PSF

Commerce: Jesse Jones

CONTINUED

(1179)

PSF: Jesse Jones folder Commerce 2-43

THE WHITE HOUSE

WASHINGTON

June 5, 1943.

MEMORANDUM FOR

THE ATTORNEY GENERAL

Please look into this and prepare reply.

F.D.R.

Letter from the Secretary of the Interior, 5/31/43, to the President, in re contracts between Metals Reserve and the Aluminum Company of Canada. Copy of letter retained for our files.

THE SECRETARY OF THE INTERIOR

WASHINGTON

MAY 31 1943

My dear Mr. President:

I was interested in studying the contracts between Metals Reserve and the Aluminum Company of Canada which you asked us to look over in your note of April 30. I am deeply concerned with the effect upon our power developments of the abnormally low price at which Shipshaw power can be sold. This record of Canadian aluminum purchases indicates to me that you did not approve the contract which initiated the interest free method of financing facilities for the Aluminum Company of Canada. In a letter of May 1, 1941, Secretary Jones outlined a contract for the purchase of aluminum which called for an advance of $25,000,000 to cover "a portion of the cost of expansion of their power and manufacturing facilities at Shawinigan Falls and Arvida, ..." Interest at 2 per cent on the advance was provided by this contract. Secretary Jones' letter mentioned that in the event of cancellation without cause by the Metals Reserve Company a penalty payment would be required. This penalty payment would have amounted to substantially the entire balance of the advance made by the United States.

Subsequently another contract virtually identical with the first was executed, with a loan of $25,000,000 to the Aluminum Company from the Export-Import Bank of Washington, carrying interest at 3 per cent. There is no evidence of your having been informed of this contract.

These first two contracts, however, were completely superseded by another contract executed as of March 6, 1942. Under this contract, calling for one billion pounds of aluminum, the $50,000,000 which had been made available to the Company under the previous contracts were converted to an outright advance without interest and the cancellation provision permitted the Company to retain the entire balance of the advance in the event of cancellation by Metals Reserve, without further obligation or charge and without the United States obtaining any estate in the facilities financed by the advance. In addition, this third contract made available to the Company a loan up to a maximum of $25,000,000 at 3 per cent, with the Export-Import Bank of Washington. This sum was available to the Company proportionately as aluminum was delivered and the amount of the outstanding advance thereby reduced.

As Secretary Jones points out in his letter of March 24 to Senator Truman, the base price of aluminum was by this third contract reduced from 17 cents to 15 cents for metal to be used in this country; the 17 cent price was retained for metal to be used for lend-lease purposes. It should be recalled, however, that Alcoa, blood brother of the Canadian Company, had reduced the price of aluminum in this country to 15 cents several months before the contract was executed. This fact, plus the practices of ordinary business in cases involving tremendous purchases by a buyer whose credit can hardly be questioned, would indicate that the base price of aluminum should fully compensate the seller, without the necessity for additional inducements. Moreover, it would

be appropriate to inquire whether the base price of 15 cents established by these contracts has in fact been the price of delivered aluminum. The contracts contain escalator clauses by which the base price may be augmented through rises in labor and shipping costs. I am inclined to believe that the actual cost of aluminum to the Government under these contracts has not been held to the 15 cent price upon which there has been so much publicity.

By a letter of March 6, 1942, Secretary Jones informed you briefly of the status of Canadian aluminum purchases and of an offer from the Aluminum Company of Canada to sell an additional quantity upon the same terms as the previous contract, with an advance of $18,500,000 and a loan up to a total of $9,250,000. Secretary Jones' letter states that in the event of cancellation, 5 cents per pound as penalty would be paid for the undelivered portion of the contract. The contract itself, however, provides that the penalty for cancellation will be retention by the Aluminum Company of the entire unapplied balance of the advance, which is equal to 5 cents per pound, and the payment by Metals Reserve of an additional one cent per pound on the undelivered portion of the contract. You O.K.'d the letter of March 6, 1942.

It is possible that Secretary Jones considers your O.K. of the March 6, 1942, letter as an approval also of the third contract, dated as of the same date. However, this may be, that letter did not indicate to you that the contracts effected an outright advance without interest, totaling $68,500,000, to the Aluminum Company of Canada, a large part of which would never be repaid or recouped if the war should end and the contracts should be cancelled. Indeed, the letter of March 6, 1942, makes no clear distinction between the advances and the loans, whereas the latter carry interest at 3 per cent and must be repaid even though the contracts are cancelled without cause by the United States. It is perhaps needless to point out that the new facilities constructed with the money advanced by the United States will in all probability be useful in supplying metal to the United States Government over only a fraction of the life of the facilities.

You know, of course, that with this subsidy from the United States Government the Aluminum Company of Canada has built a gigantic power project. The plant is paid for and without question will be of great utility in (a) preventing the St. Lawrence development; (b) squeezing out the Government aluminum plants in the Northwest after the war; and (c) heaven knows what else.

Sincerely yours,

(Sgd.) HAROLD L. ICKES
Secretary of the Interior.

The President,

The White House.

Signed original of this letter sent to the Secy. Commerce 8/11/43.
hw

PSF: Jones
Commerce

August 9, 1943

Dear Mr. Jones:

In line with my letter to you of June 29, 1943, requesting that RFC create the Petroleum Reserves Corporation, but do nothing further with respect to it without further instructions from me, I now request that you receive and act upon instructions from Leo Crowley, in line with my Executive Order of July 15, 1943, creating the Office of Economic Warfare, and appointing him Director.

Sincerely yours,

FRANKLIN D. ROOSEVELT

Honorable Jesse H. Jones
Secretary of Commerce
Washington, D. C.

THE WHITE HOUSE
WASHINGTON

August 11, 1943.

MEMORANDUM FOR

HON. JAMES F. BYRNES:

Is this all right?

F.D.R.

Yes.

J. F. B.

THE WHITE HOUSE

WASHINGTON

August 11, 1943.

MEMORANDUM FOR

HON. JAMES F. BYRNES:

Is this all right?

F.D.R.

Letter signed by the President, 8/9/43, to Hon. Jesse H. Jones, Secretary of Commerce, in re the President's request under date of 6/29/43, that the RFC create the Petroleum Reserves Corporation. Copy of letter retained for our files.

Jesse Jones folder
file 2-43

THE WHITE HOUSE

WASHINGTON

July 1, 1943.

MEMORANDUM FOR THE PRESIDENT:

Jesse Jones telephoned to say that as the incorporation of the petroleum reserves company goes into the Federal Register, they are getting requests about it. He thinks he should give out the following announcement, if you approve:

"Jesse Jones, Secretary of Commerce, announced today that with the approval of the President, the R.F.C. has created the petroleum reserve under Section 5-D of the R.F.C. as amended. The purpose of the corporation is to acquire petroleum, petroleum products and petroleum reserves outside the continental United States. The operations of this corporation will be under the direction of the Secretaries of State, War, Navy, Interior and Commerce While no definite plans have been formulated consideration should be given to one or two projects which may be of value to the war effort." This objective is to look ahead, in the unfortunate event of a prolonged war.

The President approved this statement adding the above sentence and Jesse Jones was so notified.

No. 1344

THE WHITE HOUSE

WASHINGTON

June 29, 1943.

MEMORANDUM FOR

THE SECRETARY OF COMMERCE:

I approve this and ask that it be carried out today, in view of the deadline.

F.D.R.

Letter to the Pres. from Secys. of State, War, Navy, Interior as per attached carbon copy, together with secret recommendations re petroleum reserves.

THE WHITE HOUSE

WASHINGTON

June 29, 1943

MEMO FOR GRACE:

Mr. Stone of the State Dept. called regarding a letter sent to the President yesterday evening -- signed by the Secretaries of State, War, Navy and Interior, concerning future oil reserves. It has to do with funds from the R.F.C. If the action is not taken before tomorrow night -- which is the budget deadline -- it will not do any good.

When the Secretary of the Interior saw the President at noon, the President said he had not seen the letter.

djb

June 26, 1943.

My dear Mr. President:

As an outcome of discussion held in the Office of Justice Byrnes, representatives of State, Navy, War and Interior Departments met to consider the situation presented by our prospective shortage of domestic petroleum reserves and the consequent imperative need to assure adequate foreign reserves, and the best means of proceeding to that end. They in addition gave particular attention to the situation in Saudi Arabia. They have agreed upon a signed report which we are transmitting to you. We concur and support this report. You will note that if one of its main recommendations is to be put into effect, that is, the creation of the Petroleum Reserve Corporation, it would be most desirable that this action

be

The President,

The White House.

be taken before July 1.

Faithfully yours,

Cordell Hull
Secretary of State

Henry L. Stimson
Secretary of War

James Forrestal
Acting Secretary of the Navy

Harold L. Ickes
Secretary of the Interior

Enclosure:
Report.

EA:HF:LWW

PSF: J. Jones folder 2-43
file Personal Commerce

PERSONAL

October 26, 1943.

Dear Jesse:-

Strictly between ourselves, you and I can make a lot of money out of that contest. Let the odds on Allen's dog go sky-high. You and I will then bet on Byrnes' dog. Ross McIntire and I know how to work it.

As ever yours,

Honorable Jesse H. Jones,
Secretary of Commerce,
Washington, D. C.

THE SECRETARY OF COMMERCE
WASHINGTON

October 21, 1943

Dear Mr. President:

A contest is being considered that should be of unusual interest to the friends of War Mobilization Director James F. Byrnes and Democratic National Committee Secretary George Allen.

Each of these gentleman owns a wire-haired terrier, and great rivalry has developed between their owners as to which dog can piddle the most times in a given walking distance, when taken for his evening stroll.

The friends of Mr. Allen are offering strong odds on his dog. Having volunteered to walk both of these dogs at different times when their masters were attending to matters of greater importance, I am inclined to back Mr. Allen's entry.

In order that there may be no skulduggery, the dogs will be taken to the contest by disinterested parties, and it has been suggested that the campus of the J. Russell Young School of Expression will be the place of demonstration. Admission will be by invitation.

When the managers have agreed upon rules, regulations and procedure, invitations will be sent.

Sincerely,

Jesse

The President
The White House

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

THE ROMANCE OF REX

By Jo Anderson

- - - -

A Farmer's dog came into town,
  His christian name was Rex.
A noble pedigree had he;
  Unusual was his text.
And as he trotted down the street
  'Twas beautiful to see
His work on every corner--
  His work on every tree.

He watered every gateway too,
  And never missed a post,
For piddling was his specialty
  And piddling was his boast.
The City Curs looked on amazed,
  With deep and jealous rage
To see a simple country dog
  The piddler of the age.

Then all the dogs from everywhere
  Were summoned with a yell,
To sniff the country stranger o'er
  And judge him by the smell.
Some thought that he a king might be;
  Beneath his tail a rose.
So every dog drew near to him
  And sniffed it up his nose.

They smelled him over one by one
  They smelled him two by two
And noble Rex, in high disdain
  Stood still till they were through.
Then, just to show the whole shebang
  He didn't give a damn,
He trotted in a grocery store
  And piddled on a ham.

He piddled on a mackerel keg--
  He piddled on the floor,
And when the grocer kicked him out,
  He piddled through the door.
Behind him all the city dogs
  Lined up with instinct true
To start a piddling carnival
  And see the stranger through.

They showed him every piddling post
  They had in all the town,
And started in with many a wink
  To pee the stranger down.
They sent for champion piddlers
  Who were always on the go,
Who sometimes did a piddling stunt
  Or gave a piddle show.

They sprung these on him suddenly,
  When midway of the town;
Rex only smiled and polished off
  The ablest, white or brown.
For Rex was with them every trick
  With vigor and with vim.
A thousand piddles, more or less,
  Were all the same to him.

So he was wetting merrily
  With hind leg kicking high,
When most were hoisting legs in bluff
  And piddling mighty dry.
On and on, Rex sought new grounds
  By piles and scraps and rust,
'Til every city dog went dry
  And piddled only dust.

But on and on went noble Rex
  As wet as any rill,
And all the champion city pups
  Were pee'd to a standstill.
Then Rex did free-hand piddling,
  With fancy flirts and flits
Like "double-dip" and "gimlet twist"
  And all those latest hits.

And all the time this country dog
  Did never wink or grin,
But piddled blithely out of town
  As he had piddled in.

The city dogs conventions held
  To ask, "What did defeat us?"
But no one ever put them wise
  That Rex had diabetes.

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Commerce

file [redacted]

The press reports that Jesse Jones may soon leave the Government. I have never made any comment on this matter but there are one or two facts which are important.

When Stanley Reid was being considered for the Supreme Court, backed by Jesse Jones, his attention was called to the fact that Reid was an appointee of Pres. Hoover, and supported Hoover in 1932, and that there were many thousands of fine lawyers who had given their all to Pres. Roosevelt and should have preference. Jones is reported to have replied that he, also, was an appointee of Pres. Hoover and that anyone who accepted an appointment from Hoover and did not support him would be an ingrate; also that he could get the matter through McIntyre.

When Leo Crowley was under investigation, Jones appointed Sam Husband to review the report. It was being analysed by Husband and Gus Folger (for many years and at present, Chief National Bank Examiner in the Comptroller's office), and Mr. Brown, appointed by Secretary Morgenthau. Sam Husband told Folger that Jones wanted the report white-washed when it was turned in and Folger reported this immediately to the Comptroller of the Currency, J.F.T.O'Connor, who stated that nothing would be white-washed while he was Comptroller. A few days later Secretary Morgenthau called for all copies of the report and stated to the Comptroller that the matter was out of his (Morgenthau's) hands, after expressing his astonishment at the report.

Jones later advised Crowley that he a d McIntyre were able to suppress the report-and thus place Crowley under obligation to him.

When the conflict arose between Vice President Wallace and Jones, Jones won out in that he claimed to have been largely instrumental in getting the appointment for Crowley. Shortly after Secretary Morgenthau cracked down on the Bank of America in California, Sept. 1938, A. P. Giannini went to Washington and, by accident, met Crowley in the lobby of the Mayflower Hotel. Crowley told Giannini he was not in sympathy at all with the attacks upon the Bank of America by the President and Morgenthau and would do whatever he could to help him. At that time Giannini did not know that the entire attack was instigated by Crowley; that Crowley carried his criticism to Eccles, Jones, Morgenthau and even to the White House. The Comptroller, at Morgenthau's suggestion, asked Mr. Crowley what criticism he had of the Bank of America, and Mr. Crowley said he had no criticism of the Bank of America. While this is now history, after a long drawn out fight the Bank of America has won every contest in the courts against the Government. This is the first time the above information has ever been set down in writing and I know it will be regarded as highly confidential. The Dept. of Justice made a searching examination of the Bank of America and found no irregularities. Different reasons have been assigned for Mr. Crowley's attack on the bank.

Jesse Jones folder 2-44

file Jones

THE SECRETARY OF COMMERCE
WASHINGTON 25

July 6, 1944

Dear Mr. President:

Mr. Jones has asked me to forward the attached tear sheet containing his editorial in the Houston Chronicle of Wednesday, July 5th.

Sincerely yours,

Norman S. Baxter
Assistant to the Secretary

The President

The White House

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

THIS OVERSIZE ITEM HAS BEEN
MICROFILMED IN SECTIONS.

INTER-CITY EDITION 5 CENTS

THE HOUSTON CHRONICLE

VOL. 43 NO. 266 HOUSTON, TEXAS, WEDNESDAY, JULY 5, 1944

REDS NEARING TWO BALTIC STATES

Americans Bag Five Jap Ships and 88 Planes

Devastating Night Attacks Resumed

Railroads, Troops and Flying Bomb Nests Blasted by British.

By Associated Press.

London, July 5.—In one of the most devastating series of night assaults since the Normandy invasion began, British heavy and light bombers smashed at railroads, troop concentrations and flying bomb nests in France Tuesday night, while Mosquitos struck anew at the enemy's fuel supply by blasting a synthetic oil plant in the Ruhr.

The German radio said bomber formations were approaching the northwestern part of the Reich Wednesday.

During the sweeping overnight operations, which climaxed a July 4 display of aerial might in which nearly 5000 planes ranged over the continent, R. A. F. Lancasters and Halifaxes pounded railway yards at Villeneuve St. Georges in the southeastern outskirts of Paris and at Orleans, 75 miles to the south.

o o o

Enemy Supplies Attacked.

The blows renewed a campaign, recently interrupted by bad weather, to disrupt the movement of enemy supplies and reinforcements to Normandy.

Other British heavies plastered launching ramps for flying bombs in Northern France—the second heavy attack in less than 24 hours on the lair of the robot raiders which continued to drone across the channel during the night.

Fourteen heavy bombers were reported lost in the attack on rail

(See AIR WAR, Page 2.)

GERMANS SET FOR FIGHT TO HOLD LIVORNO

Enemy Strongly Entrenched in Port City and Rush Up Reserves; Americans 13 Miles Away.

By Associated Press.

Rome, July 5.—Eighth Army troops, converging from the southwest and south have driven within five miles of the important communications center of Arezzo on the road to Florence, while American units on Italy's west coast have moved up to the outskirts of Rosignano, less than 45

RICKENBACKER URGES BUYING

RAID ON BONIN 'INVITATION' TO ENEMY'S FLEET

Alarmed Tokyo Radio Says Flat Top and Warship Attack Continues; Paratroopers on Noemfoor.

By Associated Press.

An American fleet spoiling for battle has stabbed into Japan's Bonin Islands 615 miles from Tokyo to destroy five ships and 88 planes and to deliver another compelling invitation for the Japanese navy to come out and fight.

The alarmed Tokyo radio Wednesday said the Fourth of July carrier plane-warship attack was still going on.

All four of the Pacific war fronts turned into action, but the thrust of Adm. Raymond Spruance's Fifth Fleet task forces in the Bonins and adjacent Volcano Islands was a slap in the face the Japanese admirals could hardly ignore.

Paratroop landings on Noemfoor Island in General MacArthur's domain, imminent finish of the Saipan invasion and important gains in Burma filled out the picture of heightened Allied pressure on the enemy's buckling defenses. Only in China was the Japanese successfully on the offensive.

o o o

U. S. Loses Three Planes.

Adm. Chester Nimitz Tuesday night announced the Bonin-Volcano raids. On July 3 carrier planes blasted Iwo Jima in the Volcano Islands, reportedly 75 planes against a type of

The Texas Electoral Vote

An Editorial

BY JESSE H. JONES

(Publisher of The Chronicle)

The situation growing out of the action of the state Democratic convention warrants close examination and consideration by every Democrat of the state.

No one has contended that the convention lacked the support of the majority of its delegates. No one has even suggested that its proceedings were other than regular.

There is, however, reason to question the wisdom of some of the convention's action. On reflection, there is good reason to believe that the convention—acting in the heat of political controversy, as such bodies so often do—went much further than many of those participating in the deliberations realized at the time. The bolters at Austin did not help the situation, but that fact does not excuse extreme measures by the majority.

The right of the Texas Democratic convention to express its feeling by resolution is not at issue. That right is assured in the constitution by the guarantees of freedom of speech, freedom of assembly, and the right of petition.

Again, Texas Democrats cannot be criticized for instructing their delegates to the national convention to work for the things that, in their opinion, should be in the party platform. Especially does this apply to the restoration of the two-thirds rule. Through the operation of this rule, Southern Democrats—the solid South—were, in the past, accorded the influence in the party's deliberations to which their consistent loyalty to Democratic party principles entitles them. Without it, they are deprived of the place at the party's council tables they justly deserve.

The wide-spread Southern desire for the restoration of the two-thirds rule could not affect President Roosevelt. The president obtained his first nomination under the two-thirds rule. Its retention would have had no effect upon his subsequent nominations, nor would the two-thirds rule, if applicable this year, serve in any way to prevent the overwhelming nomination of President Roosevelt as the party nominee.

I call attention to two resolutions adopted by the Texas convention that place the Texas convention above the national convention. One of them is that upon failure of the

WILNO IN OLD POLAND ALSO THREATENED

Two Russian Armies May Reach Latvia and Lithuania in Three or Four Days at Present Pace.

By Associated Press.

Moscow, July 5.—Two powerful Russian armies pounded on Wednesday toward Latvia and Lithuania, at a pace that may reach one or both of the Baltic republics in three or four days, and menaced the old Polish city of Wilno.

(Some 200 miles to the south, the German high command said, Nazi forces evacuated Kowel in old Poland. Moscow made no reference to Kowel or this central front.

(Berlin also declared the Russians had landed on five islands in Narva Bay, between Estonia and Finland. The Russians crossed the Estonian frontier in an offensive last winter, pounding close to Narva on the bay.

o o o

Unable to Halt Drives.

(The D. N. B. broadcast said counterattacking Finns regained two islands, Melansaari and Lammasaari, with heavy fighting continuing on a third, Tekkasaari. Light, Finnish naval forces and German naval craft "successfully engaged" Soviet supply traffic, it added.)

Field dispatches declared the Germans appeared wholly unable to halt the Red Army drives toward Latvia and Lithuania.

Russian planes hammered Wil-

Yanks Capture 17 Villages in Day

Fall of La Haye Appears Near; Allies Battle Nazis Near Caen.

By Associated Press.

Supreme Headquarters, Allied Expeditionary Force, July 5.—The American First Army has battled the Germans out of 17 villages and hamlets in its explosive assault down the Cherbourg Peninsula during the past 24 hours, driving the Germans back to within one mile of Le Haye du Puits, western anchor of Nazi defenses in Normandy.

On the eastern extreme of the bridgehead troops Canadians fought hand-to-hand Wednesday with stubbornly resisting Germans for Carpiquet Airfield, three miles from Caen, while the British to the south west off new German tank attacks with heavy enemy losses.

o o o

Bradley's Men Advance.

Lt. Gen. Omar N. Bradley's tireless American doughboys, attacking in a jagged 20-mile arc from Carentan to the west coast of the Cherbourg Peninsula, advanced from one-half mile to 2½ miles in swampy, canal-crossed country.

American columns converging on La Haye du Puits, six-road junction, were within two miles of the town on the west, three miles on the north, a mile on the northeast and three miles on the east. Capture of the town appeared imminent.

o o o

Going Is Tough.

