PSF

Agriculture: Henry A. Wallace

file confidential

PSF Wallace

ags

HIGHLY ~~CONFIDENTIAL~~

August 23, 1937

The trouble anticipated developed this afternoon. It turned out to be a case of Henry Wallace's aspirations for the Presidency vs. the President's prestige. Here's the story in detail:

There was a meeting attended by Paul Appleby (and two others) from the Department of Agriculture; Duggan from State, and Gruening from Interior. (Treasury said that they did not care about the terms of the veto message). After agreement on the terms of the message, Appleby then stated that Agriculture seriously contemplated filing a separate memorandum with the President, urging that there be no veto. He made the highly formal point that the word received from Dan Bell was merely that the Departments should agree on a veto message but that there was nothing to indicate that each Department should not (as is the usual case in connection with a bill) file a separate report as to its views as to whether or not the bill should be vetoed. Accordingly, he said, Agriculture might file a separate memorandum stating that the bill was satisfactory so far as Agriculture was concerned and should be signed.

Duggan and Gruening stated that it was their understanding that the President merely wanted a veto message jointly prepared by the Departments because he had already decided on a veto. Appleby indicated that he had not been so advised and stood on the fact that Dan Bell had sent Agriculture the usual formal request for its views on the bill. He did not disclose the following which Gruening, later, learned from Bell:

Bell received from the President and read to Appleby on the telephone a memorandum saying: "Obviously, I cannot sign this bill", and asking that the three Departments should agree on a veto message. Appleby then (prior to the conference) asked Bell whether that would preclude Wallace from expressing his separate views to the President, to which Bell replied that of course any Secretary was at liberty to advise the President about anything.

In discussing the desirability of not vetoing the bill, Appleby stressed that Agriculture "had to keep in mind" the political aspects of the situation." Very cold-bloodedly he made the pointed remark that there was no use in the President trying to beat Congress on this or on anything else -- that a President in his second invariably had little power over Congress and got nothing done in his second term except through acquiescence, and that it was very important for the Department "to keep in right with these Congressmen".

It was obvious that he was thinking primarily to the welfare of Henry Wallace as a potential candidate for the Presidency.

Appleby refused to comment on the fact that the President had virtually told Pat Harrison, and had otherwise let it be known, that he would veto the bill, if the refining discriminations were not eliminated, and that a failure to veto the bill would mean that Harrison had called the President's bluff and had won. In other words, Appleby was plainly more interested in Wallace's

political fences than in the President's prestige, in effect saying that, since this was the President's second term, he was on his way out and his prestige was not the paramount consideration.

Significantly, Appleby said that the suggestion that Agriculture should recommend against a veto had not come from Hutson, one of Wallace's subordinates close to him politically. Since no one had mentioned Hutson, that was a case of the lady protesting too much. For Hutson is a weak sister, who always wants to yield in any fight, and is always working for his personal and Wallace's good will on the Hill and therefore always urges Wallace to give in whenever there is any heat.

It's a cinch that, if the President signs the bill, Wallace will claim political credit with the beet Congressmen and Senators for having won over the President.

Duggan stated that Hull was almost certain to be for a veto, and that he thought that, if Agriculture had a contrary view, there should be a discussion among the three Secretaries and a joint recommendation. Appleby fought that suggestion and made it plain why; for he said that, if there was a joint recommendation, Agriculture would feel obliged to abide by the majority view.

If a jam is to be avoided, it would be very wise if the President were to advise the three Departments, through Bell or otherwise, that he had fully decided to veto the bill and merely wanted the Departments to agree on the terms of the statement.

S. C. Form No. 11

# Signal Corps, United States Army

**Received at**

War Department Message Center,
Room 3441, Munitions Building,
Washington, D. C.

file personal Wallace

2—0313 U. S. GOVERNMENT PRINTING OFFICE

Wallace

P 1 WVP CA 33WD

FORTMONMOUTH NJ 11 AM JULY 29 1939

PSF Stpic

THE PRESIDENT

THE WHITE HOUSE WASHINGTON DC

THE SEVENTH WORLDS POULTRY CONGRESS HAS JUST BEEN FORMALLY OPENED IT IS APPROPRIATE THAT THIS MESSAGE BE SENT THROUGH COURTESY OF THE WAR DEPARTMENT BY HOMING PIGEON THE ORIGINAL METHOD OF FAST COMMUNICATION

HENRY A WALLACE

CLEVELAND OHIO JULY 28

1125A

Be confidential

PSF
Wallace
Agric

THE WHITE HOUSE
WASHINGTON

August 5, 1939.

MEMORANDUM FOR

MRS. ROOSEVELT

FOR YOUR INFORMATION.
IT IS HIGHLY CONFIDENTIAL. WILL
YOU PLEASE RETURN FOR MY FILES?

F. D. R.

Have seen
ER

THE WHITE HOUSE

WASHINGTON

August 3, 1939

MEMORANDUM FOR F.D.R.

I am told that the Department of Agriculture was considering taking over the whole of the Rogers place as an experimental station which would have given a number of projects for the State N.Y.A. work. Did this ever materialize or is there no chance of its coming about?

E.R.

file personal.

DEPARTMENT OF AGRICULTURE
WASHINGTON

THE WHITE HOUSE
AUG 3 8 55 AM '39
RECEIVED

August 2 1939.

The President

The White House

Dear Mr. President:

You asked in your note of July 28 whether we had ever found any use for the Rogers place at Hyde Park. I believe M. L. Wilson spoke to you informally about his idea of establishing five or six research centers in different regions for the study of self-sufficient farming, suburban farming, and other subjects not covered at present. He also thinks that somewhere we should be preserving in growth the varieties of plants and breeds of live stock which do not now seem to have commercial value. For example, varieties of fruits are passing out of existence because they have no commercial value in competition with types bred for the modern market. Mr. Wilson feels that these varieties may be needed sometime because of possible diseases that may attack the commercial breeds.

Our understanding is that you gave approval to the plan, and clearance of efforts to get legislation introduced. We have prepared the attached bill to be introduced, we hope, in this session of Congress, preferably by Senator Mead of New York. Of course it will not be adopted in this session but we feel that it will have some educational value if it is introduced now. Later on we will urge its adoption. The bill as now drafted would make the Rogers estate eligible for use as one of these research centers.

Sincerely yours,

H A Wallace

Secretary

Enclosure

A BILL

To provide for establishing five regional agricultural research centers, for investigations and demonstrations in self-sufficing farming, the preservation of plant and animal varieties for use in event of outbreaks of new diseases or development of new commercial uses, suburban land use, and the application of power-driven appliances on the self-sufficing farm and in the farm-home.

WHEREAS,

1. Approximately 1,500,000 farm families in the United States are engaged in self-sufficing farming, living on small farms on which they raise most of the meat, vegetables, dairy products and other food they consume,

2. These non-commercial farms are about 22 percent of the number of farms in the United States,

3. This type of agricultural living has not received adequate scientific investigation and study, because changing economic conditions and a changing technology have directed most of the attention of the Department of Agriculture and of the Land-Grant Colleges to the problems of commercial farming, and

4. It is sound national policy, in keeping with the fundamental principles of democracy, to protect opportunities for families to maintain homes on small tracts of land on which they can produce food for family consumption to supplement other income; and

WHEREAS,

1. Families carrying on self-sufficing or part-time farming need some source of supplementary cash income, and

2. The possibilities of supplying such income through home industries, rural arts and crafts, and rural small-scale industry have not been adequately explored; and

WHEREAS,

1. Virulent plant and animal diseases appear unpredictably from time to time, either spontaneously or through importation, as in the case of Dutch Elm disease, the apple blight and the strawberry mildew, and

2. New commercial uses appear from time to time which require varieties of plants and animals other than the predominating commercial types, and

3. In cases of such sudden emergency or new development, it becomes necessary to discover or develop new varieties resistant to such diseases or appropriate to the new commercial uses, often at a great cost of research or world-wide exploration, and with losses suffered during the delay, and

4. It often happens that new varieties of agricultural plants and breeds of domestic animals are developed, but are not preserved because they lack commercial value at the time of discovery, and thus are not available when new diseases or new commercial uses occur, and

5. The land and resources of existing agricultural experiment stations are so urgently needed for meeting pressing current problems of agriculture that they cannot be used for perpetuating such apparently non-commercial varieties of plants and animals; and

WHEREAS, there are special research problems which, because of the dangers of spreading disease from experimental plants and animals to others, or for other reasons, do not fit readily into the research programs of existing agricultural experiment stations or regional research laboratories, such as the breeding of disease-resistant chestnut trees and of elm trees resistant to Dutch Elm disease, but which require further investigation; and

WHEREAS,

1. There are ten million city-, village- and suburban-dwelling families in the United States who are directly interested in agriculture primarily as it applies to the small tract of land within a city, village or a suburb, and to home-ground and road-side beautification, and

2. Research in the possibilities of this type of land-use is now inadequate to meet the needs of these families; and

WHEREAS,

1. Recent developments in technology, and particularly in rural electrification, have made possible as yet unused applications of this

new knowledge, to lighten farm and home burdens and to improve standards of living, and

2. Investigations are needed to develop power-driven machinery and appliances appropriate for such farm and home use, and otherwise to make full use of the new technology as in new methods of home-canning, preserving, quick-freezing and other practices,

Be it enacted by the Senate and House of Representatives of the United State of America in Congress assembled, That the Secretary of Agriculture is hereby authorized to establish not to exceed five regional agricultural research centers. In order to improve the demonstration value of these centers, each of them shall be located not far from heavily travelled highways, close to densely populated areas, on land appropriate for the types of work to be performed, and, where possible, within an area already largely devoted to self-sufficing or part-time farming, but in places where adequate precautions can be taken that the prosecution of research on diseased plants and animals will not create the danger of the spread of such diseases. One of the centers shall be located in the northeastern, one in the southeastern, one in the middlewestern, one in the southwestern, and one in the northwestern, parts of the United States.

Sec. 2. The Secretary shall appoint an advisory board for each regional center, to be made up of men and women representatives of families practicing self-sufficing farming in the region, the agricultural colleges, and other citizens or groups within the region interested in

the objectives of this Act.

Sec. 3. The program of work at each center shall include such work of research and demonstration as may be appropriate for the surrounding area in self-sufficing and part-time farming, the preservation of varieties of agricultural plants and animals for use when new diseases occur or new commercial needs develop, the breeding of varieties of plants and animals resistant to new diseases under conditions appropriate to prevent spread of disease from the objects of experimentation, suburban land use (including development of vegetable and flower gardens, fruit trees, shade and ornamental trees and plants, and special problems of parkways and road-landscaping in connection therewith), homesteading, rural arts and handicrafts and their value in improving rural living, the application of technology and power-driven machinery and appliances to tasks on the self-sufficing farm and in the farm home, and such other special research tasks as the Secretary of Agriculture shall find can not be readily included within the work of the existing experiment stations and laboratories.

Sec. 4. For the purposes of this Act, the Secretary of Agriculture -

(a) Shall have authority to acquire the necessary lands or interests therein, by purchase, lease, donation or otherwise, to repair or construct necessary buildings or other structures, and to acquire necessary equipment, implements, furnishings, plants, and animals;

(b) May secure the cooperation of any governmental agency; and

(c) May make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of books of reference, for printing and binding, for the purchase, exchange, operation, and maintenance of passenger-carrying vehicles, for supplies and equipment, for traveling expenses, and for other administrative expenses.

Sec. 5. The Secretary of Agriculture, in administering the provisions of this Act, shall utilize the officers, employees and facilities of agencies within the Department of Agriculture whose functions are related to the work provided for in this Act, and may allot to such agencies or transfer to such other agencies of the Federal Government as he may request to assist in carrying out any of the provisions of this Act, any funds available for the purposes of this Act.

Sec. 6. There is hereby authorized to be appropriated not to exceed $1,000,000 per annum for the purposes of this Act. Appropriations made pursuant to this Act shall remain available until expended.

PSF Agric.

file confidential Wallace

9-11-39

MEMORANDUM

The German Food Situation

1. Because of accumulated stocks and rationing of consumption German food supplies now appear ample to cover the more urgent requirements of the nation for one year at least. After the first year certain aspects of the food supply will have become quite vulnerable, but other factors are likely to prove more important in determining Germany's ability to continue the conflict over an extended period.

2. The most vulnerable feature of the food situation is fats, and more particularly the supplies for margarine, which are largely dependent upon overseas imports. A reduction of approximately 25-30 percent in fat supplies and in turn consumption can be reasonably expected during the second year of war and probably a somewhat higher percent thereafter, depending upon (1) German boundaries, (2) livestock numbers, and (3) countries involved in war at that time.

3. The meat supply is a second vulnerable feature of the German food situation. For the current year livestock numbers (also feed supplies) are practically equal to domestic needs, especially considering the probable continuance of some imports from neighboring neutral countries. After the first year a decrease in feed supplies is expected to cause some liquidation of livestock, a move which would be expected to gain impetus the longer the war is continued.

4. Breadgrain, potato, and sugar supplies are very favorable, and no serious difficulties may be expected for these foods for two to three years at least, unless harvests are very unfavorable. Some reduction in the potato and sugarbeet acreages and yields may be expected as the war

continues, due largely to intensive cultivation necessary for these crops. However, both are on a surplus basis at present, so unless and until a marked decline occurs (not now foreseeable) such food needs should be met.

