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Interior Dept.

1940-44

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Memorandum	Ickes to FDR, with attachment	11-14-40	C

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**RESTRICTION CODES**

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Jan 9, 1940

BF Quezon  
Interview 1-40

MEMORANDUM FOR GENERAL WATSON FROM D. J. CALLAGHAN

Re-President Quezon's despatch to Thornycroft Co of  
England to waive contractual delivery of two motor torpedo boats  
just completed for the Commonwealth Gov, which leaves gate open  
for negotiations between Finnish Embassy in London and Thornycroft.  
Procopé has been advised.

See:For the above memo--See:Navy--Drawer 1-1940

THE UNITED STATES HIGH COMMISSIONER  
MANILA

January 6, 1940.

My dear Mr. President:

For your information, I am sending you a memorandum of a conversation which I had with President Quezon on January third regarding the release by the Commonwealth Government to the Finnish Government of two torpedo boats being built in England. I think the matter has been very satisfactorily disposed of and no further action is necessary. I thought you might like this information, however, for your private files.

Everything continues to go smoothly and satisfactorily here. I continue to have informal and intimate talks with President Quezon about various matters and find him always cooperative and ready to play the game. Thus far he has accepted and loyally followed all my suggestions. I find him very loyal to you and to your ideals and, although he is impulsive and not always wise, I believe that his objectives and underlying motives are true. And these are combined with great executive force and driving ability.

I hope with all my heart that you will have every blessing during the course of the New Year. I feel very happy that I have the opportunity to uphold your policies and ideals in this far part of the world.

Ever sincerely yours,

*Frank*

Enclosure.

The President,  
The White House,  
Washington, D.C.

...been to the...  
...Government...  
...for the...  
...President...  
...1940...

THE UNITED STATES HIGH COMMISSIONER  
ALBANY

~~CONFIDENTIAL~~

Memorandum of Conversation between President Quezon and  
the High Commissioner regarding release by Commonwealth  
Government of two torpedo boats to Finnish Government -  
January 3, 1940.

President Quezon called at my residence on the evening of January third and showed me a cable which had been shown him by the British Consul General in Manila, Mr. Wyatt-Smith. The cable was from the British Foreign Office to the British Consul General asking him to inquire whether the Commonwealth Government would be willing to release the first two of the 55 foot motor torpedo boats which are being built for the Commonwealth Government by Thornycroft so that these might be delivered to the Finnish Government, and saying that these boats were the kind of vessels needed by the Finnish Government. The cable added that if the Commonwealth Government would be willing to release these Thornycroft would build other vessels for the Commonwealth Government to take their place. President Quezon said that he was extremely anxious to allow the Finnish Government to have these boats and that the only thing which held him back was the question whether or not the United States Government might disapprove his releasing the boats as requested. He said that he was convinced that such a release would not be a breach of neutrality since  
the

the Russian Government had never declared war. But he said he did not want to do anything like this without the knowledge of the American Government. I asked President Quezon very specifically whether or not title in these ships had yet passed to the Commonwealth Government. He replied that title certainly had not passed.

President Quezon suggested that what he would like to do would be to have a conference with the British Consul General to suggest that no official reply to the cable be requested but that Thornycroft should send an unofficial cable to President Quezon asking if they might delay delivery of the two torpedo boats for several months, or even a year. President Quezon would then reply to this inquiry in the affirmative and thus no questions would be raised which could possibly constitute a breach of neutrality.

I asked President Quezon whether he desired an official answer from me (in which case I said that although the answer seemed clear to me I must consult the State Department before giving him his answer), or whether he were simply talking to me entirely unofficially as a friend so that I might be informed of his contemplated action. He replied that he was talking to me on the latter basis. I said to him that in that event, so long as he did not ask for an official answer from me, speaking quite unofficially I could see no harm in his going forward



For the President -

*file*  
*Confidential*  
*Emm*  
*S.S.W.*

THE UNITED STATES HIGH COMMISSIONER  
MANILA

*Interest*

Personal and Confidential.

January 11, 1940.

My dear Mr. President:

I am enclosing herewith a very confidential memorandum of a conversation which I had with President Quezon a few days ago, which I think will be of interest to you. President Quezon asked me not to speak of the matter to anyone, but I think you should know about it.

We were all thrilled by your Message to Congress. It was not only a masterly address but words from the heart of a really great man!

Ever sincerely yours,

*Frank*

Enclosure:

Memorandum of conversation  
of January 8, 1940 regarding  
Philippine national defense.

The President,

The White House.

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 5(D) or (E)

*Interior file 11-3-77*

By RT NARS Date

APR 13 1973

MA. GOVT. DEPT. OF DEFENSE  
I am enclosing for you  
a copy of the  
consideration of  
the proposed  
reorganization of  
the Department of  
Defense.

SECRETARY OF DEFENSE  
WASHINGTON, D. C.

THE UNITED STATES HIGH COMMISSION

HIGHLY CONFIDENTIAL

Memorandum of conversation between President Quezon  
and Mr. Sayre regarding national defense, held on  
January 8, 1940.

Among other things, President Quezon spoke to me about his talk with General MacArthur last week on the subject of national defense. President Quezon explained to me that the existing budget of the Commonwealth Government for national defense calls for an appropriation of about P16,000,000. Under General MacArthur's plan, this annual appropriation should be sufficient to give annual training of about five and one-half months to sufficient Filipinos so that by 1946 there should be roughly about 300,000 Filipino citizens trained and able to take their place in the army in case of an emergency. In addition to this, the annual budget calls for an appropriation of about P4,000,000 for a constabulary.

President Quezon informed me, very confidentially and entirely unofficially, that he had been giving the matter of national defense very serious thought, - especially since Germany's over-running of Poland last summer. He has asked himself constantly since that time what is the use of an expensive and highly trained army if a great Power decides to conquer a small one.

DECLASSIFIED  
E. O. 12958, Sec. 1.4(e) and 1.4(f) or (g)  
Inferred letter 11-2-83  
By BT NARS Date APR 13 1973 In

In his conversation with General MacArthur last week, President Quezon asked General MacArthur what the position of a Philippine army of 300,000 men would be in 1946 if Japan decided to attack. He was informed that it would require an expenditure of anywhere from P50,000,000 to P50,000,000 to carry on six months' resistance against an army such as Japan's, and that all manner of military and other supplies would have to be imported. "And how could I import such supplies without a navy if Japan were attacking us?", he asked General MacArthur. General MacArthur could only answer that it would be hoped that Great Britain or some other naval Power would come to the rescue and would not permit Japan to make such an invasion. "But if that were the fact, why the necessity of maintaining and paying for an expensive army?", President Quezon asked.

President Quezon also asked General MacArthur whether his plan of defense would include Mindanao. General MacArthur's reply was negative. "What then would prevent Japan from seizing and occupying indefinitely Mindanao?", President Quezon inquired. General MacArthur could give no satisfactory reply.

In view of the whole situation, President Quezon told me, he has been slowly reaching the conclusion that while he wants to maintain as adequate a military defense as he can afford, nevertheless he recognizes that there are limits.

Ho

He feels that money should not be squandered on the army but should be devoted to more constructive purposes. Accordingly he informed General MacArthur that there could be no increases in the defense budget and even that the cost of the constabulary might perhaps have to be included in the budget for military defense.

President Queson told me that he wanted to inform me of these matters, not with a view to securing my approval, but merely so that I would know what is in his mind and what is going on. I told him that officially I could make no comment since this is a matter which does not lie within my jurisdiction. I said, however, that speaking purely in a personal capacity and not as High Commissioner, I could take no exception to his conclusions.

THE UNITED STATES HIGH COMMISSIONER  
MANILA

January 23, 1940.

My dear General Watson:

Will you be kind enough to see that the President personally receives the enclosed confidential letter? I shall appreciate your kindness.

Ever sincerely yours,

*Francis B. Sayre*

Enclosure.

Brigadier General Edward M. Watson,  
The White House,  
Washington, D. C.

APR 12 1940

THE UNITED STATES HIGH COMMISSIONER  
MANILA

Personal and Confidential.

January 23, 1940.

My dear Mr. President:

I think I should let you know that President Quezon has it in his mind to take up with you, when the occasion arises, the question of the neutralization of the Philippines in accordance with Section 11 of the Tydings-McDuffie Act. Not long ago President Quezon expressed himself to newspaper men as being in favor of moving at this time for the neutralization of the Islands. When he spoke to me about the matter, I told him that if he put the problem before you and if you should refer it to the State Department and if the State Department should ask me my own opinion, I should reply that to my mind the present is not a suitable time for such a move. It seems to me clear that whatever movement is made in this direction should not be undertaken until we know how the present warfare being waged in Asia and Europe will result. President Quezon replied to me that he quite understood and appreciated my own views but that he desired to be placed on record as making a request for the neutralization of the Islands. He asked if I had any objection to his approaching you with regard to the matter and I said that I had none.

President Quezon tells me that he has it in his mind to go to the United States sometime during the late spring of this year, - arriving in the United States probably in the latter part of June. He is thinking of later visiting South America. So far as I know he has no ulterior purpose in planning such a visit, other than being absent from the Philippines at the time of the plebiscite vote when the question of amending the Constitution to provide for a Presidential second term will be up for decision. He hopes to go to the Olympic games in Argentina. He tells me that he needs a vacation and that he is anxious to give his wife and daughters the pleasure of the trip. I think he is quite sincere in this.

President Quezon yesterday afternoon delivered his annual message in person to the Assembly. In the concluding paragraphs of his message dealing with the question of Philippine independence, he declared himself in a strong statement for independence in 1946. Although some observers

regard

The President,  
The White House.

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 5(D) or (E)

Interior Letter, 11-3-72

By RT NARS Date APR 13 1973

regard his statement as still leaving the door open, my own belief is that he intended to burn his bridges behind him and take his stand against "reexamination". The statement impresses me as brave and statesmanlike rather than the utterance of a wily politician. I am enclosing these paragraphs so that you may see them. President Quezon rode back to Malacañan Palace with me after delivering his message and we talked over what he had said. Whatever changes and shifts in his opinion the future may bring, I believe that his present intention is sincere definitely to go forward with independence in 1946.

Ever sincerely yours,

*Frank*

January 29, 1940.

P.S. I was talking again with President Quezon yesterday about that part of his address to the Assembly relating to Philippine independence. He told me that in view of the extended discussion which has arisen here as to what he meant by his statement he expects to speak again about independence in about a month. He said to me that he is definitely against the extension of the present Tydings-McDuffie Act arrangement beyond 1946. He added that although theoretically he would be willing to consider some kind of Dominion status after 1946 he would be unwilling to do so unless the Philippine Government was given freedom from control in exports, imports, immigration, currency and financial matters, and that were he an American he would not feel it right to undertake the protection and defense of the Philippines without having control over the above mentioned activities. In other words, his feeling is that after 1946 the Filipinos would be willing to accept a Dominion status only on terms which the American Government could not and should not accept. For this reason he wants to go forward with the program of full independence in 1946.