Progress was far from easy. The Germans resisted heavily in all sectors and a particularly violent engagement was going on one-half

(See INVASION, Page 2.)

HITLER ADMITS GERMANS NEED

SEN. WAGNER REFUSES DEM MEETING JOB

Chairmanship of Resolutions Committee Reported Offered to Another; Vote Held in Georgia.

By Associated Press.

Senator Robert F. Wagner of New York, two-time chairman of the platform-making resolutions committee at Democratic national conventions, has declined the job again and party leaders were reported Wednesday to have offered

Miles Away.

By Associated Press.

Rome, July 5.—Eighth Army troops, converging from the southwest and south have driven within five miles of the important communications center of Arezzo on the road to Florence, while American units on Italy's west coast have moved up to the outskirts of Rosignano, less than 12 miles air line from Livorno, Allied headquarters announced Wednesday.

Both advances were recorded against stiff German resistance and the Nazis gave every indication they intended to battle to retain the valuable port of Livorno as long as possible.

Big Guns Open Up.

Heavy guns on dominant hills opened fire on approaching American infantry and tanks around Rosignano. At the same time heavy road movements westward were seen behind the enemy lines, indicating that reserves were being moved into position.

Strongly supported by artillery, the Americans finally broke into the town in strength and reinforced their position, while north of the town tanks established road blocks against expected German counterattacks.

American artillery knocked out two Tiger tanks during this fighting while American tanks de-

(See ITALY, Page 2.)

LIGHT CARRIERS, LIKE SAN JACINTO, TAKE ON BIG TASK

By Associated Press.

Washington, July 5.—The navy disclosed Wednesday that nine light aircraft carriers, built on cruiser hulls, have taken over a big tactical role in the war against Japan—protection for big carrier task forces.

"They have a deadly sting," reported the navy in revealing some of the duties to which the U. S. S. Independence, Princeton, Belleau Woods, Cowpens, Monterey, Cabot, Langley, Bataan and San Jacinto have been assigned.

"Airmen from a light carrier" the navy continued, "join up with the larger air group from a big carrier to add a greater punch in a strike upon enemy shipping or islands.

"Or the light carrier's pilots assume the vital job of protecting the task force against enemy attack, thus freeing the larger carriers entirely to concentrate upon the mission of assault.

"Some of the interceptions accomplished by protective planes from the light carriers have been spectacular: entire formations of attacking Jap bombers have been shot down before they could even get within sight of the fleet."

Thundershowers In City Are Predicted

Scattered thundershowers this afternoon, fair tonight and partly cloudy Thursday was the local Weather Bureau's forecast for Houston. The temperature is expected to reach a minimum of 73 degrees tonight and a maximum of 92 degrees Thursday.

The 72 degrees recorded by the downtown station at 7:30 a.m. Wednesday was the low for the 24-hour period ending then. The maximum of 92 degrees was recorded at 2 p.m. Tuesday.

Fourteen heavy bombers were reported lost in the attack on rail

(See AIR WAR, Page 2.)

RICKENBACKER URG[redacted] OF WAR BONDS

Phony Patriots Blasted by Speaker; Says Troops Are Now Getting Weapons They Need.

Urging his listeners to buy war bonds for keeps, Capt. Edward Rickenbacker, speaking at a patriotic rally in Miller Memorial Theatre Tuesday night, said too many people purchase bonds one day and sell them the next.

"There are too many phony war bond buyers," he stated. "I mean the short term patriots who make a big splash buying war bonds one day in public and then selling the bonds back the next day in private.

38 Per Cent Cashed.

"In fact," he continued, "of the $731,000,000 worth of bonds sold in May, 1944, over 38 per cent, or about $230,000,000 worth, were cashed in a few days later."

Rickenbacker said that American troops are now getting the weapons they need in both quality and quantity.

"The victory of production," he said, "will be an outstanding victory and that victory will be due to the American way of knowing how.

"It will be won by industrialists and capitalists who have been smeared, jeered at and held up to scorn," he continued. "It will be won by the rank and file of working men and women who often

(See RICKENBACKER, Page 2.)

Invalid Mother Of Dead Hero Accepts Highest U. S. Medal

By Associated Press.

Aurora, Ill., July 5.—Seated in a rocking chair under a huge oak tree on the lawn of her home, Mrs. Fredericka E. Truemper, an invalid, Tuesday accepted the Congressional Medal of Honor awarded posthumously to her son.

At Mrs. Truemper's request, the medal was presented to her at home, one of the few times this medal has not been awarded in Washington by the president.

Surrounded by her husband, four sons, two daughters and about 100 friends, Mrs. Truemper wept as Brig. Gen. R. E. O'Neill read the citation. But as he stepped forward to place the medal around her neck, she wiped her eyes, held her head high and smiled.

Her son, Second Lt. Walter E. Truemper, 23, an Army Air Forces navigator, was killed February 20 when he attempted to land a damaged Flying Fortress in an unsuccessful effort to save the life of his wounded pilot. The crew had bailed out.

The Truempers have three other sons in service.

heightening enemy's b[illegible] Allied pressure on the [illegible] in China [illegible] building defenses. Only [illegible] successfully [illegible] the Japanese [illegible] the offensive.

U. S. Loses Three Planes.

Adml. Chester Nimitz Tuesday night announced the Bonin-Volcano raid [illegible] On July 3 carrier [illegible] Iwo Jima in the [illegible] July [illegible] against a loss of three.

The next day cruisers and destroyers moved in close to shell Iwo Jima warehouses and harbor installations. Carrier planes firing rockets also hit Iwo Jima and flew northward to thump Haha Jima and destroy 25 more planes, against a loss of six.

These scores brought to 836 the number of enemy planes downed since the Saipan operations began June 10 and the toll of ships to 26. Three of the vessels knocked out July 4 were destroyers.

Japs Say Fight Continues.

Tokyo declared without confirmation that a powerful United States task force was still prowling off Chichi Jima, main island of the Bonin group, and that severe fighting continues. While Nimitz did not mention Chichi Jima, Tokyo said it was shelled Tuesday by warships and that several hundred planes joined the attack.

Tokyo also conceded steady American advances on Saipan. Nimitz said United States forces have conquered seven eighths of the island, including the cities of Garapan and Tanapag with the latter's good harbor.

Thousands of Japanese—soldiers and civilians—were crowding into Saipan's northeast tip for a last despairing stand.

Chinese Capture Village.

Paratroops dropped on Noemfoor to back up Sixth Army troops driving toward their second airport on the island, 850 miles from the Philippines. Parachute landing of troops has been rarely used in the Pacific.

Chungking said its troops captured a village 22 miles west of Tengchung, narrowing to 26 miles the gap between these forces and General Stilwell's troops in Burma. The latter, Chungking casually mentioned, has a force at Sanon 31 miles east of Myitkyina. Sanon and the captured village, Chanhai, possibly indicate for the first time the route of the projected Ledo-Burma Road Stilwell is straining to get in operation.

The Chinese surrounded in Hengyang refused to yield the city, Chungking said, despite fierce assaults of infantry, artillery and poison gas.

El Campo Officer's Death Laid to Poison

By Associated Press.

Nashville, Tenn., July 5.—A coroner's jury has ruled that the death of Army Lt. John E. Carrion, 38, former El Campo, Texas, school superintendent, whose partly clad body was found in a hotel room here, was caused by a poison "by hands unknown."

Dr. W. J. Cole told the jury traces of poison were found in the body.

The jury's report gave no additional information about the manner in which Carrion, a one-time president of the Texas State Teachers Association, died.

Lt. Dennis McGee of the Nashville military police detachment said earlier there was evidence Carrion had received a blow on the jaw and indicated he might have died from foul play.

Carrion's parents live at [illegible]on, Texas.

president obtained his first nomination under the two-thirds rule. Its retention would have had no effect upon his subsequent nominations, nor would the two-thirds rule, if applicable this year, serve in any way to prevent the overwhelming nomination of President Roosevelt as the party nominee.

I call attention to two resolutions adopted by the Texas [illegible] national convention. One of these is that, upon failure of the national convention to restore the two-thirds rule, the electors named by the Texas convention, if elected in November, are morally obligated to vote for someone other than the nominee of the party. In this circumstance people who want to vote for the party nominee will have no way of doing it.

The other resolution is that, if the national convention should seat delegates from Texas other than those named by the Texas convention, the electors named by the Texas convention, if elected, are instructed not to vote for the nominee of the party, but for some other Democrat. However, this will not be operative if the national convention seats only the delegates named by the Texas Democratic state convention.

It must now be obvious to the thousands of Texas voters who did not participate in the state convention, as well as to some who sat in the councils of that convention, that the effect of its action was to change the rules of the game as we have always known them in Texas, or indeed, as we have known them since this country settled down to the two-party system.

The essence of the two-party system is that the two major political parties shall meet in national convention, name candidates for president and vice president and enunciate a platform or charter of their belief. The Texas election laws, including the one under which the 23 electors were chosen by the Texas Democratic convention, were written in conformance with the fact that for well over a hundred years the elected president of the United States has been a man chosen in national convention by one of the two major political parties. For voters who do not wish to support the nominees of the two major parties, provision is usually made on the ballot.

A qualified voter has a right to cast his ballot for the candidate of his choice. Yet many Texans are now threatened with the loss of this right. Voters of the state of Texas which gave President Roosevelt a greater majority in 1940 than came from any other state in the Union may be prevented from voting for him in 1944 if he is the nominee of his party. In all, 840,151 Texans voted for President Roosevelt in 1940. A majority of these voters and many who have since qualified will in all probability want to vote for him or whoever may be the presidential nominee of the national Democratic convention.

No political convention has the authority to deny a qualified voter the right to vote for any candidate he wishes to support, and as it appears today, Texas Democrats may be effectively prevented from casting their vote for the party nominee.

The Democrats of Texas will insist upon their right to vote for the man of their choice for the high office of president in the November election. All Democrats, including those who participated in the Texas convention and who will participate in the national convention, should co-operate in making this possible and simple.

While on the subject of 1944 politics, I should like to point out that we are nominating and electing 21 members of congress this year. I commend to the Texas voters the renomination and election of every member who is standing for re-election. Many of these occupy important and strategic positions in the house of representatives. They are all good men, stand well in congress, and from my observation no good purpose will be served by replacing them.

193 Buildings Burn In Jap Resort City

By Associated Press.

New York, July 5.—A Tokyo broadcast said that a "disastrous fire" had ravaged the Fukushima prefecture resort of Iizaka hot springs in Northern Honshu during the night of July 1, destroying 193 buildings, including 19 hotels.

Property damage was estimated at 8,000,000 yen. The yen had a prewar value of about 23 cents.

9 Jap Supply Ships Sunk by British Subs

By Associated Press.

London, July 5.—British submarines have sunk nine supply ships and damaged two others during recent patrols in Far Eastern waters, the admiralty announced today.

They also bombarded enemy shore installations at Lhoe Seumawe on the northern coast of Sumatra and Ross Island off Malaya.

[illegible] with heavy fighting continuing on a third. Telkaasari [illegible] Finnish naval forces and German naval craft "successfully engaged" Soviet supply traffic, it added.)

Field dispatches declared the Germans appeared wholly unable to halt the Red Army drives toward Latvia and Lithuania.

Russian planes hammered Wilno (Vilna) in softening-up attacks.

Beating back disorganized German resistance, Gen. Ivan Bagramian's First Baltic Army pressed up the valley of the Western Dvina toward Daugavpils (Dvinsk), key rail junction in Southeastern Latvia, while to the south Gen. Ivan Cherniakhovsky's Third White Russian Army made fast progress toward Wilno in Poland, and Kaunas, capital of Lithuania.

Behind Red Lines.

(The Berlin radio acknowledged that "The Soviet advance is sweeping so fast a considerable number of German forces suddenly found themselves in the rear of the Soviet lines.")

(By London estimates the advancing Red Army troops were within 10 miles of the Latvian border and 15 or 17 miles from Lithuania.)

The railway connecting Berlin and Warsaw with Leningrad—a line which runs through Poland, hitting Bialystok, Grodno and Wilno and connecting at Daugavpils with the line to Riga—lies im-

(See RUSSIA, Page 2.)

10-YEAR-OLD GIRL DROWNS; 4 OTHER CHILDREN ESCAPE

Angelina Garcia, 10, of 1208½ Elder, drowned when she and four children companions jumped from a boat in White Oak Bayou, near White Oak Drive and Milam and Industrial streets, Tuesday afternoon.

Raul Garcia, 12, and Alice Garcia, 9, brother and sister of Angelina, and Ben Billepando, 15, and Eli Billepando, 13, brothers, both of 818 Kessler, escaped.

Raul told police that they were in a flat bottom boat in midstream and began rocking it. When it appeared that the boat was about to capsize, all five jumped into the water, he said.

Ben took Alice to safety. The boys managed to swim to shore. Angelina's body was recovered by Joe E. O'Field, 22-year-old merchant seaman of Beaumont.

Ed Furstenfeld of the Harris County Emergency Corps and Houston Funeral Home ambulance attendants attempted to revive the child by means of artificial respiration, but failed.

The child was the daughter of Mr. and Mrs. Domingo Garcia.

The Villarreal Funeral Home is in charge of funeral arrangements.

Flying Bomb Attacks On England Diminish

By Associated Press.

London, July 5.—The volume of flying bomb attacks on Southern England diminished Tuesday night as it had the night before and belief was expressed in some quarters Wednesday that Prime Minister Winston Churchill might hint at the reason in a statement to commons Wednesday.

junction, were within two miles of the town on the west, three miles on the north, a mile on the

HITLER ADMITS GERMANS NEED VAST COURAGE

"This War Cannot Be Judged on Daily Events," Fuehrer Says in Prediction of Reich Victory.

By Associated Press.

London, July 5.—Adolf Hitler, in his second speech within a week, acknowledged that "enormous courage and strength of nerves are necessary to stand up in these times," the Berlin radio announced Wednesday.

In the most recent address, delivered before the Reich's war production leaders, Hitler struck the same note of "difficult" situations that he did when speaking at the funeral of Gen. Eduard Dietl, Nazi commander in Finland. The German radio reported the Dietl address Saturday night without giving a time or place.

The two addresses broke a silence that had lasted since January 30, when he warned his people that they faced "the hardest task imaginable" this year.

"Daily Events" Not Vital.

The broadcast said Hitler received the production chiefs at his headquarters following a conference with Prof. Albert Speer, minister of munitions.

"This war cannot be judged on daily events," Hitler was quoted as saying. "In a battle of such historical extent a timely success or defeat does not make any difference."

Speaking of "the courageous German soldiers" at the front, he asked:

"Should the German leadership which has been lucky enough to say for four years that we have had only successes now say that we will fail?"

"We Will Triumph."

In answer he said: "No. We will triumph this time and in the end win this war."

Hitler asserted this war was not only one of soldiers "but also of engineers" and technicians. He said in this respect the Allies sometimes were as efficient and on rare occasions better than the Germans, "but the German inventive spirit is on its way to regain the balance again."

Speer announced an increase in armament production "in spite of enemy air attacks." The extent of the increase was not mentioned.

Pope Pius Receives Secretary Stimson

By Associated Press.

Rome, July 5.—Pope Pius XII received Secretary of War Stimson in audience Wednesday.

Stimson entered Rome Tuesday aboard the first train to run into the capital since it fell to the Allies and was greeted at a colorful ceremony.

Held in Georgia.

By Associated Press.

Senator Robert F. Wagner of New York, two-time chairman of the platform-making resolutions committee at Democratic national conventions, has declined the job again and party leaders were reported Wednesday to have offered it to a prominent house member.

The Democratic national committee expects to announce the name of the new chairman this week. That will permit appointment of a subcommittee which will assemble in Chicago before July 17, hold hearings, and put up a scaffolding for the 1944 platform.

The subcommittee has no power to act. The convention itself, which begins July 19, must create the resolutions and all other major committees.

Scrap May Develop.

It will be in the credentials committee that a scrap may develop over seating fourth term or anti-fourth term delegates from some states. The committee on rules and order of business will have to pass on Southern demands for the restoration of a rule that

(See POLITICS, Page 2.)

HOUSTON FLIER IS CAR CRASH VICTIM IN NEW MEXICO

Second Lt. Richard Virgil Craven, 25, son of Mr. and Mrs. Virgil Martin Craven, 2904 Garbee, was killed in an automobile accident one mile east of the Clovis, N. M., army airfield Tuesday, his parents were notified Tuesday night.

Another officer was killed and an officer and three enlisted men injured seriously, according to an Associated Press report. All of the men were stationed at the Clovis airfield.

The young engineer was serving as an engineer on a B-29, the new superfortress. He received his commission and wings last Christmas at Yale University. He attended the Alvin High School, John Tarleton College and in 1942 was graduated from the University of Houston.

Besides his parents, he is survived by his wife, the former Charlie Miller of Houston, and one sister, Mrs. Leighton Sligh of Camp Polk, Louisiana.

The body is expected to arrive in Houston either late today or Thursday. William G. Vollus Funeral Home will be in charge of funeral and burial arrangements to be announced later.

Fall Kills Inmate At Convalescent Home

Jim Davis, 63, died in Jefferson Davis Hospital at 3 a.m. Wednesday of injuries received when he slipped and fell from a third-story window in a convalescent home at 10 Alabama, where he was staying.

Police Homicide Detectives Hugh Graham and J. O. Graddy said they were told that Mr. Davis had run away several times. According to the story obtained by the officers, he locked the door to his room Tuesday night, tied some bedsheets together, fastening one end to a bedpost, and attempted to crawl out the window. He slipped and fell, striking the ground, the officers said.

PSF: Commerce; Jones 7-6-44

File
Dewey
Jones

THE WHITE HOUSE
WASHINGTON

Hyde Park, N.Y. BF:
July 23, 1944

MEMO FOR THE PRESIDENT:

Jimmy told me an amazing story while I was in San Diego and said I could tell it to you if I thought it of sufficient importance.

Shortly before Dewey was nominated, Jimmy was called long distance by someone close to Dewey, asking Jimmy if he could tell them whether you would run or not. Since Jimmy did not know, it was suggested that he find out and further that if Jimmy would come out for Dewey and against a fourth term, he could have an under-secretaryship or name anyone he wished to have it, and that the person through whom Jimmy was to deal was Jesse Jones - that Jesse Jones himself had been promised a Cabinet post if Dewey is elected.

I thought you would like to know this testimony to Jesse Jones' loyalty!

E.R.

Mrs.S.W.King.Sr.
3700 Miramar,Ave.
Dallas,Texas. Mar. 7,1944

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

JUL 17 1944

My dear Mrs.Rooseveldt:

I am enclosing a letter to the President,which I am asking-if you will kindly read,and decide for me,whether it is worthwhile taking up his valuable time reading it or not?

It may be a totally unnecessary information, and it may be that the idea of replacing the present Sec.of the Treasury with Mr.Jones,has never been contemplated by the President,that it was only rumor which came over the Radio.

I have never written a letter ofthis nature before, and would not intentionally injure any ones name,unless ,as in this instance,it seemed to me a duty,and where duty is involved,I have the courage of my convictions. From childhood I was brought up on what Shkespeare said on this subject.-- to say nothing of the Bible.

In speaking of this matter ,I hold no brief for Mr.-Morgantheau,altho so far as I a m informed,he has made a good Secretary of the Treasury; on the other hand,if these things about Mr.Jones are correct,as I believe them to be, since they were discussed by different people over the state - altho after such a number of years,I could give no names; we heard it,then,as all such things do,they gradually die down,but when anything of a similar nature comes comes up again,it is remembered.

And when it may touch the Government in any way,then it would seem that the President should have the facts,or supposed facts.

When I had finished my letter to the President,I read it it to my husband,to see if I properly stated the matter- he said I was absolutely correct as to what was said at the time,but he was opposed to my sending it- because he said I could get myself into trouble,but knowing I can depend on t the wife of the President,aswell as thePresident himself, I feel impelled to send it on. But,I am requesting that no secretaries see it- it is taking too much risk,and at my age and having lost our money in 1929, I certainly dont want to be sued.

I shall greatly appreciate your reading the letter,Mrs. Rooseveldt,and I am relying on your wisdom,to either give the President the letter to read,if it seems of sufficient importance,or to relate it to him,if it seems best, and then to destroy it.If neither seem best,then still destroy it.

I do not know Mr.Jones personally,and he certainly never injured us,so I have no personal motive in what I have related. Mr.Jones has many friends over the state,and many who have benefitted from his ability.

I think the President the greatest President who has ever occupied the White House,and he Must be re-elected for the 4th term; No one else Could know the many threads which he knowsabout the War all over the World,nor know how to weave them as he does,for the successful conclusion of the War and Peace. And,without flattery,I sincerely say,that our

over.

First Lady is the most intellectual, as well as one of the kindest who has ever occupied the White House. And both you and your husband having the highest ideals, and working for the benefit of all mankind, I resent with ever fibre of my being, the unjust ways you both have been treated- it has been disgraceful, beyond words; and it has required stout he hearts to endure it; it isnt much consolation at the moment perhaps, but the President will occupy his rightful niche in History, when not a single congressmann will be remembered, - unless for treachery. And you yourself will be remembered.

Due to the paper shortage, you will be the first to not notice my writing on the the reverse side of paper.

Thanking you for your kindness in this matter, and with the very best of goodwishes, Sincerely yours,

Bertha W. King.

(Mrs. S. W. King. sr.)

P.S. I want you, and the President to know that regardless of what action, if any, he may take in regard to Mr. Jones, now or later, no matter what high post he might deem it wise to place him, my lips are sealed now, forever more on this subject; it takes such little things to do great harm, at times. I want to see the President re-elected, because I regard him as necessasry for the Country's, and the World's good-- so whatever step he takes in any direction, I know it is both wise and right.

I have deliberated on sending this letter for four months and I am still of the opinion I should send it. B.W.K.
And personally I donot believe Mr. J. is for the President. Thanks again.

Mrs.S.W.King.Sr.
3508 St.Johns Drive
Dallas-5 -Texas.

Mar.6/44.