5. Compared with 1914 and the World War period the following favorable and unfavorable factors affecting German agriculture and food may be noted: Favorable -- (1) the Reichnahrstand organization (a most efficient agricultural and food organization); (2) increased mechanization of agriculture; (3) more extensive use of artificial fertilizers; (4) army plans not to conscript farm men and horses except when and where absolutely necessary; (5) considerably expanded and improved transportation system; (6) greatly increased storage and processing facilities; (7) a significantly improved agricultural industry in the Danubian and Baltic area, also Russia, which is not subject to blockade conditions. Unfavorable -- (1) early and complete blockade of all essential products from overseas; (2) less economic reserves, especially gold, with consequent difficulties in paying for such imports as can be obtained; (3) an increased human and livestock population per square mile; (4) the unpopularity of war; (5) somewhat reduced resistance and less stoicism on the part of consumers; (6) possible invasion of German territory; and (7) new developments and difficulties arising out of a modern war which cannot be anticipated.

PSF Agric
Wallace

October 4, 1939

Letter to the President from Senator Josiah W. Bailey

Re-Germany placing Tobacco on the contraband list--statement of President and Sec Wallace encouraged him but fears the British Gov won't return to our market etc et c etc. Attached are figures on tobacco-United Kingdom and France

See:Josiah W. Bailey-Senate folder-Drawer 2-1939

Original of this carbon copy is
filed in Warm Springs folder-
Drawer 3-1939

P S F Agriculture
Wallace
1

November 20, 1939.

The President

The White House

Dear Mr. President:

In response to your informal inquiry about the possibility of obtaining nursery stock for a bare hillside at Warm Springs, for the Warm Springs Foundation, there is some doubt as to whether this could be done under the budget item for Cooperative Distribution of Forest Planting Stock, but if you will indicate with whom the Forest Service may get in touch personally on this at Warm Springs, they believe it may be possible to work out some cooperative arrangement, under this or some of the other Acts, under which the hillside might be planted. As soon as we hear from you, the Forest Service will get in touch with whomever you designate.

Sincerely yours,

Secretary's File Room

(Signed)

H A Wallace

Secretary

1

PSF Agriculture
Wallace

December 25, 1939.

Dear Henry:-

A delicate suggestion not to forget the tobacco raisers and the corn-cob pipe industry!

My best wishes to you for a Merry Christmas.

As ever yours,

file Wallace

PSF Agriculture

The resolutions which were adopted by more than 40 farmers and tobacco men from the flue-cured belt are:

Be it resolved by representative farmers, business men and warehousemen of the flue-cured tobacco area in meeting assembled:

1. That we go on record as being in favor of the repeal of the present Embargo Act and approve in principle the neutrality legislation proposed in the last session of Congress by the President and Secretary of State;

2. That we appeal to our Government to request the British Government to encourage its Nationals to resume the purchase of tobacco in this country;

3. That we request the Agricultural Adjustment Administration to ascertain and make available every resource of the Federal Government which may be helpful in supporting the price of tobacco occasioned by the withdrawal of English buying interests;

4. That we go on record as favoring a referendum on tobacco crop control for 1940 to be held as soon as the Secretary of Agriculture finds it practical;

5. That we go on record as being in favor of a favorable vote on tobacco crop control for 1940 and that we urge our associates and friends to work for a favorable vote;

6. That we go on record as favoring the opening of the Old Belt flue-cured tobacco markets on the same date that markets in the other flue-cured tobacco belts reopen and that such opening be as soon as possible;

7. That the Governors, Members of Congress, farm organizations, Extension Division, the Department of Vocational Education, the Farm Security Administration, the State Departments of Agriculture, the warehousemen and other businessmen be requested to give the Agricultural Adjustment Administration the fullest possible cooperation in explaining the situation and terms of the referendum to the tobacco growers and businessmen of the flue-cured tobacco belt.

Pst Wallace
Agriculture 1

file per and conf.

December 27, 1939.

MEMORANDUM FOR THE SECRETARY OF AGRICULTURE:

On the basis of an examination of the accounts and statutes of the various credit agencies in the Farm Credit Administration, I believe that it is feasible for them to pay into their revolving funds in the Treasury approximately $385 million out of their capital funds during the fiscal year 1941.

Please see that plans are made to accomplish this end. If need should later arise, they can regain the funds.

(FDR)

LC:em

BF

Wallace
Agric

THE WHITE HOUSE
WASHINGTON

January 2, 1940

PRIVATE AND [redacted]

MEMORANDUM FOR

THE SECRETARY OF AGRICULTURE

This is for your eyes only. It is interesting. Please send it back to me.

F. D. R.

Enclosure

Let to Mrs. R. 12/29/39 from Gardner Jackson, 1037 Earle Building, Washington, D. C. re suggestions for man to be appointed to succeed Silcox. Suggests Raphael Zon, head of Forest Experiment station in Minnesota; Lyle Watts, Portland, Oregon; Christopher M. Grainger, one of Silcox' assts; Edward N. Munns, Chief of the Division of Forest Influences; etc.

File

DEPARTMENT OF AGRICULTURE
WASHINGTON

January 4, 1940.

The President,

The White House.

Dear Mr. President:

I am returning Mr. Jackson's letter. It is interesting that some of his recommendations are so similar to my own observations, as expressed to you in a memorandum some days ago.

Respectfully,

H A Wallace

Enclosure

Secretary.

Personal

1037 Earle Building
Washington, D. C.
December 29, 1939

Mrs. Franklin D. Roosevelt
The White House
Washington, D. C.

Dear Mrs. Roosevelt:

In accordance with my agreement in our conversation last night I herewith set forth the judgments which have been given to me on a successor to Ferdinand A. Silcox as Chief of the U.S. Forest Service. The excuse for sticking my nose into this is four-fold.

First, Robert Marshall, who was Chief of the Division of Recreation and Lands in the Forest Service, was, as I told you, the most intimate friend my wife and I had in Washington. He had often discussed with us the personnel of the Forest Service. His ideas were the most objective and public-spirited and intelligent of any man we knew anywhere in the Government Service.

Secondly, Silcox himself was a very close friend of mine and had talked his problems over with me many times, and had himself spoken of various men in the Service.

Thirdly, Gifford Pinchot, through Bob Marshall, became one of our close friends and had talked with me of the Service, and since Sil's death has been in touch with me about a successor to Sil.

Fourthly, a number of men in the Forest Service have discussed the problem with me since Sil's death and have urged me to help in any way I can to assure the appointment of a successor to Sil who will maintain and extend the principles in the Forest Service which Sil exemplified. Preeminent among these is one of Bob Marshall's closest friends who has become one of our closest friends, Raphael Zon, head of the Forest Experiment station in Minnesota. Zon, you will probably remember, collaborated with the President in putting across the Shelter Belt against the ridicule and wise-cracking of reactionaries in the Forest Service as well as outside. The President, I am sure, has lived to chortle at the expense of the know-it-alls of those days. The day of Sil's death Zon wrote a confidential letter to me, excerpts from which follow:

"Our ranks are thinning; so much more reason that we stick closer together. My first impulse, upon hearing of Sil's death, was to go to Washington. For fear that it would be too much of a strain on me, Mrs. Zon insists on delaying the trip until my presence, in your opinion, will be essential.

"Sil is dead, but it is up to us, Pat, to see that the liberal ideas with which he had so much difficulty to permeate the Forest Service must go on. You have a rendezvous with the destiny of the Forest Service and can do much to prevent the appointment of a successor to Sil who is likely to wreck whatever liberalism still remains in the ranks of the organization.

"There is danger from three directions: Ickes may press for the appointment of Rutledge, who used to be in the Forest Service and is now in charge of Grazing in the Department of Interior; Professor Nelson Brown of Syracuse, who boasts of being a friend of the President; and Tinker, who just resigned from the Forest Service to take a $15,000 job as Secretary of the American Pulp & Paper Association, but who would not hesitate to jump back, with the assistance of his lumbermen friends, into the Forester's shoes. I need not tell you that the appointment of any of these three would be calamity.

"There is also danger that the Secretary himself may want to appoint someone who is not a forester, so as to bring the Forest Service closer into the fold of his agrarian program. The Forest Service, as you know, was more or less of a thorn in the flesh of some of the simon-pure agriculturists in the Department."

.....

"I shall be ready to go to Washington if you think that I can be of any assistance to you."

So that is why I presume to make the following suggestions:

Lyle Watts, Chief of the region with headquarters at Portland, Oregon, seems to be agreed upon by all my friends as a person not only of liberal and public-spirited ideas in forestry, but also in the general social and economic situation in which our country is at present. He, moreover, is credited by all my friends with being a person of very great personal charm, who

has a fast-moving intellect which operates quite as well when he is on his feet under pressure, as when he has opportunity for calm, reflective study.

Christopher M. Grainger, one of Sil's assistants, is the kind of person who would most certainly want to hold everything that has been gained under Sil's administration. He happens to be one of our family's close friends, having married my wife's most intimate school crony in Denver. We first came to know him during our years in our home state of Colorado and, of course, have seen much of him and his wife, Louise, since we have been here in Washington. He is a man of absolute integrity and sincere devotion to the public interest as he sees it. He is somewhat older than Lyle Watts, I believe, and is probably more set in his ways.

A forester for whom I, personally, have the greatest respect and affection is Edward N. Munns, who is now Chief of the Division of Forest Influences here in Washington. Ed has been in the Forest Service 28 years, and is an Illinois boy, a graduate of Bradley Institute at Peoria, with his Master of Forestry degree from the University of Michigan. Immediately following graduation from Michigan he entered the U. S. Forest Service as field assistant in the Shasta National Forest in California, and subsequently rose through various ranks to become principal silviculturist here in the Washington headquarters. He has been in the Washington office since 1923. All my other forestry and conservation friends, such as Gifford Pinchot and Raphael Zon, think extremely highly of Ed Munns. He is man of 51 or so years of age.

Finally, the suggestion has been made to me by certain fellows in the Forest Service that Rexford G. Tugwell, because of his long and close association with Sil, might be a possibility. I pass that suggestion on without comment. The lack of comment must not be taken by you to mean that I don't have a high regard for Rex. So many factors enter into any serious consideration of suggesting him that I do not think it is my place to embark upon a discussion of them.

Please forgive the extent of this communication. My reason for having been so long-winded is that I want you to know why I butt in, and also how deep an obligation I feel, both to the memories and principles of Bob and Sil, and to the Forest Service itself, which is one of the really top-notch examples of administrative efficiency in the Government. I hope you will be able, as you suggested last night, to transmit

such portions of this communication to the President as you think advisable.

I do not need to tell you how deeply my wife and I appreciated the cordial hospitality which you and the President extended to us last evening.

Yours sincerely,

Gardner Jackson

Gardner Jackson

P. S. On the chance that you did not see my letter in the Nation about Bob Marshall, I am enclosing a copy of it.

GJ:CD
Enc.

file
Pres. only

PS F Agriculture
Wallace

DEPARTMENT OF AGRICULTURE
WASHINGTON

THE WHITE HOUSE
MAR 19 1 48 PM '40
RECEIVED

March 18, 1940

The President

The White House

Dear Mr. President:

I am sending you herewith three clippings, dealing with the farm political situation in the middlewest. One of them is written by William Allen White, one by W. W. Waymack and the other appeared in the "Kansas City Journal." These clippings together with the Gallup Poll which appeared in the March 17 "Washington Post" furnish considerable material for political and agricultural reflection.

Three quarters of those midwest farmers who have a definite opinion believe, according to the Gallup Poll, that the administration farm program has been helpful. At the same time, fifty-four per cent of these midwest farm voters indicate they would like to see the Republicans win the Presidency in 1940. This is in spite of the fact that the percentage of middlewestern farmers who now want a Democratic President is enormously greater than ever was the case prior to 1932. Once these farmers were almost unanimously iron-clad Republicans. The trend to the Democratic party in recent years has been tremendous, but it will require another eight years to carry the process to its logical point. At present many of the farm voters of the middlewest tend to judge the Republican party nationally on a basis of its actions locally. In other words, if the local Republican congressmen support the farm program, there is danger of these farmers voting for a Republican president. General Wood wrote me the other day: "I believe these facts are beginning to be generally realized and that regardless of party - Republican or Democratic - the farm program will go ahead with only slight modification for the next few years." This is the attitude of many whose allegiance was long to the G.O.P. and who wish to find an excuse for returning to their Republican gods.

Senator McNary may know and hate the machinations of Joe Pew and Ernest Weir but the farmers of the middlewest know nothing about these gentlemen. Not one in 100, probably not even one in 1000, is familiar with the analysis made by William Allen White as enclosed herewith. The middlewestern Republican congressmen, generally speaking, have played along with the New Deal in about the manner described by Bill White. Waymack, who writes for a paper which is traditionally Republican but which has been friendly to both the

farm and the trade agreement programs, displays the same suspicion as White of the current tactics of the eastern wing of the Republican Party.

In much more hypocritical form than ever before, we shall see the effort made by the Republicans in 1940 to bring about an accommodation between the eastern wing of the Party, which honestly wants nothing whatever to do with the farm program, and the western wing which will fight for the continuation of the present farm program virtually unchanged but under Republican control.