*F.*



*file personal*

THE SECRETARY OF THE INTERIOR  
WASHINGTON

*P>F  
Say. H.  
Comm. Fitzgerald  
Intern 1-48*

JAN 20 1940

The President,

The White House.

My dear Mr. President:

I enclose a confidential radiogram, addressed to you, forwarded to this Department by the United States High Commissioner to the Philippine Islands for delivery to you.

Sincerely yours,

*E. A. Mullen*

Acting Secretary of the Interior.

Enclosure 1352939.

Translation of Radiogram in Code Received January 19, 1940. deb  
(NPM 2034 MANILA PI CK 92)

HAMPTON.  
Interior Department.  
Washington.  
January 19. - No. 49.

STRICTLY CONFIDENTIAL For the President of the United States: Associated Press report from Washington dated January 17th, states that Philippine Resident Commissioner Elizalde, who returned to Washington from the Philippines, has announced to the press that he has brought to you "an important communication" from President Quezon. Elizalde is further quoted as saying that the message is "strictly confidential" and that he would confer with you as soon as he could get an appointment.

If Elizalde has such a communication, it has not been brought to my attention and I feel that you should know this.

SAYRE.

file  
pres mem

PSP Interior

THE WHITE HOUSE  
WASHINGTON

Interest  
Sunday  
12:40 pm  
Jan 21-1940

Memorandum for the President

The Filipino Commissioner Elizalde, has the impression, given him by Mr. Kemp Special Assistant to Attorney General, that President will see him today re case of Buen Camino a Filipino convicted along with BUCKNER for fraud in connection with Philippine Bonds. Attorney General Jackson would like to talk with the President before any clemency be given Buen Camino.

Elizalde is at Shoreham Hotel. I can inform of the President wishes re app't today. E.M.W. —

THE WHITE HOUSE  
WASHINGTON

PSF: *Johnson 1-20*

January 22, 1940.

MEMORANDUM FOR THE PRESIDENT:

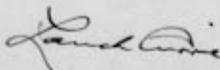
Confidential

*file*

Re: National Resources Planning Board.

Tom Corcoran suggested I pass the following along to you:

Sam Rayburn told him that the source of the real opposition to the Planning Board is the army engineers who have been actively lobbying against the Board.



Lauchlin Currie

THE WHITE HOUSE  
WASHINGTON

January 23, 1940.

MEMORANDUM FOR

THE SECRETARY OF WAR

I hear from several sources on the Hill that the principal reason for opposition in the Congress to an appropriation for the continuance of the National Resources Board is that the Army Engineer Corps has been actively lobbying against the Board.

As you know, there has never been the slightest conflict between the Army Engineers and the National Resources Board, and I suggest, therefore, that the Chief of Engineers should in some way go on record in writing, to you, that neither the Chief of Engineers nor any member of the Corps has the slightest objection to the continuance of the National Resources Board; and, further, that there has never been nor will there be any possible conflict between the two organizations.

F. D. R.



File

THE SECRETARY OF THE INTERIOR  
WASHINGTON

JAN 29 1940

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THE WHITE HOUSE  
RECEIVED

The President,

The White House.

My dear Mr. President:

I enclose, at the request of the United States High Commissioner to the Philippine Islands, a copy of an extract from the annual message which was delivered on January 22 by the President of the Philippines to the Philippine National Assembly relating to the subject of Philippine independence.

Sincerely yours,

*agwirth*  
Acting Secretary of the Interior.

Enclosure 2317537.

**ENCLOSURE 2317537**

**DEPARTMENT OF THE INTERIOR**

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MAIL ROOM

WASHINGTON  
THE SECRETARY OF THE INTERIOR

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DEPARTMENT OF THE INTERIOR  
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P.S.F. ...

EXTRACT FROM ANNUAL MESSAGE OF PRESIDENT QUEZON TO THE NATIONAL ASSEMBLY  
DELIVERED AT MANILA JANUARY 22, 1940.

In his annual message to the Assembly President Quezon, speaking of the independence program said:

"The conquest and subjugation of formerly independent nations, the invasion by strong powers of insufficiently defended territories, the not infrequent disregard of international covenants and laws have of late caused great anxiety in the minds of many people both in the United States and in the Philippines, and not a few of them are raising the question whether it is the part of wisdom to carry out the plan already agreed upon of establishing the Philippine Republic in 1946.

"No one can feel more keenly than I do the responsibility for the future of our people. The sacred duty of leading our government through these first years of preparation for an independent national existence has fallen to my lot, and I have tried to discover by every means at my disposal if there be any compelling reason why the plan as decreed by the Congress of the United States and accepted by us should not be put through. I am of the opinion that the international situation has not developed to a point where anyone can predict what the fate of small nations will be in the years to come.

"In the discussion of a possible change in the program of independence embodied in the Independence Act, it is important to bear in mind the following considerations:

First. That the Government of the United States will not consider favorably any proposal merely to postpone the granting of independence beyond 1946, meanwhile continuing the present political and economic setup in the relations between America and the Philippines.

Second. That if the Filipino people are unwilling or afraid to assume the responsibilities of independent nationhood by 1946, their only alternative is to petition Congress to declare the Philippines permanently as American territory.

Third. That America will not assume the obligation to protect the independence and territorial integrity of the Philippines against foreign aggression.

"In the face of these considerations, the question for us to decide is whether because of the uncertainty of the future of small nations, we should abandon the idea of becoming independent.

"I am unalterably opposed to the prolongation of the present political setup beyond 1946, because I believe that it is not conducive to our best interests. On the other hand, we cannot consider permanent political relationship with America except on the basis that the Philippines would at least have full and complete power over immigration, imports, exports, currency and related financial subjects, as well as the right to conclude commercial treaties with other nations, without being subjected to the supervision and control of the United States. This, I am quite certain, is not feasible, considering the present state of public opinion in America.

"It would be utopian to believe confidently that the Philippines would not be exposed to foreign aggression, once we cease to be under the protection of the American flag. But, if we want to have the untrammelled right to govern ourselves as we think best for our own well-



## Independence in 1946

No one can feel more keenly than I do the responsibility for the future of our people. The sacred duty of leading our Government through these first years of preparation for an independent national existence has fallen to my lot, and I have tried to discover by every means at my disposal if there be any compelling reason why the plan as decreed by the Congress of the United States and accepted by us should not be put through. I am of the opinion that the international situation has not developed to a point where anyone can predict what the fate of small nations will be in the years to come.

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It would be utopian to believe confidently that the Philippines would not be exposed to foreign aggression, once we cease to be under the protection of the American flag. But, if we want to have the untrammelled right to govern ourselves as we think best for our own welfare, we must assume the responsibilities that go hand in hand with that right. That means that we shall have to depend upon ourselves and take our chance exactly as every independent nation had to do.

We hope for the best. We shall promote friendly relations with other nations and be mindful of their rights. We shall endeavor to protect and defend our national integrity and independence to the limit of our means. While we know not what the future has in store for us, we have faith in a just God who presides over the destinies of nations, and who alone holds our fate. We cannot falter in the attainment of our long-cherished Ideal. We must secure a place, however modest, in the concert of free nations.

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FSF  
Interim

THE UNITED STATES HIGH COMMISSIONER  
MANILA

file  
personal

February 10, 1940.

My dear General Watson:

Will you be kind enough to give the enclosed letter to the President personally? I shall appreciate your kindness.

With warmest wishes, believe me,

Very sincerely yours,

Francis B. Sayre

Enclosure.

Draft

Brigadier General Edward M. Watson,  
The White House,  
Washington, D.C.,  
U.S.A.

THE UNITED STATES HIGH COMMISSIONER  
MANILA

January 31, 1940.

Personal and Confidential

My dear Mr. President:

Thank you so much for your letters of December thirteenth and fourteenth. It rejoiced my heart to receive them and to have direct and understanding word from you and know some of your thoughts concerning the situation here in the Far East. I have been in constant contact out here with Admiral Hart who, as you know, has been here since last December, and with Admiral Smeallie, General Grant and various other of our officers and officials. I also had long talks with Clarence Gauss who came down from Shanghai in December, with Neville who stopped off here on his way to Bangkok, and with others from various parts of the East. It is needless to say that I have the problem of the Far East and American policy in the Orient very much on my mind. I was therefore particularly glad that you wrote in your letter of December thirteenth: "Later on I hope you will be able to take a little holiday in Japan and talk things over with Grew." I want to keep in close contact with Joe Grew and the whole Japanese situation.

I also feel that if I am to carry out and translate your policies in the Orient it is of vital importance that I should not lose personal contact with you, Secretary Hull and others in Washington with whom I want to work in close cooperation. There is a real danger that out here we are so cut off that we lose touch with Washington policies. Also a number of matters have arisen in connection with my work here which I feel I should take up personally in Washington.

For these reasons, if it meets with your desires, I think it would be well for me to make a quick trip in the spring to Washington. I could leave here next April, arrange to have a talk with Nelson Johnson somewhere in China if possible, and then proceed to Tokyo to confer with Joe Grew. I could then sail from Yokohama on May tenth direct to the United States, reaching San Francisco on May twenty-third, and thus bring to you and to the State Department a first-hand picture of the situation in the Far East gained from these personal contacts. I would want to confer with you, the Department of State and other interested Departments and renew my contacts there before returning here. I could fly back here by Clipper if

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The President,  
The White House.



The High Commissioner's speech follows:

"We are gathered here tonight and other chartered cities of the Philippines to celebrate the birthday of Franklin Delano Roosevelt. I suspect that tonight our thoughts are centered, not on the President of the United States, but on the man, who refused to be downed by disaster. Stricken in the prime of his life with the dread scourge of infantile paralysis, faced with the wreckage of everything he had planned and hoped for, he made up his mind in spite of shattered physical powers to rise above outward circumstance. Stout of heart, indomitable in purpose he refused to accept defeat. He fought gallantly on, winning against every obstacle by the sheer force of his radiant personality and rare ability.

"Do you remember Barrie's magnificent Rector's address on the subject? "How comely a thing is affliction borne calmly, which is not beyond the reach of the humblest of us." He quotes from the last letter of Scott, written shortly before he died in his tent on the way back from the South Pole, saying: "We are in a desperate state—feet frozen, etc., no fuel, and a long way from food, but it would do you good to be in our tent, to hear our songs and our cheery conversation." Barrie goes on to say: "What is beauty? It is these hard-bitten men singing courage to you from their tent. Sometimes beauty boils over and then spirits are abroad. Courage is the thing. All goes if courage goes." Roosevelt's challenging acts and life match Barrie's ringing words. "But our coming here tonight is

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not merely to celebrate one man's gallant mastery over disease. We have gathered here to take a part ourselves in the fight against infantile paralysis. One of the very great contributions of Western civilization to the world has been our conquest over disease. Victory has come, not in a night, but through long years of heroic work, of self-sacrifice, and of patient toil. Yellow fever, smallpox, the plague, malaria, cholera,—each, once the fear of every country, has in turn gone down before man's attack. Infantile paralysis still defies us, as we in the Philippines particularly, during the past few months too well know. But we also know that through cooperative work and sustained effort man can conquer also infantile paralysis. By coming here tonight we have taken our place in the ranks fighting for humanity, trying to make the world a little better because we have lived.