To the
President of the United States.
Washington,D.C.

My dear Mr.President:

Taking a very real interest in our country's welfare,- I feel constrained to give you some information,which I feel you should know.

Last week the information was given over the Radio that you were considering requesting the resignation of the Secreatry of the Treasury,Mr.Morganthau,and replacing him with Mr.Jesse Jones.

It might be well for you to be acquainted with the following facts,-- and in giving it to you,I am doing so with the understanding that I know your honor is such,that if I request that you reveal my name to no one,inregard to this matter,that it will not be. I have never in my life been a tale bearer,or scandal monger;never have mentioned the following before,and never expect to again.

In as much as we are responsible people,you can absolutely rely on the correctness of the following,as being something that was generally talked about over the state,at the time it happened, - perhaps 30 years ago,I dont recall the time.

Mr M.T.Jones,of the M.T.Jones Lumber Co.was one of the richest as well as the largest Lumber merchant in Texas.

Jesse Jones family,I understood was in moderate circumstances; his uncle,M.T.Jones gave him a position in his lumber business in Houstobn,Texas,paying him the moderate salaries that were usualm in those days.Jesse always had a brilliant mind,and good business mind.- but later on,his actions were not open to public inspection-it used to be said.

His uncle,however,had great confidence in him,his ability, so much so,that ~~in his will~~ he made Jesse Administrator of the fortune he left his two children;- a boy and a girl.

It was said that the father never considered his son-a boy then,to have the intelligence that Jesse had.

I dont recall the terms of this Trust-if it was a Trust in fact,I just ~~know~~ heard he administered it.

Not long after M.T.Jones's death,Jesse,from being a small salaried man ,became a rich one- a millionaire,himself.

And it was discussed quite a bit at Houston,and over the State, about Jesse having robbed these children,of their fortune.Finally,the boy-then a mature man,threatened,or did bring,suit against Jesse,and Jesse made a compromise settlement; Before this,I believe it was,Jesse ,in order to gain complete control of the balance of the M.T.Jones estate,married the divorced widow of Willie Jones-son of M.T.Jones.

It having been -less,or more, than 30 years ago,I dont recall too vividly all the details,but when a thing like that becomes so generally known over the state,it certainly must have some basis for fact.

Furthermore, the following is another fact; Jesse having become quite wealthy, Built some of the finest Sky-scrapers in Houston, and Ft. Worth, and I believe other places over the state- each had a separate corporation, and Bonded for quite a bit more than the property was worth- then he got in serious (reported) financial difficulties, whether it was 1929, or when the Banks were all failing, I dont recall, but, I believe it was in 29, because when Herbert Hoover made him Head of the "R.F.C.", he got out of his troubles and bought, or settled for his property for 25 cts on the dollar. And now the reports that Jesse is a multi-millionair again- This I know nothing about.

Question: If these things should prove correct, how did he make that money? And if correct, what would he do, if appointed Sec. of the Tresury?

Last summer, when Vice-President Wallace and Jesse Jones had their controversy, I wanted, from a sense of Justice, to write you these facts, and to say that Mr. Wallace was right, in my opinion; but, knowing the heavy burdens you were bearing as Commander-in Chief of this Global War, I felt even a matter like that should not be thrust on you. And knowing Mr. Wallace was in error in starting that matter, without discussing it with you, I naturally did not write him, or discuss the matter at all, because matters like this are too delicate. But, now, if you are really considering appointing him as Sec. of the Treasury, I thought probably you should be in possession of these facts. Naturally I dont KNOW these things from my own Personal knowledge, any more than others over the state did, But, You should be able to find out the facts, without it being known, now or ever, thru the F.B.I, I should think - if it is important to you.

I want you to know that I have always been, perhaps, your most ardent admirer-- because I believe in you- your Principles, your great wisdom, and your love for humanity. And I resent with all thats in me, the way Congress has opposed every act you have deemed wise to enact, -except they were all quiet as lambs, when the Banks were all crashing all over the nation, and you became President, and saved the Banks and the Country.- And the Congressmen. There are not words in our vocabulary to express their disgraceful attitude.

And if I were a younger woman-instead of 72, I would speak all over this country, showing that Congress is no longer representing the "People"- its all party politics, which I despise. Its my opinion that "the People" will overwhelmingly elect you to a 4th term, as you have always been, but we must not be too confidant- remembering how Pres. Wilson was treated by Lodge and the other Republicans.- and sad to say some Democrats.

I think Sen. Barclay's dramatic speech was a very grave mistake on his part,

I listened to the sppech of the Chairman of the Democratic party last week in Dallas, and while he spoke of the great work which you had done, I did not think he was "All out" for you as he should have been- as he said "he would try to elect any man nominated, in the Dem. party"-- whereas if he wants you to win, he ought not to be able to see any body but Franklin Delano Rooseveldt in the White House. He is a fine speaker, and convincing, but he should show that he is convincingly for you. Thanking you, Sincerely yours,

Bertha W. King. (Mrs. S. W. King. Sr.) Please destroy.

BF! Hon. Jesse Jones folder 2-45

Trip file
file confidential

THE SECRETARY OF COMMERCE
WASHINGTON 25

January 11, 1945

Dear Mr. President

I enclose an article on a subject in which you are very much interested, and hope you will take the time to read it.

Sincerely,

Jesse H. Jones

The President
The White House

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

THIS OVERSIZE ITEM HAS BEEN
MICROFILMED IN SECTIONS.

PSF: Commerce: Jones
1-11-45

Editorial Page—Features
Art—Books

The Sunday Star

Theaters—Radio—Music
Junior Star

C

TWELVE PAGES.

WASHINGTON, D. C., JANUARY 7, 1945.

Britain, Hardened by Wa[illegible] Leans Toward Stern Pe[illegible]

First-Hand Knowledge of Menace of German Aggressiveness Brings Demands for Terms Making Future Outbreaks Less Likely

This is the second of a series of articles dealing with the question: "What Should Be Done With Germany?"

By Edward A. Harris

In Great Britain, as in the United States, there is a sharp division of thought on a control program for post-war Germany. But there the advocates of a "hard" peace, of prolonged military occupation, swift punishment of the war guilty, severe reparations and a comprehensive long-range system of rigid economic and political controls seem to have gained an ascendency not yet reached by the comparative school of thought in America.

Several reasons are advanced for this predominate tough-mindedness in England. The utter catastrophe that loomed after Dunkerque and the devastation visited upon the British Isles by the Nazis in the Battle of Britain early in the war brought the pain of German aggression home to them in a literal and figurative sense unmatched in America. Each air-raid warning, every robot bomb, helped crystallize their grim determination to end once and for all the German menace.

Britain, hardened against propaganda lines and recalling its onetime vulnerability to them with deep chagrin, feels a sense of responsibility for the scrapping of the Versailles Treaty. More and more Germany was permitted to abrogate the treaty's provisions and British liberals censure their own country for not taking the initiative in seeking to block German rearmament.

The Versailles Treaty, of course, made extensive provisions for the disarmament of Germany. The German general staff was formally abolished, and the army was restricted to 100,000 men. No war material was to be exported or imported; the manufacture of armaments was also strictly limited. Naval provisions were drastic, Germany being permitted to retain only 6 battleships, 6 light cruisers, 6 destroyers and 12 torpedo boats. The Allies were to appoint commissions of control to supervise the execution of the disarmament clauses, and did so.

All of the commissions, however, had been abolished by 1927. From the moment the treaty was signed, the Germans conspired to evade the restrictions imposed upon them. German Army leaders, aided by industrialists, carefully built up an industrial base for full-scale rearmament. When Nazi stormtroopers triumphantly re-entered the highly-industrialized Rhineland, so necessary to a renewed program of aggression, only a few voices were raised many, are led by such influential speakers and writers as Lord Noel Edward Noel-Buxton, former Labor M. P., and Harold J. Laski, British writer and educator.

In a radio debate with Dorothy Thompson, probably the most eloquent member of the American Association for a Democratic Germany, Lord Vansittart said: "I propose no inhuman or unreasonable remedy. But I do insist that we should all try to put ourselves in the position of the victims, and view the future from their point of view, and not tie ourselves into knots by thinking disproportionately about the aggressors.

"As a good European and a good democrat I am convinced that nothing less will safeguard the four-fifths European majority against further aggression by the German minority. I stand for total, permanent and unilateral disarmament of Germany; total and permanent liquidation of militarism, inter-allied occupation of Germany until militarism is dead beyond resurrection, inter-allied control of German war potential, that is, of Germany heavy industry that ministers to the German war machine, and inter-allied supervision of German education until it is firmly established on the right lines."

Nazis Hope to Win Peace.

Addressing a meeting of the Win the Peace Movement, of which he is president, Vansittart once said that the Germans feel they have a chance to win the peace. "It is very easy to see already on what lines they are proceeding," he asserted. "Their first line is simply an extension of the one they exploited with such dividends after the last war—that they were not responsible for it. The second line is the suggestion that just around the corner is awaiting the ideal German democracy and that, if we are going to give it a chance of

(Continued on Page C-3, Column 6)

War Review

Allied Position Better After Week's Fighting

By Howard P. Bailey

Adolf Hitler, or a reasonable facsimile thereof, last Sunday told the waiting world that the Nazis will never surrender. However, if there were doubts about the authenticity of the Hitlerian voice which was heard over the Nazi radio, there was no doubt about the battle-front manifestations of the German intent to fight on.

RFC Gives Aid to Little Business

Seeks to Reverse Mortality Trend Resulting From War

By Jesse H. Jones

Little business operates on the commercial frontier of the United States.

In that field, lie the risks and adventure, but also the hopes and profits of individual initiative.

The forces arrayed against little business are not those the early settlers faced as they moved West, but they are no less real. Competition, depressions and wars create many hurdles for little business, frequently too many for the man or woman imbued with the laudable desire to be his or her own boss.

Because the impact of war imposes the most severe strain little business has had to face, its problems and how little business can best be encouraged and protected in our day of mass production and distribution are of great concern.

Early War Mortality High.

When the United States first entered World War II and for many months thereafter, the mortality rate among little businesses was high. There are many failures in this category during more normal years, but, over a long period of time, new ventures have exceeded those which have found the going too rough. After we became involved in the war, this trend was reversed. The establishment of new businesses failed to equal those which closed their doors and between 1939 through 1943, the net decline in the number of business establishments—large and small—totaled 526,600, an average of more than 1,100 in each of the 48 States.

At the present time, the decline appears to have been checked and the number of little businesses in operation is remaining fairly constant. The year 1944 may even show a slight increase. We are at the point from which we must go forward if small business enterprises are to survive.

We in the Department of Commerce and the RFC have not only had actual private experience in little business, but a great deal of experience in the relationship between Government and little business. The personnel of the RFC, including its directors and other executives, have spent their entire lives in business—small business. Executives and experts in the Department of Commerce are also experienced in small business.

No Exact Formula.

We know little business, its problems and its difficulties. There is no exact formula for defining little business.

The man who operates a shoeshine stand, an independent drug store or corner grocery is certainly a little businessman, but there are little businessmen in the steel industry, in the field of automobile manufacturing, in the production of tobacco products, the operation of hotels, restaurants, radio stations and many other lines.

Suppose we say that any business

JESSE H. JONES.
—Harris & Ewing Photo.

of interest and still leave a proper profit for the bank. After all, money lending is much like insurance. Rates can be adjusted to fit the approximate risk.

Few, if any, private institutions, which skim the cream off the loan field, have a better record and few have worked as hard as RFC in make such loans. This is demonstrated by the fact that in hundreds of cases, after RFC examiners and officials have reset the financial structure of some small business, local bankers have decided that the loan which they had turned down, because of the risk, was really a loan that the bank should make.

Boom for Small Plant.

There has always been romance in American business and there has been plenty of it in the record of RFC loans to business.

Consider the small machine shop in Miami with a book value of $32,280, which, before the war, made fishing tackle. Its biggest year, 1940, resulted in sales of $40,000.

With the outbreak of the war, the proprietors conceived the idea of using their equipment for the manufacture of aircraft parts.

On August 8, 1941, RFC made a loan of $30,000 to provide working capital for the first contract. An additional $25,000 was authorized in November of that year and, by April of 1942, contracts which the company had obtained justified a loan of $600,000.

To date, the loans which have been authorized to this little company aggregate $8,463,000 and only $560,000 is outstanding as unpaid.

Or consider, if you will, the $7,500 loan made in 1938 to a man and his wife who were in the grocery business in Washington. At the time the money was advanced, their profits were not suffi- war forced a discontinuance of the business.

The borrower did not give up. He is making his repayments from wages as a machinist in a war plant and expects to reopen his shade business after the war.

Pittstown, Okla., is supplied with electric power by a small local company.

Fish Company Saved.

In December, 1941, RFC made a loan of $15,000 to it to pay a mortgage, install new facilities and provide working capital.

The loan put the company in good shape and enabled it to provide additional badly needed facilities. The company is succeeding.

In Nanticoke, Md., there is a small fishing company that has been in business since 1917.

It found the going rough in 1942 and obtained a $1,900 loan from the RFC.

It needed $275 more in May, 1943, which it got.

The company has been able to stay in business, thereby providing employment and badly needed food products.

We are inclined to think of shipbuilding in terms of such companies as those operated by Henry Kaiser, Todd Shipbuilding Co., Newport News Ship, Bethlehem, Cramps and New York Shipbuilding—all of which are tremendous operations.

But we, in the RFC, have knowledge of others.

Take, as an example, the small shipbuilding and repair yard in Seattle, which needed to install additional facilities to participate in the war effort.

RFC, in August, 1941, took a 70 per cent participation in a loan of $150,000 made by a local bank, the bank taking the other 30 per cent and servicing the loan.

Terms to Bandoleers.

This was only the beginning. Since that time, RFC has co-operated with a local bank, in loans aggregating $23,-504,000 and the company has assisted materially in the construction program of the Navy Department.

The present outstanding balance is only $715,000.

A small fern packing firm in Florida faced difficulties because it could no longer obtain boxes to ship its products.

It decided it could make bandoleers if it could obtain the necessary financing.

The RFC provided it and a small plant employing 40 to 50 persons was kept in operation.

These few typical loans are only examples of thousands of others like them which RFC has made.

The record of the past is, however, mainly useful as a signpost for the future—a future which for the present can be devoted only to an all-out war effort, but which on a day we cannot

[illegible]e for Early Victory Wanes as New Year Opens

Need to Transport Huge Quantity of Supplies and Equipment and Troops for Replacement to Delay Final Crushing of Nazis

By Constantine Brown.

The Allies started the new year in a less happy frame of mind than 12 months ago.

In January of last year most people in the United Nations believed we were approaching the end of a long and costly road and that our trials were about over. The results of the Moscow and Teheran conferences had laid to rest our fears.

The military picture at the beginning of 1945 is far less optimistic.

We are stymied in Italy, where the forces of Lt. Gen. Mark Clark are making only insignificant progress. They advance a couple of hundred yards one day and lose part of their gains the next. Weather conditions are such that no large-scale operations are possible before late next spring. In the meantime, the casualties, particularly sicknesses of men due to the raw climate in the mountains, are mounting and are not proportionate to the scope of our military operations in that area.

On the western front the situation is equally unsatisfactory. The surprise offensive launched by Field Marshal von Rundstedt on December 16 has thrown out of gear the strategic plans of Gen. Eisenhower, which called for a limited success before the end of 1944—the cleaning up of the western bank of the Rhine.

Action to Be Limited.

Regardless of whether the Germans are pushed back to the positions from which they started their counteroffensive, the American and British operations will have to be limited, in the event Von Rundstedt withdraws his forces, to minor operations. It is admitted in the highest military circles that it will take us at least three months, and probably longer, to replace our heavy losses of the last three weeks. New units have to be sent from the United States and Great Britain to fill the gaps in the divisions of the 1st and 3d Armies. A large quantity of war material will have to be rushed across the Atlantic to France to replace the hundreds of guns and tanks lost in battle.

Most of these replacements of men and material must come from the United States, 3,000 miles from the front. And that will require time. At this writing, it is difficult to say whether the Germans have sufficient reserves to make a strong offensive either in the south against the American 7th Army and the French 1st Army in Alsace, or possibly north of Aachen in the area of the British forces and the American 9th Army. But if we accept the optimistic view that Von Rundstedt's divisions have suffered very heavily and he has no fur- whenever convenient. Although the United Nations originally had considered that separate treaties should not be made by any of their members, since the declaration signed on January 1, 1942, was sufficient to cover the war needs, there have been private treaties between France and Russia and Czechoslovakia and Russia which have considerably disturbed the other members.

Russia has signed an armistice with Germany's satellites in the Balkans and is expected to sign a similar armistice with Hungary in the near future. This is being done officially in the name of Great Britain and the United States, but as a matter of fact we and the British have little to say about what is being done in the Balkans. Russia is the paramount power in that area and intends to remain so.

The question of Poland is even worse than all the others from the diplomatic point of view. Not only have the Poles been fighting for their independence, but since they have lost their country Polish armies have been fighting on all the fronts in Europe. About 180,000 Polish soldiers, formed in regular divisions, are fighting on the side of the British and American forces in Italy and France.

A strong Polish underground has fought, on orders from the Polish government in exile, on the side of the Russians at Lwow and in Volhynia. The British and American governments continue to recognize this Polish government in exile, despite severe pressure from Moscow. No one tries to minimize the cleavage between the various members of the United Nations because of the "Polish problem."

The Nazi propagandists were greatly assisted in their job of keeping their people together by two other factors—the declaration that nothing but unconditional surrender would be accepted and the Morgenthau plan which "leaked" out at Washington at the worst possible stage of the war.

Foch Stand Firm.

No defeated nation should be given any choice but unconditional surrender. But these logical military terms must be imposed on the defeated armies when they are no longer in a position to fight. Marshal Foch, Allied supreme commander in the World War, imposed these terms on the Germans when they asked for armistice terms in 1918. He gave them six hours in which to accept or bear the consequences of an all-out Allied offensive.

Marshal Foch was in a less favorable position then, because the Germans did not have to worry about the eastern front. Several months earlier the Rus-

[illegible] upon them. German Army leaders, aided by industrialists, carefully built up an industrial base for full-scale rearmament. When Nazi stormtroopers triumphantly re-entered the highly-industrialized Rhineland, so necessary to a renewed program of aggression, only a few voices were raised in protest—and no nation was willing to take the lead in blocking the reoccupation by force of arms.

Blame Failure to Act.

It is apparent that most British leaders do not ascribe the failure of the Versailles Treaty to its "harshness" or mildness. It is attributed, simply enough, to the unwillingness of the great powers to enforce the provisions by weight of arms, to act in concert to the end that Prussian militarism be suppressed when such suppression would have cost relatively few lives.

British spokesmen and the leaders of other Allied nations have emphasized their resolve to avoid repeating this mistake. They regard the problem of controlling postwar Germany as a separate task from that of forming an enduring international organization to maintain the peace of the world, but they are well aware that the attainment of both of these objectives hinges precariously on the ability of the great powers to co-operate harmoniously.

That is why so many liberals in Britain and in other United Nations are alarmed over the ill-will generated by British policies in some of the liberated countries, notably Greece and Italy. They feel that if the British plan to engage in bitter "spheres of influence" feuds with the Soviet Union the whole structure of international co-operation will fall apart, bringing down with it the most carefully devised proposals to prevent the resurgence of Germany.

"If those four (the United States, Great Britain, Russia and China) cannot agree to work together for peace, then there can be no guarantee of peace," said Harold Butler, British Minister to Washington, in a recent speech. Marshal Stalin also warned that the Dumbarton Oaks proposal will be effective "only if the great powers, which have borne on their shoulders the main burden of the war against Germany, will act in the future also in the spirit of unanimity and concord."

Secondary Line of Insurance.

Basic fear that an international peace organization may not work due to disagreements among the big powers is clearly reflected in the formation of military alliances among the European nations. The British-Soviet pact of 1941 has been followed by the recent Franco-Russian pact, both for 20 years, and there is authoritative talk now of an impending British-French alliance. This reversion to the old-time coalitions is viewed as an ill-omen in many quarters. At best it may be regarded as merely a secondary line of insurance against German aggression.

In England the main spokesman for a "hard" peace and a rigid control system is Lord Robert Gilbert Vansittart, former permanent undersecretary of the British Foreign Office and chief diplomatic adviser to the Foreign Secretary from 1930 to 1941. Since publication of his book, "Black Record," in 1942, an ever-expanding school of thought has arisen in support of what has become know as "Vansittartism."

In its conception of the Reich as a perennial trouble-maker that must be dealt with drastically, Vansittartism finds its counterpart in the United States in the Society for the Prevention of World War III. The "moderates" in England, who are roughly paralleled in this country by members of the American Association for a Democratic Germany, that the Nazis will never surrender. However, if there were doubts about the authenticity of the Hitlerian voice which was heard over the Nazi radio, there was no doubt about the battle-front manifestations of the German intent to fight on.

The following are the high lights of last week's warfare:

Sunday—American 1st Army recaptures Rochefort at tip of Belgian bulge. Third Army beats off three counterattacks, then moves ahead one mile on southern flank. Reds occupy two-thirds of western half of Budapest. Archbishop Damaskinos takes over regency of Greece. Jap planes raid Mindoro; 14 shot down. Tokyo claims sinking of 16 American ships, 2 cruisers and 13 transports.

Monday—Patton beats off five German attacks aimed at pinching off Bastogne and makes some progress beyond city. Nazis launch heavy assault on 7th Army near Bitche along 10-mile front, bend line back 2 miles. Nearly 1,600 planes raid Nazi refinery at Dollbergen. American 5th Army regains lost ground in Italy, then gains mile and a half in Serchio Valley area. Eighth Army takes several small towns. Reds push ahead in Budapest. Doughboys, fighting Indian fashion, mop up Leyte remnants. Jap losses set at 117,997. Widespread air raids hit Japs from Kuriles to Celebes.

Tuesday—Nazis pull two divisions out of Belgian bulge as 1,000 planes bomb supply line on 3d Army front. Waist of bulge cut to 13 miles. Reds hold western half of Budapest. Navy announces loss of submarine Harder and three small boats. Japs claim 550 Super Fortresses destroyed to date.

