reasons for the better home market which helped farm sales and prices, particularly for dairy products.

As part of the surplus removal program, especially for dairy products, surpluses were bought and taken off the commercial market and given to hungry people who had no money to buy food