I presume that whatever the nature of the Republican platform and the candidate, William Allen White will be out supporting both. But the manner of support by him and men like him will have a lot to do with determining where the seven million independent voters to whom he refers will eventually land. No man has such a great appeal to these seven million voters as yourself.

I trust you can eventually take a little time to study these three clippings because they present in quite clear form the outline of things to come.

Respectfully yours,

H A Wallace

Secretary

Springfield Republican 6 3/14/40 THE

NATIONAL NEWS

# East and West Seen Fighting To Control G. O. P. Strategy

*Issues that loom large in the 1940 presidential campaign and the problems that confront the national party conventions are discussed here by "the sage of Emporia," and editor who has been an observer of the American scene for more than half a century and a confidant of the nation's political and industrial chiefs.*

By WILLIAM ALLEN WHITE

Emporia, Kan. March 9—(NANA)—The trend of the next national platform of the Republican party will depend entirely upon two things: First, who controls the Republican convention; and second, who controls the Democratic convention.

Which is to say, there are two crowds, ancient enemies, struggling for control in the Republican convention: One crowd, the group that controlled the national Republican central committee and located the 1940 national Republican convention in Philadelphia, the seat of black reaction; the other crowd that lost our in the Republican national central committee and that would have taken the convention West.

The two crowds are the so-called liberals, or progressives, on the one hand, and the conservatives and reactionaries on the other. Broadly speaking, it is the East against the West, the Atlantic seaboard trying to persuade the Mississippi valley, the mountain states and the states of the Far West to the eastern viewpoint.

The Republican conservative crowd has the money and with the money will go the South in the Republican convention. But the western crowd has the electoral votes necessary to elect a Republican President.

The struggle for domination of the Republican platform committee in Philadelphia will be finished during the first two days of the convention, when a permanent chairman is elected. The South and the East, voting together, may easily dominate the organization of the convention. But the West, being crowded off the platform, may concentrate upon the candidate.

### Proposals Please West

The platform suggestions submitted by the Glenn Frank committee on the whole pleased the West. The West could take that platform as a first draft and go to bat. The East deeply resented Glenn Frank's proposals. That controversy boils down to this: The western Republicans, whose few representatives in Congress survived the landslides of '32 and '34, had voted for most of the new deal measures in principle. They were careful to go on record upholding collective bargaining, a floor for wages, and a roof for hours of labor, the control of public utilities, the regulation of the stock exchanges and the principle of old-age pensions and some kind of unemployment insurance. Western Republicans, on the whole, would let that portion of the new deal stand as a fact accomplished, without promising to repeal those laws, but rather to strengthen them, make them more workable and equitable.

The Westerners would make unemployment the major issue. There they would differ deeply with the new deal. The westerners would try to stop lending and spending. They would quit scaring business to death and, after returning the administration of public relief to the states, with federal aid, the westerners would attack unemployment from a new angle, the angle of returning prosperity.

These western Republicans would start constructively in their platform to remove unemployment by abolishing punitive taxes upon business. They would encourage the reopening of industry through the removal of the element of fear that has hovered over big business for the last seven years.

On the other hand, the conservatives would denounce the new deal from top to bottom, would leave the inference that they would abolish the national labor board, repeal the wages and hours law, leave Wall street unregulated and the great public utilities to go their free way. If the conservatives control the Republican platform committee, they will make their fight directly upon Franklin Roosevelt and his heirs and assigns. They will assume that he will be either the nominee or will name the Democratic candidate.

### If Denied Third-Term Issue

If Roosevelt does not run and they are denied the third-term issue, the Republican platform under the control of the right wingers will be a whoop of rage at the new deal and a promise to return to the good old days, presumably of William McKinley.

But now for the second alternative facing Republican platform writers. I mean the control of the Democratic convention. The president may fool them. The Republican convention meets first and it is not likely that President Roosevelt will solve the riddle of the third-term sphinx until that convention is adjourned. The Republicans will have to write their platform guessing about their real opponent. If they should roar and rage at the new deal and the third term and, at the last, Roosevelt should make the great renunciation, the conservatives writing the platform might step off the deep end of nowhere. And a smart politician like Roosevelt is likely to do everything in his power to confuse his Republican enemies. That may account for his silence.

Roosevelt's silence may be smart Democratic politics. But by the last of June even smart politics cannot prevent the Democratic leaders from revealing somewhat their attitude. The Democratic primaries will have been named. The Republicans can see what may happen, but they must take a chance. They must be willing to bet upon the impact of Roosevelt on the Democratic convention and its conclusions.

It is fairly obvious, therefore, that, whether Roosevelt or his enemies control the Democratic convention, the moderate course of the western liberals would write a platform with a wider appeal than that which the eastern conservatives would write. For whether Roosevelt owns or controls the convention, the unemployment issue may easily become the paramount domestic issue in the campaign. And with Roosevelt on the ticket, off the ticket, controlling the ticket, or defeated by the Democratic convention, it will be wise for the Republicans to raise the paramount issue of unemployment by adopting a definite constructive program to cut down unemployment. Upon that issue is the battleground.

### Want to Keep Out of War

If the President attempts to inject foreign relations into the campaign, it will be evident that he expects to win by some sort of hookup with one of the belligerents in Europe. Once the American people get the notion that President Roosevelt, on the ticket or controlling the ticket, is trying to shift the fight from the domestic scene to Europe, the Democratic party is gone. For the voters, above everything else on earth, want to keep out of war. And the Republican platform-makers will be safe if they concentrate upon domestic issues.

In the end, the campaign of 1940 will be won by the independent vote. In 1936 Landon polled approximately 17,000,000 and Roosevelt polled 29,000,000. Seven million independent voters can shift slightly to the right and throw the election to the Republicans. Even a smaller number, well distributed in the electoral college, might turn the tide. But the independent vote will do it. The independent voter is likely to hold with the western Republicans, as he has held with them for 40 years, from the first Roosevelt's day through the La Follette regime, down to Lafollette's ascendency.

The Des Moines Register

Published every weekday morning by
THE REGISTER AND TRIBUNE CO.
713-15 Locust St.

Entered at the Postoffice in Des Moines, Ia., as second class matter.

(The Des Moines Leader, Established in 1849.)
(The Iowa State Register, Established in 1856.)

SUBSCRIPTION RATES,
PAYABLE IN ADVANCE.
Daily Register—One year, $6.
Des Moines Tribune—One year, $6.
Sunday Register—One year, $6.
BY MAIL OUTSIDE IOWA.
Daily Register—One year, $7.
Des Moines Tribune—One year, $7.
Sunday Register—One year, $7.

THURSDAY, MAR. 7, 1940.

FEBRUARY CIRCULATION, NET PAID.
Daily REGISTER AND TRIBUNE 307,102
Daily Register ..... 165,888
Daily Tribune ..... 141,416
Sunday DES MOINES REGISTER 357,613
In Des Moines.
Daily Register and Tribune 94,142
Sunday Register ..... 52,885

Member of the Associated Press.
The Associated Press is entitled exclusively to use for publication of all news dispatches credited to it in this paper and published herein. Rights of republication of all other matter published in this newspaper are also reserved.

*A Bureau of Accuracy and Fair Play organized to assure in every case prompt and immediate attention to any complaint is maintained by The Register. It is open every day except Sunday. The Register will gladly correct any errors.*

## EASY! EASY! DON'T CONCLUDE TOO MUCH.

Ten seconds after it was known that Robert Goodwin, Republican, had won the race for the vacant congressional post of Cassius Dowell in this Sixth Iowa district, some of the G.O.P. brass hats in the east began crowing that the 1940 national fight is over—that the drift to the Republicans is so clear and overwhelming now that nobody can doubt the result.

The instant pronouncement of John D. M. Hamilton, chairman of the Republican National committee, ran like this:

**"Not only was the New Deal a clearcut issue in this special Iowa election, but the farm policy of Secretary Wallace was likewise an issue. Let it be remembered that the Sixth Iowa district is Mr. Wallace's own congressional district. The results speak for themselves."**

Whoa! Back, Mr. Hamilton!
Whoa! Back!

* * *

Sure, the "results speak for themselves," if you will just take pains to find out what they are and what lies behind them.

In the first place, this is one of those "normally Republican districts." Capturing it again certainly suggests that the G.O.P. is not losing any ground. But that fact alone does not assure a national Republican landslide.

In the second place, the New Deal WAS made an issue. And the result does show that a Democratic candidate in this normally Republican district cannot in a special election, which is not associated with a general national campaign, sweep the district by just identifying himself strongly with New Dealism. This may be a good indicator that the same would hold true in a general election. We rather think it is. But it isn't quite proven.

In the third place—and now we are getting to something important—it is not true that the "farm policy of Secretary Wallace was likewise an issue."

And we don't like the eagerness with which Mr. Hamilton and some other national Republican spokesmen leap to the conclusion that this was true.

We don't think such demonstrations of eagerness are going to help the G.O.P. this year.

For if it creates among farmers the impression that what these leaders really ache for is an excuse to junk the whole federal farm program—if it shows that they are looking for even the thinnest excuses to convince themselves that this is a politically safe thing to do—well, in that case it is going to be, for the G.O.P., "too bad!"

* * *

Because—take note of this, Mr. Hamilton and colleagues—this special congressional election in the Sixth Iowa district emphatically did not prove that ANY Republican candidate standing on ANY old kind of platform can carry ANY agricultural district in 1940.

What it really showed is that a particular kind of Republican nominee standing on a particular kind of platform can hold the normal Republican vote and can make an excellent showing in even the farm counties of a district that is half urban and half rural.

By "particular kind of nominee" we mean one who has the genuine confidence of most farmers, including numerous farm leaders who are very strong for the federal-farm program and even for Secretary Wallace himself.

By "particular kind of platform" we mean one, consisting in part of what the candidate said in speeches and in part on what was actually known about him, that the farm people emphatically did NOT interpret as a program of junking the Triple-A and the other parts of the present national setup for the farm.

* * *

In short, what the G.O.P. nationally most needs in order to recapture the farm vote was present in this election.

It was present in the person of a nominee whom most of the farmers believed to be FOR their cause, honestly.

There, Mr. Hamilton, is the thing for you and your associates to reflect upon seriously.

In it there is encouragement for you—provided you learn the lesson.

But merely uttering band-wagon yelps, which by their nature create the suspicion that you are determined to read into everything a proof that the whole farm vote can be got this year without establishing the firm intention of the G.O.P. to play fair with the farm—

THAT won't help any. That will just hurt.

KANSAS CITY JOURNAL
Founded 1854
Published Daily and Sunday by the
KANSAS CITY JOURNAL-POST COMPANY
22nd at Oak Victor 4000
KANSAS CITY, MISSOURI

ORVILLE S. McPHERSON, President and Publisher
J. C. JOHNSEN, Vice Pres.-Ass't. Publisher
RUSSELL H. MILES, Vice Pres.-General Manager
B. F. CAMPBELL, Executive Editor
J. W. WEST, Managing Editor
RAY RUNNION, Editor

Representatives: 410 North Michigan Avenue, Chicago, Ill.
512 Fifth Avenue, New York, N. Y.
Hearst Building, San Francisco

HARVEY R. MALOTT, Advertising Director

SUBSCRIPTION RATES
BY CARRIER: 15 cents a week, 65 cents a month on established carrier routes.
BY MAIL: 65 cents a month, $7.80 a year, in Missouri, Kansas, Arkansas, Iowa, Nebraska and Oklahoma; elsewhere, double above rates.
Entered as Second-Class Matter at Post Office

March 8, 1940

# Farmer Dewey

Candidate Dewey spoke in Lincoln the other night. Since Lincoln is the center of a farm area, he exhaled the New York air from his lungs and became chummy with the farmers. Mr. Dewey has a farm program. There is little question as to where he got it.

He favors a fair parity between farm prices and industrial prices. Every politician has been for farm parity since the beginning of time. This is Mr. Dewey's idea of how it can be attained:

1. A crop loan program. Such a program is already in effect.

2. A program of soil conservation. Thousands of farmers in his Nebraska audience are already participating in such a program.

3. Conversion of submarginal land to more economic uses. Thousands of acres of submarginal land are being converted to more economic uses by the CCC and other agencies.

6. A program of marketing agreements. Nothing new in that to Nebraska farmers. Most of them are participating in one already.

7. Research to provide new uses for farm products. This is already being done by the Department of Agriculture in its chemurgy program.

8. Extension of the farm co-operative movement. It is difficult to surmise what more Mr. Dewey could do in this field than has already been done, unless he compelled farmers to participate in co-operative marketing whether they wanted to or not.

Mr. Dewey promised the Roosevelt farm program to Nebraska farmers as if they had never heard of it. Perhaps it is good politics, but it speaks little for Mr. Dewey's originality in the field of agriculture.

PSF Agriculture
Wallace

THE WHITE HOUSE
MAR 30 1 42 PM '40
RECEIVED

DEPARTMENT OF AGRICULTURE
WASHINGTON

Warm Springs
trip file
file
personal

March 30, 1940

The President

The White House

Dear Mr. President:

Sometime ago Isador Lubin, who, as you know, is one of Madame Secretary's right hand men, requested me to write for an economic journal a review of Thorstein Veblen's "Imperial Germany", a book which was written in 1915 and which I read at that time but which I re-read recently. While most of this book was written before the great war broke out in 1914, Veblen's understanding of the German institutions was such that he foresaw in essence almost all of that which has taken place between 1915 and 1940. Those who think that getting rid of Hitler will clear up the situation simply don't know what they are talking about.