Surely this is the pathway through which to find true happiness. This is something of this happiness which I hope we can share tonight. Before closing, I want to express my appreciation and that of the International Foundation to President Quezon for his cooperation and effective assistance. Always ready to help in fighting against human suffering, he has thrown himself into this cause with characteristic generosity and unselfishness. I also want to thank the able Chairman of the Philippine Committee, Judge Haussermann, and his unselfish co-workers here in Manila and in the other chartered cities for the splendid and determined way in which they have thrown themselves into the work so as to ensure its success. To all you who have helped through personal effort and to all the have helped through contributions, both Americans and Filipinos as well as those of foreign race, I want to express the sincere gratitude not only of myself but of untold nameless children who in the days to come will receive blessing, perhaps all unconsciously, through your efforts and your help."

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# The Philippines Herald

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PIONEER FILIPINO DAILY IN ENGLISH ESTABLISHED IN 1903  
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Fearless



First In  
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First In Truth

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MANILA, PHILIPPINES, TUESDAY, JAN. 30, 1940

## Editorials

### To Franklin Roosevelt, Greetings

THE Filipino people pay their respects today to Franklin D. Roosevelt, president of the United States and their steadfast and loyal friend. On this, his 58th birthday, they are proud to be able to recall that their association with him for nearly eight years now has been most fruitful in acts of sympathy, understanding, and simple justice.

It was during the administration of President Roosevelt that the Tydings-McDuffie Act was approved. During his administration also the Joint Preparatory Committee on Philippine Affairs was created. Subsequently, the Tydings-Kociaikowski Economic Adjustment Act was passed. He has sent as the second United States High Commissioner to the Philippines a man whose friendly attitude towards the Filipino people and solicitude for their welfare is a worthy counterpart of his own. Today, the people of this country may confidently look forward, during the remainder of his term, to an unobstructed movement along the lines already marked out by his oft-expressed sympathy for the well-being and the aspirations of the Filipino people.

In paying their respects to this great American, the Filipinos pay homage also to the generous spirit that has inspired American rule over their country. Whatever, therefore, the future may bring, and regardless of the political developments in the United States that may or may not result in his being called for another term in the White House, the Filipino people are confident that the foundation of an enduring policy of friendship and cooperation between the Filipino and the American peoples has already been laid beyond the power of anybody else to overturn or destroy.

Address by Francis B. Sayre  
the United States High Commissioner  
to the Philippine Islands  
at Washington's Birthday Rally, on  
Thursday, February 22, 1940, at  
9:15 a.m., Metropolitan Theater, Manila, P.I.

We are gathered together this morning to celebrate the birthday of a very great man. Sometimes, I suspect, the fact that he was the Father and the first President of a nation which has become one of the most powerful of our day obscures the true greatness of the man. We are apt to forget that he was a man of flesh and blood and passion, confronting overwhelming difficulties, often thoroughly discouraged and disheartened, again and again facing apparently sure disaster, yet never admitting defeat.

He was the man to whom his countrymen turned when, fired with reading Eighteenth Century philosophers, they resolved to declare their independence of a government which followed the common and accepted practice of exploiting its colonials for its own benefit. Governments, they held, exist for the benefit of the governed and must be made subordinate to individual human rights and liberties. Listen to the flaming words of the American Declaration of Independence: "We hold these Truths to be self-evident, that all Men...are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness - That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed, that whenever any Form of Government becomes destructive of these Ends, it is the Right of the People to alter or to abolish it." Bold words these!

The question was whether this shining new philosophy, evolved by Eighteenth Century theorists, was practical and could be made to work. It had never been put to the actual test before.

In this bold experiment Washington dared to assume leadership. It meant war. He went into the struggle with scanty troops, which in the winter of 1776-77 had dwindled to only about 4000. Throughout the war he had to fight his battles and maintain his army he with insufficient munitions, insufficient money, insufficient food, insufficient clothing, and with no way of procuring adequate supplies. The Continental Congress failed him utterly. Every circumstance seemed against him. Up to the very end seeming defeat stared him in the face. In April 1781 he wrote: "We cannot transport the provisions from the States...because we cannot pay the teamsters...Our troops are approaching fast to nakedness, and we have nothing to clothe them with; our hospitals are without medicines...We are at the end of our tether."

Men today still wonder how, under the spell of that indomitable leader, victory was finally wrested out of defeat and the long hard struggle ended with the triumph of the youthful nation, pledged to a government founded on democracy and human liberty.

We delight to gather this morning to do him honor. Those who have never traveled far from home perhaps never can quite realize how thrilling it is for men and women of different ages and ranks and faiths to foregather and renew together their common allegiance and devotion to their country. Through these stirring days, when every part of the world is wracked with suffering and tragedy and disaster, we are beginning to realize as never before how blest we are to be Americans, - citizens of a country still enjoying the profound blessings of peace. I suspect that more and more of us these days are thinking about what it means to be Americans.

We have a great heritage. But at this time it is not so much the past, as the present and the future which most vitally concern us. The ideals of human liberty and democracy upon which our nation was built are more needed in the world today perhaps than ever before. Powerful nations have arisen to challenge them, denying the validity of Christian ethics, basing their ultimate faith upon physical force rather than upon right, suppressing individual human liberties in the deification of might and material power. They would make brute force the final arbiter of everything in the world.

In the final determination of this cataclysmic struggle I pray God that the United States will not be forced to take up arms. So far as one can see, the United States, if she measures up to the task ahead, will be in a position to achieve more for the world in the long run by not becoming a participant in the dreadful struggle. At the conclusion of the war America may have an opportunity such as seldom comes in history. What concretely will be her task?

First, she will have the immediate and pressing duty of binding up Europe's wounds. There will be shortages of foodstuffs, shortages of clothing, shortages of raw materials for factories and industries. The United States will be the reservoir of supply; and if Europe is to be saved from hunger and destitution and if her machinery of production is to be made to function again, the United States will have before it a major problem of distribution, which will have to be solved from the point of view, not of making money, but of building and reconditioning a shattered machine. We shall need reconstructed European markets if we are to sell our surplus production and keep our own people at work; but this is but a secondary consideration. The only way this task can be successfully performed is upon the basis of broad statesmanship rather than of narrow sectional self-interest or acquisitiveness.

Second, war means in large part the suppression of individual liberties and the interruption of ordinary processes of democracy. The more intense the war the greater the eclipse of individual

liberty

liberty and democracy. It is not unlikely that at the end of the European war the United States will be the remaining stronghold where individual liberty and democracy are still held sacred and remain unimpaired. It will then be our task to rekindle the torch in Europe so far as in us lies. To do this it is imperative that in a war-fevered world we retain our sanity and maintain our faith in tolerance and human kindness and Christian brotherhood. We must keep untarnished our guiding ideals of individual liberty and democracy if we are to make these live again among the peoples of Europe.

Third, with the close of the war huge bodies of men marching home from the battlefields will be out of work. Munition plants will close down. The returning soldiers will find their old jobs gone and many peacetime factories closed and out of repair. The economic world of Europe, both those nations which fought and many of those which remained neutral, will face shortage of capital, lack of raw materials, disrupted trade routes and nationalistic trade barriers effectively cutting off foreign markets in which to sell each nation's products. Industrial enterprise will have to shift from a war to a peace basis; and this will mean drastic dislocation, large-scale unemployment and serious social unrest. At such a time, if civilized standards of living are to be maintained, wise economic leadership by the United States will be a necessity. We must throw the powerful influence which is ours into a world-wide movement for the reduction of international trade barriers; for mounting barriers strangle international trade, upon which national standards of living directly depend. We must not allow our unhappy experiences of the Twenties in international lending to prevent our going forward when the time comes with international loans which are sound and good business risks. We must through the weight of our influence and example prevail upon other nations to supplant practices of economic discrimination by equality of commercial treatment, along the lines of the American trade agreements program. We cannot afford to repeat the tragic mistakes of the last post-war period. The duty of our own country with its inexhaustible supplies, its incomparable markets, its over-supply of gold and of wealth, is manifest. Wise and high-visioned economic leadership on our part is an obligation that we owe to civilization. Otherwise our own economy will crash with that of the rest of the world.

Lastly, it must be clear that if mankind is unable to supplant war by some other effective method for the settlement and adjustment of international disputes and misunderstanding, our civilization will surely crack to pieces. War, the ultimate appeal to force, has become too gigantic, too costly, too sweeping in its destruction of civilian and soldier populations to survive in the same world with civilized man. If mankind has the wit to make himself the survivor,

nations,

nations, even at considerable sacrifice and cost, must learn methods of cooperation which are practical and must achieve peaceful adjustment of their problems. If peace is to be enduring it must be an organized peace. The fact that the League of Nations did not prevent war does not discredit the principle of international cooperation. It means rather that we must put more earnest effort into finding better and more effective methods of international cooperation, and that all the great nations of the earth, victors and vanquished alike, must take an equal part in this work of organizing peace. Power and responsibility cannot be permanently divorced, and the United States must assume the responsibility that goes with her power. We no longer stand on the edge of things as we did through part of the Nineteenth Century. Twentieth Century America stands at the very heart of world civilization. We must discard Nineteenth Century small-town thinking, and instead think and act in terms of our Twentieth Century responsibilities. Upon our success in this depends our very survival.

These are some of the tasks which await us. Admittedly they are herculean, bristling with difficulties, perhaps seemingly impossible. But they are no greater than those which Washington faced during those tragic and heroic days of the Revolution. Imbued with the same supreme spirit as Washington manifested in those Revolutionary days of travail, undaunted, resourceful, unconquerable, may the American nation, grown now to strength and mature power, assume world leadership in the dark days ahead, helping the world to bind up the wounds of war and to find the road to lasting peace.

THE UNITED STATES HIGH COMMISSIONER  
MANILA

Personal and Confidential.

March 4, 1940.

My dear Mr. President:

Since writing you on January thirty-first, the date of the holding of the Democratic Convention has, as you know, been fixed for July fifteenth and, in view of this fact, I believe it would be well to modify the plan I suggested in my letter. If I should sail directly to America from Japan it would necessitate an unnecessarily long absence from Manila. In view of the lateness of the Convention, I believe now that the best plan would be to go to Tokyo to have a talk with Joe Grew in late April and to return here about the middle of May. I am accordingly cabling you today suggesting that I sail on the PRESIDENT PIERCE from Manila on April fifteenth, reaching Yokohama on April twenty-fifth in order to confer with Ambassador Grew, and that I stop off in Hong Kong on my return and fly up to Chungking to confer with Nelson Johnson.

For the reasons suggested in my last letter, it seems important that I keep in close touch with Washington. I want to keep abreast of changing developments and of the policies being shaped in Washington in the present swiftly moving drama. I am uncertain whether it would be best for me to come to Washington just before or just after the Democratic Convention. If it is in the stars, as I hope it is, that you will run for a third term, I want to do everything I can to further and support you; and, in that event, possibly you would want me in America at the time of the Convention. Unless I can be of real help to you, however, I believe it would be better for me to reach Washington immediately after the Convention.