Wednesday—Patton smashes 5½ miles northeast of Bastogne toward St. Vith. Seventh Army holds Nazis at point of deepest initial penetration near Bitche. Nazi supplies massed for use in bulge hit by 1,100 bombers. Reds report 10,000 Nazis killed, 30,000 wounded in Budapest. Super Forts raid war plants on Honshu, main Jap island, centering on Nagoya aircraft plants and Osaka and Hamamatsu. Leyte-based Liberators raid Manila airfields. War Mobilization Director Byrnes call for induction of 18-to-25-year-old farmers.

Thursday—Hodges' 1st Army regains three miles on northern flank of Belgian bulge. Americans heavily mauil 11 out of 30 Nazi divisions in bulge; 7th Army holds firm on Bitche front. Soviets yield ground after heavy Nazi counter-attack in Budapest. Hundreds of carrier planes and China-based B-29s raid Formosa heavily. Okinawa also hit. Japs see effort for quick decision in Philippines. Wednesday raid on Formosa by 500 planes revealed, costing Japs 27 ships sunk, 68 damaged.

Friday—British 3d Army joins attack on Ardennes salient as announcement is made that Lt. Gen. Montgomery takes command of American 1st and American 9th Armies. Nazis push 7th Army back to point only 12 miles from Saverne Gap, key to Strasbourg. Reds beat off heavy counterattacks in Budapest. Japs evacuate Akyab, vital Burma port with seven airfields. Yank planes sink or damage total of 60 enemy ships in Luzon raids. Halmahera raided. Jap Leyte losses reach 121,470.

Saturday—7th Army blunts drive near Bitche. Patton forced to yield 3 miles. Nazis step up V-2 attacks on England. Carrier-based planes raid China coast for first time. Four fleets roaming at will in Philippine waters. Yanks seize island 13 miles from Luzon. Sumatra and Kyushu raided. Burma road reported nearly ready for reopening. Japs hint landings already under way on Luzon, main Philippine island.

[illegible] nessmen, but there are little businessmen in the steel industry, in the field of automobile manufacturing, in the production of tobacco products, the operation of hotels, restaurants, radio stations and many other lines.

Suppose we say that any business which needs financing up to $100,000 is regarded a small business and for the purpose of this discussion, that figure is probably as accurate a measure as we can arrive at.

The Reconstruction Finance Corp. has made more than 19,500 individual loans in this category, but if $100,000 strikes you as being a lot of money, the RFC has made approximately 7,000 loans under $5,000, 3,400 loans between $5,000 and $10,000 and 4,500 loans between $10,000 and $25,000.

It has actually disbursed $1,008,875,948 to business institutions in the 10 years in which it has possessed the authority to make business loans. It has made more than 22,000 such loans—some in every State of the Union. The fact that we have made and offered to make business loans, both directly and in co-operation with banks, has made credit available to thousands of independent businesses on terms that they could hope to meet—and usually do meet—loans on terms that banks have heretofore, for one reason or another, been reluctant to make. This reluctance was due in some cases to banking laws or customs against longtime loans and many times because the loan did not appear to be a risk that the bank could take.

Many Saved From Failure.

These figures and facts demonstrate that the RFC has spared [illegible] the importance of little business to our economy and has been active in making credit available for it. Our experience in making these loans has demonstrated that with proper attention, encouragement and advice, many small businesses that otherwise would have failed have survived.

RFC has not competed with private lending institutions, but has co-operated with them. It has made many loans that the banks did not feel justified in making and has taken participations in 5,000 loans made by banks. RFC's participation running as high as 90 per cent of the loan, the bank making and servicing the loan. RFC's experience in making industrial loans has clearly shown that, had the banks been energetic enough and taken the trouble to make the loans and nurse some of them, they could all have been made. This is proven by the fact that RFC's losses on such loans have averaged less than 1 per cent. This percentage of loss can be taken from a reasonable rate authorized to this little company aggregate $8,463,000 and only $568,000 is outstanding as unpaid.

Or consider, if you will, the $7,500 loan made in 1938 to a man and his wife who were in the grocery business in Washington. At the time the money was advanced, their profits were not sufficient to meet the payments on their store fixtures.

Today, they owe RFC only a few dollars. Their life savings have been protected and they, themselves, with several helpers, have been kept at work.

Out in Spokane, Wash., a loan, amounting to only $2,600, assisted a woman in establishing a small drug store in 1939. She has been kept in business and her loan has been substantially repaid.

Aid for Telephone Company.

The residents of Whiteville, N. C., are dependent upon a small independent telephone company for service. The financial picture of this company in June, 1938, was discouraging. RFC authorized a loan of $12,500, which made possible expansion of service. The company has shown a very much improved earnings record and the loan has been almost entirely repaid.

A woman in Demopolis, Ala., needed assistance in 1938 for the installation of a cold storage locker plant. The RFC advanced her $7,000. The plant has been successfully operated and the proprietor has had no difficulty in meeting her payments.

Out in Helena, Mont., a small oil and gas company needed funds to save its business. RFC made $25,000 available to it in 1943 and its business was saved.

At Newborn, Ga., a man was making wooden slat blinds in 1938 when he was faced with disaster for lack of working capital. RFC made a $1,600 loan, which had not been entirely repaid when the

These few typical loans are only examples of thousands of others like them which RFC has made.

The record of the past is, however, mainly useful as a signpost for the future—a future which for the present can be devoted only to an all-out war effort, but which on a day we cannot now foretell, will bring peace to the world and provide opportunities for thousands of little businesses.

With the coming of peace, there will be many opportunities in the field of small business and many men and women anxious to challenge the opportunity. A great many men now in the service will want to go back to their former jobs or businesses, but many will want to try their own wings. They have been risking their lives to preserve freedom and our way of life and may want a business of their own, however small. They must have that chance and it will be small business. Estimates made by experts in the Department of Commerce indicate that the war has created a deficiency of 270,000 small businesses in the field of retail distribution alone.

Stores Suffered Most.

The net change in the number of firms in retailing is particularly important since the number of businesses in retailing account for nearly half of all enterprises.

Wartime casualties particularly included grocery stores, eating and drinking places and filling stations, but many small manufacturers were put out of business in the early years of the war. Some of these were later given orders which enabled them to start up again. Relative to the total number of various types of retail stores in existence at the end of 1941, household appliance and radio stores, meat and seafood markets, automobile dealers, filling stations and shoe stores suffered most severely. In each of these lines, there was a net decline during 1942-43 of a fourth or more of the number of stores operating at the end of 1941.

In retailing, as in all other industry groups, roughly nine-tenths of all business discontinuances occur among firms employing fewer than four workers. This proportion has remained relatively constant throughout the 4-year period, 1940-43. About nine-tenths of all new enterprises also hire less than four workers, but the proportion has tended to decline during the war years. The net decline in the number of businesses has, therefore, been greater among small (i.e. those with less than four employes) than among large firms.

There will be plenty of released veterans and discharged war workers to fill this gap and more. We must, in fact, if we are to achieve

Estimated Number of All Operating Business Firms (Small and Large) in 1939 and 1943

	1939.	1943.	Net change, 1941-43* Number.	Per cent decrease (increase) since 1941.
All industries	3,316,700	2,861,600	—536,400	—15.8
Mining and quarrying	21,400	26,200	+ 3,800	+ 16.2
Contract construction	202,100	158,100	— 85,700	— 35.2
Manufacturing	214,200	228,600	+ 2,800	+ 1.2
Transportation, communication and public utilities	207,700	186,000	— 21,200	—10.1
Finance, insurance, real estate	286,400	261,200	— 23,800	— 8.4
Wholesale trade	144,800	114,800	— 31,400	—21.5
Retail trade	1,601,400	1,335,400	—290,400	—17.9
General merchandise	36,800	34,500	— 2,500	— 6.8
General stores with food	37,700	29,700	— 6,100	—17.0
Grocery, with, without meats	341,500	284,300	— 62,500	—18.0
Meat and sea food	39,900	28,500	— 10,200	—26.4
Other food stores	120,000	93,500	— 20,100	—17.7
Liquor stores	15,300	13,800	— 1,600	—10.4
Auto dealers (new, used)	38,400	30,900	— 10,100	—24.6
Other automotive	15,100	13,700	— 3,000	—18.0
Apparel and accessories	73,000	66,700	— 6,200	— 8.5
Shoes	13,100	10,400	— 2,800	—21.3
Home furnishings and equip.	29,500	28,100	— 4,500	—13.8
Appliances and radio	15,000	10,500	— 4,500	—30.4
Drugs	52,200	47,200	— 4,400	— 8.5
Hardw. and farm implements	27,900	24,800	— 2,900	—10.1
Lumber, building materials	31,300	27,200	— 4,800	—15.0
Eating and drinking places	295,400	250,800	— 57,000	—18.5
Filling stations	226,700	170,900	— 56,700	—24.9
Other retail	182,700	153,100	— 29,500	—16.0
Service industries	638,700	554,300	— 89,500	—13.9
Hotels, boarding houses, etc.	27,500	24,400	— 4,700	—16.2
Laundries, dry cleaning, etc.	86,700	92,900	— 3,400	— 3.5
Barber and beauty shops	203,400	183,400	— 30,100	—14.1
Other personal services	93,000	73,100	— 8,600	—10.5
Automobile repair	77,500	59,100	— 18,500	—23.8
Amusements	44,300	38,000	— 6,600	— 8.5
Business services	106,400	83,400	— 17,600	—17.4

*1941 was the peak year for the total number of operating businesses.

(Continued on Page C-4, Column 4.)

a strong offensive either in the south against the American 7th Army and the French 1st Army in Alsace, or possibly north of Aachen in the area of the British forces and the American 9th Army. But if we accept the optimistic view that Von Rundstedt's divisions have suffered very heavily and he has no further reserves to attack us elsewhere, we must be prepared for a lull on the western front until late in April or May.

Failure or inability of our Russian allies to attack from the east as agreed to at Teheran has had more than a military effect on the war. Studies of the German propaganda in the last 10 months showed a distinct concern of the Nazi leaders lest the German morale on the home front crumble under the impact of an early simultaneous Allied offensive. The power of the Gestapo to "uphold" the morale is not unlimited and the consensus among many responsible Allied leaders is that, had the Russians kept their pledge, there might have been a breakdown even among the Gestapo rank and file.

Morale at Lowest.

After the July plot against Hitler German morale was at its lowest ebb. The Germans, from the top Nazis to the most humble citizen of the Reich, were concerned with the preservation of their country and their skin. The defection of the Romanian and Bulgarian satellites and the defeat of Finland had no effect on the German people or on their leaders so long as these were not linked with an invasion of German territory from the east and the west.

When this did not come the Germans took heart. They knew the limitations of the Allied forces in the west, which were separated from their main supply bases by so many miles of land and water. They raised the morale of their people, first by the production of the V weapons and later by preparing themselves to strike back at the Allies. They could do this so long as their military supplies did not have to be divided equally between the western and the eastern fronts. The December counter-offensive was the greatest shot in the arm the German people had had in three years. Once more they think that the war may turn in their favor.

The open quarrels which have broken into the open between the various members of the United Nations tend to encourage the German people. From the practical point of view, the United Nations are today only a name. There is no political unity anywhere. The Russians are following a political plan of their own which consists of taking hold of all the little countries which had been promised full independence and sovereignty by the promoters of the ideals of the Atlantic Charter.

The Red armies have sacrificed sound military strategy in order to achieve the political aims of the Kremlin. Large Russian forces are engaged in military actions in the Balkans and in Central Europe, where the Germans have only a small number of divisions—probably not more than 30. The small nations, such as Yugoslavia and the newly created Macedonian republic, which had ceased to exist as a state since the day of Alexander the Macedonian, are definitely hostile to the other members of the United Nations. They consider themselves, together with Bulgaria and Romania, where puppet governments have been established, as owing allegiance to the U. S. S. R.

There is a definite cleavage between the British and the newly formed Greek and Italian governments. France is now following a purely pro-Russian policy and considers the United States and Great Britain as temporary allies which could be dropped overboard

asked for armistice terms in 1918. He gave them six hours in which to accept or bear the consequences of an all-out Allied offensive.

Marshal Foch was in a less favorable position then, because the Germans did not have to worry about the eastern front. Several months earlier the Russians had signed the treaty of Brest-Litovsk. Yet the German people had enough of war and forced their military men to give up.

President Roosevelt, as commander in chief of the United States forces, announced his terms long before the Germans, the Italians and the Japanese were ready to collapse militarily. The Italians accepted. Strange as it may seem, our position today in "freed Italy" is that of a "tolerated" victor. The Italians have a government of their own and are looking either toward the east to Moscow for their political independence or toward the west to London for the maintenance of a political status quo. We are in between and are washing our hands of political matters and have assumed the position of an unwanted umpire who is being kicked by both players and spectators.

Aided German Propaganda.

The German propaganda machine has taken advantage of this "theme" and has told its people that the life of no German would be safe under the "ruthless" terms of the Allies. They are told that if they give up the fight they will become the slaves of the conquerors. The leak concerning the Morgenthau plan came at a good psychological moment—for the Nazi propagandists. It fully confirmed their statements that the Allies intend to treat Germany as the Romans treated Carthage.

The speech of Prime Minister Churchill last month in which he favored transfer of millions of Germans from East Prussia, Silesia and Pomerania in order to yield their homes to the Poles from behind the Curzon Line has further strengthened Herr Goebbel's propaganda and verified his statements.

The German reaction to the various diplomatic actions of the Allies has been felt for some time on the western front where the dispatches speak regularly about the fanaticism of the German soldiers. And this fanaticism is being noted not only among the old, battle-tried troops but also among the newer military organizations which include youngsters not over 17 years of age and men over 48.

Not Supermen.

The Germans are not supermen or invincible warriors. This has been proved in Russia, Italy, Africa and Normandy. After six years of fighting there is no question that their morals could have been broken had they seen that by overthrowing their government and making peace with the Allies they could have survived as a defeated but not enslaved nation. They are now fighting with the despair of a cornered wild animal who never ceases to claw and bite until he is killed.

And how long or costly the battle will be before the actual "kill" nobody ventures to predict. In January, 1944, we were full of logical optimism that the war would be over before the end of the year. The political situation had been patched up sufficiently to enable the United Nations structure to last for several months—until the end of hostilities in Europe. The military situation was very clear. The Germans could not fall to be crushed between the arms of the giant pincers which had been forged at Teheran.

The patches in the fabric of the United Nations have lasted only a few months. The whole structure has begun to disintegrate long before the end of the war. And something has gone wrong with the pincers. It has not worked.

THIS OVERSIZE ITEM HAS BEEN MICROFILMED IN SECTIONS.

Reviewing The New Books

By Mary-Carter Roberts.

Cannery Row

By John Steinbeck. (Viking Press; $2.)

The thing about John Steinbeck is that he is a master of his art. He will be sentimental, he will lay on his pathos and his sweetness and light with a lush hand, he will aim at an effect as openly as an archer aiming at a target. But he always hits. Keeping your critical faculties alive as you read him only confirms his accuracy.

"Now," you say, "he is going to wring a few heartstrings, now he is setting out to show us the gritty side." But still your particular heartstrings will feel the twist and the grit will shock you. It is a matter of knowing how to write. Few practitioners know it better.

Grant him his field, then, and you have to admit him a master. The catch is that there may be a doubt as to whether his field has any actual existence in the world or not. For it is not merely the field of humble lives lived outside the respectable precincts of society. It is also the field of those lives flagrantly idealized.

His present book deals with the inhabitants of a seedy section of the town of Monterey—bums, prostitutes and outcasts generally—and Mr. Steinbeck makes it no secret that he holds these people to be the choice members of the human species. They are the good citizens, the generous, the pure-minded, the wise.

It is class literature in the fashionable reverse from former standards, piquant, by reason of contrast and compelling by reason of the master hand, but still class literature. It preempts the virtues for one social group and the vices for others. You have to decide for yourself if life actually is as simple as all that.

The book is neither a novel nor a collection of stories. It is a loosely-connected account of the crises in the lives of its people, the outcasts aforesaid. The one character who stands above the outcast level, serves as a binder-up of the scattered threads. This is a lonely scientist who collects biological specimens for a living and drinks beer, thinks sad thoughts about man's inhumanity to man and plays Gregorian chants on his phonograph for his avocation. Known to his neighbors as Doc, he plays the part of a mother to the street—binds up wounds, gives good advice which he knows will not be taken and dispenses forgiveness. He is consistently mulcted and adored by the nobly-intending but weakly doing grown-up children who surround him, and expects no better from them.

In sum, Mr. Steinbeck tells us that those who succeed materially do so because they have mean qualities for such success while those who fail, fail only from being too good to succeed. They may steal, get drunk, fight and engage in unconventional

JOHN STEINBECK, who in his new book "Cannery Row" brings forth, as he did in "Tortilla Flat," a world of his own, joyously conceived, with characters as universal as human nature.

Buffalo Coat

By Carol Brink. (Macmillan; $2.75.)

In this novel of village life in the 1890s the reader will find the elements of a genuine dramatic tragedy. The bare plot indeed is a recreation to the life of the face which tragedy wears when it occurs in the humdrum world of humdrum people. Then it is seldom understood. The physical catastrophe which accompanies it—in this story a suicide pact between unhappy lovers—overwhelms the spiritual sources. The scandalous implications—the lovers were a young unmarried girl and a married man—drown out the beauty. Tragedy in a village, in short, is apt to be tragedy without its chorus. It has no ennobling accompaniment to interpret it. Such an episode is the one which Carol Brink has made the subject of this novel.

Her scene is a little town in Iowa. A pioneer physician, Dr. Hawkins, has put his life into boosting, promoting and improving the place. As a corollary he has come to regard the place as his particular possession. When a rival doctor presently arrives he sets out to discredit him. In the process the life of a young girl, Jenny Walden, is radically affected. Jenny has had Dr. Hawkins for her hero since she was a child. In his fight with the new doctor, however, she sees him as a self-seeker. Her life and the new doctor's are more or less accidentally ... Hawkins ...

Carol Ryrie Brink.

An Intelligent American's Guide to the Peace

Edited by Sumner Welles. (Dryden Press; $3.75.)

Feeling that the need of the average citizen in the on-coming settlement of the peace will be, above all things, a need for facts, the sponsors of this volume have undertaken to make available a body of information which will bear on the peace negotiations. The form which the information has taken is very like that of an atlas. It considers the countries of the world, one at a time, great and small, and supplies facts on each under a following head: The land and the people; the Nation's economy; history between 1914 and 1944; stakes in the peace. And that, except for the foreword by Sumner Welles, is all. There is no peace plan advocated; there is no advocacy of anything. The volume aims at being completely objective.

Sumner Welles.

The result is precisely what the title tells us—a guide for an intelligent citizen. Certainly it is no volume for the man or woman who is not seriously anxious to think his own way through the maze of world problems—or not able to do so. In his foreword Mr. Welles calls on all of us to form our own opinions, to distinguish between propaganda and fact and to express ourselves freely in the matter of foreign policy in the future, saying that the very existence of our country depends on intelligence in

Best Sellers

FICTION.

The Green Years, by A. J. Cronin.
Immortal Wife, by Irving Stone.
Earth and High Heaven, by Gwethalyn Graham.
Green Dolphin Street, by Elizabeth Goudge.
The Ballinvars, by Marguerite F. Bayliss.

NONFICTION.

The World of Washington Irving, by Van Wyck Brooks.
China to Me, by Emily Hahn.
Yankee From Olympus, by Catherine Drinker Bowen.
Lee's Lieutenants, Vol. III, by Douglas Southall Freeman.
The Time for Decision, by Sumner Welles.

Religious Liberty In Latin America

By George P. Howard. (The Westminster Press. $2.)

Reviewed by CASPAR NANNES.

A Catholic writer undoubtedly will want to answer this provocative treatise on Protestant missionary work in Latin America.

Mr. Howard maintains Protestant attempts to propagate their faith in Latin American countries have been opposed by the Catholic Church on four counts. These are "that Latin America is soundly Catholic; that the activities of Protestants there are a 'work of pure destruction'; that the presence of missionaries is an obstacle to the good neighbor policy, and that they (American Protestant missionaries) are 'the strongest reason why South Americans do not like us.'"

Mr. Howard presents the Protestant view in a discussion of each of these points. He quotes copiously from Catholic leaders, religious and lay, he had spoken to in South America in defense of his thesis that these arguments do not in fact have substance. Declaring "there is a vast difference between the Latin American Catholic Church and the Roman Catholicism of Northern Europe or North America," Mr. Howard asserts the "official attitude of the church regarding the rights of minorities" has been summed up by a French Catholic writer, "When we are in a minority, we ask for religious liberty in the name of your (Protestant) principles. When we are in a majority, we refuse it in the name of ours."

He also states the State Department has followed a policy of favoring Catholic appointments to South America and of hindering Protestant missionaries who want to travel there.

The book is written in a lively style, with occasional anecdotes to lighten the controversial nature of the material. Its chief defect, from a reader point of view, is the tendency to too numerous quotations in some of the later chapters. They tend to become a series of statements strung together rather than well-developed studies.

Anything Can Happen

By George and Helen Papashvily. (Harpers; $2.)

Sea Duty and Ot[redacted]
Stories of Nav[redacted]n

By Jacland Ma[redacted].)

Revie[redacted]

MALCOLM [redacted] E, Jr.

The author, [redacted] compilished craftsman of the [redacted] story, has captured the spirit of our naval service in this collection of 13 stories, previously published in a number of magazines. In virtually every one, there is brought home the great devotion individual skippers and their men have to the fleet as a whole, even to making the supreme sacrifice. The author has been at sea with units of the Pacific Fleet since early in the war and writes of details that should meet the approval of any authority on naval tactics and customs.

One yarn, "Fisherman's Luck," has all the earmarks of pure fiction, but it's a topnotcher of a story, with one of the snappiest endings the reviewer has ever seen. Others, like "The Admiral's Deck," and "Sea Duty," may leave you with a lump in the throat.

Traveler From Tokyo

By John Morris. (Sheridan. $2.75.)