I would not ask you on your vacation to go to the labor of reading all of Veblen's "Imperial Germany". You can perhaps get sufficient of the drift by reading my review. However, I would suggest that at your earliest opportunity you get from the Congressional Library Veblen's book "The Nature of Peace" which he completed in late 1916 or early 1917 just before we entered the war. His full appreciation of what it is that produces the bandit character of Germany and Japan, and what is required to offset their destructiveness is most amazing. Mind you, he foresaw in 1917 that at the next turn of the wheel Germany and Japan were almost certain to be working together. I would not recommend that you read all of this book "The Nature of Peace" but if you will dip into it on page 238, I feel confident you will find it difficult to lay it down until you have read many pages. This book will cause you to relive much of the history of which you were a part and to project yourself

forward into the history of which I trust you will be an even more vital part.

In the next peace, the mistakes of the last one must not be repeated. Even if you don't agree with all that Veblen says, your mind will inevitably be clarified by the profundity of his analysis. Unfortunately his style is a little difficult.

Respectfully yours

H A Wallace

Secretary

REVIEW OF THE BOOK "IMPERIAL GERMANY AND THE INDUSTRIAL REVOLUTION" WRITTEN BY THORSTEIN VEBLEN IN EARLY 1915.

By Henry A. Wallace.

Of all the men who prior to the great war studied the forces growing out of heredity, custom, anthropology, statecraft and economics in an effort to project a trend, Veblen was one of the most successful. He had in him the prejudices of an educated Norwegian farmer who feels that he is as good as anyone but has nevertheless been preyed upon by the citizens of the nearby small towns who have unfairly used against him their superior knowledge of law, politics and American customs. This slight and perhaps justified bias on the part of Veblen did not interfere in any material way with the brilliance of his analysis 25 years ago of the trend in such nations as Germany, England, the United States and Japan.

The book on "Imperial Germany and the Industrial Revolution" was projected before August of 1914 and the writing was hastily completed in late 1914 and the first month or two of 1915. Apparently Veblen added a few pencilled footnotes to the proof-sheets in April of 1915. I read the book when it first came out in 1915 and have reread it again in March of 1940. As a result I want to give it as my considered opinion that the book has fully as great significance in the present world situation as the devastating criticisms made of Hitler by Rauschning. The man who reads both Veblen and

Rauschning will have his perspectives greatly deepened and sharpened. Only by having both points of view in mind can we deal sensibly with the Germany of today.

Veblen's book is probably the most acute analysis of modern Germany which has ever been written. And yet strangely enough the Solicitor of the Post Office Department of the United States denied to the book "Imperial Germany" mailing privileges while the United States was in the great war. The Post Office Department in that day apparently was unable to appreciate that Veblen's book was a harder blow at Germany for the very reason that it was fair, objective and did not say a single word against Germany.

The Veblenian thesis with regard to Germany is roughly as follows:

The hybrid people of Germany by heredity in any given degree of latitude are about the same as the people in a corresponding degree of latitude in any of the adjoining countries. From England to St. Petersburg the people at birth have about the same characteristics. Those of us who are well acquainted with the Germans of the third and fourth generation in the United States know that Veblen is substantially right. As a geneticist I am convinced he is right. Most, though perhaps not all of the anthropologists, will agree with him. There is no basis whatsoever for the myth that the Germans by heredity are a superior race.

Whence, then, comes their reputed superiority in certain matters of science, technology and military capacity? In developing his thesis along this line Veblen spends most of his energies contrasting Germany with England. Politically and technologically, England is far more

mature than Germany. Germany was living in the spirit of the Middle Ages up until the second quarter of the 19th Century and she didn't really wake up until 1870. She then found ready to her hands a system which England, and to a lesser extent, France had already worked out. But in taking over the technological system, she had all the advantages which are enjoyed by a manufacturer who is constructing a new plant. The Germans, therefore, promptly became more efficient than the British in many fields of endeavor. But the most notable advantage existed because of the high sense of duty of the German people and the fact that they had become accustomed to a frugal standard of living and did not expect much. The British system had accumulated a lot of sand in the bearings and the most notable handicap of all was the British gentleman and his expensive, irrelevant habits. Veblen's irony with regard to British sport is really priceless. Here we see the Norwegian farm boy turned professor abhorring the waste of the upper classes and yet under the necessity of holding on to his job as a professor, bitterly in earnest and enjoying himself in the following words:

"Sport, on the scale, and with the circumstance attending its cultivation in the United Kingdom, cannot be incorporated in the work-day scheme of life except at the cost of long and persistent training of the popular taste. It is not to be done by a brusque move. It is quite beyond the reach of imagination that any adult male citizen would of his own motion go in for the elaborate futilities of British shooting or horse-racing, e.g., or for such

a tour de force of inanity as polo, or mountain-climbing, or expeditions after big game. The deadening of the sense of proportion implied in addiction to this round of infantile make-believe is not to be achieved in one generation; it needs to have all the authenticity that tradition can give it, and then its inculcation in the incoming generation must be begun in infancy and followed up throughout the educational system. Nor would it be tolerated by popular sentiment if it were not that popular sentiment has gradually been bent to the same bias by slow habituation. Yet so far has the habituation done its work that the community at large not only tolerates these things, but all this superfluity of inanities has in the course of time been worked into the British conception of what is right, good, and necessary to civilized life."

Veblen goes on to say that sports have bent the British population, "in the direction of trivial emulative exploits and away from that ready discrimination in matters of fact that constitutes the spiritual ground of modern technological proficiency, It is not so much that this perversion of the British population by sportsmanlike preoccupations wastes the product and the energies of the industrial system, as that it perverts the sources from which the efficiency of the industrial system is to come. Its high consequence as a means of destruction lies in its burning the candle at both ends. Again it is to be noted that the generation and establishment of such a pervasive and stubborn habitual bent takes time,

and that to get rid of it would also require time, stress and experience."

"Gentlemen commonly have no industrial value. Indeed, as bears on the net industrial efficiency of the community they have appreciably less than no value, being typically unproductive consumers."

In the normal course of events, the Germans in a few more generations would have taken on most of the wasteful habits of the British. Their workmen would have gradually become infected with the same ideas with regard to "freedom and insubordination" as among the British. Financiers would gradually have taken the place of technological experts at the head of German industrial enterprises. Political graft would have siphoned off some of the efficiency. The women would no longer work in the fields and the Germans, like the British, would then be occupying their minds with matters that are worse than useless for the purposes of industry. In 1914, however, Veblen felt that the English gentleman of the better sort still cost several times as much as the corresponding German gentleman. In view of the hereditary identity of the English with the Germans, Veblen felt, however, that it would not take the German gentleman long to become as useless as his British compeer. Unless accidents came into the picture, Veblen anticipated that the disposable margin between the industrial output and the current consumption in Germany might be expected shortly to disappear.

The attention is then turned to the Hohenzollerns and the

Dynastic State. Remarks along this line apply just as well today as they did 25 years ago if the word "Hitler" is substituted for "Hohenzollerns" and the word "Nazi State" is substituted for "Dynastic State." The imperialistic Dynastic State can live only as long as the people are imbued with romantic philosophies of the prescientific period. The fundamental doctrine is, of course, that each individual lives only for the State and that he serves it with his utmost in order to make its war-like enterprises successful. Veblen freely admits that German imperialism has been more successful from nearly every point of view than any other with the possible exception of the Japanese. But he does not think that this success has been due in any way to the superior heredity of the Germans. The relative freedom from graft and inefficiency in Germany has resulted merely from the accident of German bureaucratic imperialism having been built up in rather recent times. Translating from Veblen's rather obscure language, I get the following: Give the Germans time and their imperialistic bureaucratic system will be as full of graft as the Russian, the Turkish or the Persian and as stale as the Austrian. We must admit, of course, that the German bureaucracy due to certain accidents which Veblen foresaw might come to pass, has not today in 1940 taken on all of the inefficiencies and graft which Veblen anticipated would come to pass. Veblen's broad analysis would make room for all of this and I am sure he would be among the first to admit

that he could easily be wrong on the time factor. The precise words of Veblen are interesting "what may be the rate of growth and the final degree of such senescence to be looked for in the Prussian-Imperial bureaucracy is, of course, only a matter for conjecture, at the best; but its extreme volume, comprehensiveness and elaboration would suggest that something very appreciable in that way is fairly within the probability, since this state of things leaves relatively little of German life outside the sweep of the bureaucratic system, and so affords little purchase for any combination of forces that might conceivably hinder its perfect decrepitude." And then Veblen put on the following footnote, "It is true, the present (April 1915) conjuncture may so turn that speculations as to the future of the Imperial bureaucratic system will have little more than speculative interest." If Rauschning is correct the Nazi Germans of the ~~last~~ late 30's had already acquired a considerable amount of the graft foreseen by Veblen in 1914.

Any nation whose people have the education to do a first class job of building up a good standard of living out of science and technology will inevitably after a time repudiate autocratic and dynastic institutions. War is the chief force which can delay that outcome.

It is good to read the eighth chapter of Veblen's book to refresh our minds as to the extent to which war had been worshipped,

prior to 1915 as the ultimate purpose of the German Reich. The key economic policies in times of peace were directed toward the ultimate eventuality of war. The tariff was used deliberately as a weapon of economic warfare. Long prior to 1915 Germany set out on the path to encourage her people to produce as nearly as possible everything at home even though the cost might be much greater than importing from abroad. An especial effort was put forth to enable the German farmers to produce for the German market so that imports of agricultural products could be confined as nearly as possible to nearby nations. Railroads, roads, and a merchant marine were constructed with war in mind. Great educational and propagandistic efforts were put forth long before the great war to prevent the German people from asking, "what do we get out of all this?" The press was censored and education was distorted. The powers of the police and the courts were freely used. The Gestapo is not something new under the sun; it is merely a perfecting of that with which the Germans were quite familiar prior to 1915. Both in 1914 and today most of the Germans look on the British, the American, and the French attitude toward free institutions as sheer foolishness. The Prussian Imperial State and more recently the Nazi State have both been so successful in fostering a united military spirit that it is easy to see how the Germans might temporarily fool themselves.

Veblen is confident of the ultimate downfall of the Prussian war machine, saying "It has been the usual fortune of military establishments and war-like class organizations presently to fall into a certain state of moral decay, whereby rank, routine, perquisites and intemperate dissipation come to engage the best attention of the specialists in war. Like other works of use and wont this maturing of the war-like establishment takes time and the corps of war specialists under the Imperial auspices has not yet had time to work out the manifest destiny of war-like establishments in this respect; although it may be admitted that 'irregularities' of the kind alluded to have by no means been altogether wanting. The corrosion of military use and wont, in the way of routine, subordination, arrogance, indolence and dissipation, has perhaps gone so far as would unfit this picked body of men for the duties of citizenship under any but an autocratic government, but they have probably suffered no appreciable impairment in respect of their serviceability for war and its advocacy."

Veblen knew enough about the Prussian universities of the pre-war period to realize that there would be a continuing effort to bend the mind of the on-coming generation in the direction of believing that war is a supreme good. The qualities which are brought to the surface by a warlike power which glories in its strength are - coercion, personal dominion, self-abasement, subjection, loyalty, suspicion, duplicity, and ill-will. The attitude

of the warlike establishment whether it be illustrated by the Elizabethan gentleman soldier, the Spanish conquistador, or the Prussian imperial statesman, is, so far as weaker nations are concerned, the moral attitude of the pot-hunter toward fur-bearing animals. Veblen observes in one of his footnotes that "One does not keep faith with the fur-bearing animals."

It has always been exceedingly difficult for the people of the United States since 1870 to size up Germany correctly, because we have so many excellent people of German ancestry among us, people who represent a fine home life, industry, decency, and in many cases an unusual appreciation of the arts. The Germany of Goethe, Kant, Beethoven, and Heine has always commanded American affection. Even the experience of the World War has scarcely disabused our minds. The American people like the Germans who live in the United States. But if Veblen were living today he would almost certainly look on Hitler merely as the current expression and extension of the pre-war Prussian Imperial spirit. The German people of the United States for the most part are descended from the men who, when they left Germany, either had no knowledge of the Prussian Imperial spirit or who actually were fleeing from it. German-Americans who prior to 1917 sympathized with Germany, and who at the present time are sympathizing, are in most cases not familiar in the slightest with what has happened to Germany in the past eighty years. In saying this I do not want to imply moral censure on any nation. So far

as diplomatic prevarication and duplicity is concerned there is no reason for not agreeing with Veblen that under like circumstances and provocation many other nations would be able to give just as good an account of themselves as the Germans.

Veblen apparently uses the word "provocation" so far as Germany is concerned with the idea in mind that Germany even in 1914 felt that her time of a special advantage was short. From her own particular point of view she should have struck in 1912 instead of waiting two years. Veblen in early 1915 apparently overrated Russia; at any rate he takes the Germans to task for not rating the eventual economic and military organization of Russia high enough.