In any event, it seems to me vital that I should lay the Philippine problem and the latest developments here before the nominee as soon as possible after the Convention and know his views and desires for the future so that I may do an intelligent piece of work out here. For these reasons, if it meets with your desires, I should suggest my taking the Clipper back to the United States in June or July so that I may have talks with yourself, the State Department, and other interested people in Washington, and then make a quick return trip to Manila. Will you please send me early instructions whether you approve

of

The President,  
The White House.

PSF IN 1610  
THE WHITE HOUSE  
MAR 16 9 03 AM '40  
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of my going to Washington and when, so that I can make the necessary plans and arrangements?

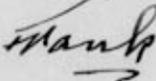
I have been pushing the passage of a new Immigration Bill by the Philippine Assembly to restrict future immigration into the Islands. Unless this is passed I fear the Filipino people will be faced here with another Oriental race problem, and it seems to me highly important that adequate legislation be passed without further delay. I am also urging the passage of tax legislation to exempt Americans serving the United States Government in the Philippines from having to make returns and pay taxes to the Commonwealth Government on their salaries received in the United States. This would cover Army and Navy officials as well as those acting in other United States Government services. I hope to see the Immigration Bill and this new tax legislation passed sometime this month.

We are anxiously awaiting your decision with regard to the name for the new residence in Manila. We moved into the offices of the new building two weeks ago and raised the American flag over the residence in an impressive ceremony attended by Thirty-first Infantry troops.

I rejoice that the House has passed the Trade Agreements Act without any crippling amendments. That means a splendid victory for the Administration, and I also feel it of immense importance to retain unimpaired the trade agreements program machinery for meeting the economic problems arising at the conclusion of the war. As I see it, America will have grave responsibilities and unique opportunities following the war. I enclose a copy of the Washington's Birthday address which I gave here outlining some of these problems as I see them.

I hope that you have had a wonderful trip with good fishing and a chance to secure a richly deserved rest and a fresh store of health and strength for the days ahead.

Affectionately yours,



Enclosure.



THE WHITE HOUSE  
WASHINGTON

March 7, 1940.

MEMORANDUM FOR  
THE SECRETARY OF STATE  
FOR RECOMMENDATION

F. D. R.



DEPARTMENT OF STATE  
WASHINGTON

March 8, 1940.

MEMORANDUM FOR THE PRESIDENT

Referring to your memorandum inquiry of March 7 in regard to Mr. Sayre's proposed trips, I would suggest that, unless you have some special reason for desiring that he proceed as indicated by him, you reply to him somewhat as follows:

While I believe that trips to nearby countries might be useful, I suggest that, with a view to averting undesirable speculation, it would be well to have an interval of several months between any trip you may make to Tokyo and any trip to Chungking. I see no need at this time to ask you to return to this country after making such trips, especially in view of the fact that Ambassador Grew is planning to come to the United States on leave in May.

OK

CH

PSE  
Hilmer

PSF Inclusion

THE WHITE HOUSE  
WASHINGTON

March 15, 1940.

MEMORANDUM FOR  
THE SECRETARY OF THE INTERIOR

Will you transmit the  
following cable to Sayre from  
me:

"While I believe that  
trips to nearby countries  
might be useful, I suggest  
that, with a view to averting  
undesirable speculation, it  
would be well to have an  
interval of several months  
between any trip you may make  
to Tokyo and any trip to  
Chungking. Delighted to see  
you here. Approve appointment  
Golden Bell as Acting High  
Commissioner during your  
absence.

F. D. R.

March 25, 1940.

Dear Frank:

I have been laid up for the past week with a mild but annoying kind of flu and yours of March fourth came but a week ago.

It seems to me that your idea of going to Japan in April is good but as I telegraphed you, the State Department seems to think it would be a mistake to do Chungking on the same trip.

Also, I like the idea of your coming back to Washington, later on. I suggest that you get here about July first, which will be immediately after the Republican Convention and two weeks before ours begins. Unless there is some particular reason for a quicker return to Manila, I see no reason why you should not stay in this country until August first, thus giving you a chance to talk with many people.

I am glad you are pushing that new immigration bill and also the tax legislation.

I am doing everything possible to have the money restored for the maintenance of the new Residence. Congress is in the funny frame of mind of being savagely interested in cutting out five or ten thousand dollars here or there from appropriations for minor items, like this one, and then the next day demanding \$100,000,000 for additional river and harbor "pork barrel" projects. Same old story.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY

- 2 -

My best to you both.

As ever yours,

(Signed) Franklin D. Roosevelt

Honorable Frank Sayre,  
The United States High Commissioner,  
Manila, P. I.

FDR/dj

PSF Interior

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY

WASHINGTON

MAR 27 1940

Mr. Rudolph Forster,  
Executive Clerk,  
The White House.

My dear Mr. Forster:

I enclose a copy of a radiogram addressed to  
the President by the United States High Commissioner  
at Manila.

Sincerely yours,



First Assistant Secretary.

Enclosure 1352955.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY  
WASHINGTON

MAR 27 1940

Mr. Rudolph Forster,  
Executive Clerk,  
The White House.

My dear Mr. Forster:

I enclose a copy of a radiogram addressed to  
the President by the United States High Commissioner  
at Manila.

Sincerely yours,

(Sgd.) E. K. BURLEW  
First Assistant Secretary.

Enclosure 1352955.

The White House  
Executive Clerk  
No. 3000 7th St. N.W.

WASHINGTON  
OFFICE OF THE SECRETARY  
DEPARTMENT OF THE INTERIOR  
UNITED STATES

*file Personal* *BSF*

Translation of Radiogram in Code Received March 25, 1940. deb.

HAMPTON.  
Interior Department.  
Washington.  
March 25. - No. 191.

CONFIDENTIAL. For the President: Appreciate your radio of March 16th. Unless you radio me to the contrary I plan in accordance with your radio and previous letter to sail from Manila on April 15th on S.S. PRESIDENT PIERCE reaching Yokohama April 25th in order to confer in Tokyo with Ambassador Grew and to return on S.S. PRESIDENT TAFT leaving Yokohama May 4th and arriving Manila May 11th. I will not proceed to Chungking. Plan to announce to press next week that I am going to Tokyo merely for the sake of keeping in touch with my friend, Joe Grew.

SAYRE.

PSF Interview

Memo for the President from D. J. Callaghan-March 5, 1940

Re: Attached copy of letter to Sec Ickes from Gov Leahy-  
Puerto Rico--Feb 27, 1940 re Communists & Nationalists on the Island.  
Also attached is memo to Sec Ickes from the President,  
asking him to speak to him about the situation.

See: Ickes folder-Drawer 1-1940

*file*

THE WHITE HOUSE  
WASHINGTON

INTERIOR DEPT.  
RECEIVED  
MAR - 8 1940  
OFFICE  
THE SECRETARY

March 7, 1940.

*John*

MEMORANDUM FOR  
THE SECRETARY OF THE INTERIOR

Will you speak to me  
about this?

F. D. R.

THE WHITE HOUSE  
WASHINGTON

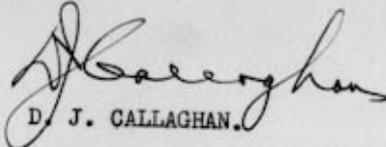
March 5, 1940.

MEMORANDUM FOR

THE PRESIDENT

I am forwarding herewith copy of a letter received by me from Admiral Leahy, together with an enclosure to his letter, for your information and perusal at such time as you may have leisure to look the papers over.

Respectfully,

  
D. J. CALLAGHAN.

PFF - Leha

LA FORTALEZA  
Puerto Rico

San Juan, Puerto Rico,  
29 February, 1940.

Personal & Confidential

Dear Dan:

I am sending you herewith a copy of a letter mailed this date to the Secretary of the Interior for his information, with the thought that perhaps the "Boss" might like to see it in one of his rare minutes of leisure.

The Communists and the Nationalists on this little Island are combined in open opposition to the Government as is clearly shown in this communication.

I am having the Attorney General look for some law that might be invoked in restraint of their subversive activities; but freedom of treasonable speech seems to be so well established here that for the present it appears wise to leave the safety valve open.

It appears certain that if we should get involved in the present war, we would have at least a couple of thousand active Puerto Rican enemies within our lines. At that time the difficulty of handling them will be reduced.

We are, of course, keeping the local Army authorities fully informed in regard to the matter. I am sorry it was not possible for you to honor us with a visit while on your southern cruise and we hope for better luck next time.

With expressions of personal regards,

Sincerely,

/s/ LEAHY.

Captain D. J. Callaghan, USN,  
Navy Department,  
Washington, D. C.

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 5(D) or (E)

Inquiry letter, 11-3-77

By RT NARS Date APR 13 1973

(COPY)

LA FORTALEZA  
PUERTO RICO

San Juan, Puerto Rico,  
27 February, 1940.

Confidential.

The Honorable  
Harold L. Ickes,  
Secretary of the Interior,  
Washington, D. C.

My dear Mr. Secretary:

For your information I regret to report that there has in the last few days been a renewal of activity on the part of the so called "Nationalist" party which advocates independence for the Island of Puerto Rico.

We have reliable information that a plot has been formed to effect with outside assistance the escape of persons now in prison in San Juan under life sentence imposed by a local Court for the attempted assassination of Governor Winship and the killing of Colonel Irizarry at Ponce in July, 1938.

I believe that with the advantage of advance information the Department of Justice will take such precautions as are necessary to prevent the planned escape.

The following quoted reports, all of which have been given to the Military authorities in San Juan for their information, give clear indication of the purpose of the Nationalist movement and the direction in which it may be expected to move.

We hope to be able to confine their efforts to talking, and it is reasonable to expect that we can avoid any violent action by groups of those who are now doing the talking, except by individual fanatics, and unless some of the known assassins escape from prison or return to Puerto Rico from the continent:

(translation from Spanish)

"San Juan, P.R., Feb. 19, 1940.

No. 3073

Subject: Communist meeting held on  
Baldarrioty Square, San Juan, P. R.

To: Chief of the Insular Police, DECLASSIFIED  
San Juan, P. R.

E. O. 11652, Sec. 3(E) and 3(D) or (E)  
Interoffice letter, 11-3-72  
APR 13 1973  
By RT NARS Date

1. I have the honor to inform you that on the night of November 11, 1939, on Balderricthy de Castro Square, San Juan, a Communist meeting was held at which Detective Marcelino Santiago was present and the following persons made speeches:

CESAR ANDREU, white, 26 years of age, native and resident of San Juan.

JUAN SANTOS, white, 30 years of age, native of Aguas Buenas and resident of Barrio Savarona, Caguas, P. R.

ALBERTO E. SANCHEZ, Secretary-General of the Communist Party in Puerto Rico; white, 36 years of age, native of Aguadilla and resident of San Juan.

DOCTOR J.A. LANAUEEE ROLON, brown complexion, 40 years of age, native of Coamo and resident of 7 Victoria Street, Ponce, with office at 21 Vives Street, that city.