Reviewed by PHILIP H. LOVE.

John Morris was employed by the Japanese government to teach English literature in one of Nippon's leading universities. He lived in Tokyo for more than four years, during which he also served the Japanese Foreign Office in an advisory capacity. He learned a great deal about the Japs, how they live and what they think. And he passes this information along in this book, which contains a foreword by Joseph C. Grew, longtime American Ambassador to Japan who was recently named Undersecretary of State.

"Traveler From Tokyo," says Mr. Grew, "is a straightforward, factual story of life in Tokyo both before and after Pearl Harbor, written with scholarly approach by a keen and long-trained observer." It is that, and every one concerned with the kind of peace we should give Japan—as what American is not—should give it a thoughtful reading.

Awake, America

By Gabriel Grundy. (Bruce Humphries, Boston; $2.50.)

Reviewed by MARION WADE DOYLE.

A former Government employe, using the name "Gabriel Grundy" wrote this book as an "analysis of the diverse traits that make up American life." He pauses at once, however, from analysis to invective against Errol Flynn, women applying lipstick in public, the Hebrew race and telephone operators. Rather than a commentary, "Awake, America," is a diary of personal prejudice, a recitation of the occasions on which Mr. Grundy did not get quick service in a restaurant.

If the reader is also a Grundy, the value of the book lies in the bond between souls mutually suffering. If not, the book may anger him.

Brief Reviews

NOVELS.

Fair Stands the Wind for France, by H. E. Bates. (Little Brown.) Romance of five United Nations airmen who come down in a forced landing in Occupied France.

The Wanderer, by Nathan

RFC Comes to Aid of Little Business

(Continued From Page C-1.)

the President's goal of 60,000,000 jobs, find a place in our economy for 750,000 to 1,000,000 new small merchants.

Much emphasis in postwar discussions has been placed on our increased productive power and it is certainly the keystone of future prosperity, but if the products of our mills and factories lack free and full outlets to the consumer, we will have created a dangerous bottleneck. Little business will have to supply the channels through which goods and services move.

What can Government do, in addition to seeing that credit is available to little business to aid in this situation?

It can and should provide operating and management counsel and advice. The high mortality rate in the field of little business over the years proves that this is true. Too many men and women attempt to set themselves up in business with no experience and scant knowledge.

Too many people, unfortunately, have believed that possession of a little capital, some energy, and a great deal of ambition provided sufficient equipment for entry into the small business field.

Greater Aid Is Urged.

They have found to their sorrow that there is more to commerce and trade, whether it be big or small, than these attributes.

Many have succeeded with no better initial equipment but they have learned as they went along. There will, of course, always be failures.

Certainly, it is the responsibility of Government to make available fundamental information which can be used by any one who wishes to set himself up in business and thereby give him as good a chance as it is possible to do.

The Department of Commerce has, for some time asked Congress to take a step in this direction through the expansion of its field offices—already in existence—so that there may be provided for business a service similar to that which Government has for years placed at the disposal of agriculture through county agents.

This does not mean that we think there should be a representative of the Department of Commerce in every county in the United States, but even a limited number of men—able to give sound advice and pass along to the newcomer in business the experience of thousands of others—would be of great value and avoid many needless failures.

Much Advice Available.

As an illustration of what can be done, I cite the program which is already under way through co-operation between the War Department and the Department of Commerce.

Specialists in the Department of Commerce have prepared or are preparing 17 textbooks dealing with the establishment and operation of the most populous small business lines. They have been written in complete co-operation with industry, so that they contain not only the advice and counsel of Government experts, but the practical suggestions of men who have already established themselves firmly in business.

These books deal with the establishment and operation of automobile repair shops, retail bakeries, electric appliance and radio shops, grocery stores, metal working shops, painting and decorating businesses, real estate and insurance brokerage businesses, small saw mills, shoe repair shops, apparel stores, beauty shops, building contracting, hardware stores, service stations, general merchandise stores, dry cleaning establishments, laundries and restaurants.

The War Department will only distribute these textbooks among soldiers whose desire it will be to go into business for themselves upon demobilization.

They spell out the financial and physical needs in each class of business and try to show the things that will be helpful and how to avoid the things that will spoil the chances of success.

Experts Are Needed.

They should be generally available and there should be on hand experts who could discuss with men and women the situations which the books set forth.

Moreover, the time will come, after a small business has been established, when the operators will need help and guidance which Government should be in a position to provide, and there will always be new developments which it is the Government's duty to pass along to its citizens.

We will need the aid of every citizen to keep our economy functioning in peace just as we have needed the co-operation of every one for war production. Banks should occupy the leading role in this field. It is their responsibility to meet the credit needs of the country, and if it takes a little extra trouble to look after a small business man, the banker should welcome the opportunity. He should know that if he does not meet it, the Government will, and his natural field will get narrower and narrower.

The future of small business does not, however, lie entirely in the hands of those who may enter it after the war.

There are, at the present time, 2,500,000 establishments which may be classed as small business. They, for the most part, have weathered the stresses and strains of operation in wartime and their problems are concerned not so much with the present, which, because of consumer demand, is relatively bright—but with what will happen after the war.

Representatives of the Department of Commerce, in the past six months, have met with many groups—geographically well distributed—in order to find out what was worrying these businessmen.

The distributors, mostly retailers, were primarily concerned with the sale of surpluses to speculators rather than through regular channels, with upgrading of merchandise by manufacturers, making it impossible to maintain low and medium priced goods in stock; and with postwar competition from large manufacturers with their own outlets and chain stores, which could buy up new merchandise as fast as it came on the market.

Some retailers were disturbed by growing competition from consumer co-operatives, manpower shortages, job freezing and inequitable freight rates.

The manufacturers, almost all of whom employed 100 or less people at the time, were almost uniformly concerned over the distribution of surplus goods; their inability under present tax laws to build up a cash reserve essential for quick reconversion to civilian production; need for equitable freight rates.

Tax Changes Vital.

In both categories, credit needs were most frequently advanced under the discussion of taxation. The solution to the problem of postwar risk capital was uniformly taken up as a tax question, not in terms of borrowing more funds.

I do not take this cross-section of small business opinion to mean that there will be need only for tax relief in the reconversion period, but income tax rates, regulations and schedules will need to be revised if the smaller units in business of all kinds can pay their debts from earnings over a reasonable time, and there is no other way for them to pay their debts other than from earnings.

We cannot expect business, little or big, to put risk or venture capital to work under a tax system which does not enable the investor of the money to get either a profit on his capital or the opportunity of amortizing his obligations in an orderly way.

We cannot abridge the right of honest and ambitious men to enter the business field because our fi-

British Firm Favor Hard Peace for Germans

(Continued From Page C-1.)

growing to its full beauty, we should impose no terms on it which would handicap it. Neither of these excuses is valid."

Vansittart has gone on record in the House of Lords as favoring the bequest of East Prussia to Poland. "This war," he told the House, "was hatched in East Prussia, home of the Junker war lords and hotbed of militaristic reaction where the first illegal Germany Army was founded after the last war." At the same time he has made clear that he does not consider the German Left much better than the Junkers and the German Right. Emigrant German

many," he has said, "is the encouragement, with all our power, of the working-class forces of which Hitler was essentially the executioner hired by big business, the army and the aristocracy. I think it is folly to attempt the forcible decentralization of German government. * * *

"Little good is done to any one by excitement over the vices of what Lord Vansittart calls 'bad Germans.' The kind of thing he says about them was said about England by Thomas Jefferson after 1783, and about France after 1789 at intervals until the entente of 1905. * * *"

Lord Noel-Buxton has joined with Laski in warning against territorial changes that may heap a harvest of new wars. Writing in the October issue of the Contemporary Review, published in London, he quoted Winston Churchill in the latter's book, "Great Contemporaries": "Hit-

In sum, Mr. Steinbeck tells us that those who succeed materially do so because they have mean qualities for such success while those who fail, fail only from being too good to succeed. They may steal, get drunk, fight and engage in unconventional moral practices, but in them such conduct is beautiful because they are fundamentally good. In the successful, on the other hand, irreproachable behaviour is ugly, since the successful are fundamentally all bad. This seems somewhat like the doctrine of predestination, but there are few people who will be troubled by the seeming. The view is popular. In literature, at least, it is as orthodox as predestination was in its particular period.

Brainstorm

By Carlton Brown. (Farrar & Rinehart; $2.75.)

Carlton Brown is not really the "author" of this book. He is the reporter who set the story down as it was told him by the man who experienced it. That was one whom he designates as Michael Kelly Jones, a young man who had the unenviable distinction of going mad. Michael, in his 27th year, after a successful career as a free-lance magazine writer and wide travel, suddenly went off the mental deep end. He was convinced that he was a new Messiah come to save the world, he became violent and was sent to an observation ward, whence he went to a New York State hospital for the insane suffering from the kind of mental illness which is known as manic depressive. After seven weeks he was discharged, and in the four years which have followed he has had no recurrence. Like many people who have had similar experiences, he has felt a wish to tell his side of the affair, and this book is the result. As Mr. Brown states in a foreword, the story is told almost entirely in Michael's own words.

If we take the usual reason given for the publication of such experiences, which is to throw light on mental illness, the moral to be drawn from Michael's case seems to be that young people should not be in lack of standards of conduct to guide them. Michael was brought up by divorced parents of diametrically opposite philosophies. He relates that he loved his mother but was more in sympathy with his father's view of life. Whether this condition was enough to cause his trouble or not must be left to the psychiatrists. It is clear from the story, however, that something caused the young man to evade any uncompromising ideal and to attach himself to persons and ideas which he subconsciously recognized as shoddy. Through his report of a series of jobs, friendships and love affairs this is plain. The summer when he went mad he met a young woman who seemed to him to fulfill an ideal's place. Whether it was the contrast of his own disordered life beside her serenity which made him cross the line to insanity or not, again must be for the doctors to decide. But at any rate, he had found his rootless, standardless existence intolerable.

So much for the value to be gotten from the book by those interested in it as a case history. Much more important is the horrible picture which Michael paints of conditions in the State hospital where he was confined. There, he says, tortures, neglect, insult and robbery are the lot of the patients who, of course, are entirely defenseless. If such be the truth, it is an excellent thing that the story is told, whatever the value may be to the theory of mental illness.

has had Dr. Hawkins for her hero since she was a child. In his fight with the new doctor, however, she sees him as a self-seeker. Her life and the new doctor's are more or less accidentally sacrificed to Hawkins' determination to keep his professional field to himself.

Carol Kerle Bulck.

The conspicuous good thing about the book is that Hawkins is never allowed to be an unsympathetic character. He is a likable man, much more good than bad. It is not malice which drives him to hound his rival to death, but a too great sense of possessiveness, which basically is rooted in affection, a warm capacity for life giving which makes him love the town which he has built up. Had he been presented less fortunately the story would have lacked its present great verisimilitude.

Another good thing is the slow ease with which the plot develops. It never has a dramatic tenseness. It moves on as life in a village does, with a placid surface, and when the climax comes only two characters share the reader's understanding of what has taken place. Structurally, one can say the book is decidedly good.

Even so it is necessary to mention that the work lacks somewhat in plausibility in the cases of certain important characters.

The Week's New Books

Anything Can Happen, $2. (Published January 2.)

A Short Italian Dictionary, $3.50. (January 2.)

Alias Jane Smith, $2.50. (January 2.)

The Embryology of Behavior, $5. (January 2.)

Born Free and Equal, $1. (January 2.)

Tomorrow Sometimes Comes, $3. (January 2.)

A Child's Garden of Verses, $2. (January 2.)

Flight to Everywhere, $6. (January 2.)

Port Terminal Operation, $5. (January 2.)

so. In his foreword Mr. Welles calls on all of us to form our own opinions, to distinguish between propaganda and fact and to express ourselves freely in the matter of foreign policy in the future, saying that the very existence of our country depends on intelligence in the handling of our foreign affairs which must no longer be left to the irresponsible guidance of a few political leaders, but must be the concern of every citizen. The volume may be considered as Lesson I in the assignment.

Public Library Book Pointers

ISLANDS OF THE PACIFIC.

By Rosalie Manning,

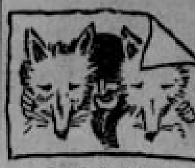
Librarian, Takoma Park Branch, Washington Public Library.

Authentic, factual information on the numerous islands of the Pacific has not always been easy to locate. The Smithsonian Institution has helped fill the breach by issuing their War Background Studies, a series of compact pamphlets delving into many factors of life on the Pacific islands.

"The Pacific World," edited by Fairfield Osborn, emphasizes the mammals, birds and reptiles of the islands, but much also can be learned about the peoples, their history and customs. Maps, charts and tables expedite the use of the book. One table tells at a glance the number of islands in each group, ownership prior to 1941, population, size, climate, including the cool months and the rainy seasons.

"Islands of the Pacific" and "Islands of the East Indies" by Hawthorne Daniel are companion handbooks which give essential information on the geography, climate, flora, fauna, peoples, languages, resources and government of the islands lying north, west and south of Hawaii and that area included in the triangle formed by New Guinea, Sumatra and the Philippines.

by George and Helen Papashvily. (Harpers; $2.)



From the Frontispiece.

Here is presented a pleasant variation on the immigrant-becoming-an-American theme. The immigrant in question is George Papashvily, a Georgian who came to the United States after having fought for Russian in World War I. Before that, George had been apprenticed picturesquely to a sword maker.

His life in America was comfortingly cheerful, as compared to the lugubrious experiences which the autobiographical immigrant usually records. He did have a little unemployment, to be sure, but he took it lightly and mainly he throve and prospered. At present he is a successful inventor and an amateur sculptor. What he did all the time, however, was enjoy himself. He wandered all over the country and whether he was working as a dishwasher in New York, a mechanic in Detroit, a restaurateur in California or a farmer in Virginia, he had a hilariously amusing existence. The little book which he presents to the public is in short, a series of vignettes, told in broken English, of the times and places where George Papashvily was happy. It's nice to meet a new-made American who puts it that way.

The Helen of the auctorial pair is George's American wife, a Californian girl who, though married, has made an independent career with her own bookshops. It seems that she wrote the story down, as George told it to her.

You will enjoy the book if you read it in the spirit in which it was written—that is, as humor.

—M.-C. R.

Taken from "George Biddle's War Drawings," (Published by the Hyperion Press, Duell, Sloan & Pearce; $3) this illustration bears the following title by the author; "In the evacuation hospitals, our boys were operated on with all the skills of modern science. But hurry! hurry! There is no time to remove the boots. Others are lying in line."

NOVELS.

Fair Stands the Wind for France, by H. E. Bates. (Little Brown.) Romance of five United Nations airmen who come down in a forced landing in Occupied France.

The Wanderer, by Nathan Schachner. (Appleton Century.) Romance on the love of Dante and Beatrice.

The Apple Must Be Bitten, by Fanny Colby. (Scribner's.) Novel of unhappy family relationships in a little town. Monotonous.

Canal Town, by Samuel Hopkins Adams (Random House)—Story of a progressive young doctor fighting against superstition. Scene, Palmyra, N. Y., in the days when the Erie Canal was building.

Tambourine, Trumpet and Drum, by Sheila Kaye-Smith (Harpers)—Novel of four English sisters trying to escape the genteel traditionalism of their upbringing. Serious.

Swing the Big-eyed Rabbit, by John Pleasant McCoy (Dutton)—Novel about a mission school in the mountains, its adolescent problems and the troubles of the teachers. Effortful.

Bonin, by Robert Standish (Macmillan)—Story of white sailors from a whaler left ashore among the Bonin Islanders, living, marrying and rearing families among the native population. Lively.

They Dare Not Go A-Hunting, by Dorothea Cornwell (Dodd Mead)—Novel on how a woman feared life and overcame the fear by psychoanalysis plus a husband. Won a $10,000 prize. Strictly commercial fiction.

THE WAR.

Your Kids and Mine, by Joe E. Brown. (Doubleday-Doran.) The popular comedian writes about the soldiers whom he has seen in 150,000 miles of travel to every battle front. Touching.

Air Gunner, by Sergt. Bud Hutton and Sergt. Andy Rooney. Two American soldiers tell of what they have seen in action, the exploits of their pals, the victories, the dreams. A good war book.

Half Past When, by Hassoldt Davis. (Lippincott.) The story of an American with one of the early bands of Fighting French in Equatorial Africa. Heroic tale.

Mediterranean Sweep, by Maj. Richard Thruelsen, A. C., and Lt. Elliott Arnold, A. C. (Duell, Sloan & Pearce.) A group of stories—true—about air fighting around the Mediterranean. Heroic stuff.

Of Men and Death, pictures by David Fredenthal and text by Richard Wilcox. (Howell-Soskin.) A group of paintings of battle scenes with accompanying legends. Eloquent of war's horrors.

Our Sons Will Triumph, arranged by Jack Dixon. (Howell-Soskin.) The President's D-Day prayer arranged phrase by phrase with photographs of war scenes. Effective.

SCIENCE.

Men of Science in America, by Bernard Jaffe. (Simon & Schuster.) Brief histories of the lives of our scientists, from Franklin on. A good survey.

TRANSLATION.

Men and Saints, by Charles Peguy, translated from the French by Anne and Julian Green. (Pantheon.) A French-English edition of prose and poetry, with an introduction by Julian Green.

POETRY.

Eighteen Poems, by James Boyd (Scribners.) Dignified and sometimes lovely verse from the pen of a distinguished man of letters recently departed.

A Selection From the Poems of Alfred, Lord Tennyson. With an introduction by W. H. Auden. (Doubleday-Doran.) Mainly the popular poems.

The Sound I Listened For, by Robert Francis. (Macmillan.) Short accomplished poems.

ART.

"Mary Cassatt," by Margaret Breuning. (Hyperion Press. Distributed by Duell, Sloan & Pearce.) A short critical sketch with 8 reproductions in full color and 48 halftone lithographs, all taken from pictures found in American collections. Beautiful.

"Cezanne," by Edward Alden Jewell. (Hyperion Press. Distributed by Duell, Sloan & Pearce.) A short critical sketch with 8 reproductions in full color and 48 halftone lithographs all taken from pictures in American collections. Beautiful.

the Junker war lords and hotbed of militaristic reaction where the first illegal Germany Army was founded after the last war." At the same time he has made clear that he does not consider the German Left much better than the Junkers and the German Right. Emigrant German Socialists, he has stated, are apt to mislead the public by being anti-Nazi but not anti-militaristic, especially in America, where they are already represented in our "academic network."

Eden Blames People.

Anthony Eden, Secretary of State for Foreign Affairs, it is important to note, also has placed the burden of guilt for militarism on the German people as a whole, rather than on the Nazis.

"In the long history of aggression which became avowedly the national industry, first of the Prussians and then of the Germans," Eden said in a speech last July 29, "that people (the German Herrenvolk) has always found its war lords, under whatever title they chose, to lead the German hordes willingly, and with the full approval of the nation at home, on a path that spelt doom and destruction for their neighbors.

"Hopes of glory, promises of Lebensraum, any other pretense—these have been easily propounded and eagerly believed by the German people. Hitler is simply a symbol of this lust for power, and when the symbol goes the spirit which created it has still to be finally removed. This time we must be sure that it will be utterly crushed and powerless to rise again."

Indicative of the support that has gathered behind the "hard peace" advocates, the semiofficial postwar policy group, comprising about 40 Conservative members of both houses of Parliament, several weeks ago issued a memorandum proposing the "break up and redistribution" of Prussia, "leader and instigator of aggression in Germany."

Would Split Germany.

They proposed that the Rhineland, Westphalia, Hesse, Hanover, Schleswig-Holstein and the old Hansa Towns territories be liberated from Prussian rule and established as autonomous states. Bavaria, Wuerttemberg, Saxony and Baden also would be given the status of independent states. Reparations, it urged, should be integrated with the problem of removing Germany's war potential, by transfer to the United Nations of the Reich's raw materials, industrial equipment and mines.

Laski, on the other hand, has criticized such dismemberment plans as an attempted "Balkanization" of Germany that would lead to new frictions and a revived centripetal movement. Vansittart and his followers are trying to deal with symptoms rather than causes, in Laski's opinion, and the real German problem is essentially one of affecting a wholesale shift in the distribution of class power in Germany.

"The most urgent need in Ger-

Lord Noel-Buxton has joined with Laski in warning against territorial changes that may heap a harvest of new wars. Writing in the October issue of the Contemporary Review, published in London, he quoted Winston Churchill in the latter's book, "Great Contemporaries": "Hitler, in his campaign, could point continually to a number of minor anomalies and racial injustices in the territorial arrangements of Europe, which fed the fires on which he lived." Noel-Buxton's articles, of course, was written before the Prime Minister declared his support of Russia's claim to Eastern Poland, and of the plan to give Poland part or all of East Prussia, Pomerania and Upper Silesia.

Noel-Buxton urged that the United Nations be "level-headed" in its treatment of postwar Germany, and in time the Reich itself will form a provisional government which the Allies can trust. Viscount Cecil of Chelwood, winner of the 1937 Nobel Peace Prize, also writing in the Contemporary Review, characterized the Germans as "moral robots" as now educated, but said only two alternatives lie before the Allies—complete extermination or "conversion" to decency. Since conversion is the only practical course, he went on, we must look to the Germans for self-reformation, for "it is as true morally as politically that those who would be free, themselves must strike the blow."

Perhaps the objective of both the Vansittart and the Laski-Noel-Buxton schools of thought has been best expressed in England by the Archbishop of Canterbury when he said: "The treatment of Germany must be such as to remove once and for all the menace of German aggression, and to secure full atonement for the appalling sufferings inflicted by Nazi Germany upon the peoples of Europe. Yet we must not lend ourselves in a mood of vengefulness to breaches of basic human rights, or to punitive measures against the entire German people which will be repudiated as unjust by later generations, or will permanently frustrate the hopes of peace and unity in Europe."