I have never read anything of Veblen's in which the thought was not rather deeply buried with a multiplicity of ironic, scholarly, words somewhat difficult to understand. Just what the real man thought, I do not know, and perhaps no one knows. Probably he was more anarchistic than socialistic in his thinking. He believed our minds and bodies were evolved under rather small farm and village conditions, and that Germans, Englishmen, Frenchmen, Americans, and western Russians would all be happiest in living under those conditions. With German heredity as it is, and with modern technology of necessity sooner or later destroying the base for Prussian Imperialism, he can see no outcome in the long run other than a breakdown of German autocracy. The same would apply to Japanese autocracy, because Veblen

believed that the modern Japanese state was essentially similar to the German state and that the Japanese statesmen were perhaps "even more shrewd, more callous, and more watchful in their practice of unashamed statecraft."

Veblen is almost as critical of the United States as he is of lands overseas, feeling that the American business man has proved himself notably inferior to his German compeer. In his supplementary note No. 4 he has taken the hide off the American business man as typically a real estate promoter, politician, and financier. He believes that less than half as much has been produced by the American business machine as could be produced. Describing the qualities of a successful American business man he says, "To survive, in the business sense of the word, he must prove himself a serviceable member of this gild of municipal diplomats who patiently wait on the chance of getting something for nothing; and he can enter this gild of waiters on the still-born increase, only through such apprenticeship as will prove his fitness. To be acceptable he must be reliable, conciliatory, conservative, secretive, patient, and prehensile. The capacities that make the outcome and that characterize this gild of self-made business men are cupidity, prudence and chicane - the greatest of these, and the one that chiefly gives its tone to this business life is prudence. And indispensable among the qualities that command that confidence of his associates without which no man can make himself as a business man, is a conservative temper * * * *

America is the land of unlimited possibility, it is believed, both in respect to material resources and in respect of inventive genius. But it is a notorious commonplace that the mechanical inventions which have in a sense made America what it is in the industrial respect have not only not been made by the business men - they are astute and conservative, pecuniary strategists, with neither insight nor aptitude in technological matters - but have also not been made with their support. * * * * And connected with this selective bidding up of pecuniary astuteness and quietism is the well known inefficiency of business management in American industry - well known among men competent to speak on these matters, though not well credited among the business men at large, who commonly lack even the degree of technological insight necessary to appreciate the pecuniary loss involved in their own astute mismanagement."

Comparing the United States with Germany and taking into account the very great American advantages in resources, he reaches the conclusion that "The American achievement in this field within the same period has been notoriously less conspicuous and less substantial for example than that of Germany since the formation of the Empire."

Veblen then goes on to comment on the abuses committed in the name of industry by financial people interested in stock jobbing, which he calls "Large-scale strategy for the interception of the 'rake-off'."

I have the feeling that one of the motives animating Veblen in writing of Imperial Germany was to have another chance to take a well concealed but somewhat effective poke at one of his pet abhorrences, the American business man. During the period between the Civil War and the great war, the Scandinavian farmers of the Northwest were suspicious of the practices of small town business men. They were not familiar with the language or the legal customs and undoubtedly many of them felt they had been cheated. Moreover during the time when Veblen was on the farm, prices were continually going down and most of his neighbors doubtless felt the trouble was largely due to manipulation in the cities. While Veblen himself was too wise to share superficial delusions, his philosophy must have found its origin in some measure in this background. As a Norwegian farm boy attending college with the sons and daughters of the local business men, he was oftentimes ill at ease because of his farmer-like clothes. Out of this psychological situation no doubt came his ever-recurring phrase, "Wasteful conspicuous consumption." Veblen's animus, even though somewhat unfair, played undoubtedly a great part in unleashing his genius. Unfortunately Veblen rarely tries to find a constructive solution. He is satisfied for the most part with analysis, most of which is remarkably accurate. Frankly, I think there is more possibility of good in the American business man than Veblen would care to admit. Since 1915 many of our business men, notably the Du Ponts, have shown a willingness to throw exceedingly

large sums of money into scientific research. Involuntarily, perhaps, they have cleaned up many of the abuses of stock jobbing. In spite of the rather terrible inefficiencies of our economic system we have made progress in devising a great variety of machinery to raise the standard of living. While most of the Veblenian criticisms of our business economy still remain valid, we can find little suggestion in Veblen's works as to what to do to cure the situation. Some of his writings would lead us to think that he believed in returning our business and our way of life to the village. But with the Germans and Japs actively pushing we cannot help wondering if the so-called Democratic nations can be saved merely by following a program of breaking up large corporations and returning the economy to small business operations. It may all be true that our minds and bodies were evolved under simple conditions and will eventually have to return to simple conditions. In the meantime it would seem to me that Veblen's own analysis of Germany and Japan would indicate that we in the United States must strain every nerve to make our democracy efficient while at the same time we do not abandon it.*

---

* Friends who have read Veblen's works more extensively than I tell me that he had a strong appreciation, as exemplified in his "Theory of Business Enterprise", of the unworkability of small-scale competitive business enterprise under modern technology. While he had no patience with the building up of great trusts purely on a financial basis, he did realize that modern machine technology had rendered obsolete the ancient small order of things. It may be, therefore, that my emphasis on Veblen's homesickness for the village and farm economy is not completely warranted. His researches in anthropology led him in that direction but his appreciation of modern technology led him to understand the need for bringing rapidly and continuously up-to-date the customs and institutions based on a small scale economy in order that modern civilization might not destroy itself.

No one can read Veblen's "Imperial Germany" without realizing in a perfectly dispassionate way, that the German war machine at the present time must be psychologically very strong. The strength is derived only superficially from Hitler. It has its roots in several generations of systematic Imperial Prussian military indoctrination. More recently the German strength is derived from a tremendous concentration of industrial power first in huge cartels, and later under Schacht, and Hitler. This situation is probably temporary (perhaps one year - perhaps thirty) and the outstanding question is as to what will happen to the rest of the world when and if Germany smashes. Also there is the question of how far the other nations will have to go in imposing economic controls during the period while Imperialistic Nazi Germany continues with the system now in effect.

Nothing that has occurred in the last 25 years tends to cast any serious doubt on the correctness of Veblen's penetrating analysis. If, however, his basic thought should prove to be wrong and if Germany should display an ability to maintain for several generations a high degree of economic efficiency as well as a capacity for military enterprise in an extreme form, then the entire world, including <u>this hemisphere</u>, would be confronted with a situation fraught with difficulty, danger, and the possibility of ultimate tragedy.

On the other hand, there appears to be nothing peculiarly inherent in the German mind (as distinct from the Prussian tradition) that would make it impossible for the people of Germany to exorcise

the evil spirit of militant imperialism. Should that occur, Germany could become a valuable asset to the family of nations and a powerful factor in economic and social progress.

Postscript to Review

After I finished this review, I became possessed with a great desire to take a fresh look at Veblen's work, "The Nature of Peace" which I had read 20 years ago but had forgotten. This book which was published in early 1917 before the United States entered the war is just as remarkable in its prophetic insight as the book on Germany. Curiously enough when I opened the book, the first passage on which my eye fell was one dealing with the requisites of a league of nations. The passage follows:

> "It is true, the more genial spokesmen of the project are given to the view that what is to come of it all is a comity of neutral nations, amicably adjusting their own relations among themselves in a spirit of peace and good-will. But this view is over-sanguine, in that it overlooks the point that into this prospective comity of nations Imperial Germany (and Imperial Japan) fit like a drunken savage with a machine gun. It also overlooks the patent fatality that these two are bound to come into a coalition at the next turn, with whatever outside and subsidiary resources they can draw on; provided only that a reasonable opening for further enterprise presents itself."

Veblen in "The Nature of Peace" gives evidence of having studied the shorter catchecism when he speaks cynically of the British gentleman - investors as being men of blameless propriety whose place it is "to glorify God and enjoy him forever" whereas the function of the German gentleman - adventurers of prowess and proud words, is "to glorify God and disturb the peace." In no sense is Veblen pro-British. But he is convinced that the British gentlemen are reaching the end of their rope and that the ruthlessness of the Germans and Japs in utilizing modern technology in a factual instead of a gentlemanly wasteful manner will force the whole world to face certain eventualities.

If Veblen were writing today, he would doubtless make a number of changes in his analysis. And yet in the main his understanding of the trend of economic and political events is so profound that his two books "Imperial Germany" and "The Nature of Peace" should be required reading for the statesmen of all the democratic countries of the world. They can't afford to make at the time the next peace comes, the same errors that were made in 1919 and the early 20's.

Veblen is verily a modern Isaiah and as such is without sufficient esteem in his own land.

DEPARTMENT OF AGRICULTURE
WASHINGTON

THE WHITE HOUSE
APR 2 8 57 AM '40
RECEIVED

April 1, 1940

The President

The White House

Dear Mr. President:

I forgot to mention to you when sending you my review of Veblen's book "Imperial Germany" that I sent a copy of this review to Secretary Hull. He had it carefully read independently by two of his best men. The suggestions which they made have been incorporated.

The postscript, however, referring to Veblen's book, "The Nature of Peace" has not been passed on by the State Department.

No one can read Veblen's book "The Nature of Peace" without being gravely concerned with what will eventually happen if England and France make a premature peace with Germany. Veblen, writing in late 1916 and early 1917 before we entered the World War, feared what ultimately came to pass. He feared that a premature peace would be made with Germany and that eventually she would again break the peace.

Respectfully yours

H A Wallace

Secretary

PSF: Agriculture
Wallace 1940

THE WHITE HOUSE
WASHINGTON

file personal
volume 1

5/1 1940

Sec. Wallace 'phoned:

"I just heard from Bill Thatcher that the New Deal had won the mayorality race out in St. Paul. He feels it is significant of the Minnesota trend."

PSF Agriculture
file
Personal
Wallace

DEPARTMENT OF AGRICULTURE
WASHINGTON

May 6, 1940

THE WHITE HOUSE
MAY 7 10 37 AM '40
RECEIVED

The President

The White House

Dear Mr. President:

Guy Gillette gave me today a copy of a telegram he has just received, apparently a duplicate of a message sent to the other Democratic Members of Congress from Iowa, copy of which I enclose herewith.

This message seems to reflect the situation about which I talked to you on the phone when you were in Warm Springs, when I told you I had word of a movement in Iowa which I did not wish to embarrass either you or me. The names on the telegram are representative of the leadership of the party in Iowa and collectively are of such strength as to require the most serious consideration by the Iowa Congressional Delegation. The list seems to cover just about all varieties of policy attitude. I note, for example, the names of T. E. Diamond and C. F. Murphy, who are two of the only three attorneys in Iowa that I know of who went vigorously and completely to bat in support of your court program. There are names of some others who are definitely New Dealers, enthusiastically your followers, there are some few who are reported to be rather strongly anti-third term. There are others whose main interest is in the agricultural policy, and still others whose interest is simply that of characteristic county chairmen and local party leaders -- interested primarily in party harmony and party success.

It seems to me that a telegram of this sort bearing these signatures offers the possibility of rather serious embarrassment for me, possibly embarrassment for you.

I am writing simply to let you know that if and when the Iowa Delegation makes an effort to see you, this will be what is in mind, and to say to you most emphatically that I am ready to do anything possible in this connection that you may wish me to do.

Sincerely yours,

H A Wallace

Secretary

1940 MAY 5 PM 11 40
DUBUQUE IOWA

SENATOR GUY M GILLETTE
TRY SOB WASHINGTON D C

WE ARE TODAY ASKING YOU AND THE OTHER THREE IOWA MEMBERS OF THE CONGRESS TO SUBMIT THE FOLLOWING MESSAGE TO PRESIDENT ROOSEVELT:

"WE BELIEVE ARRANGEMENT SUCH AS IOWA PAPERS REPORTED YOU APPROVED FOR TEXAS WOULD GREATLY HELP TICKET IN IOWA AND THROUGHOUT FARM STATES AND WOULD BE MUCH MORE LOGICALLY AND EFFECTIVELY IN SUPPORT OF YOUR ADMINISTRATION: - A STRONG ENDORSEMENT OF YOUR ADMINISTRATION IN PLATFORM AND INSTRUCTIONS FOR WALLACE FOR PRESIDENT. IT WOULD MAKE FARM PROGRAM AND DEMOCRATIC PARTY IDENTICAL AND WOULD ENTHUSE FARM VOTE. FAILURE TO DO THIS WOULD BE CONSTRUED AS A REPUDIATION OF FARM PROGRAM BY THE IOWA DEMOCRACY AND WOULD ENORMOUSLY WEAKEN APPEAL OF PARTY TO FARM VOTE, NO MATTER WHO THE NOMINEES MAY EVENTUALLY BE. MAY WE HAVE YOUR PERMISSION TO ANNOUNCE YOUR APPROVAL OF SUCH A PROGRAM FOR OUR CONVENTION MAY ELEVENTH,"