2. During his speech César Andréu stated that our "jíbaros" (country people) had been thrown out of their shacks in Aguadilla by the Federal Government to establish an air base thereat, and that the imperialist regime in Puerto Rico was to blame for our women having been prostituted.

3. Juan Santos in his speech said that the Russian government is where workers are paid best and that they are not exploited there like they are exploited here; that the President of the United States used to say that he would not go to war and on the other hand he was extending aid to other countries; that those who propagate the idea that Germany is defeated are mistaken, and that the Puerto Ricans must be made to understand that the United States is cheating them.

4. Alberto E. Sánchez spoke about the Soviet Union stating that in Puerto Rico they believe that Russia has double-crossed her ideals for a piece of land in Poland, while this was a lie; that the newspaper "La Correspondencia" de Puerto Rico" has changed the cable dispatches on the Russian question, and that the newspapers of the island belong to the burguess class in their majority. He further stated that Communism had doubled in Puerto Rico and that they were ready to repulse any blow or aggression that may be carried out against the Soviet Union; that the President of the United States regrets the Finland situation but

that he is not sorry for the Puerto Ricans; that in Puerto Rico they had incarcerated six Puerto Ricans for conspiring against the Government of the United States, such conspiracy being a lie, and that the guns now found in Puerto Rico should be used to expel the Americans herefrom.

5. Doctor J. A. Lanauze Rolón explained that the war in Europe was stupid and moved by imperialistic egotism in which workingmen had nothing to defend. He stated that Communists are persecuted in France, England and in the United States, and that the present war would end in triumph for the Communists due to the fact that England, France and the U.S. have many Lenines.

6. The meeting was closed at 11:15 PM. without incidents. The speaking stand was decorated with two red flags and a Puerto Rican flag.

(Signed) Tomás J. Llorens,  
Chief of the Detective Bureau."

"3/251

February 27, 1940

The Honorable  
The Governor of Puerto Rico  
San Juan, P. R.

S i r:

Pursuant to what I promised Your Honor during my visit to you last Saturday, I beg to enclose herewith a report, translated to English, which I have received from the Chief of the Detective Bureau on the Nationalist Party Convention held in San Juan the day before yesterday.

Members of the Detective Bureau and of the police force were detailed for duty at convention hall, one of the detectives, who is also a stenographer, taking down the outstanding speeches made at this convention, as the same appear in this report.

Several resolutions were approved at the convention and, for the information of Your Honor, I am also enclosing a translation of the most important ones.

Both the speeches and resolutions reveal that these people are once more trying to create on the Island the same situation of past years when terrorism and bloodshed were

spread about our communities through the hatred and criminal ends which attended all their subversive actions, for which reason I most respectfully suggest that copies of these reports be referred to The Honorable The Attorney General of Puerto Rico for consideration as to whether the persons referred to in these reports are liable for criminal action under the laws of Puerto Rico.

Respectfully,

(Signed) Enrique de Orbeta,  
Chief of the Insular Police.

Enc. 4  
(Copy of letter to Colonel Ferrin)."

"Translation from Spanish

"Detective Bureau  
San Juan, Puerto Rico  
February 26, 1940

Subject: Nationalist Assembly.

To: Chief, Detective Bureau  
San Juan, Puerto Rico.

1. I beg to inform you that on the 25th instant, a General Assembly of the Nationalist Party was held at the Ateneo de Puerto Rico, about two hundred fifty persons attending the same, which was opened at 10:20 AM. Below I am giving you such topics as to my understanding were worth noting down, as follows:

(a) Mr. Ramón Medina, Acting President of the Nationalist Party, took the floor and spoke as follows: "It is approximately two years that Beauchamp and Rosado were shot down in the Police Station of San Juan, and I don't want that any other martyr like Rosado and Beauchamp be taken out of this Assembly. I want to tell you that history repeats itself in Puerto Rico, and that the independence ideal is felt among the good Nationalist Puerto Ricans. To Dr. Pedro Albizu Campos (Nationalist President) what they did was to frame him up to put him in prison; he did not commit any crime, and as he had done nothing, still the government represented by United States Attorney Snyder charged him with anything, like Al Capone, who after being charged with various crimes he could not be proved guilty thereof and finally they sent him to prison for not paying his income tax. Governor Winship, the human beast, came from the United States to try to exterminate the Nationalists and shoot them all. The good

Nationalists, to avenge the Rfo Piedras massacre, killed the one who was responsible for it, Colonel of Police Mr. Riggs, and then in the Police Station they killed Beauchamp and Rosado. The most criminal government in the world is the Government of the United States, and I am sure that if they want to put me in jail, or kill me, just with a search warrant the police would search my house and, even though no revolvers, machine guns or cannons are found thereat, I am sure that they would say that they found all those arms in my house, thus to frame me up and put me in prison, I am sure. Governor Leahy is a puppet of the American Government in Puerto Rico. He has control over all the portfolios of the government and he has been informed that we are gangsters past due for assassination, and I tell the Governor that he can shoot whenever he wishes to, for we fear no cannons or machine guns because we have better arms than they do, that is, the idea."

(b) Said Dr. José Lamauze Rolón: "We the Communists back up the Nationalist Party in all its ideas and will cooperate with the Nationalists. I want you to know that the Communist Party of the United States is the greatest defender the Nationalist Party of Puerto Rico has and that we are the defenders of the independence. Yankee imperialism is the enemy of our independence. Guba, Santo Domingo and Puerto Rico form part of the American government because the latter owns shares in their mines, sugar mills and all that is exploitation of the American dollar. We want independence for Puerto Rico, the sooner the better, but we want to know which kind of republic or independence the United States is going to give us; there will be no independence without the workers' masses, and all of us must be united so that the movement may be more solid and united we may be able to ask for independence."

(c) Mrs. Martha Alomar, representing "Acción Nacional", said: "The Puerto Rican Press is not good for Nationalist writers because they would not publish the truth about Nationalism."

(d) Mr. Luis Vergne Ortiz, President of the Communist Party, said: "I want this Assembly to be a unifying convention of all the Nationalists of Puerto Rico. I have never failed to be a Nationalist, and live proud of it. We live a life of reaction ever since that killer named Winship came to the island, and I say that reaction is being felt since very long ago. How we hear talking about bread, land and liberty, and we the Nationalists have a right to say liberty, land and bread. The most perverse party in Puerto Rico is the Popular Party. English and American bandits have gone to steal oil in Mexico. Let us do like the Spanish "jibaros", who

when the opportunity came they fell statues, assaulted barracks and grabbed the arms to fight for their freedom."

(e) Mr. Baltazar Quiñones said: "I think we will have the republic in Puerto Rico soon, and then we shall be able to write freely in the newspapers. This is a revolutionary movement, but not a movement of rifles, but of ideas. Our independence is not to be asked but to be fought for, so that we may be respected and that our children may be proud of it."

(f) Mr. Hernández Vargas said: "This is an epoch when they want to make peons out of us. Men are sold out to the P.W.A. In the University of Puerto Rico I have seen how the régime attempts against the lives and aspirations of the one hundred fifty men in that place."

2. I further report that when the speeches ended they went about the business of designating the various committees which would represent the Nationalist Party on the Island. Mr. Ramón Medina Ramírez, Acting President of the Nationalist Party of Puerto Rico, took the floor and tendered his resignation as Acting President of the Party on the basis that his health condition was not so good and because of the excessive volume of work in that position. Then delegate Armino Cadilla requested the Assembly not to accept Mr. Medina Ramírez's resignation and that the Assembly should reappoint him by acclamation, which was done, Mr. Medina remaining in his position of Acting President of the Nationalist Party of Puerto Rico. The remaining members of the Board of Directors of the Party were appointed as follows: Mr. Castro Quesada, Secretary-General of the Party; Mrs. Angelita Rondón, of Río Piedras, Treasurer-General, and Mr. Ermelindo Santiago, of San Juan, Collector-General of the Party. Also, two delegates were appointed for each town of the Island, but it was impossible to note down their names.

3. The work at the Assembly was brought to an end in complete order at 7:45 PM., and during my stay there there were no incidents worth mentioning.

(Signed) José Ramón Rivera,  
Asst. Detective

#4048

San Juan, P. R., February 26, 1940

Respectfully referred to the Chief of the Insular Police,  
San Juan.

(Signed) Tomás J. Llorens,  
Chief of the Detective Bureau."

"Translation from Spanish

A RESOLUTION ADOPTED BY THE NATIONALIST PARTY OF PUERTO RICO DURING ITS CONVENTION IN SAN JUAN ON FEBRUARY 25, 1940:

'The Nationalist Party of Puerto Rico declares: That it is reaffirmed once more in its decision of non cooperation toward the régime which intervenes in our destinies. That one of the most practical forms of such non cooperation is the electoral abstention, and, therefore, it inalterably maintains its purpose of not attending the colonial polls, the resolutions to that effect approved by previous conventions remaining effective and in full force. That every Nationalist is bound to abide by these decisions of the sovereign assemblies, and whoever shall violate that discipline shall place himself "motu proprio" outside the liberating movement of Puerto Rico."

ANOTHER RESOLUTION ADOPTED BY SAID PARTY AT THE SAME CONVENTION:

'That every section of the Nationalist Party be instructed to give its most decided cooperation to every movement of the working class in its just claims for the improvement of living conditions against the huge interests which exploit it and which amass large capitals at the cost of workers' sufferings and their children's misery.

'To unite with that suffering people in frank and vigorous protest at any time they might try to use them as cannon stuff in support of imperialism capital, which after amassing riches with the sweat of men's brows and the tears of women, it also requires their blood for the defense of their interests."

ANOTHER RESOLUTION ADOPTED BY SAID PARTY AT THE SAME CONVENTION:

'1. That the only sovereign in Puerto Rico is the Nation of Puerto Rico;

'2. That the Nation of Puerto Rico is the only power with a right to establish what can be done and what can not be done in Puerto Rico, be it with relation to its territory or its people;

'3. That no foreign power has a right to intervene in Puerto Rico.

'4. That the military intervention of the United States of North America in Puerto Rico is illegal wherefore it is contrary to the will of the Puerto Rican Nation to be free and independent, and violates the international rights, founded

on the principle of the inviolability of liberty or independence of the nations and of the Puerto Rican autonomy recognized by the Mother Country Spain, by Decree of Her Majesty Maria Cristina, Regent Queen, dated November 25, 1897;

'5. That every action of the United States in Puerto Rico, during the military intervention, is illegal, whether executed in relation with its territory or with the people of Puerto Rico;

'6. That as a consequence of the illegality of the intervention of the United States in Puerto Rico, none of its dispositions are obligatory to the Nation of Puerto Rico;

'7. That the Nationalist Party of Puerto Rico, as the legitimate organization of the Nation of Puerto Rico for the rescuing of its sovereignty, reaffirms its decision to struggle in the form required by the resistance of the United States of North America, to bring about the evacuation of the Puerto Rican national territory, until securing the restoration of the free, sovereign and independent Republic."