While a basic cleavage exists in Great Britain over the methods of achieving this high ideal, it is evident that in the end the British proposals for a long-range plan will represent a form of compromise between extremists at both ends. What emerges from the welter of debate and controversy are strong indications that Great Britain, like the United States, will formally favor full occupation of the Reich for an indefinite period; scientific control of key industries, with especial emphasis on the Ruhr and Rhineland areas; boundary readjustments but not violent dismemberment; control of imports and exports, and a program of re-education designed to enable Germany ultimately to take its place in a peaceful, civilized society.

(Printed by Special Arrangement with the St. Louis Post-Dispatch.)

which does not enable the investor of the money to get either a profit on his capital or the opportunity of amortizing his obligations in an orderly way.

We cannot abridge the right of honest and ambitious men to enter the business field because our financial institutions are unwilling to take a chance on the future of the United States.

As a matter of fact, there is little or no risk involved for the banker. The RFC has for a good many years and is still willing to participate with banks in making industrial loans in any degree up to 90 per cent. No system of guaranteed loans could reasonably go any further than this and certainly any banker should be willing to take at least a 10 per cent share with his Government in the advancement of his own community.

Small Loans Not Hurtful.

To put it another way, a loan application made by a fellow citizen in which a local bank is not willing to take some of the risk is either a very poor loan or a great reflection upon the fitness for his job of the banker who turns it down.

I do not believe, however, that the bankers of the United States are going to make the mistake of denying credit to reputable men and women of character in amounts appropriate to the circumstances. And as for little business and little loans, I would remind the banker that no bank ever got seriously hurt from small loans.

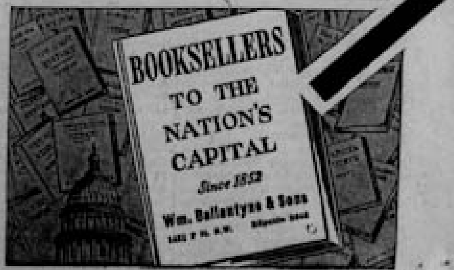
In many communities banks have either already established credit pools to finance small business or are in the act of doing so. Some of these pools will contain as much as $100,000,000. They should be operated on a constructive basis. The RFC stands ready to participate with these pools so that there may be no lack of credit for legitimate enterprise, regardless of size, that will provide employment and opportunity.

This proposal, which we will be glad to consider in any part of the country—if the banks want RFC's co-operation—will not only provide a greater amount of available credit but will be, in effect, a participation by the RFC in any loans which are made.

The banks of the country ought to go to work postwar just as every one else to assure a high level of production and employment. Too-stringent policies in the operation of the credit pools will make them ineffective. Liberal policies may mean some losses, but there again, there will be profit enough in the interest rate to cover them.

Our experience has convinced us that an organization operated along constructive business lines—as the RFC has been—can provide sound and helpful assistance to all business with no net loss. And no loan is too small or too large to be given serious and prompt consideration.

I repeat, and wish to emphasize, that there is profit enough from reasonable interest rates to cover any net loss on small business loans.



PSF: Jesse Jones file
2-45

file personal

January 20, 1945.

Dear Jesse:-

This is a very difficult letter to write -- first, because of our long friendship and splendid relations during all these years and also because of your splendid services to the Government and the excellent way in which you have carried out the many difficult tasks during these years.

Henry Wallace deserves almost any service which he believes he can satisfactorily perform. I told him this at the end of the campaign, in which he displayed the utmost devotion to our cause, traveling almost incessantly and working for the success of the ticket in a great many parts of the country. Though not on the ticket himself, he gave of his utmost toward the victory which ensued.

He has told me that he thought he could do the greatest amount of good in the Department of Commerce, for which he is fully suited, and I feel, therefore, that the Vice President should have this post in the new Administration.

It is for this reason only that I am asking you to relinquish this present post for Henry, and I want to tell you that it is in no way a lack of appreciation for all that you have done, and that I hope you will continue to be a part of the Government.

During the next few days I hope you will think about a new post — there are several Ambassadorships which are vacant -- or about to be vacated. I make this suggestion among many other posts and I hope you will have a chance, if you think well of it, to speak to Ed Stettinius, who will not leave to join me for several days.

Finally, let me tell you that you have my full confidence and that I am very proud of all that you have done during these past years.

With my warm regards,

Always sincerely,

The Honorable
The Secretary of Commerce,
Washington, D. C.

EXECUTIVE ORDER

9071

TRANSFERRING FUNCTIONS OF THE FEDERAL LOAN AGENCY TO THE DEPARTMENT OF COMMERCE

Whereas by an Executive order issued this date under Title I of the First War Powers Act several agencies were transferred from the Federal Loan Agency to the National Housing Agency established by such order, and it is deemed advisable that the remaining functions of the Federal Loan Agency be administered in the Department of Commerce;

Now, therefore, by virtue of the authority vested in me by Title I of the First War Powers Act, 1941, approved December 18, 1941, it is hereby ordered as follows:

Sec. 1. Transfer of Functions. All functions, powers, and duties of the Federal Loan Agency and of the Federal Loan Administrator which relate to the Reconstruction Finance Corporation, Electric Home and Farm Authority, RFC Mortgage Company, Federal National Mortgage Association, Disaster Loan Corporation, Export-Import Bank of Washington, Defense Plant Corporation, Rubber Reserve Company, Metals Reserve Company, Defense Supplies Corporation, and War Insurance Corporation, together with all other functions, powers, and duties not transferred by the Executive order establishing the National Housing Agency, are transferred to the Department of Commerce and shall be administered under the direction and supervision of the Secretary of Commerce.

Sec. 2. Transfer of Records, Property, and Personnel. All records and property (including office equipment) and all personnel of the Federal Loan Agency used in the administration of the functions transferred by this order are transferred to the Department of Commerce for use in the administration of the functions transferred by this order.

Sec. 3. Transfer of Funds. So much of the unexpended balances of the appropriations, allocations, or other funds available or to be made available for the use of the Federal Loan Agency in the exercise of any function transferred by this order, as the Director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred to the Department of Commerce for use in connection with the exercise of the functions so transferred. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer.

Sec. 4. Effective and Termination Dates. This order shall become effective as of the date hereof and shall continue in force and effect until the termination of Title I of the First War Powers Act, 1941.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

February 24, 1942.

John B. Blandford, Jr., since the fall of 1939, has been serving as the Assistant Director of the Bureau of the Budget. From 1933 to the time of his appointment to the Bureau he held the position of Coordinator and later General Manager of the Tennessee Valley Authority.

He was formerly Director of Public Safety in Cincinnati in charge of police, fire, welfare and buildings inspection; and Director of the Cincinnati Bureau of Municipal Research. Blandford has also been Director of Governmental Research of the Newark, N. J., Chamber of Commerce, Assistant to the City Manager, Petersburg, Virginia, and engineer with the Texas Company in Texas and Virginia. For several months in 1929 Blandford served as a member of the President's Emergency Committee for Employment under the chairmanship of Colonel Arthur Woods.

Mr. Blandford was born in New York in 1897. He graduated from Stevens Institute of Technology with the degree of Mechanical Engineer and later studied Public Administration and became a staff member of the National Institute of Public Administration. During the first World War he served in the U. S. Naval Aviation Service.

He is a member of the American Society for Public Administration, the City Managers' Association, American Public Welfare Association, and the British Institute of Public Administration.

T-472

PSF; Jesse Jones folder 2-45

THE WHITE HOUSE

WASHINGTON

January 22, 1945.

~~HIGHLY CONFIDENTIAL~~

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date FEB 24 1972

MEMORANDUM FOR

THE SECRETARY OF COMMERCE:

If you have any urgent messages which you wish to get to me, I suggest you send them through the White House Map Room. However, only absolutely urgent messages should be sent via the Map Room. May I ask that you make them as brief as possible in order not to tie up communications. If you have very lengthy messages the Map Room officer will have to exercise his discretion as to whether it is physically possible to send them by radio or whether they will have to be sent by pouch.

F.D.R.

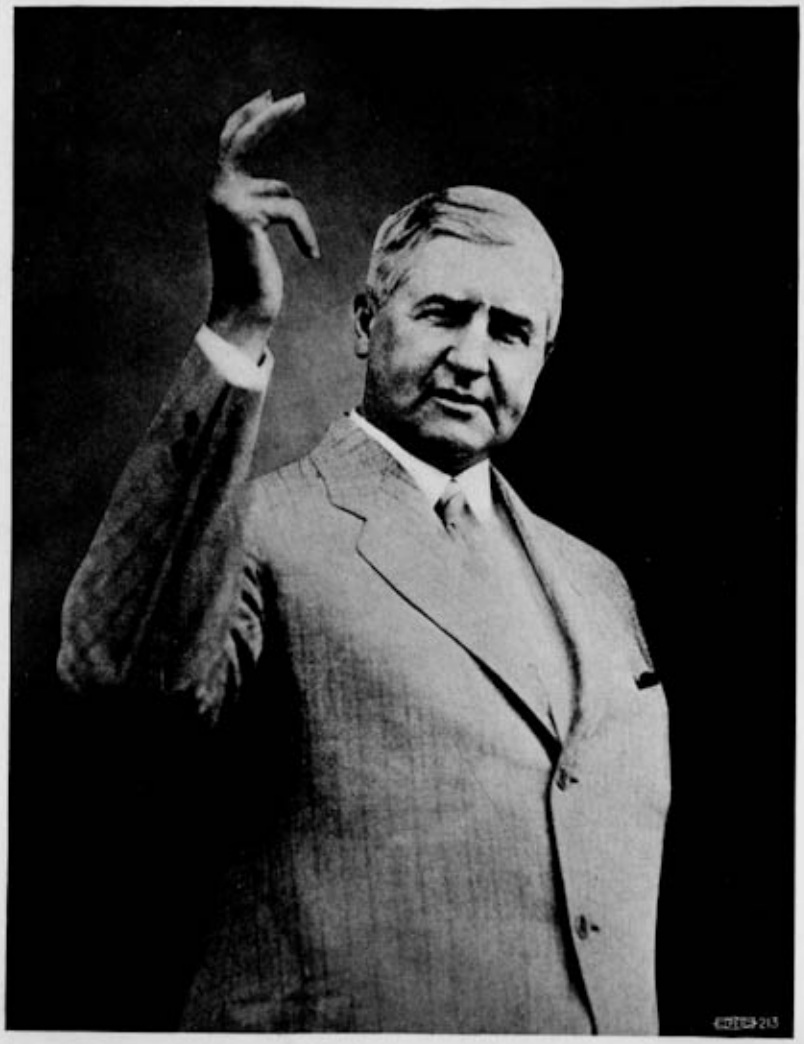
(Identical memos sent to all Cabinet members + memo, 1/19 from Adm. Brown re this filed - Adm. Brown folder, 2-45)

THIS MAN JONES

THIS MAN JONES

By
Paul Wakefield
and
Richard Linthicum

(*Reproduced through courtesy Houston Post-Dispatch*)



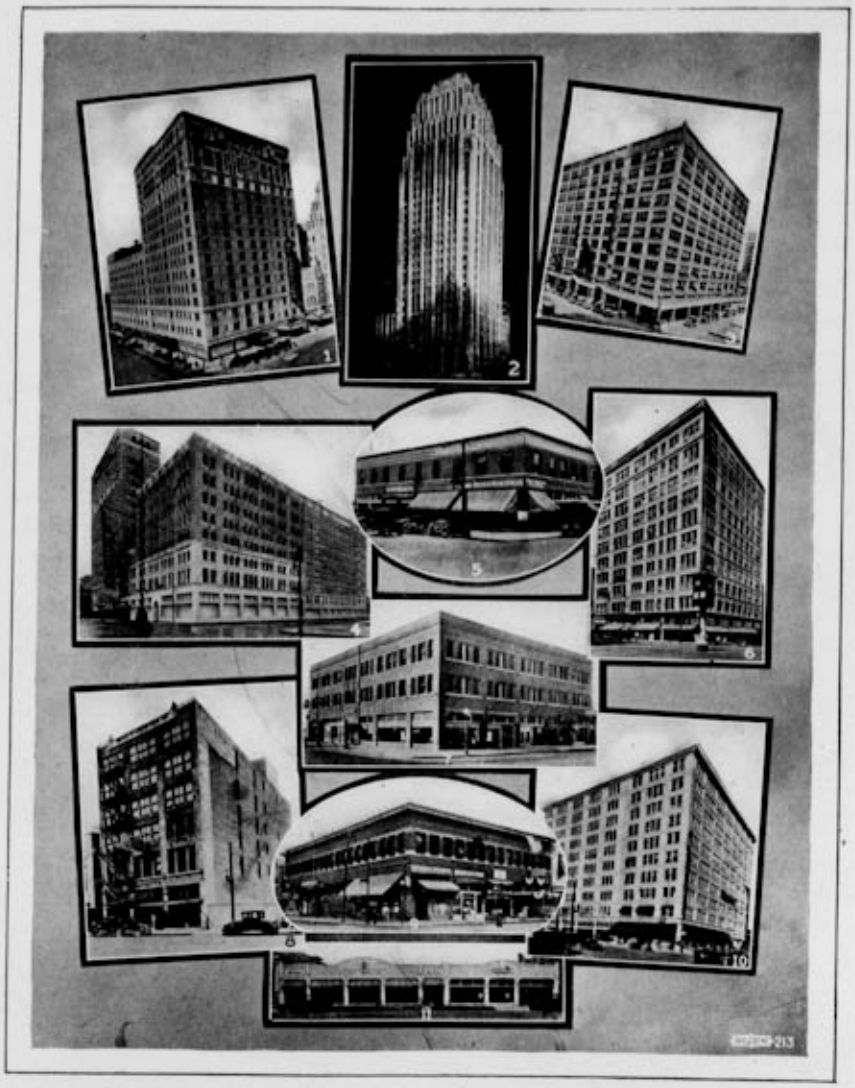
Jesse Holman Jones

JESSE HOLMAN JONES, unanimously indorsed as the choice of Texas Democracy for the presidential nomination by the Texas State Convention; the Archimedes who "moved the center of political gravity from New York to Houston" when he persuaded the Democratic National Committee to select his home city as the site of the Democratic National Convention of 1928, is a new star of first magnitude in the democratic firmament, but primarily a business man with huge interests in the Lone Star State and in New York City. He is sometimes described as the "leading citizen of Texas" and sometimes as the "leading citizen of the South."

Those who best know his attitude on political affairs and matters of government and who can recall his long and intimate friendship with President Wilson and his war services in Washington and abroad, rank him as an idealist of the Wilson type and accredit him with the mind of a statesman and the attainments of a scholar.

In the business world his titles are those of master builder, banker, lumberman and newspaper owner and publisher. Upward of forty magnificent buildings in Texas and New York make up his record to date as a master builder. In Houston alone there are twenty-odd office and business buildings, including the eighteen-story Rice Hotel, with one thousand rooms, the largest in the South, and the sixteen-story Lamar Hotel, with a ten-story adjoining building, the whole covering an entire city block, all built, owned and operated by him. His latest structure in Houston is a thirty-five-story tower type office and bank building, almost completed.

As the active chairman of the committee of arrangements, or convention committee, of the Democratic National Committee, he supervised the erection in that city the largest convention hall in the world, accommodating upward of twenty thousand people where this year's national convention will be held. A unique feature of this Coliseum, Sam Houston Hall it is called, is a panel of open wire work around the upper part of the building, providing perfect ventilation and through which several thousand spectators outside the building, from a raised platform can see as well as hear the proceedings of the convention.



Buildings constructed, owned and operated in Houston by Jesse H. Jones

1. *Lamar Hotel and Metropolitan Theatre*
2. *Store and Office Building under Construction corner of Main Street and Rusk Avenue*
3. *Mason, Foster and Gulf Buildings*
4. *Loew Theatre and Office Buildings*
5. *Shelor Motor Co. Building*
6. *Bankers Mortgage Building*
7. *Kyle Building*
8. *Heverty Furniture Building*
9. *Wells Fargo Building*
10. *Electric Building*
11. *Cadillac Building*

In Fort Worth and Dallas, Mr. Jones has built a number of the finest buildings in those cities, including a large modern hotel in the former city.

In New York City there are six huge structures, office buildings and apartment hotels erected and owned by the Houston Properties Corporation of New York, of which Mr. Jones is the principal owner. His latest building there is a forty-four-story structure.

Mr. Jones is president of the National Bank of Commerce of Houston; chairman of the board and president of the Bankers Mortgage Company, a consolidation of two large trust companies; president of Jesse H. Jones and Company, representing his lumber, farming and collateral interests, in addition to being the executive head of the corporation representing his New York real estate holdings; he is also owner and publisher of The Houston Chronicle, one of the largest daily newspapers in the South.

a modern builder summons a powerful force

JESSE H. JONES has no magic lamp, but his Aladdin-like achievements suggest the possesion of a magical mind and an attendant genii. Aladdin had but to rub the magic vessel to summon the "slave of the lamp," who by a wave of his wand created beautiful castles. Seemingly the friction from the quick mind of the modern builder summons an equally powerful force and great palaces of trade and business, hostelries and apartment dwellings arise to form new sky lines, to transform the landscape and to raise the standard of the life of communities.

And the facts that constitute the details of Mr. Jones' career as a master builder, the wonderful transformation he has wrought in the architectural aspect of Texas communities until some of the more important like Houston, Dallas, Fort Worth and others, are losing all of their earlier characteristics in this respect and their business sections beginning to resemble the business centers of modern metropolitan cities, are as wonderful and fascinating as the fiction of Aladdin and his magic lamp. The benefits to the cities which have felt this magic touch are not in the mere addition of steel and stone and mortar, but are reflected in the activities and aspirations of their business life, permeating the entire life of the communities.

Many have attempted to account for the prevision and genius of Empire builders like Cecil Rhodes, the late James J. Hill and others. When those qualities shall be accounted for it will probably be found that they did not differ much, if any, from the prevision and genius of Jesse H. Jones, who rears superstructures upon the broad foundations the builders of Empire laid and gives a finishing touch to their mighty work.

Buildings constructed, owned and operated in Houston by Jesse H. Jones

1. *Kirby Building*
2. *Rice Hotel*
3. *Chronicle Building*
4. *Houston Lighting and Power Building*
5. *Chamber of Commerce and Majestic Theatre Building*
6. *Rusk Hotel*
7. *Woolworth Building*
8. *Bristol Hotel*
9. *Goggan Building*
10. *Pearce Building*
11. *Randolph Building*
12. *Walker Furniture Company*
13. *Prairie and Fannin Building*
14. *Helberg Building*
15. *Garage Building*
16. *Gas Company Building*
17. *Garage Building*
18. *Roxford Apartments*

the traveler returning from Europe

The traveler returning from Europe, who finds the sky line of New York changed with each returning trip, could, if he but knew, trace among others, the undulations in the line made by the hand and brain of Jesse H. Jones.

He began his business career, without capital, as an employee of the M. T. Jones Lumber company of Dallas, controlled by an uncle. He was made manager of the business before he was twenty-one years old. He handled the affairs of that company in Texas and Oklahoma, and moved to Houston in 1898. In the exact space of thirty years he has become one of the state's wealthiest citizens.

in the presidential campaign of 1924

The attention of national leaders of the democratic party was first attracted to Mr. Jones in the presidential campaign of 1924, in which he served as director of finance of the Democratic National Committee, an office which he still holds. When he was about to board the steamer for a European trip he was induced to accept this office to aid his close personal friend, John W. Davis. Since the close of that campaign, in connection with the democratic national chairman, Clem L. Shaver, he converted a party deficit into a working surplus for the 1928 campaign, after providing for all of the expenses for running the party machinery between times and of the Democratic National Convention this year. These invaluable party services have won the appreciation of party leaders throughout the country and coupled with his master stroke of winning the National Convention for Houston have brought him into unusual prominence as a national party leader and a possible presidential nominee.

When Houston came under consideration as the seat of this year's national convention there were indulgent smiles among the unknowing, followed by surprise when the decision was announced, and climaxed by admiration for the man who had worked an apparent miracle. The financial inducements were attractive, of course, but other cities, notably San Francisco, represented by that veteran committeeman, Isadore Dockweiler, who never attends a pre-convention meeting of the national committee in a presidential year without a certified check for $200,000 in his pocket, offered larger financial inducements by $50,000. Houston won because the far-sightedness of Jesse Jones had seen the party advantage of holding the convention in the South this year. The psychology of the situation was with him, and by the same direct methods that characterize him as a business man, he presented his case in such a clear and convincing way that there was no resisting him. He won, not only because Houston was willing to provide a liberal fund for the convention, but also because he had an invincible case and was able to outthink the other contestants in presenting it to his colleagues on the committee.

It is not likely that there ever was a more dramatic meeting of the Democratic National Convention Committee than the one last winter when Jesse H. Jones captured the meeting for Houston.

Characteristic of the way he does things, he went to the convention without any advance fanfare about his plans. Editors who were watching their news wires for the flash on the winner saw Houston's name entered and never gave it a second thought.

"Too small a town; too far away from the center of things," they thought.