WE EARNESTLY ASK YOU, IN THE INTERESTS OF PARTY HARMONY AND SUCCESS IN IOWA, AND FOR THE BEST INTEREST OF THE NATION AT LARGE, TO GO TO THE PRESIDENT AT THE VERY EARLIEST POSSIBLE MOMENT, PERSONALLY SUBMIT THIS MESSAGE, AND EARNESTLY REQUEST HIM TO AUTHORIZE YOU TO ANNOUNCE HIS APPROVAL OF AN INSTRUCTED IOWA DELEGATION FOR WALLACE. WILL YOU PLEASE ATTEND TO THIS AT ONCE SO THAT IF APPROVAL IS OBTAINED, SUCH ANNOUNCEMENT MAY BE MADE AT THE EARLIEST MOMENT AND THAT WE MAY ACT ACCORDINGLY

SENATOR EARL DEAN CERROGORDO COUNTY CHAIRMAN G H GALVIN FLOYD COUNTY CHAIRMAN T E DIAMOND OBRIEN COUNTY CHAIRMAN, C B MURTOGH MEMBER STATE COMMITTEE, ERWIN LARSON FORMER MEMBER STATE COMMITTEE, IVER CHRISTOFFERSEN FORMER MEMBER LEGISLATURE, FRANK M MATAS SAC COUNTY CHAIRMAN, MRS MARY E FERGUSON SAC COUNTY CHAIRMAN, DR L B AMICK, DR J R DEWEY, RAY REED MEMBER STATE COMMITTEE, DR J K STEPP MEMBER STATE COMMITTEE, FRED BIERMANN FORMER CONGRESSMAN, LAMAR FOSTER FORMER SPEAKER IOWA HOUSE OF REPRESENTATIVES CEDAR COUNTY CHAIRMAN, DR D J GOEN DELAWARE COUNTY CHAIRMAN, MRS FRANCES KAUPEL HOWARD COUNTY CHAIRWOMAN, CHARLES P VOGEL POWESHIEK COUNTY CHAIRMAN, FRED HAGEMANN FORMER NOMINEE FOR GOVERNOR AND MEMBER STATE HIGHWAY COMMISSION, MEL GRAHAM AUDUBON COUNTY CHAIRMAN, MRS ETHEL PETERSON AUDUBON COUNTY CHAIRWOMAN, FRANK O'CONNOR FORMER UNITED STATES ATTORNEY, RAY DOUGLASS ALLAMAKEE COUNTY CHAIRMAN, CHARLES REILLY CHICKASAW COUNTY CHAIRMAN, JAKE TAYEK CLAYTON COUNTY CHAIRMAN, MRS HELEN FITZPATRICK CLAYTON COUNTY CHAIRWOMAN, W B PILKINGTON FORMER CLAYTON COUNTY CHAIRMAN, L J EHRHARDT FOURTH DISTRICT CHAIRMAN YOUNG DEMOCRATS,

J T HYDE CLAYTON COUNTY CHAIRMAN YOUNG DEMOCRATS,
ATTORNEY C F MURPHY, CLARENCE MCDONALD BUCHANAN COUNTY
CHAIRMAN, WM KENNEDY CHICKASAW COUNTY ATTORNEY (BETTER
THAN COUNTY ATTORNEY TOM DENEY) JOHN F KENNEDY
DEMOCRATIC BANKER, FRANK OWEN IOWA COUNTY CHAIRMAN,
MRS RAY BAXTER MEMBER STATE COMMITTEE,
FRANK GILLOON DUBUQUE COUNTY CHAIRMAN,
MRS LAWRENCE SMITH MEMBER STATE COMMITTEE,
W E CONNORS WORTH COUNTY CHAIRMAN, DR W E WALSH FAYETTE
COUNTY CHAIRMAN, MRS LEO COLEMAN FAYETTE COUNTY CHAIRWOMAN,
MRS FRANCES BICKERT MONROE COUNTY CHAIRWOMAN,
RAY SCHAEFER LEE COUNTY CHAIRMAN, MRS PAUL HUSTON
LINN COUNTY CHAIRWOMAN, FRED K HAWLEY MEMBER NATIONAL
FARM TENANCY COMMISSION, EDWARD F MCCARTONCANDIDATE
POCOHANTAS COUNTY ATTORNEY, CHAS A HOUSH CANDIDATE FOR
SECRETARY OF AGRICULTURE, D J GALLERY MADISON COUNTY
CHAIRMAN, SAM J NELSON STORY COUNTY FARMERS INSURANCE
COMPANY, CHARLES BENESH TAMA COUNTY CHAIRMAN,
WILL J JACKSON JOHNSON COUNTY CHAIRMAN, F J KENNEDY
EMMETT COUNTY CHAIRMAN, DR W A LEE HANCOCK COUNTY
CHAIRMAN, WM P HOUSEL HUMBOLDT COUNTY CHAIRMAN
M H MCENROE KOSSUTH COUNTY CHAIRMAN, FRANK MURRAY
WINNEBAGO COUNTY CHAIRMAN MRS MARY GILLEAS CHEROKEE
COUNTY CHAIRWOMAN, J W DICKINSON LYON COUNTY CHAIRMAN,
W J JOHANNES OSCEOLA COUNTY CHAIRMAN, DR R J JOYNT
PLYMOUTH COUNTY CHAIRMAN, O J REIMERS FORMER STATE
REPRESENTATIVE, MRS FLORENCE LYNCH MEMBER STATE COMMITTEE,
LEROY RADER, FRANK MCGILL, L M MCGIVERN, HOMER HUSH,
CHRIS REESE, BARNEY ALLEN, J A SCHNEIDER, HOWARD COUNTY
CHAIRMAN, JOE MEKOTA LINN COUNTY CHAIRMAN

PSF: Agriculture - Wallace

file personal

DEPARTMENT OF AGRICULTURE
WASHINGTON

June 26, 1940

~~CONFIDENTIAL~~

The President

The White House

Dear Mr. President:

In response to your request, a copy of the memorandum which we discussed yesterday is enclosed. Revisions based upon your suggestions have been made.

Respectfully,

H A Wallace

Enclosure

Secretary

Politically speaking we must be prepared, of course in case of need, to buy up at equivalent prices ~~pric~~ products in the U.S., using probably "reciprocal dollars" rather than ~~a~~ U.S. dollars.

Basic Considerations for a Permanent Inter-American Cartel Corporation

1. The surpluses of this hemisphere must be kept moving into consumption:

A. As much as possible, taking military considerations into account, should be exported from both continents to the rest of the world.

B. Judicious amounts should be stored on an ever-normal granary basis within the hemisphere.

C. Whatever is left over should be distributed as promptly as possible to the impoverished families of both North and South America. Without such a "safety valve" outlet for surpluses within the two continents, huge inventories might wreck the whole cartel scheme.

2. The Cartel Corporation ultimately must act as a clearing house for all export and all import transactions between the New World and the Old if Germany controls Europe. To achieve this purpose it should use two kinds of dollars:

A. "Reciprocal" dollars would be used exclusively in foreign trade between this hemisphere and the rest of the world. These "reciprocal" dollars could be used to buy goods from countries outside this hemisphere and such countries in turn could use them to buy hemispheric surpluses

through the Cartel Corporation. As soon as possible we should get on a basis where total imports would equal the total exports; "reciprocal" dollars therefore could not be hoarded. Gold might be used to back this world trade currency. Part of it actually might be sent to those Republics where purchases were being made. Psychologically, that would bring about a new confidence in the value and usefulness of gold here at home. It would give our neighbors to the south of us the feeling that the New World was using the traditional economic power of gold aggressively.

The Cartel Corporation would break even in all world trade with "reciprocal" dollars. After buying surpluses for export outside the hemisphere with them, it could offer to exchange them at established rates for the internal currencies of each American Republic. To get the program started, the Cartel Corporation could set up a revolving fund of "reciprocal" dollars.

B. Since "reciprocal" dollars would be the only money which could be used in trade between the New World and the Old, "regular" American dollars, as we have known them, would automatically become a hemispheric currency limited to circulation in North and South America. The Cartel

Corporation would use these dollars to buy surpluses over and above what could be exported from the New World. Most of these goods ultimately would be distributed to needy families on both continents under programs of surplus removal similar to those now in operation in this country, but adjusted to the national needs of each Republic. This is the only place where a subsidy from our Federal Government would be necessary. The cost to the American tax-payer would be partially offset by the fact that "regular" dollars used to buy surpluses for distribution within the hemisphere ultimately and automatically would have to be spent in our own country largely for our industrial goods.

3. Anyone within this hemisphere desiring to make purchases outside it, would exchange "regular" dollars, or the currency of his own Republic, for "reciprocal" dollars in order to do so. Those "reciprocal" dollars would then be available in other countries for purchases of goods available within this hemisphere. Similarly, anyone outside this hemisphere obtaining "reciprocal" dollars which were not immediately needed for purchases from the New World, could exchange them for the currency of his own country if he desired to do so. That country could then make them available to anyone who did want to buy from this hemisphere.

4. Appropriate agreements should be entered into between the Cartel Corporation and each American Republic covering such matters as:

A. Production control figured on some fair "base period".

B. Contributions to the stock of the Cartel Corporation.

C. Lessening of trade barriers within the hemisphere so far as practical.

D. Programs for distribution of surpluses to the needy.

E. Use of normal business channels, working through the Cartel Corporation to take advantage of their practical knowledge of the complicated problems of world trade, commodity by commodity.

The new era beyond this conflict will no more permit the hoarding of commodities in the face of want than it will the hoarding of money in the face of poverty. A western hemisphere which is commodity-rich and consumption-poor can not survive. A western hemisphere which has the genius to make its real wealth available to all its peoples will be impregnable. For the first time in history, because we have learned how to produce abundantly, men no longer have to grab from each other to have enough for themselves.

File
Personal

PSF: Agriculture Wallace
Wallace

UNITED STATES
DEPARTMENT OF AGRICULTURE
OFFICE OF THE UNDER SECRETARY
WASHINGTON, D. C.

July 10, 1940

Memorandum to the Secretary

Dear Mr. Secretary:

Herewith is submitted a few suggestions for the conduct of the Democratic campaign this year.

1. Immediately make known the Republican candidate's entire record with public utilities, pointing out at the same time that the Republican candidate is without experience in either public office or international affairs.

2. The President should confine his campaign efforts entirely to keeping the people informed on the international situation, and our progress in national defense. The President should avoid making political speeches because:

   a. He is not seeking the office but is accepting a mandate from the people in a critical hour. This can be pointed out in due time.

   b. The seriousness of our present situation demands his undivided attention and he is sticking strictly to the job during this time.

   c. The vice presidential candidate and others can constantly, and even more effectively than the President, point out the President's record and experience. It is particularly important to call attention to his grasp of the international situation, his experience in the previous war, and to the fact that he has consistently foreseen and has been prepared, insofar as possible, for the events which have occurred.

3. Get to the people tangible evidence of the extent to which we are prepared to defend ourselves. This might be accomplished in numerous ways. It would be possible, for instance, to stage air shows in strategic points throughout the country, in which army and navy planes would take a prominent part. It might also be possible to have a "preparedness day" at state fairs. Movies could be used to show actual production of defense materials, and all activities of the Defense Council should be highly publicized.

4. Build the theme of the campaign around the slogan "Peace Through Preparedness." The people want peace and they are willing to pay for preparedness to insure peace. The "big stick," so big no country will dare attack us, has great appeal.

Sincerely yours,

Under Secretary.

( M. L. Wilson )

PSF Agriculture Wallace

August 20, 1940

Respectfully referred for the

files ofthe Department of State.

EDWIN M. WATSON
Secretary to the President

hm

Transmitting for the files of the Department, copy of letter from Hon. Henry A. Wallace, 8/15/40, to the President, tendering his resignation as Secretary of Agriculture, effective at the close of business on September 5, 1940, together with a copy of the President's letter of August 17, 1940, accepting the resignation as tendered. Mr. Hess has a memorandum regarding the matter.

Aboard the President's Train,
August 17th, 1940.

Dear Henry:

In different circumstances I should have deep regret in consenting to your withdrawal as Secretary of Agriculture. But, giving due weight to the consideration that the step you are impelled to take represents rather a change in relations than a severance of close ties, I have no alternative. Therefore, in accordance with the terms of your letter of August fifteenth, I accept your resignation effective at the close of business on September 5, 1940.

You and I are content to leave determination of the issues in the campaign this year to the calm judgment of the voters. Under our form of government there is no higher arbitrament than the bar of public opinion.

I am delighted that you are to be freed of all official duties so that you can devote your time and talents exclusively to an interpretation of your agricultural program to the American people. You found agriculture prostrate in March, 1933. The vicious wheel had turned full circle when you came to the rescue. Markets had been ruined; purchasing value was gone; the farmer was penniless. Foreclosures and tax sales had done the rest.

The farmers of the country are not likely to forget this. Their minds are seared with bitter memories of official neglect and official incompetence which brought them and the Nation to disaster.

I know, and the farmers of the Nation likewise have knowledge, of the deliberation, true wisdom and statesmanship which have gone into the formulation of your agricultural program. I know and they know that bankruptcy, ruin, despair and disaster, which had been their previous portion through long years of neglect and incompetence at Washington, gave way under your guiding hand to a greater prosperity, security and, above all else, to a return to self-respect and sane thinking.

Although you have devoted years to the study of our agricultural problems and brought rich experience to their solution, yours has not been a narrow specialization. You have been able to view the problem of the farmer in its relation to other problems -- economic, industrial and international. You have adhered without deviation to the settled processes of democracy. You and I remain unshaken in our faith in those processes and in the efficacy of the policy of the good neighbor in the field of foreign affairs. Your habit of thought has enabled you always to see with singular clarity the needs of the country as a whole.