ANOTHER RESOLUTION was approved 'to make a call on all Puerto Ricans of good will desirous and willing to struggle for the independence of Puerto Rico, inviting them to join Puerto Rican Nationalism as the best practice to form a united front for the defense of our country'".

A RESOLUTION which was introduced "that Nationalism appoint plenipotenciary delegates to discuss the military evacuation of Puerto Rico and the acknowledgment of the Republic of Puerto Rico with the Department of State of the United States, after ample discussion of legal character", remained pending and the National Junta was authorized to appoint a special committee to make a study of the proposition and render a report to a special assembly.

ANOTHER RESOLUTION was approved to "express acknowledgment to all men and women of the world who have shown solidarity toward the Nationalist cause, and to whom the gratitude of our country is obliged".

A COMMUNICATION will be sent to the Vatican "expressing protest from the Nationalist Party for the honors accorded ex-Governor Blanton Winship through the apostolic delegate who visited Puerto Rico".

AGAINST MILITARY PREPAREDNESS A RESOLUTION was approved as follows: "The Nationalist Party reaffirms its declaration that Puerto Rico is by right a free and sovereign people and does not recognize the military dictatorship that the Government of the United States has by force imposed on our territory.

"2. That the landing of military forces and war paraphernalia that is being effected in Puerto Rico, day after day, is a consequence of the state of undeclared war existing between the People of Puerto Rico and the United States of America, while on the soil of the intervening nation the most cynical battles are being fought in defense of the Liberty and the Rights of weak countries.

"3. That the Nationalist Party make a call to all other parties so that, recognizing as they do the sorrowful prison confinement to which all Puerto Ricans have been submitted within the walls of the military fortress into which the American government has turned the Island, they demand with dignity the freedom of the country from the authorities at Washington, and that likewise those intellectuals dedicate their efforts to raise public opinion throughout the world, especially in South America, against the aggression which for all the Americans as well as for Puerto Rico symbolizes the enslaving of our people, and moreover, the construction of naval and military bases on our territory"

A RESOLUTION was also approved "to condemn the penetration of armed military forces of the United States in Puerto Rico, jointly with the abusive activities which these same forces have been committing against the Puerto Ricans, and that by the Nationalist Party a call be made to all Puerto Ricans, so that against the aggression by those military forces they present a united front (1) through general protest and (2) through force, if it be necessary; always having in mind that against tyranny there exists only one crime, that of allowing it to subsist".

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I do hereby certify that the above is a true and correct English translation of the above Resolutions published in the February 26, 1940, issue of the newspaper "El Mundo".

San Juan, P. R., February 27, 1940.

(Signed) Rómulo Serbiá,  
Typist and Translator, I.P.D."

Letter by Paul E. Castro, published in "La Correspondencia de Puerto Rico", of 9 February, 1940.:

"The Resident Commissioner has just sent to Mr. Francisco M. Zeno, Director of "La Correspondencia de Puerto Rico" a letter. Of course it is not for Mr. Zeno, however, it is for the entire country. In it Mr. Bolívar Pagán formulates the thesis of Puerto Rican nationalism expounded since 1922; that the cause of the ills that we suffer is the lack of our sovereignty.

Exactly, Mr. President of the Socialist Party, we are lacking sovereignty and when a people lacks sovereignty it is at the mercy of the group or organization that is performing in its stead. The sovereignty of Puerto Rico that was given to Puerto Rico by Spain, in order to introduce the Autonomy Charter, that was snatched away by the United States in the most crooked manner in history. A Government reputed to be the most democratic in the world, under the shelter of that reputation, grabbed the Constitutional Charter that would make us free - the charter that we should have been able to retain in spite of the change of domination - in order to test the methods of the "Americans", a colonization system that would come to be known as methods of barbarism, being applied to a people of civilization and culture different and superior to that of the invaders.

Consequently with that which has come to be preached Mr. Bolívar Pagán, but not with that which has come to be felt and thought a Resident Commissioner alleges that the sovereignty takes root in statehood, similar to Independence. On this point we disagree and let us see if we cannot demonstrate our reasons.

The entry of a political body within the confederation of the United States is to be effected by the voluntary act of said political body which exercises its sovereignty in order to enter. But upon making said move it makes a complete surrender of its sovereignty, renouncing to the confederation, - provisionally as was believed by the original states upon their entering but actually surrendering completely - as was discovered by the law which was imposed as a reaction of the conquerors in the Civil War. Since then, it has been well said Mr. Bolívar Pagán "the Union is one and forever; one and inseparable..." And in the internal life of the United States all the states have come to be provinces when not colonies exploited by the imperialistic capitalists of the State of New York, which in reality exercises the governing power in the United States. There exists a fight in the United States tending to recover to the States their own sovereignty. By that fight there is shown their attitude, that of California in the case of Japanese immigration, the government of H. P. Long of Louisiana, the Texas block that probably will carry to the Presidency of the Nation

a Texan, Garner, in spite of the opposition of the northern states, involving all the outrages against the Mexican frontier.

All of this proves the lack of sovereignty in the States of the Union and the experience acquired in the evil deed of entering the Union. Nothing will serve to remedy the evil of entering in the confederation because they (the states) handed over their sovereignty upon entering into a federal conglomeration and they (the federal U.S.) will govern omnipotently, not for the good of humanity as they should, but, unfortunately, arbitrarily and conveniently to one state only, that one state, a city, New York, whose imperialistic tentacles extend throughout the North American nation with such avidity that they include the colonies, such as Puerto Rico, the Philippines and Hawaii, and the semi-colonies of Cuba, Panama, Nicaragua, Honduras and Venezuela.

Do the Puerto Ricans know that they will be entering the Union forever? Why should we engage for eternity in an adventure that we know has not succeeded well for 40 years with the 48 states that now exist? Only the political sponger is capable of not seeing in the future the extent of the misfortune of this island, chained in perpetuity, to the group of States that logically will do all possible, each one to the other, to defend its own local interests without considering the damage that will be caused to its neighboring state. And in that horrible rivalry, Puerto Rico will have small possibilities. It will come to be the eternally ill treated, (or hated) this time without having the ray of hope of liberation, that we have today, because upon ceding our sovereignty we enter forever in the evil that Bolívar Pagán knows is the cause of all of our misfortune, the lack of sovereignty.

Puerto Rico has today its sovereignty, subjugated by force, but it has it. It is there, latent, waiting the moment to perform in behalf of the country in behalf of Puerto Ricans. Each step toward absolute independence is a step toward obtaining her true sovereignty. That sovereignty we will not gain by the cowardice of some, by the treason of others and by the indecision of those that have actually in their hands the means of obtaining it. The cowardice of fear of making rectifications in the "Republicans", the treason of the "Liberals" that maintain an ideal for mercantile ends, and when they assume the possibility of placing it, they can be found more in love with the cane than with dignity; and by indecision, that of the "Nationalists", who are able to make independence with a little more force, with a little more distrust, that is to say, with

having less confidence in the kindness of men who preached for independence and later laugh at it. The Tydings Bill was not the beginning of ruination, nor was it disconcerting. It was the commencement of the true fight of the majority of our people, because in the face of adversity, Puerto Rico had learned to be a virile people, of necessity being cemented into a national sovereignty upon a solid basis.

Independence may be as they maliciously predict, the inconsistent merchants of the colonial body politic; (1) the reign of terror, (2) the dictatorship, (3) the caciquism.

There may never be a complete cessation of the relations with the U.S. The first will not be possible because of the innate good culture of our country and we hope that the hosts of the socialists of Bolívar Pagán will have learned the lessons of civilization that their apostles have pretended to teach the people. The second will not be, because the U.S. needs from us more than we need from them and already they occupy themselves with maintaining good relations with neighbors so useful to their interests of self defense.

With the friendship of the U.S. - or without it, Puerto Rico has a right to her sovereignty. If the United States detains that sovereignty she is our enemy; if she recognizes and protects it, she can be counted as one of our friends. As Puerto Ricans we are under obligation to obtain our sovereignty for our country as much for the dignity of the people as for pure necessity, in order that our masses will not die of hunger. The working people ought to have cognizance of the problem and to awaken to the logic of their numbers. From studies effected upon federal entities (the Brookings Institute, the PRRA, etc.) we know what are the losses of Puerto Rico under the administration of the "Yankees". These are not "Nationalist(s)" figures that can be criticized as impassioned or stretched out: 40,000 landholders converted into proletarians; about 300,000 heads of families unemployed; alarming increase of tuberculosis owing to lack of food, that is to say, dying from hunger; ridiculous salaries of \$145.00 annually, that equals 40 cents daily, the same that is paid at times in Spain with the aggravation that here they have to have lunch away from their family. Forty cents to be divided among a family of five means that the poor in Puerto Rico, the working man, when working, has to live on 8 cents per day, per person.

In resumé it is not possible to feel worse under the protection of the flag of a democracy, the flag that is held so high, than to be covered under the shade of the soil; and democracy that is so quackish and rancid as has never before existed and has become masquerade of the most odious economic imperialism.

With 40 years of horrible experiences, without counting the outrages of the military necessities, as in Point Barrow nor the insults of the marines and drunken sailors that inconsiderately are supported by their officers, the people of Puerto Rico must wake up to reality and demand by voice the immediate cessation of the "Yankee" invasion in Puerto Rico and make terms of peace and come within the good harmony that ought to exist between neighboring peoples, but with energy and character, necessary to demonstrate that we are not disposed to tolerate, any more, patiently, the brutal fact of our extermination.

There is a dilemma for Puerto Ricans: to die submitting to the eternal system of colonization, of hunger, of misery, and of dishonor; or the possible liberty before an energetic gesture - that does not have to be necessarily bloody - that will honor the personality of our people.

Sure of making a reasonable contract with the Government of the United States the "Nationalist Party" preaches electoral abstention. This growth of their revolution, civic and ordered, is sufficient to awaken the true democratic sentiment of the people of the United States who are disposed to recognize our sovereignty, so that, now, all we ask for is to dedicate ourselves to unanimity that is, the so called dominion, which will demand as a condition a means in order to solve our problem."

Sincerely yours,

William D. Leahy,  
Governor.

WDL:EM

**ACTION**

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NAVY DEPARTMENT

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NPM 1751 RADIO MANILA CK331 GOVT INT PRIORITY FIFTEENTH 0324  
GOVT INT THE PRESIDENT THE WHITE HOUSE WASHN .

1940 MAR 15 5 11

**PRIORITY**

U. S. GOVERNMENT PRINTING OFFICE 4-7000

PERSONAL AND ~~CONFIDENTIAL~~ FOR THE PRESIDENT PARAGRAPH IN  
CONSIDERING ANNUAL APPROPRIATION BILL FOR NEXT FISCAL YEAR HOUSE  
OF REPRESENTATIVES CUT APPROPRIATIONS FOR HIGH COMMISSIONERS  
BUDGET BY SOME EIGHTEEN THOUSAND DOLLARS COMMA NAMELY  
FROM ONE FIVE NINE THOUSAND DOLLARS AS RECOMMENDED BY BUDGET (50)  
BUREAU TO ONE FOUR ONE THOUSAND DOLLARS PERIOD ONE FOUR ONE THOUSAND  
DOLLARS IS SUBSTANTIALLY LESS THAN APPROPRIATION FOR HIGH COMMISSION-  
-S OFFICE IN ANY PREVIOUS YEAR PERIOD BUDGET WAS CAREFULLY PREPARED  
BEFORE MY ARRIVAL PERIOD IT COVERS ONLY ITEMS WHICH I DEEM ESSENTIAL  
FOR PERFORMANCE OF <sup>WORK</sup>/(100) HERE AND FOR



ON  
NAVAL COMMUNICATION SERVICE

NAVY DEPARTMENT

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NPM 1751 PAGE 3.