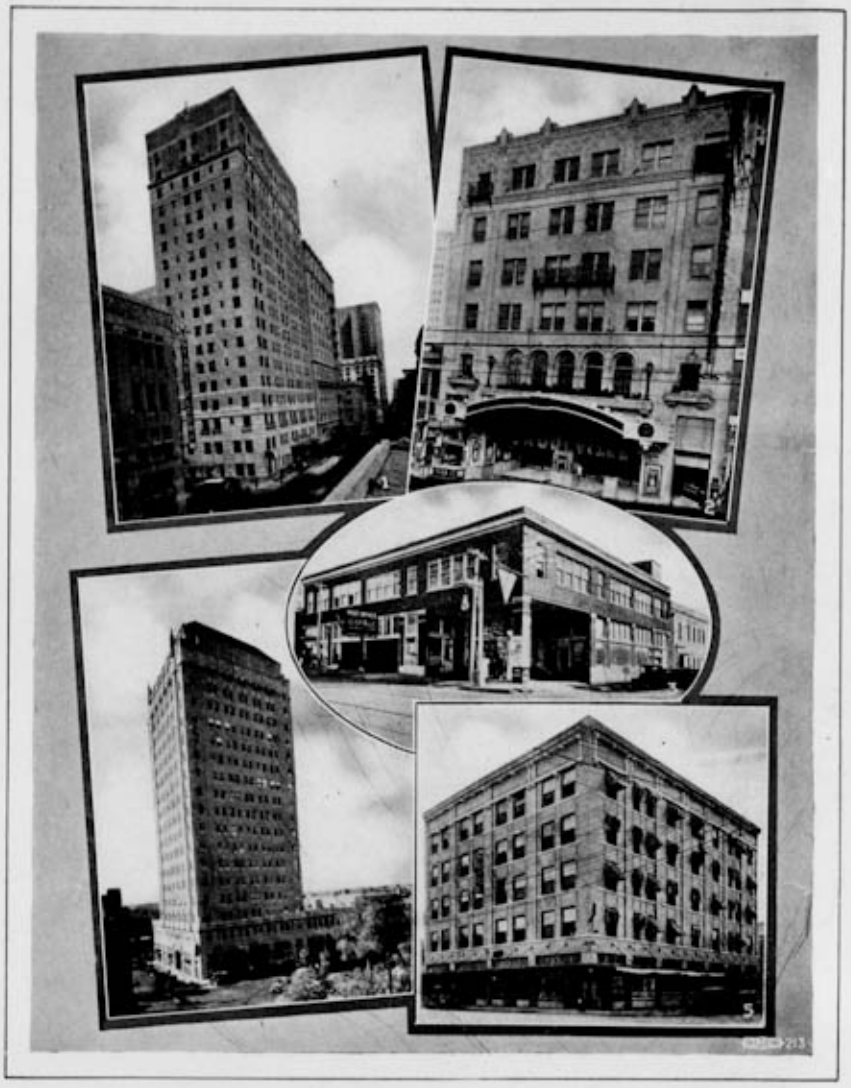
San Francisco made a large bid, Detroit came in enumerating its advantages, and other towns offered their claims. The voting narrowed down to San Francisco and editors watched the bulletins with mounting surprise. Finally, speeding over the wires came the announcement that Jones and Houston had won.

Democrats choose Houston

Extras spread the news in Houston in short time. Everywhere it was received with awe and admiration for Jesse H. Jones. Leaders of the city banded together and started preliminary plans at once.

Mr. Jones' trip back home was a procession of triumph from the minute he crossed into the Lone Star State. At every station crowds met and cheered until he came out to speak a few words with them. Not a few carried banners of "Jones for president," a sentiment which has found favor over a large area in the Southwest.

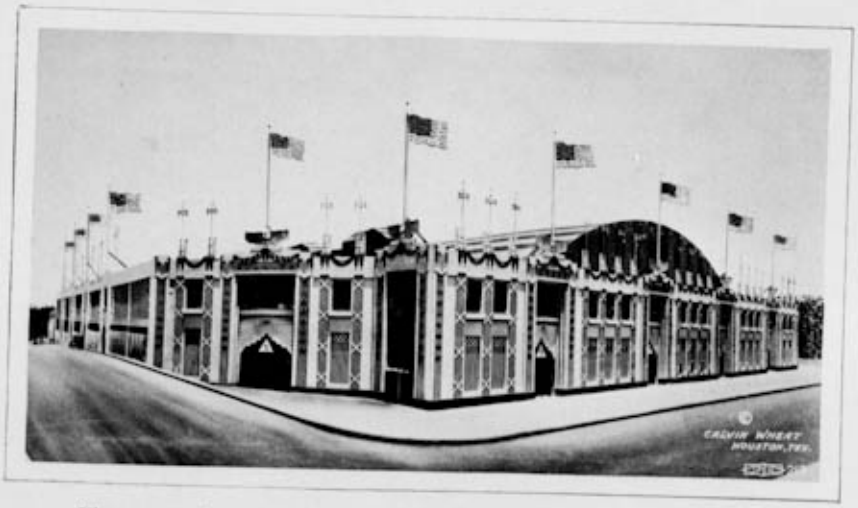
Old timers there say that the reception for Mr. Jones was the greatest Houston ever has given an individual. Between 35,000 and 50,000 people blocked streets to the railway station where he arrived and hung on every word he spoke to them. Bombs from speeding planes overhead burst in the air, bands blared, whistles all over the city blew themselves hoarse. When he arose to speak, Mr. Jones disclaimed the honor for himself, sharing it with others, and told Houstonians they must meet the obligation with true Southern hospitality.



Buildings constructed, owned and operated in Fort Worth and Dallas by Jesse H. Jones

1. *Worth Hotel and Theatre Building, Fort Worth*
2. *Melba Theatre, Dallas*
3. *Postoffice Garage, Dallas*
4. *Medical Arts Building, Fort Worth*
5. *Campbell Hotel, Dallas*

Houstonians declared a holiday when Jesse H. Jones returned from Washington after securing the National Democratic Convention for the South. He is dimly shown on the platform being received as Houston's "first citizen."



The mammoth new Democratic Convention Hall built under the supervision of Jesse H. Jones to house the meet of the party June, 1928, which he secured for the South single-handed.

speaker after speaker paid him honor

A few days later some 600 persons fought to get in the banquet hall to do him honor. Speaker after speaker arose and paid him honor first as a man, as a builder, as a citizen, who had done more for his city than any other man, as a figure who had passed the boundaries of his native town and had become a nation-wide figure.

One Dr. Stockton Axson, of the faculty of Rice Institute and a brother-in-law of Woodrow Wilson, spoke, saying:

"I say to you tonight that Jesse H. Jones has passed all local boundaries. He is now a great national figure. I know that his principles are those of Woodrow Wilson and were Wilson alive today I believe that I am safe in saying that he would favor Mr. Jones, of all men, to be president of the United States."

The friendship of Wilson for this boy from the Tennessee Hills, now a graying, majestic figure of a man with soft grey eyes and charming manner, was one of the greatest factors in his life, his friends say.

And on the night that he sat in that great banquet hall, amid the encircling smiles of his friends and heard their warm expressions of friendship, this attachment of the great wartime leader came back, a living, glowing thing, to do him even greater honor.

The chief assets of men who have won distinguished success in political leadership and public life are brains and personality. Jesse H. Jones has an ample supply of both. A highly attractive personality is usually defined as "personal magnetism," and is manifested in as many different forms as there are men who possess it. Thus the personal magnetism of Blaine was as much in contrast with that of Roosevelt as Bryan's attractive personality differs from that of Governor Smith. Woodrow Wilson brought the world to his feet through the force of his transcendant intellect and humane ideals rather than by any personal magnetism in the popular acceptance of that term.

But "personality" and "personal magnetism" are such indefinable qualities that it is difficult if not impossible to translate them into words. They can best be expressed by explaining the reaction they have upon others.

when one meets a Welshman

There is an old proverb that "when one meets a Welshman, he meets a true man." It was probably written by a Welshman, but, nevertheless, that is the indelible impression left upon those who come in personal contact with Jesse H. Jones, whose name tells his

Buildings constructed, owned and operated in New York City by Jesse H. Jones and associates

1. *Two Hundred Medison Avenue*
2. *Forty-Four-Story Store and Office Building under construction 10 East 40th Street*
3. *1158 Fifth Avenue—Co-operative Apartments*
4. *950 Fifth Avenue—Co-operative Apartments*
5. *812 Park Avenue—Co-operative Apartments*
6. *Mayfair House, 610 Park Avenue—Apartment Hotel*

Welsh descent as do the names of Jefferson, Davis, Williams, Lewis, Thomas and others of that blood, whose illustrious deeds have given new lustre to the South and to Democracy. Mr. Jones would attract attention in any group or gathering—even at Forty-second street and Broadway, where the world goes by, and where there is fierce competition to be noticed—as about as perfect a physical specimen of American manhood as is to be found anywhere. He is of a typical type for which his native state of Tennessee is noted—six feet three inches tall, broad shoulders and well proportioned. There is nothing about his personal appearance that would identify him with Tennessee or any section of the country, Midwest or Farwest, any more than New York. In dress, in bearing and in manner he is as much cosmopolitan as metropolitan. His strong, handsome features are in accord with his general physical appearance and accentuated by his rapidly whitening hair.

His voice is evenly modulated, with a musical quality belonging to the best orators. There is a friendliness and kindness and sincerity in his voice and manner, which latter is wholly devoid of affectations. His speech is direct and lucid, without involutions that leave any doubt of his meaning.

He listens to what is said to him and says what he has to say without giving any impression of arrogance or haste or hurry, and yet he has more details of large affairs to engage his time and thought than any other man in the state of Texas and none the less than men elsewhere who are directing enormous diversified business interests.

The one thing that puzzles even those who surround him is the ease with which he apparently gets through the heavy demands of each strenuous day; his unruffled, calm, good nature and apparent leisure, despite his multifarious activities. And yet when the day is done, everything has been attended to that requires his personal attention. This can only be accounted for by his power to concentrate upon the matter in hand at the moment, enabling him to dispose of it in the least possible time and in the most agreeable way—no fuss, no flurry, no lost motion, no wasted moment.

aptly described by an old Houstonian

This characteristic of Mr. Jones was aptly described by an old Houstonian, who said: "He's got more business to attend to than any other man here, but no matter how much he has to do he always has time for something else."

The impression he leaves upon a visitor is stimulating and lasting. No man can come in contact with Jesse H. Jones and go away without a feeling of friendliness for him, heightened by a consciousness that the friendliness is reciprocal. Many strong friends of Governor Smith attribute this same quality of personality to him as the one more than any other that binds men to him in lasting friendships. Mr. Jones' visitor, too, will have the inescapable impression that he has met a great man, a friendly, kindly man; an unselfish man, who seeks to promote the public welfare as well as his individual interests; a man of imagination and vision, with an alert mind, a sympathetic temperament and a warm heart.

if the talk be on political lines

Moreover, if the talk happens to be on political lines he will be impressed with the idea that the growing complexities of our system of government could be better solved by men of this type, who successfully direct great enterprises that reflect their own integrity and mental sufficiency. It is natural, therefore, that the people who know Jesse H. Jones best and are friends of good government; of a government with high ideals and sound material policies, are encouraged by the fact that he, and some others like him, are coming more and more to take a keen interest in political affairs and party activities and give of their time and means to promote the efficiency of government and to aid in giving this republic its rightful place as a model and as the moral leader of the nations of the world.

What may be the aspirations of Mr. Jones to figure individually in the public life of America, this writer does not know, but if he have ambition in that particular, or a willingness to accede to public demand, he may go far—perhaps to the summit. In so far as the people of Texas could determine the matter he could have anything he wants or is willing to take. Their affection for him amounts to devotion, and the same is relatively true in other parts of the South, and is becoming manifest in some circles of party leadership. The democratic party throughout the nation is rapidly becoming acquainted with his great qualities of citizenship, leadership, and business genius. Those who know of him only through his exhibition of financial acumen which raised the national party organization from bankruptcy to solvency, and therefore know him least, are anxious to know more about him.

His political light has long shone above the horizon, but until this year has not approached near enough to the zenith to be visible in all sections of the country. To those who know him now only as the man who captured the Democratic National Convention for Houston, he might be mistaken for a comet flashing across the sky to disappear into unknown space; but to those who know of his long devotion to Jeffersonian principles and doctrine, his faithful and self-effacing services to the Wilson Administration; his personal devotion to that great modern interpreter of democracy; his personal sacrifice to direct the finances of the last campaign, he is recognized as a star of the first magnitude in the democratic planetary system, and one whose light has grown stronger with the years.

Jesse H. Jones, Joseph Tumulty and President Woodrow Wilson heading the great Red Cross parade in New York in 1917

the first since Charleston in 1860

HIS victory in the national committee when he induced its members to abandon a mistaken custom in effect since the Civil War of ignoring the claims and interests of the party in the South was a master stroke of politics. The Houston convention, strictly speaking, will be the first Democratic National Convention to be held in the South since the convention at Charleston, in 1860. The Baltimore convention, although held in a city of strong Southern proclivities, was a border state convention, rather than a Southern convention. The Houston convention is a recognition of the South as an integral part of the democratic party in the nation; that it has the same claims to party consideration as any other section; that its loyalty in furnishing a solid electoral vote to the party every four years despite the fact that the other sections have raised a barrier against the nomination of a Southern man for president for nearly three score years, is recognized and appreciated. It is a belated tribute that Jesse Jones brings from the other sections of the country to his native Southland, but it is a genuine one, and perhaps a prophetic one in forecasting an end to party sectionalism and insuring national party solidarity of action and interest.

And this master stroke was characteristic of all the major activities of Mr. Jones. He starts with a sound premise and a just cause. He does his thinking before he acts, and therefore knows what he wants and how to get it. He keeps his plans to himself until he is ready to act. Then he moves quickly and surely to his objective. If he talks about it publicly, it is an ex-post facto deliverance—after it is all over.

Mr. Jones is recognized throughout his state as a great civic leader, whose sense of civic duty is not measured by local boundaries. Two years ago he was named as director general of the Texas Centennial to be held in 1936, and he has already evolved a tentative plan for the observance of this centennial that is unique in its originality and magnitude. He has conceived a celebration that leaps beyond the bounds ever set in these United States.

a vast project

Where, in the past, Chicago and St. Louis had their world fairs and California its Panama Exposition, Mr. Jones proposes a vast project that will give the entire state of Texas a vital, living part in the observance of its hundredth birthday. Briefly, he proposes a dozen different observances in as many different parts of the state, each a separate undertaking and each glorifying some outstanding incident or endeavor in Texas' growth from a vassal state to a republic and finally to the largest of the states of the union.

At San Antonio he suggested a celebration to honor those men who fought to the death and asked no quarter against the overwhelming odds of Santa Anna, those men of whom it has been said: "Thermopylae had its messenger of defeat; The Alamo had none."

Near Houston, on the San Jacinto Battlegrounds, he suggested a huge pageant commemorating the battle of General Sam Houston's six hundred troops against Santa Anna's thousands which won Texas' Independence.

Other features would be a shrine at Goliad for the heroes who were massacred there; a celebration at Matagorda Bay where LaSalle landed; an observance at Austin, capitol seat, possibly of an educational nature built around Texas University; a great farming and engineering laboratory at College Station, home of Texas Agricultural and Mechanical College; a vast panorama on the plains country depicting the days when the buffalo and steer ran wild and the Indians and plainsmen moved among them; an exposition in the fertile Rio Grande Valley to show its wonderful strides and possibilities; another exposition in the vicinity of Dallas and Fort Worth, glorifying the black land farming belt; a shrine at Nacogdoches to recall the work of East Texas settlers for independence and a memorial at Columbia, first capital of Texas.

The Centennial has been called the "greatest dream of the Master Builder" and it over-shadows in size and conception anything of its kind undertaken in the United States. It has been praised as the greatest vision of the man whose visions have built lasting memorials in business edifices over the nation.

The late Woodrow Wilson admired Jesse Jones as a great business genius and had an affectionate regard for him as a personal friend. Unquestionably the close association with Mr. Wilson inspired Jesse Jones as no other influence in his life. His outlook became tinged with the Wilsonian principles and the contact served to give him a national as well as international viewpoint.

President Wilson appointed him

Mr. Jones was made Director General of the Department of Military Relief of the American Red Cross during the World War, in July 1917, and President Wilson appointed him a member of the Red Cross War Council. The mighty task that faced Mr. Jones was an almost world-wide challenge to his organizing genius. He met the challenge standing up and won world-wide acclaim for his labor.

The Department of Military Relief was one of the major divisions of the American Red Cross. It was made up of bureaus of camp service, canteen service, sanitary service, motor service, medical service and construction.

Director General Jones organized 50 base hospitals. He recruited 145 ambulance units of 124 men each. He improved sanitary conditions around camps and maintained canteens and rest stations at several hundred railroad stations and embarkation points.

Army officials unhesitatingly give his work credit for a great deal of the good health and morale that was noticeable in the American doughboy and the will to win that was generated back in the camps that Mr. Jones looked out for.

Then, when the war was over and the Allied troops came sailing home victorious, Mr. Jones was called upon to help consolidate the Red Cross work that had been done. He was an American delegate to the Red Cross Conference at Cannes, France, and Geneva, Switzerland, in 1919, and aided in organizing the League of Red Cross Societies.

The years of contact and friendship between President Wilson and Jesse H. Jones were intellectually congenial as well as politically. Mr. Jones had no such background as a scholar as did his great and good friend. A few terms in a rural Tennessee school and a course in a Texas commercial college comprise his institutional schooling, but in the course of his remarkably active life he has acquired enviable scholarly attainments, while at the same time developing a talent for statecraft. These talents are so well recognized that in 1926 the degree of Doctor of Laws was conferred upon him by Southwestern University,

Rice Hotel, owned and operated by Mr. Jones

Georgetown, and in 1927, he was given the same degree by the Southern Methodist University at Dallas. A few years ago he delivered the address to the graduating class of Southwestern, clothed in such simple language and so impressive in thought that it brought to him laudatory comment from many eminent and learned men.

"you laid down a doctrine of life"

"You laid down a doctrine of life that will do these youngsters good," wrote Chief Justice William Howard Taft of the Supreme Court of the United States.

"I had great pleasure in reading it and subscribe to every word you said therein," was the comment of Charles M. Schwab.

"I have just been reading with much interest the address you made at Southwestern University and this is simply a note to congratulate you on it," was the comment of Dr. Livingstone Farrand, president of Cornell University.

"It was a wise and thoughtful discourse and deserves to be taken to heart by all who heard it or read it," came from Judge Robert S. Lovett.

Of late years Mr. Jones has developed his talent for expression until he is now an accomplished public speaker. His speeches read smoothly; his words flow easily; thoughts are expressed in their logical sequence. He knows how to fit his utterances to the occasion. Thus, in a speech at a cattlemen's convention when he was excoriating the thievery of public officials who have been exposed from time since the return of the republican party to power in 1921, he declared: "We are going to drive the thieves out of office just as you cattlemen drove the cattle thieves out of Texas." His audience understood that; they had a mind picture of the thieves in public office stealing from honest citizens just as the cattle thieves had stolen cattle from the honest Texas cattle raisers; they realized the despicable nature of the crime, and they visualized themselves driving out the political thieves as the cattlemen had driven out the cattle thieves. The cheers were loud and long, with an occasional yell reminiscent of the old days when the cattle thieves were in full flight and the cattlemen in hot pursuit.

Not only has Mr. Jones overcome his early reluctance to public speaking, but he has given to his speeches that exactness of thought that makes them so effective. In committing his thoughts to paper, whether it be a speech, or a business or political communication, he is never satisfied until he has revised and changed and corrected words and sentences to give them the exact form that suits him. He weighs the value of a word as carefully as an assayer weighs gold dust, and shapes and reshapes his sentences until they convey the exact shade of meaning he wishes them to convey. This habit of writing is perhaps an index to his habit of thought in business affairs. That is to say, to reduce his problems to a state of accuracy, clarity and terseness before acting upon them.

Altogether, here is a man of many attainments and of qualities of greatness often described as genius. He is a dreamer of dreams and quickly sees the dreams materialize; he is a builder under whose magic touch sky-scrapers seem to rear upward over night; he is a banker with a knowledge of money conditions that amazes other bankers; he is a publisher with the heart of a true newspaperman, a deep sense of fairness in all things and publication of all topics conservatively and truthfully; and last, he is known by his closest friends as a great philanthropist. Stories of his acts of philanthropy leak out now and then to be told with shining eyes and a lump in the throat.

What is the secret of the uniform, marvelous success of Jesse H. Jones in all his undertakings, huge and comparatively small? He himself perhaps could not answer to his own complete satisfaction. Great men are usually modest concerning their own abilities, or genius or the particular quality that makes them great, and Mr. Jones is no exception. Some of them may be the least conscious of all, that they possess powers other than what they consider ordinary processes of their minds and natural instincts and impulses. Whatever that transcendant quality may be, it is certain that it is the product of years of development and that one must go far back in the life of every man or woman who has it in order to understand it and give it even the semblance of a definition.

his father had a tobacco farm

Thus in the boyhood of Jesse H. Jones, it is found that while always an intense worker he was not overly fond of work merely for work's sake but wanted always to get the job done and done well, whatever it was, and as quickly as possible. His father had a tobacco farm with many croppers, and employing a large number of farm hands, mostly colored, and Jesse himself had a small acreage of his own, which he cultivated—the proceeds from which belonged to him. One of Horatio Alger's boys would have worked days—and nights, when necessary—to keep that tobacco free from worms and weeds. But young Jesse Jones was not a type of the Alger boy except in the matters of

Jesse H. Jones and his friend Woodrow Wilson during a review of Red Cross workers in New York when Mr. Jones was Director of Military Relief of the American Red Cross.

honesty and fairness and good nature and manly qualities; but he was not enamored alone with lonely manual labor. Thinking and fellowship were more in his line, and he could think ahead as well as for the present. A little clear thinking got his tobacco patch worked and "wormed." In the odd hours and spare time of the cropper and farm hands they worked the boy's tobacco patch while the boy planter bossed the job, took a hand's part and saw that it was well done, and all hands, he included, had a good time—a sort of picnic in the doing.

At the age of twelve he had discovered one of the great secrets of success: To do nothing yourself that you can get others to do for you—on a fair basis, of course—and then to see that they do it right. A great army of men and women now do the work in the enterprises of which Jesse H. Jones is the head and with the details of which he is in intimate touch; he sees that they do it right, with the same equanimity he exhibited as a youth.

Jesse H. Jones explodes all theories of the modern stories wherein the capitalist executive is painted as working like a human dynamo or so much chain lightning. Mr. Jones spoils that fiction characterization completely. His calmness, simplicity and the complete ease of manner with which he approaches the problem of directing and creating his enterprises; his adroit handling of political problems, these and other talents have given him a dominant place as an outstanding leader in the democratic party and indicate clearly that he has traveled many roads often. Those who have worked close to him for any length of time know there is a sure caution linked with this ease of accomplishment which makes false steps a complete stranger to this man.

His powers of concentrated thought are concealed behind a slow and engaging smile—a smile with a meditative element which has both warmth and humaneness. Through a natural slowness of speech he has developed a verbal restraint which has made him a wizard of words in their choice and application. He is a genius in the conservation of mental motion. His thoughts when expressed seem to be born with legs on which they stand straight and upright.