I think it particularly fortunate that throughout the weeks of the autumn you are to be free and unhampered to go about at will. This will give you an excellent opportunity in public addresses, and through conferences with groups and individuals, to discuss the work you have been doing in behalf of agriculture.

Such a presentation will be of benefit alike to the farmers, and to the rank and file of the citizens. With them rests judgment as to the work you have been doing during the past seven years and more in behalf of agriculture and in behalf of the Nation.

Very sincerely yours,

Honorable Henry A. Wallace,
Secretary of Agriculture,
Washington, D. C.

DEPARTMENT OF AGRICULTURE
WASHINGTON

August 15, 1940

The President

The White House

Dear Mr. President:

I am tendering you herewith my resignation to take effect on September 5, 1940, the day on which I shall probably begin active campaigning. I look forward gladly to the rare opportunity I shall have to discuss with the American people the matters in which you and I are so profoundly interested and which are of such grave importance to the country.

I believe thoroughly in your unique capacities to lead the American people in these troublous times when experience and wisdom are so essential. Therefore, I approach the work of the campaign with eagerness.

Although this represents only a change in our relationship, I can't write this letter without expressing to you my deep gratitude for the extraordinary experience of the past eight years. The opportunity to work on so broad a front under your leadership in times of extraordinary national need has been immensely satisfying. To have had in the Department of Agriculture the material of fine personnel, excellent traditions and technical preparation, and to be able to use all this equipment, all the services of this able personnel, because of your support, in the development of the really enormous action programs for the benefit of agriculture, has been an opportunity and an experience that could come only once in a millennium. Now I am looking forward to another period, another opportunity of even greater significance.

Sincerely yours,

H A Wallace

Secretary.

O THE WHITE HOUSE
P
Y WASHINGTON

Aboard the President's Train,
August 17th, 1940.

Dear Henry:

In different circumstances I should have deep regret in consenting to your withdrawal as Secretary of Agriculture. But, giving due weight to the consideration that the step you are impelled to take represents rather a change in relations than a severance of close ties, I have no alternative. Therefore, in accordance with the terms of your letter of August fifteenth, I accept your resignation effective at the close of business on September 5, 1940.

You and I are content to leave determination of the issues in the campaign this year to the calm judgment of the voters. Under our form of government there is no higher arbitrament than the bar of public opinion.

I am delighted that you are to be freed of all official duties so that you can devote your time and talents exclusively to an interpretation of your agricultural program to the American people. You found agriculture prostrate in March, 1933. The vicious wheel had turned full circle when you came to the rescue. Markets had been ruined; purchasing value was gone; the farmer was penniless. Foreclosures and tax sales had done the rest.

The farmers of the country are not likely to forget this. Their minds are seared with bitter memories of official neglect and official incompetence which brought them and the Nation to disaster.

I know, and the farmers of the Nation likewise have knowledge, of the deliberation, true wisdom and statesmanship which have gone into the formulation of your agricultural program. I know and they know that bankruptcy, ruin, despair and disaster, which had been their previous portion through long years of neglect and incompetence at Washington, gave way under your guiding hand to a greater prosperity, security and, above all else, to a return of self-respect and sane thinking.

Although you have devoted years to the study of our agricultural problems and brought rich experience to their solution, yours has not been a narrow specialization. You have been able to view the problem of the farmer in its relation to other problems — economic, industrial and international. You have adhered without deviation to the settled processes of democracy. You and I remain unshaken in our faith in those processes and in the efficacy of the policy of the good neighbor in the field of foreign affairs. Your habit of thought has enabled you always to see with singular clarity the needs of the country as a whole.

I think it particularly fortunate that throughout the weeks of the autumn you are to be free and unhampered to go about at will. This will give you an excellent opportunity in public addresses, and through conferences with groups and individuals, to discuss the work you have been doing in behalf of agriculture.

Such a presentation will be of benefit alike to the farmers, and to the rank and file of the citizens. With them rests judgment as to the work you have been doing during the past seven years and more in behalf of agriculture and in behalf of the Nation.

Very sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT

Honorable Henry A. Wallace,
Secretary of Agriculture,
Washington, D. C.

1.75,

THE WHITE HOUSE

WASHINGTON

Sept 17, 1940

Dear Henry:

In different circumstances I should have deep regret in consenting to your withdrawal as Secretary of Agriculture. But, giving due weight to the consideration that the step you are impelled to take represents rather a change in relations than a severance of close ties, I have no alternative. Therefore, in accordance with the terms of your letter of August fifteenth, I accept your resignation effective at the close of business on September 5, 1940.

You and I are content to leave determination of the issues in the campaign this year to the calm judgment of the voters. Under our form of government there is no higher arbitrament than the bar of public opinion.

I am delighted that you are to be freed of all official duties so that you can devote your time and talents exclusively to an interpretation of your agricultural program to the American people. You found agriculture prostrate in March, 1933. The vicious wheel had turned full circle when you came to the rescue. Markets had been ruined; purchasing value was gone; the farmer was penniless. Foreclosures and tax sales had done the rest.

The farmers of the country are not likely to forget this. Their minds are seared with bitter memories of official neglect and official incompetence which brought them and the Nation to disaster.

I know, and the farmers of the Nation likewise have knowledge, of the deliberation, true wisdom and statesmanship which have gone into the formulation of your agricultural program. I know and they know that bankruptcy, ruin, despair and disaster, which had been their previous portion through long years of neglect and incompetence at Washington, gave way under your guiding hand to a greater prosperity, security and, above all else, to a return to self-respect and sane thinking.

I think it particularly fortunate that throughout the weeks of the autumn you are to be free and unhampered to go about at will. This will give you an excellent opportunity in public addresses, and through conferences with groups and individuals, to discuss the work you have been doing in behalf of agriculture.

Such a presentation will be of benefit alike to the farmers, and to the rank and file of the citizens. With them rests judgment as to the work you have been doing during the past seven years and more in behalf of agriculture and in behalf of the Nation.

Add other qualifications

Very sincerely yours,

Franklin D. Roosevelt

Honorable Henry A. Wallace,
Secretary of Agriculture,
Washington, D. C.

August 18th, 1940.

FOR THE PRESS --
HOLD FOR RELEASE --

Released for papers appearing on the streets not earlier than 9 o'clock A.M., Eastern Standard Time, Monday, August 19th, 1940. The same limitation applies to use by radio broadcasters or radio news commentators.

PLEASE SAFEGUARD AGAINST PREMATURE RELEASE.

William D. Hassett.

- - - - -

The following correspondence was made public in connection with the resignation from the Cabinet of Henry A. Wallace, Secretary of Agriculture.

Secretary Wallace submitted his resignation in a letter of which the following is the text:

"August 15, 1940.

The President,
The White House.

Dear Mr. President:

I am tendering you herewith my resignation to take effect on September 5, 1940, the day on which I shall probably begin active campaigning. I look forward gladly to the rare opportunity I shall have to discuss with the American people the matters in which you and I are so profoundly interested and which are of such grave importance to the country.

I believe thoroughly in your unique capacities to lead the American people in these troublous times when experience and wisdom are so essential. Therefore, I approach the work of the campaign with eagerness.

Although this represents only a change in our relationship, I can't write this letter without expressing to you my deep gratitude for the extraordinary experience of the past eight years. The opportunity to work on so broad a front under your leadership in times of extraordinary national need has been immensely satisfying. To have had in the Department of Agriculture the material of fine personnel, excellent traditions and technical preparation, and to be able to use all this equipment, all the services of this able personnel, because of your support, in the development of the really enormous action programs for the benefit of agriculture, has been an opportunity and an experience that could come only once in a millennium. Now I am looking forward to another period, another opportunity of even greater significance.

Sincerely yours,
H. A. WALLACE,
Secretary."

The President, in accepting the resignation, wrote Mr. Wallace as follows:

"Aboard the President's Train,
August 17th, 1940.

Dear Henry:

In different circumstances I should have deep regret in consenting to your withdrawal as Secretary of Agriculture. But, giving due weight to the consideration that the step you are impelled to take represents rather a change in relations than a severance of close ties, I have no alternative. Therefore, in accordance with the terms of your letter of August fifteenth, I accept your resignation effective at the close of business on September 5, 1940.

You and I are content to leave determination of the issues in the campaign this year to the calm judgment of the voters. Under our form of government there is no higher arbitrament than the bar of public opinion.

I am delighted that you are to be freed of all official duties so that you can devote your time and talents exclusively to an interpretation of your agricultural program to the American people. You found agriculture prostrate in March, 1933. The vicious wheel had turned full circle when you came to the rescue. Markets had been ruined; purchasing value was gone; the farmer was penniless. Foreclosures and tax sales had done the rest.

The farmers of the country are not likely to forget this. Their minds are seared with bitter memories of official neglect and official incompetence which brought them and the Nation to disaster.

I know, and the farmers of the Nation likewise have knowledge, of the deliberation, true wisdom and statesmanship which have gone into the formulation of your agricultural program. I know and they know that bankruptcy, ruin, despair and disaster, which had been their previous portion through long years of neglect and incompetence at Washington, gave way under your guiding hand to a greater prosperity, security and, above all else, to a return to self-respect and sane thinking.

Although you have devoted years to the study of our agricultural problems and brought rich experience to their solution, yours has not been a narrow specialization. You have been able to view the problem of the farmer in its relation to other problems -- economic, industrial and international. You have adhered without deviation to the settled processes of democracy. You and I remain unshaken in our faith in those processes and in the efficacy of the policy of the good neighbor in the field of foreign affairs. Your habit of thought has enabled you always to see with singular clarity the needs of the country as a whole.

I think it particularly fortunate that throughout the weeks of the autumn you are to be free and unhampered to go about at will. This will give you an excellent opportunity in public addresses, and through conferences with groups and individuals, to discuss the work you have been doing in behalf of agriculture.

Such a presentation will be of benefit alike to the farmers, and to the rank and file of the citizens. With them rests judgment as to the work you have been doing during the past seven years and more in behalf of agriculture and in behalf of the Nation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Honorable Henry A. Wallace,
Secretary of Agriculture,
Washington, D. C."

PSF

Wallace

Agric

THE WHITE HOUSE

WASHINGTON

September 13, 1940

~~CONFIDENTIAL~~

MEMORANDUM FOR

HON. MYRON TAYLOR

I think this will interest you -- extremely confidential. Will you let me have your thought?

F. D. R.

Enclosures

fdr/tmb

Let. to the President from Acting Sec. Paul H. Appleby, 9/11/40 enclosing additional material concerning the relation of the present regime in France to various religious groups in other countries about which Mr. Wallace discussed with the President before leaving.

File
Personal
Confidential

KILLINGWORTH
LOCUST VALLEY
LONG ISLAND

September 15 1940

Dear Mr. President:

I found the memoranda which you sent very interesting indeed, and am returning them herewith.

As you have asked me for my thoughts, I am attaching a memorandum which at least presents a conclusion as to policy to be followed, at any rate for the present.

Also I enclose a newspaper clipping which you have probably already seen, and which indicates the relationship between Bonnet and Abetz.

Very sincerely yours,

Myron C. Taylor

The Honorable,
Franklin D. Roosevelt,
The White House,
Washington, D.C.

September 15 1940

[redacted]L MEMORANDUM
FOR THE PRESIDENT:

As to the person described in the report, I have met him in Paris at Ambassador Bullitt's and at Versailles--I think, in the home of James Hazen Hyde. I have no personal impression about him, but I believe Ambassador Bullitt could give you full information.

When I left Rome, three weeks ago, there was no indication of a radical change of Vatican policy--although, as I intimated to you in our conversation, there was evident despair over Britain's ability to withstand her enemies, in view of the more recent German conquests, which embraced the loss of her principal ally, of the use of a large accumulation of war materials, of fully developed munitions plants and other useful works, and, not the least, of control of the Channel ports.

With all of these factors, and with Italy awaiting its opportunity to become aggressive in many places, the outlook, as envisioned by

those in question, was not encouraging for British interests.

At that time I had no reason to believe that the Vatican would support the principles of Nazism or of Fascism, although I have always kept before my own mind the fact that the leading influences in the Vatican were Italian. This fact never appeared to influence action.

I heard on the radio today (Sunday), in the National Broadcasting Company's Berlin review, that next Sunday a Catholic Bishop in Germany would announce the collaboration of the Catholic Church with the Nazi Government. This, if true, would of course be a shock to many in Germany, Austria and elsewhere. The attitude of the Vatican would probably be that they are more concerned with the conduct of a government toward its people, both in their religious life and in the practice of the humanities, than in devising particular forms of government. The large Catholic populations of Holland, Belgium, Poland and France are in such a predicament, and with so uncertain a future, that I should think if the

Vatican puts in any sense the stamp of its approval on the Nazi regime in Germany or the Fascist regime in Italy, it will have very uncomfortable repercussions in those countries. In any event, the present situation of the Church in Europe is most uncertain.

As I indicated to you, my information was that the Petain Government was being undermined by both the French and the Germans. No one in position of authority whom I contacted felt that it would last very long. That fact I should think would be of considerable influence in determining the course of action which you will take by way of formal recognition of that Government, and which as a necessary consequence solves, at least for the time being, the problem of the proposed Ambassador. As you have asked for my thought on the subject, I would say that for the moment I would do nothing.