U. S. GOVERNMENT PRINTING OFFICE 4-7900

PLANTING AND ALSO FOR NECESSITIES TO MAKE NEW RESIDENCE HABITABLE PERIOD UNFORTUNATELY IT WAS DESIGNED BY WASHINGTON ARCHITECTS FOR AIR DASH CONDITIONING WITH SMALL ROOMS COMMA LOW CEILING AND COMPARATIVELY SMALL WENDOWS PERIOD BECAUSE OF SUCH CONSTRUCTION I FEAR THAT WITHOUT AIR DASH CONDITIONING IT WOULD BE UNBEARABLE DURING SOME (250) NINE MONTHS OF THE YEAR PARAGRAPH I UNDERSTAND BUDGET AS CUT BY HOUSE IS SHORTLY TO BE CONSIDERED BY SENATE FINANCE COMMITTEE PERIOD I GREATLY HOPE YOU WILL FEEL ABLE TO COMMUNICATE WITH SENATOR PAT HARRISON AND ASK HIM TO MAKE A FIGHT TO OBTAIN ONE SIX EIGHT FIVE ONE (300)

... IT WOULD BE UNDESIRABLE TO  
... WITH THE VIEW OF SUCH CONSTRUCTION  
... IT HAS BEEN DESIGNED BY WASHINGTON ARCHITECTS  
... NECESSARILY TO MAKE THE RESIDENCE HABITABLE

NEW YORK PAGE 3.

ON

NAVAL COMMUNICATION SERVICE

NAVY DEPARTMENT

NPM 1751 PAGE 4.

RECEIVED AT ROOM 2523  
DI 2900-EXT. 87-187

U. S. GOVERNMENT PRINTING OFFICE 4-7500

SIX DOLLARS AS REQUESTED IF POSSIBLE OR AT LEAST THE ONE FIVE NINE  
THOUSAND DOLLARS RECOMMENDED BY BUDGET ~~MANAGEMENT~~ BUREAU IN ORIGINAL  
REQUEST PERIOD I SHALL VERY WARMLY APPRECIATE YOUR INTERVENTION  
SAYRE.

ø5ø5 BIMX 15 MAR.

**ACTION**

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**NAVAL COMMUNICATION SERVICE**

**NAVY DEPARTMENT**

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DI 2900—EXT. 87—197

NPM 1849 RDO MANILA CK 426 GOVT INT PRIORITY FIFTEENTH 1504

*3-15-40*

GOVT INT THE PRESIDENT THE WHITE HOUSE WASHINGTON 15 19 58

**PRIORITY**

U. S. GOVERNMENT PRINTING OFFICE 4-7000

PERSONAL AND ~~CONFIDENTIAL~~ FOR THE PRESIDENT PERIOD  
IMMEDIATELY AFTER SENDING YOU MY MESSAGE MARCH FOURTEEN I RECEIVED  
DISPATCH FROM THE DIVISION OF TERRITORIES AND ISLAND POSSESSIONS  
REPORTING THAT HOUSE APPROPRIATION BILL ELIMINATED FOLLOWING  
PHRASE FROM HIGH COMMISSIONERS APPROPRIATION COLON QUOTE OF WHICH  
AMOUNT NOT EXCEEDING TEN THOUSAND DOLLARS SHALL BE AVAILABLE FOR  
EXPENDITURE IN THE DISCRETION OF THE HIGH COMMISSIONER FOR  
MAINTENANCE OF HIS HOUSEHOLD AND SUCH OTHER PURPOSES AS HE MAY /  
PROPER UNQUOTE AND THE TWO PROVISIONS FOLLOWING ONE OF  
WHICH LIMITS SALARIES OF LEGAL ADVISER AND FINANCIAL EXPERT COMMA

DEEM

**VIA MSGR.**

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NAVAL COMMUNICATION SERVICE  
NAVY DEPARTMENT

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DI 2900—EXT. 87—197

NPM 1849 PAGE TWO

U. S. GOVERNMENT PRINTING OFFICE 4-7000

THE OTHER EXEMPTING FROM RESTRICTION OF SECTION THREE SEVEN NAUGHT  
NINE OF THE REVISED STATUTES PURCHASES NOT EXCEEDING ONE HUNDRED  
DOLLARS STOP WHILE I HAVE NO OBJECTION TO ELIMINATION OF  
FIRST PROVISO THE SECOND PROVISO IS USEFUL AND PRACTICABLE IN  
MAKING SMALL PURCHASES IN WHAT AMOUNTS TO A FOREIGN MARKET  
STOP HOWEVER I MUST SERIOUSLY PROTEST THE ELIMINATION OF THE  
TEN THOUSAND DOLLARS FOR MAINTENANCE OF HOUSEHOLD STOP THE  
FOLLOWING REASONS ARE SET FORTH AS THE BASIS OF MY PROTEST  
COLON PARENTHESIS ONE PARENTHESIS SECTION SEVEN PARENTHESIS FOUR  
PARENTHESIS OF THE TUDINGS MCDUFFIE ACT READS IN PART AS  
FOLLOWS COLON

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NAVAL COMMUNICATION SERVICE

NAVY DEPARTMENT

RECEIVED AT ROOM 2629  
DI 2900 — EXT. 87 — 197

NPM 1849 PAGE THREE

U. S. GOVERNMENT PRINTING OFFICE 4-7900

QUOTE THE UNITED STATES HIGH COMMISSIONER SHALL RECEIVE THE SAME  
COMPENSATION UNDERSCORE AS IS NOW RECEIVED END UNDERSCORE BY THE  
GOVERNOR GENERAL OF THE PHILIPPINE ISLANDS UNQUOTE STOP AT THE  
TIME OF APPROVAL OF THE ACT THE GOVERNOR GENERAL RECEIVED A  
SALARY OF EIGHTEEN THOUSAND DOLLARS PLUS FIFTEEN THOUSAND DOLLARS  
FOR MAINTENANCE OF HIS HOUSEHOLD AND SUCH PURPOSES AS HE DEEMED  
PROPER STOP IT IS MY UNDERSTANDING THAT COMPENSATION INCLUDES  
BOTH SALARY AND OTHER ALLOWANCES STOP PARTLY FOR THIS REASON THE  
SUM OF TEN THOUSAND DOLLARS PARENTHESIS IT SHOULD IN STRICT  
INTERPRETATION HAVE BEEN FIFTEEN THOUSAND DOLLARS END PARENTHESIS  
HAS ALWAYS ( 300 )

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NAVAL COMMUNICATION SERVICE

NAVY DEPARTMENT

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DI 2900—EXT. 87—197

NPM 1849 PAGE FOUR

U. S. GOVERNMENT PRINTING OFFICE 4-7000

HERETOFORE BEEN CARRIED IN THE APPROPRIATION FOR THE HIGH COMMISSIONERS OFFICE PARAGRAPH PARENTHESIS TWO PARENTHESIS OTHER OFFICIALS SUCH AS AMBASSADORS AND MINISTERS SERVING THE UNITED-STATES ABROAD REGULARLY RECEIVE REPRESENTATION ALLOWANCES PARAGRAPH PARENTHESIS THREE PARENTHESIS THE COST OF MAINTAINING THE SERVICE AND ESTABLISHMENTS PROVIDED FOR THE HIGH COMMISSIONER ARE SUCH AS WOULD WEIGH VERY HEAVILY AGAINST HIS SALARY STOP CUSTOM IN THE PHILIPPINES AS ESTABLISHED BY THE GOVERNORS GENERAL LAYS A SERIOUS BURDEN FOR OFFICIAL ENTERTAINMENT STOP I BELIEVE IT IS IMPRACTICABLE AND UNWISE AT THIS TIME TO CURTAIL SUCH EXPENDITURES AND OFFICIAL REPRESENTATION PARAGRAPH THE CUT IN THE APPROPRIATION TOGETHER ( 400 )

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NAVAL COMMUNICATION SERVICE

NAVY DEPARTMENT

RECEIVED AT ROOM 2629  
DI 2900 — EXT. 87 — 197

NPM 1849 PAGE FIVE

U. S. GOVERNMENT PRINTING OFFICE 4-7900

WITH ELIMINATION OF MAINTENANCE AND REPRESENTATION FUND WILL  
CREATE A MOST SERIOUS FINANCIAL AND ADMINISTRATIVE PROBLEM AND  
I SHALL PERSONALLY AND DEEPLY APPRECIATE YOUR SUPPORT

SAYRE

1945 BMMX15MAR40

PSF  
Interior

March 25, 1940.

Dear Frank:

I have been laid up for the past week with a mild but annoying kind of flu and yours of March fourth came but a week ago.

It seems to me that your idea of going to Japan in April is good but as I telegraphed you, the State Department seems to think it would be a mistake to do Chungking on the same trip.

Also, I like the idea of your coming back to Washington, later on. I suggest that you get here about July first, which will be immediately after the Republican Convention and two weeks before ours begins. Unless there is some particular reason for a quicker return to Manila, I see no reason why you should not stay in this country until August first, thus giving you a chance to talk with many people.

I am glad you are pushing that new immigration bill and also the tax legislation.

I am doing everything possible to have the money restored for the maintenance of the new Residence. Congress is in the funny frame of mind of being savagely interested in cutting out five or ten thousand dollars here or there from appropriations for minor items, like this one, and then the next day demanding \$100,000,000 for additional river and harbor "pork barrel" projects. Same old story.

- 2 -

My best to you both.

As ever yours,

*(Signed) Franklin D. Roosevelt*

Honorable Frank Sayre,  
The United States High Commissioner,  
Manila, P. I.

*Delano  
interest*

April 11, 1940.

Memo to General Watson from the President:

Re:appt to see Joe Guffey about sending Woodward's name up  
for appt to Maritime Commission and to tell Guffey that poor  
Woodward is being sued for his back salary etc.

Attached to the above memo are the following memos re Woodward:

Memo of April 9-1940 to the President from  
Steve Early re conversation he had with Mr.  
Frederic Delano etc.

Memo to Steve Early from Jim Rowe-April 9, 1940  
re Jerry Land and his talk with tht President  
about Woodward and Guffey etc.

Memo to the President from Jim Rowe--April 8, 1940  
re inquiry of Admiral Lands' who is interested to  
know whether President has been Guffey.

For the above memos----

See:Maritime Commission folder-Drawer 2-1940 (April 11, 1940)

*file personal*

PSF *9/15/40*

THE UNITED STATES HIGH COMMISSIONER  
MANILA

*Interson*

April 15, 1940.