It is difficult to place a finger on his greatest talent, so varied are his abilities. From his boyhood associates at old Hopewell School in Robertson County, Tennessee, where he was born, come many stories which pointed clearly towards the genius for organization which he afterward developed.

at the lumber yard of his uncle

The accompanying information from the time he worked with the other hired hands as a country boy on his fathers' tobacco plantation in Robertson County, Tennessee, where he was born April 5, 1874, through his early business training with his uncle in Dallas, Texas, and later to his rise to a high place in finance and now a leader in national politics, has been compiled from many sources.

Jesse H. Jones at the age of 17, when he worked a small farm in Robertson County, Tennessee

Jesse H. Jones at the age of five

When the writer set about to secure family photographs and data of Jesse Jones as a boy and the environment in which he grew up, he learned at the outset that sources of information on his early life were limited to a discouragingly small number. This made getting the facts the more interesting. The object was to get a true composite picture of the boy and man.

The first thing to consider was that little or nothing had been written about the formative period of this very extraordinary man's life. For the most part newspaper and magazine writers had concerned themselves with the man as a builder and financier.

Seeking a term to sum up his genius for building and his contribution of more than a score of buildings to a Texas city skyline, one writer gave him the title of "Master Builder," trite but nevertheless true, but limited to the man well rounded out by years of activity and accomplishment. Always the boy seemed to be overlooked; his boyhood seemed to be vague and far away.

No one had gone back of his arrival as a young man in Dallas to take up his duties as a clerk at the lumber yard of his uncle, M. T. Jones.

By reason of the fact that he was removed so completely from the scenes of his boyhood in Robertson County and later at Adairsville, Kentucky, his second home, there were barely half a dozen people in Texas familiar with the early chapters of his life.

From J. B. Farthing, his earliest school teacher at old Hopewell School, Robertson County, Tennessee, we learn that "Jesse Jones in school as a youngster was not particularly bright nor did he differ greatly from the other boys of the countryside who attended old Hopewell. If I was impressed by any different trait of Jesse Jones as a youngster it was his genius for getting into scraps which his brother, John, always seemed to pull him safely out of. He never seemed to study very hard nor did he seem to need to. His lessons were always fair and his grades averaged high enough not to cause him any worry from me. It can be said with truth and without discredit to the man that Jesse H. Jones was a typical example of the rural boy of his time who was not without a goodly amount of devilment in him.

the old blueback spelling book and Appleton reader

"He used the old Blueback Spelling Book and the Appleton Reader, geography, and a limited amount of arithmetic. So far as I have been able to learn Jesse Jones missed grammar and its use completely. Although a victim of the rural school system, which prevailed at that time in so far as grammar was concerned, he was to later develop the art of self expression to a fine degree. This was done before he had reached the mark of two score years. That which he lacked as a young man he seemed to master before he reached forty. As a young man he liked hunting and fishing but was always a clean sportsman and observed the ethics thereof."

The birthplace of Jesse Holman Jones, Robertson County, Tennessee, and where he lived until his father bought a larger farm near Adairsville

Where he went to school

family turkey flock

His early teacher recalled that he was a great favorite with the negroes who worked with him and his brother, John, on his father's farm. About the time when he and John were big enough to take care of a plot of three acres of tobacco, Jesse bought an old fashioned horse pistol. Firearms among the negroes at this time were almost unheard of and Jesse often on Saturday afternoon, when the hands were having their half holiday, would get his three acres of tobacco "wormed" and "suckered" for a shot around among the negro boys. Another of his ingenious labor saving devices was to get his tobacco plot as close to the house as possible so that the chickens and the family turkey flock would keep it free of worms.

Through the years of his prosperity and success he has not forgotten the negroes who worked on his father's farm. Many of them have received a much needed piece of money from him without the asking at Christmas time.

His father, W. H. Jones, was known throughout his part of Tennessee and Kentucky as a good neighbor and staunch citizen. To most of his wide circle of clients and friends, from whom he bought and "prized" tobacco he was known as "Billy" Jones. Through his fair dealings with tobacco planters his business grew and with it grew his friends, and at the age of 14 Jesse was manager in complete charge of one of his tobacco factories. While Jesse was yet a youngster the family moved to Adairsville, Kentucky, into a fine old brick mansion, only a short way from the Tennessee line. This plantation was much larger than the Robertson County place and included some 80 acres in Tennessee and 600 acres in Kentucky.

On the death of his mother while he was yet a baby, "Aunt Nancy," who was to have a great influence over him and the person on whom he leaned until her death a few years ago, came to mother the two boys and three girls. Of all members of the family, it was "Aunt Nancy" for whom he manifested the greatest affection. Her husband, a member of a Tennessee volunteer regiment, was killed during the first months of the Civil war. "Aunt Nancy," as she was known to all of the family, mothered the flock of five as well as her own children and came to Dallas and established the home for their father in 1884. The family spent only two years in Dallas. While here the children attended grammar school. Miss Blanch Aldehoff was their teacher during these two seasons. At a recent testimonial dinner given him by the representative citizens of Dallas, Mr. Jones paid this tribute to his teacher:

"My teacher was Miss Blanch Aldehoff, and she was about the prettiest woman that I ever saw and the most patient. I shall never forget her gentleness and her kindness to one timid country boy who had great difficulty in keeping up with his classes."

During their stay in Dallas, when he was in his teens, through the first years of his big success in Houston and later in New York, "Aunt Nancy" remained the same guiding

Jesse H. Jones at the age of 24. The picture was made on his first visit to New York

star for him as when she came to "mother" the youngsters at the death of his mother, when he was just beginning to toddle. From what the writer can gather from members of the family no one was ever as close to "Jesse" as "Aunt Nancy."

In 1915, Mr. Jones provided a comfortable home for "Aunt Nancy" in the Rice Hotel, and every morning on his way to business stopped by her rooms to visit with her. She was shrewd, kind and wholly devoted to him. She was of the old school and from her Jesse learned many of life's best lessons.

Mr. Jones made his home for many years with Mrs. M. T. Jones, widow of his uncle, of whose estate he was one of the administrators, in a fine old mansion on Main street, until his marriage to Mrs. Mary Gibbs Jones in 1920.

To this old house came friends of former years from Tennessee and members of the family still living back in Kentucky and the native state. He watched over his two aunts with a possessive air. They were never let to want for anything that money or his attentions could secure.

"Joe" Didiot met Jesse H. Jones when he came back to Texas after his father returned with his family to Tennessee.

Hillsboro 1892

Seated in his office on McKinney Street, which sits back on a little terrace like a cottage from the big gates of the Jones Lumber Company, a few days ago, he talked of his friend and employer whose respect and admiration he has enjoyed for more than three decades. "Joe's" French eyes twinkled in retrospect as he recounted the arrival of the young Tennesseean at the lumber yard of his uncle, M. T. Jones, in Hillsboro, in 1892. This was his first step on the road to success over which he moved with such rapidity.

Those corn-fed prairie girls

"He was then of the commanding appearance, tall, but somewhat thinner than we know him today; he was only 18 and not yet grown. On his arrival among us he soon be-

came a part of the business and social cosmos of the town. He was considered a good "mixer" of more than ordinary talent and ability and also had some predilections for the gentler sex. Those corn-fed prairie girls began to "cast an eye to windward" to the newcomer as an escort to church, prayer meeting and choir practice. The last was considered the big social event of the week. Prayer meeting and "sparking" were synonymous with us all. I remember that Sunday garb of his distinctly; a black Prince Albert with cream colored "pants" of figurative design, a long pointed turn down collar, the small and short black bow-tie of that era suspended by a small rubber loop; and he looked the part of the well dressed man of that day and was popular alike with young and old men and women.

"His love of his fellows and employees cannot be excelled, backed up and supported by a purse that has no puckering string to retard its lavish flow. Generosity is good in every man; but when generosity has the material things of life to spend or dispense with lavish store, it is like that old Shakesperian mercy that comforts him that gives and receives.

"And looking through and acquainted with the past twenty-five years when we have known him the best, no deaf ear has he ever turned and no reluctant attitude has he ever shown to any man whose cause was worthy of any import or consideration. That good right hand does not know what the genial left puts out. He is one of America's first citizens and she would do well to call and honor him; no East or West or North or South has produced his greater and those who know him well and best, know him to be worthy of any honor old America can bestow.

"During these early years he must have had a dream between the adolescent and young manhood's hour and of the years yet afront. He dreamed of the material things of

Library in the Jones apartment

life and honor that fall to men of position and the influence and set himself to acquire that end. Shortly after his departure from Hillsboro we changed his title from that of "Jess" to Jesse Jones and he is Jesse Jones to all. Just a few years at Dallas, and he came to Houston headquarters for the Jones' interests, and was soon in charge of his Uncle's entire business. The successful management of that end of all his other allied interests is now a part of the business life of his beloved and adopted city and patent to all.

"Those who know him longer love him best,
I'll ask if this is not the truest test,
For what is life worth then to me and you,
If we can't love and honor those who have proved true.

"One day after he had been in Hillsboro about two years, he came to me in the lumber yard where I was at work. He stood around for a few minutes and speaking as though he might be going to town he said, 'I'm leaving for Dallas tomorrow, Joe. Come along with me. I'm going on up. The next day I told him goodbye."

In connection with Mr. Didiot's church-going stories about Mr. Jones, it should be stated that today he is a consistent member of the Methodist church, regular in his Sunday attendance; a steward in St. Paul's Methodist church, Houston, and among all his other activities finds time now to help plan and finance a great new church edifice. Twenty years ago he was chairman of the building finance committee that built the beautiful St. Paul's Church. Now he is on the same committee helping to build a new and bigger St. Pauls. Only a few weeks ago, he gave $50,000 to the new building fund, but did not mention it to anyone, even his secretary. He does not like to talk about his achievements or his benefactions.

The following illustrates the estimate in which he is held by the citizens of Texas as expressed on one of the occasions named:

"Jesse Jones is one of the greatest assets of the State of Texas. Jesse Jones is Texas' most distinguished and useful citizen. Texas was brought out of a wilderness by men with vision and courage; Texas is being builded into a great commonwealth by men with vision and courage; Jesse Jones personifies that type."

From Jed C. Adams, democratic national committeeman for Texas, comes this tribute: "The time has come for Jesse Jones to grace the White House. No man stands above

him in patriotic purpose. No man stands above him in power to do good for the people." This sentiment is indorsed by Mrs. J. T. Bloodworth, the national committeewoman from Texas.

In addition to receiving the indorsement of his own state for the democratic presidential nomination Mr. Jones has been widely discussed as one of the foremost among the available nominees for vice-president if the presidential nomination shall go to another, and if the strategy of controlling forces in the Houston convention should decide upon a Southern man.

The following from the pen of Dr. Stockton Axson, member of the faculty of Rice Institute and brother of the First Mrs. Woodrow Wilson, narrates and analyzes the close personal relations, ripening into deep mutual affection, between Mr. Jones and Mr. Wilson. It is the first detailed account of that relationship ever given the public:

"Dear Mr. Wakefield: I have read with keen interest the article by you and Mr. Linthicum on Jesse H. Jones. It is a good idea to picture the backgrounds of Mr. Jones' life and achievements, to reveal the foundations of his character and career.

"You have done well to accentuate the formative influence upon Mr. Jones of Woodrow Wilson, and I can confirm what you have said because I have been intimately acquainted with both men and have personal knowledge of the reciprocal esteem and affection which existed between them. Before I knew Mr. Jones he had met President Wilson —shortly after the inauguration in 1913.

"From 1913 to Mr. Wilson's death in 1924, there was a steady growth in the relationship of the two men, from admiration to friendship and from friendship to deep personal affection.

"I met Mr. Jones in 1914 and gradually became aware that Woodrow Wilson's

A view of the garden apartment of Mr. and Mrs. Jesse H. Jones, covering the roof of the new Lamar Hotel

personality, ideals and accomplishments were progressively captivating the mind and fascinating the imagination of Jesse Jones.

"At first I was a little surprised that an eminent young business man, builder and promoter had such a sympathetic understanding of and allegiance to a president who was looked upon with suspicion, sometimes actual hostility, by many interesting American men of affairs.

"President Wilson was supposed to be antagonistic to what is known as "Big Business" 14 years ago. Those who penetrated surface appearances realized that Woodrow Wilson was averse to big business only when it attempted by indirect and covert methods to control government or create monopolies. Those who knew him intimately knew that he was by nature conservative, but by conviction "progressive" because of what he had learned in New Jersey, because he saw that in the early years of this century corporate interests were virtually dictating legislation in New Jersey. As governor of that state, Woodrow Wilson smashed the alliances between machine politics and privileged business and restored the government of New Jersey to the people of New Jersey.

"He had no quarrel with big business so long as it attended to its own affairs, but when it came in conflict with the constitutional rights of a supposedly free people. Woodrow Wilson was on the side of the people. As their champion he was elected governor of New Jersey; as their chief representative he was elected president of the United States.

"In the contest between what were known as "progressive" and "reactionaries" 18 years ago (and later) Woodrow Wilson was such an outspoken and two-fisted "progressive" that he became unpopular with many leaders of commerce.

"Therefore his personal and political friends got rather in the habit of expecting to find an opponent to Woodrow Wilson under the hat of an outstanding man of business.

"That is why I did not anticipate the ardent Wilsonian in Jesse Jones, whom I first knew as the chief builder and developer of Houston 14 years ago.

"But as I came to know him better I discovered a convinced democrat inside this busy financier, and I realized that Woodrow Wilson was for him the incarnation of pure and just democracy.

"This quiet man (he was very quiet in those days) was doing a lot of thorough thinking (he has always been thorough) and was weighing the extravagant arguments between the extreme "radicals" on the one hand and the extreme "conservatives" on the other.

"I fancy that Jesse Jones had no expectation at that time of engaging personally in practical politics, but he had an earnest patriotic interest in public affairs. Thinking through the heated discussions of that era he came to believe that the Wilson doctrines were sound, that no prosperity can last which is not grounded in justice, that whatever violates the fundamental principles of representative government imperils the republic.

"He saw in President Wilson that restorer and interpreter of stable popular government.

"Though allied in his interests with what was then known as the "capitalist class," he came to subscribe in mind and spirit to the Wilsonian conceptions of enduring democracy, of untrammeled representative government, of lawfully selected leadership, of

"pitiless publicity" for those whose self-interest prompted them to thwart the open processes of legislation, the end and object of which should be justice for all and private favors for none. All of Jesse Jones' early training and all his abiding sympathies drew him to this man Wilson who was seeking to equalize opportunities among all groups of our people; whose interest in those who labor with their hands was not lip service for political advantage but was genuine, deep and abiding; whose active concern in the welfare of the American farmer led to more practical and beneficial legislation in behalf of the farmer than has the administration of any other president in the history of our country.

"Through the years from 1913 to 1917 the Woodrow Wilson ideas permeated the thinking of Jesse Jones on public matters, widened his political horizon and strengthened his faith in American institutions. I believe it is no exaggeration to say that Woodrow Wilson was the chief factor in the political education of Jesse H. Jones.

"After the declaration of war in 1917, Mr. Jones was one of a number of eminent Americans who were summoned by Woodrow Wilson to meet in conference at Wichita, Kansas, to devise ways and means of raising a one hundred million dollar Red Cross war fund which had been recommended by Henry P. Davidson, whom President Wilson had appointed as chairman of the newly founded emergency American Red Cross War Council.

"Mr. Jones responded with alacrity. He had been searching his heart and seeking means of being useful to his country in the great crisis.

"Here was one step, the first step, toward war service. Mr. Jones attended the meeting at Wichita, lent his financial wisdom to the discussions, then returned to Houston to head the first big drive in this section for Red Cross funds and carried his section over the top.

"Immediately after, he was invited to Washington to become director general of military relief, one of the most important offices in the Red Cross organization.

"As is well known, President Wilson "adjourned politics" during the war by appointing many conspicuous and able republicans, heads and members of the most important wartime boards and committees.

"Thus it came about that most of the leading officers of the American Red Cross were republicans. It is no reflection on these devout and public spirited men to say that while they sedulously avoided injecting politics into the Red Cross, they naturally did not feel as close to the president as they would have felt toward a republican president.

"Mr. Jones and I were practically the only avowed democrats holding high office in the organization. Instinctively President Wilson looked to us as liaison officers between himself and the Red Cross.

"Through these contacts the president and Mr. Jones became intimately acquainted with each other.

"Jesse Jones' admiration for the president had been long standing, and as the president came to know Mr. Jones the admiration became mutual.

"They frequently conferred on Red Cross matters and the president's interest in the Red Cross was strengthened by his increasing confidence in Mr. Jones.

"They discussed not only Red Cross and other war problems but public matters in

general, politics, national and international, men and measures, and the things which lay nearest the president's heart, the speedy ending of the war and plans for rehabilitating the world and drawing the nations into a better understanding for the prevention of a repetition of world war.

"Mr. Jones persuaded the president to go to New York and head the immense Red Cross parade which opened the campaign for a second Red Cross war fund. And it was Mr. Jones who suggested to the president that his speech on this occasion be not merely a Red Cross speech, but an address of hope and comfort to a war stricken world, a ringing summons to the allies and associates for a renewed faith and confidence in their cause, a reunited push against the common enemy, a final check of the armies of the central powers and a preparation of the world for permanent paths of peace. This was one of President Wilson's famous war speeches, reported and read all over the world.

"In the summer of 1918 President Wilson gave striking evidence of his faith in Jesse Jones as a man and his confidence in the man's judgment, ability and unselfish devotion to the cause of the war.

"The president confided to a few friends a project for sending to Russia a special commission with the object of bringing that country back into the war on the side of the allies and associates, and he stated that it was his purpose to put Jesse Jones at the head of that commission.

"Mr. Jones heard of this with solemn satisfaction. Though he was beyond the age of military service, he had been growing increasingly restless in a "safe" job, and talked frequently with his friends about resigning from the Red Cross and enlisting for field service.

"Once he was on the verge of accepting a call to head aircraft production, but was dissuaded by President Wilson, who told him that he needed him in the Red Cross.

"Now (in the summer of 1918) it seemed as if Mr. Jones was about to receive orders from the president himself to lead a perilous adventure into Russia, and quietly Mr. Jones began to set his private affairs in order, saying that he thought it altogether un-

likely that he would return alive from Russia. He was more than reconciled—he was happy in the prospect.

"As the Russian revolutions became more entangled it seemed hopeless to make any attempt to lead Russia back into the fold, and therefore President Wilson did not establish the commission. However, he appointed Mr. Jones a member of the Red Cross war council.

"Mr. Jones sailed for Europe immediately after President Wilson's departure to participate in the peace treaties and Mr. Jones had several visits with the president in London and Paris, and it was chiefly on the advice of Mr. Jones that President Wilson appointed Dr. Livingston Farrand chairman of the American Red Cross, when a few months after the conclusion of hostilities, Mr. Davidson and the other members of the war council laid down the offices which they had so ably, honorably and patriotically filled.

"While in Europe Mr. Jones, with Mr. Davidson, was a representative to the councils in Paris, Cannes and Geneva, which led to the organization of the League of Red Cross Societies.

"Mr. Jones remained in Europe several months, attended open meetings of the peace conference and was an outstanding figure among the staunchest advocates of Woodrow Wilson and his plan for insuring the world against a repetition of the dire disaster of 1914-1918.

"Upon his return to America, Mr. Jones brought to completion his public work in Washington and came back to Houston.

"Between him and Mr. Wilson there had been established a bond of sympathetic understanding which was destined to strengthen with the years.

"After President Wilson had partly recovered from his physical collapse, Mr. Jones visited him in the White House and was greeted by the maimed president with the words: "Well, Jones, they got me," pointing to his half-paralyzed side, and meaning that the long strain of struggling with adversaries abroad and at home had been too much for mortal flesh—though the immortal spirit was untamed.

friendship between the two men ripened

"Friendship between the two men ripened into an affection which is attested by many letters—among the tenderest from Mr. Wilson being that which says 'your generous letter of a few days ago came to me as a benediction. I thank God that I have such a friend as you.'

"During Mr. Wilson's prolonged illness Mr. Jones was among his most considerate friends, doing everything in his power to alleviate the distress of the stricken man. Mr. Jones was one of the honorary pallbearers at the funeral when the body of Woodrow Wilson was laid to rest in the cathedral at Washington.

"After Woodrow Wilson's death Mr. Jones did as much as any living man to keep before the people of America the image and ideals of the great leader. At his own expense he has circulated throughout Texas and in various other parts of the country the impressive film in which Woodrow Wilson lives again in many of the most dramatic episodes of his official life.

"Mr. Jones has patterned his political life on the Wilson model. He has taken into the fibre of his being the Wilsonian philosophy of government, the strict accountability of leaders to the people at large, the conception of this great nation, not as groups of separated classes, but as a society of all the people united in the great adventure of self-government.

"Mr. Jones has some of Mr. Wilson's mental habits; the capacity for complete concentration on the tasks before him, the tireless endeavor to leave no job until he has finished it, the power to think through a problem to its limits, the courage to put into action that which his mind and conscience tells him is right, the sympathy with his fellow beings, the determination to expose fraud and to rectify error.

"No really great man is a replica of another great man. Mr. Jones is a disciple of Mr. Wilson, not a copyist. But his political thinking has been vitalized by the precepts and example of Woodrow Wilson.

"Should Mr. Jones be nominated and elected president of the United States, he would make his own decisions, act on his own judgment in council with his official advisers and with all the facts before him; but it is safe to say that Woodrow Wilson's career and influence would be a sort of mariner's chart to which Mr. Jones would often refer. New Times bring new problems. What the disciple learns from the master must be fitted and applied to new conditions unencountered by the master.

"Scarcely is there a man in the country so well qualified to conduct a Wilsonian type of administration, so well equipped to apply undying principles to new problems, fresh exigencies.

"If Woodrow Wilson were alive I feel certain he would give hearty indorsement to the nomination of Jesse H. Jones for the presidency of the United States."

Sincerely yours,

STOCKTON AXSON