- - - - - - - - - - - - - - - - -

NEW YORK TIMES
September 6 1940

# RETURN OF BONNET TO POST INDICATED

## Visit in Paris, Article There on His 1939 Peace Effort Seen as Political Steps

## MIGHT REPLACE BAUDOIN

## Ex-Foreign Minister, Hinted for Place at Vichy, Did Best to Avert War, Says Le Matin

By GEORGE AXELSSON
Wireless to THE NEW YORK TIMES.

PARIS, Sept. 2 (Delayed; via Berlin)—Assertions that former Foreign Minister Georges Bonnet did his best to preserve peace in the tragic last days of August, 1939, were made for the first time in a Paris newspaper today by the Matin. It printed what it claims is a true account of diplomatic events that precipitated the war a year ago.

M. Bonnet returned to Vichy tonight after spending a few days in Paris, during which he met an intimate friend, Count Fernand de Brinon, and Heinrich Abetz, German Ambassador to France and High Commissioner for the occupied territory, and other prominent German officials.

Although no statement of M. Bonnet's activities could be obtained, the writer understands from authoritative sources that the coincidence of his presence in Paris with that of Vice Premier Pierre Laval of the Pétain regime and talks of reshuffling the Vichy Cabinet, as well as the Matin's article, might mean M. Bonnet's comeback to play a prominent role in French politics—perhaps as Foreign Minister again to replace Paul Baudoin.

M. Bonnet, whose family remained at Perigueux in the Bordeaux district, after the German forces marched on Paris, is regarded by some political observers here as a "coming man" in the new French politics. Anyway, they say a Bonnet offensive started with the Matin article.

While he headed French diplomacy at the Quai d'Orsay, Count de Brinon often took unofficial trips to Berlin in M. Bonnet's behalf in efforts to conciliate Franco-German viewpoints, against the bellicose spirit of preparation that was brewing in Western Europe.

Thus it is believed his eventual appointment to the Vichy Cabinet would not be frowned upon in German circles, and Marshal Henri Philippe Petain, the Chief of States, always appreciated the skill he displayed as a diplomat while Ambassador to Washington and as economist in the Laval-Flandin Cabinet in 1935 as Minister of Commerce.

The Matin, after asserting that the French Constitution of 1875 was violated when the then Premier Edouard Daladier declared war on Germany without convening Parliament, said that, besides three "clear-sighted statesmen," Pierre Laval, Gaston Bergery and Pierre-Etienne Flandin, who "attempted to avert the catastrophe," there was a fourth, Georges Bonnet, who would have succeeded in preventing war if it had not been for "the warlike spirit of the British and the stubbornness of the Polish Government."

M. Bonnet, through five difficult days before the outbreak of war, did his utmost to quell the war spirit, the Matin said.

"On Aug. 28 (1939) the crisis reached a climax," the article stated. "In Britain, France, Germany, Poland, millions of men, face to face, were mobilized in tragic expectation.

"It seemed then that war was unavoidable, but it could have been averted if two essential truths had been understood in Paris, London and Warsaw: First, that Chancellor Hitler was not bluffing and that he wanted a complete settlement of German-Polish problems; second, that suppression of 'the foolish terms of the Versailles treaty' could no longer be postponed."

The Matin said Adolf Hitler left the door open for further discussions of the "Polish problems," and that M. Bonnet at 1 A. M. on Aug. 30 wired the then French Ambassador in Warsaw, Leon Noel, that Herr Hitler was agreeable to direct conversations, and also wired Berlin and Warsaw urging the German and Polish troops to withdraw several miles from the border to avoid an incident.

However, M. Bonnet's personal initiative, it was asserted, was met with skepticism by the French Ambassadors in Berlin and Warsaw—especially Robert Coulondre, the envoy at Berlin, who was said to have wired back:

"Chancellor Hitler's reply too brutal; more like the dictate imposed on vanquished State than agreement to negotiate with sovereign State."

"How under such conditions could the recommendations of the head of French diplomacy be transmitted with sufficient energy to the Polish Government?" the Matin article went on.

However, M. Bonnet reportedly insisted on urging at London the same day joint Franco-British representations to Poland. This move was agreed to by the British Government and Ambassador Noel was instructed to see Colonel Josef Beck, then Polish Foreign Minister, and urge him to make an immediate and favorable reply to the German suggestion of direct conversations.

"Berlin awaited all day the approach by the Polish plenipotentiary," said the Matin.

On the morning of Aug. 31, the article continued, there was still no Polish reply in Berlin, and Ambassador Coulondre reportedly telephoned M. Bonnet from Berlin:

"There is much discontent in German circles that nothing has been done so far on the Polish side for conciliation. It is feared the Reich may order her troops to launch an attack if there is still no reply at noon. It is necessary that Polish Ambassador Lipski (Josef Lipski, then envoy to the Reich, who had gone to Warsaw at the time) be sent (back) to Berlin urgently to start the negotiations as plenipotentiary."

"There was not a minute to spare," according to the Matin, "and M. Bonnet immediately informed London, while instructing M. Noël in Warsaw to make another démarche upon Colonel Beck, who promised to reply at noon.

"At noon M. Bonnet was still sitting in his office overlooking the gardens of the Quai d'Orsay awaiting developments, after more frantic calls to London and Berlin and after telephoning Rome. It was not until 6 o'clock in the evening that M. Lipski called on the Wilhelmstrasse, and then without full powers to negotiate, which led [Reich Foreign Minister Joachim] von Ribbentrop to refuse the conversations."

DEPARTMENT OF AGRICULTURE
WASHINGTON

September 11, 1940

The President,

The White House.

Dear Mr. President:

I understand that before Mr. Wallace left Washington, he discussed with you in person certain information that had reached him, concerning the relation of the present regime in France to various religious groups in other countries.

We have now received additional material from the same responsible source as this earlier information. Since this latest information bears particularly on the character and previous activities of the new representative from France to this country, and on possible policies that we might follow with respect to the recognition of the government which he represents, I am forwarding this material to you for your own personal information.

I understood from Mr. Wallace that you were greatly interested in what he had to say to you on the subject before, and believe for that reason you will wish to see this additional material yourself.

Sincerely yours,

Paul H. Appleby

Acting Secretary

Enclosures

Grace:

Will you hand this confidentially to the President? It is from Secretary Wallace.

Jim Rowe

September 8, 1940

M. Henri Haye was known to be in close relations to the notorious Nazi agent, Abetz, who was expelled by the French government before the war, and who is now Hitler's representative to the Petain government. Abetz, with the help of the most active "intellectual" Nazi agent, Sieburg, was mainly responsible for the organization of the Fifth Column in France, and Mr. Haye is said to have been one of his chief advisors and most enthusiastic supporters. His position became very difficult after the beginning of the war, but he managed, with the help of friends, to keep out of danger. His appointment as ambassador to the U.S.A. is directly connected with his former activities which he is expected to continue in this country in cooperation with his friend Abetz. One of his first tasks will, however, consist in enlisting sympathies for the new government by refuting the allegation that they have gone Fascist. This policy is in accord with the new tactics of the Nazi propaganda to advise even the German Bundists to drop their Nazi connections, and even to deny any allegiance to the Nazi ideology, with the purpose to better serve their cause for the Nazis in this country. But the main mission of M. Haye will be, as I told Mr. Wallace, to make the greatest efforts to get as much as possible of the French gold and other assets deposited in this country.

I must say that my Spanish and Portuguese friends, and even many Frenchmen, are amazed that the U.S.A. could give their agreement to the appointment of such a man; and they are sure that unless M. Haye's position be made, from the outright, untenable, he will cause much trouble. I therefore repeat that the only way to counteract such designs is to delay

official recognition of the Petain government. Against any claim of legality and constitutionality of the Petain government, the fact must be advanced that the resolution of the French Senate not to allow the newly proposed constitution to be introduced without a referendum, is a great obstacle to normal relations between the U.S.A. and the Petain government; and that therefor the result of the referendum is to be awaited first. On the other hand, every endeavor must be made to delay the carrying through of the referendum. One of the most promising means to that end, is to induce the French colonies in the U.S.A. and Latin America to claim the right of participation in the referendum. This can be best supported by the precedent set up by Hitler himself, when he claimed such right for all the Saarlanders outside Germany. As you will remember, special German ships were employed to take the Saarlanders to exterritorial waters in order to enable them to cast their votes. If similar arrangements could be enforced on the Petain government, much time would be gained.

I had a long conversation about this matter with the French head of the newly instituted committee in defense of a liberated France under the chairmanship of Dr. Sholto Watt, 610 Fifth Avenue, Room 220, New York City, and he promised to consider this matter very carefully with the committee as he thought that my suggestions were very interesting.

I am waiting to hear from him and I think that something may be undertaken by the committee in connection with the referendum.

Of course, the U.S.A. government can reserve their rights to consider the value of the results of a referendum held under the pressure

of the enemy, even in the non-occupied parts of France.

The refusal, or, at least, the delaying, of the official recognition of the Petain government is most essential, chiefly to provide a legal foundation for refusing, by the Treasury, to yield any of the French assets, especially if these assets exceed the amount which the U.S.A. may claim as war debts. Because in such an event I do not see any justification for refusing the handing over of such an excess, if the Petain government would be regarded as the actual representative government of the whole of France.

But the refusal of such recognition will also be of far-reaching consequences for the idea of a Fascist-Catholic-Bloc which is constantly gaining ground in France, Belgium, Spain, and, to a certain extent, also in Portugal. As I told you, the Portuguese Prime Minister Salazar, though far from having any sympathies with Fascism, would favor in principle such a bloc as a staunch Catholic who made all possible efforts to strengthen Catholic influence in Portugal. That the Portuguese Catholics had, together with the Spanish Catholics, a hand in reconciling Fascist Italy with the Vatican, is a clear indication that also Portugal is supposed to cooperate to make such a bloc successful.

In this connection, the latest manifestation of the Pope urging all Catholics to fulfill their patriotic duties towards their fatherland, reveals the new spirit of the Vatican; and is, indeed, couched in quite a different language as his previous proclamations. This means not only a concession to the Petain government, who are reinstituting in France the power of the Catholic church, in a measure which would not be

possible even before the separation of church and state in 1904, but it lends enormous strength to Mussolini and the whole Fascist regime.

Of what effect a successful formation of such a bloc would be in Catholic circles in this country, and most especially in Latin America, needs hardly a special emphasis. According to my observation there is already now a change in the attitude of some Catholics I had occasion to meet. The same people who some time ago were spitting fire and flame against Hitler and Mussolini, have become very much more moderate in their condemnation of Fascism. This is a very significant symptom for the new winds which are blowing in certain Catholic circles.

As I am told, Spanish emissaries are working very hard under different disguise in the propagation of the new idea of a Fascist-Catholic-Bloc in some of the Latin countries, especially in Colombia, and Argentina, where Catholic influence is still powerful. The danger of such activities being spread to this country is obvious, and though at present the election campaign makes it difficult to take any action, means and ways ought to be prepared to prevent the infiltration of such ideas in this country with a Catholic population of French and Italian origin, and many millions of Irish Catholics who in their anti-British attitudewould side with the Fascists rather than see England victorious against her enemies.

In this connection, I should like to draw attention to a further important issue which would make the idea of a Fascist-Catholic-Bloc plausible even to such Catholic elements who, in principle, would not favor Fascism.

It is thought that a bloc composed by the main Catholic countries of Europe, and supported by other Catholic countries in Latin America, would increase the power of the Catholic Church to such an extent that, within time, she would be able to weaken the influence of the Protestant nations throughout the world. That the Vatican would prefer a defeated Catholic France and Belgium to a triumphant Anglican England and Protestant America, is a consideration which should not be rejected offhand. It is characteristic of Catholic policy of adjustment to surrounding conditions, that while Cardinal Hinsley of London is thundering against the godless enemies of Great Britain, in Italy prayers were recently ordered by two Bishops for the victory of Italy in the near East, so that she may restore the Holy Places to the Catholic Church and put Jerusalem under the protection of the Pope. All these facts and some others which could be quoted, are a clear indication of the new tendencies and hopes of the Catholic Church which must be very closely watched and efficiently curbed before it is too late.

P.S. I see from the papers that M. Haye assured the pressmen at the World'sFair that the "main efforts of Marshal Petain are to keep the ideals of French democracy." It is a rather peculiar role to organize Fifth Column and Fascism in France and to allege representing democracy in America.

P.S.F. Agriculture

P.S.F.: Agriculture file personal Wallace

DEMOCRATIC NATIONAL COMMITTEE

NATIONAL PRESS BUILDING

WASHINGTON

OFFICE OF
HENRY A. WALLACE

THE WHITE HOUSE
SEP 23 9 53 AM '40
RECEIVED

September 23, 1940

The President

The White House

Dear Mr. President:

I am hoping that between now and the election, in the administration of the draft law, there will be no need for taking action to investigate the resources of married men. This kind of action could be magnified out of all proportion to cause an extreme reaction among hundreds of thousands of young married men.

Respectfully yours

H. A. Wallace by MH

H A Wallace

Dictated by Mr. Wallace but
signed in his absence