My dear Mr. President:

It was heartening to receive your good letter of March twenty-fifth. I appreciated so much all that you said and was particularly gratified to know that you are doing "everything possible" to have the Senate restore the appropriation for the maintenance of the new residence and office building. Unhappily the building was designed by Washington architects who, I understand, have never been in Manila and it is so unsuited to tropical conditions that without air-conditioning I fear it would be unbearable for much of the year. We have now moved into the house and are hard at work trying to make it livable and comfortable. Much still remains to be done; but if our appropriations are not cut I believe in time the building can be made attractive. I greatly hope that some day you will be able to come out here and see it.

In accordance with your suggestion, I plan to sail for Tokyo this week and confer there with Ambassador Grew. I shall also see our Consuls in Hong Kong and Shanghai as I pass through. I am sure that it will be valuable to have first-hand information of the whole picture in China and Japan. I shall not, however, proceed to Chungking until sometime later in the year.

I shall plan to take the Clipper to the United States the latter part of June so that I can reach Washington about July first as you suggest. It looks to me as if the country, realizing that you are the one man best able to lead the nation through the crucial months ahead, may demand you for a third term so insistently that you will be unable to refuse. Personally, and for the sake of the country, I hope that things may work out this way and, if they do, I want to be of help to you in every way possible whether before or at the time of the Convention, or later.

If for personal reasons you decide that you cannot run, I am wondering whether Cordell Hull is not the next best man available. He possesses such integrity of character and outstanding ability, and commands such respect throughout the country, that I believe he would win the votes of many Republicans as well as of most Democrats.

The President,  
The White House,  
Washington, D.C.

I

I have just received a letter from Secretary Ickes regarding the refund of sugar excise taxes to the Commonwealth Government. In his cable to me of February fifth saying that "the President has instructed me to ask your views on this matter", he stated: "Apparently the thought is in the minds of some here that this sum or considerable part thereof (i.e., the sugar excise tax refund) might appropriately be used for national defense purposes." In his letter to me dated March 6, 1940, he states as his own personal view that the funds, if appropriated by Congress, should, if I understand him correctly, be earmarked in whole or in part for the military defense of the Islands. Under all the circumstances prevailing here, I cannot help wondering whether this would be wise. To quote from my cable in reply to Secretary Ickes of February 12, 1940, giving the picture as it appears to me from the viewpoint of Manila:

"Last November President Quezon told me that he planned to keep sugar excise tax proceeds intact until 1946 when they would be required to help finance the Commonwealth Government through the economic and financial strains and difficulties attendant upon assuming independence. My own belief is that these strains will be so severe that the independent Philippine Government will vitally need such resources and that such funds if appropriated could be devoted to no better use. Consideration might be given, however, to the advisability of providing in the appropriation act that the sugar excise tax funds must be kept intact and not transferred to the Commonwealth Government until date when Philippines become independent.

"I wonder whether it would not be a mistake for the United States Government to dictate to the Commonwealth Government the specific purpose for which these funds should be used. Congress in Act of August 7, 1939 provided that these funds should 'be used for the purpose of meeting new or additional expenditures which will be necessary in adjusting Philippine economy to a position independent of trade preferences in the United States and in preparing the Philippines for the assumption of the responsibilities of an independent state'. If we are to assist in preparing the Philippines for self-government, I believe that we must avoid too great paternalism in specifying exactly how they shall spend these funds. We should counsel and advise them but not dictate to them. We do not want to assume responsibility for what they do.

"Very confidentially, President Quezon has already discussed with me the problem of national defense. He seemed impressed with drama of Germany's conquest of Poland in spite of Poland's heroic financial contributions

toward

toward her military budget for many years. He seemed convinced that in view of their extended and unfortified coastline, especially Mindanao, the Philippines when independent with limited resources at their command could not be made secure against attack by a major world power and that all that could be done is to continue to appropriate such limited sums as could be had for military defense without increasing the present defense appropriations. His views have the support of many American military officials here whose judgment I value. I myself do not attempt to judge whether his views are right or wrong. But my feeling is that it would be the part of wisdom for us not to try to dictate to the Commonwealth Government on such a matter. If we should compel them to spend these funds for national defense rather than for weathering their economic difficulties following 1946 would we not be undertaking responsibilities and opening ourselves to blame beyond what is wise?

"Furthermore, in view of President Quezon's opinion that resources of Philippines do not warrant a large increase in military appropriations, it seems quite possible that earmarking sugar excise tax funds for military expenditures would result merely in freeing an equivalent amount of funds derived from other sources for the general expenses of the Government. In other words, the effect might be merely to remove the present limitations upon the purposes for which excise tax funds may be expended as provided in the Act of August 7.

"I have discussed this matter and shown this cable to General Grant who concurs in principle."

I am glad to report that the Immigration Bill, whose passage I have been urging upon President Quezon for some time, has just been successfully passed by the Assembly on second reading in spite of the Japanese influence against it. The annual quota of immigrants allowed to each country has been cut from 1,000 to 500. I am assured by President Quezon that it will be finally passed on third reading by the Assembly and signed by him this week. The Assembly has also passed on second reading the two tax bills which I have been urging for exempting United States officials here from an income tax by the Commonwealth Government on their Federal salary and also from a Commonwealth Government residence tax. These bills are of particular importance for our Army and Navy officers stationed here as well as for officials in other Federal services.

I enclose a snapshot of the raising of the American flag over the new residence and office building in Manila.

With admiration for your leadership during these dark and critical days, believe me,

Ever sincerely yours,

Enclosure.

*Frank Murphy*

# MANILA BULLETIN

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MANILA, P. I., WEDNESDAY, APRIL 2, 1940

## SAYRE'S WARNING

It becomes more and more apparent that High Commissioner Sayre is a man of breadth who combines practical administrative ability and capacity for detail with deep and sympathetic understanding of international human relationships.

As for the former qualities, those who are his close associates and those with whom he comes in contact in performing the duties of his office can best speak with authority. As for the latter, the comparatively rare occasions of his public appearance speak for themselves. Such an occasion was his address yesterday to University of the Philippines graduates.

From the time of his earliest public utterances as assistant secretary of state, Commissioner Sayre has pointed the full force of his good mind in the direction of upholding democratic ideals against the inroads of totalitarianism, bulwarking the principles of Christianity, and cogently supporting the economic policies of the state department and the administration in matters of reciprocal trade among nations.

Rarely has he been heard to better advantage on democracy and Christianity than yesterday. He was dealing with broad problems which must be the concern of every person who gives a thought to the future. When he told the university graduates that the day of their independence will mean not the end but the beginning of crucial years for the race he spoke with fundamental knowledge of hard facts.

"Do not be deceived," he said. "The most profound issues and struggles will come after independence, not before."

The thought is hardly new. It has been uttered in one form or another by every American administrator who ever was sent to the Philippines. But this time it was said with new emphasis, under changed and changing conditions in this country and in others. His words fell upon an audience which in years to come would bear the burden of those issues and struggles.

The High Commissioner's conclusions did not present a hopeless outlook. He made it apparent that his belief in the adaptability of democratic principles to this Asiatic country has not been shaken. But he was outspoken in his belief that the unfortunate manifestations of democracy, including bureaucracy, graft and unequal distribution of the abundant things of life, present great potential dangers.



PSF: Interior Att. 4-15-40

High Commissioner's residence and  
office building at Manila.

*Interview*

THE UNITED STATES HIGH COMMISSIONER  
MANILA

*file* Personal and ~~Confidential~~.

April 15, 1940.

For the President alone.

My dear Mr. President:

I have just had another long talk with President Quezon about his future plans and about the political situation here which might be of interest to you. His conversation today confirms the statements which he made last fall about which I wrote you on November 16, 1939.

I thought that possibly since our conversation of last fall he might have changed his ideas as to his running for another term as President. He tells me, however, that he is still holding to his resolve to retire at the end of his present term, namely in December, 1941. I asked him as to his future plans, and he said that his greatest desire would be to practice law. He realizes, however, that he cannot properly do this in view of the fact that he has appointed every member of the Supreme Court and most of the Judiciary. He said that he therefore expects to retire to his farm and spend his time running the farm and also lecturing on Political Science at the University in Manila.

I asked him who would be his choice as his successor. The three possible candidates are Osmeña, the present Vice President; Yulo, the present Speaker of the Assembly, and Roxas, the present Secretary of Finance. Osmeña is a man of President Quezon's own age, who had a brilliant career as a younger man and has had rich and varied political experience here. Now, however, he has lost his earlier fire and seems in some ways an old man. Speaker Yulo is probably the ablest of the three, is thoroughly loyal, patriotic and sincere, and without selfish ambition. He is a thoroughly good man, but because his temperament is rather the judicial than the political one he lacks a certain flare for political activity. Secretary Roxas is brilliant, an able political organizer and resourceful. Some people, however, question whether he is not driven by personal political ambition. He

is

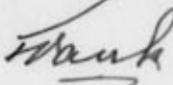
The President,  
The White House,  
Washington, D.C.

is not as sound in his outlook as Speaker Yulo and needs a steadying hand to guard him from plunging into unwise enterprises.

President Quezon feels that the wisest choice as his successor is Vice President Osmeña. Speaker Yulo could probably not be elected unless President Quezon actively and publicly advocates and pushes him; and were Speaker Yulo elected on such terms he would be considered as President Quezon's man and President Quezon would thus remain a political figure and Yulo would not have a fair chance. On the other hand, Vice President Osmeña, who has wide political popularity, could probably be elected through his own efforts and, if elected, would depend upon some of the younger men, particularly such men as Speaker Yulo and the Secretary of Justice, Santos. For these reasons President Quezon probably will lend his support, although not publicly, to Vice President Osmeña.

President Quezon was speaking on such very intimate and confidential terms with me that I know you will protect this confidence and show this letter to no one.

Ever sincerely yours,



THE UNITED STATES HIGH COMMISSIONER  
MANILA

May 18, 1940

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press mail*

Air Mail

*Interest*  
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RECEIVED  
MAY 22 1940  
9 01 AM  
THE WHITE HOUSE

My dear Mr. President:

Perhaps you will be interested in the local situation with respect to the Democratic Convention. A meeting of the Democratic Convention in Manila has been called for next Tuesday afternoon.

The situation here is somewhat confusing. The majority of substantial American business men in Manila belong to the Republican Party. Those who are in the Democratic ranks are not all of one mind. Perhaps it is not unnatural that the substantial business group here in Manila should oppose Philippine independence in 1946, because, naturally, they can make more money under American sovereignty than under Philippine sovereignty. However this may be, not a few of the substantial Democrats are Anti New Dealers and practically all of them are followers of Paul McNutt in the policy which he has preached of reexamination and, if possible, the indefinite postponement of Philippine independence. The result is that the Democrats here are rather strongly in support of Paul McNutt for President.

I have talked over the situation here with the Chairman of our local Democratic group, Mr. A. S. Heyward. I told him that I felt that it is important that there should be no fight in the Democratic Convention here or any wrangling between New Dealers and Anti New Dealers. The most ardent Anti New Deal Democrat has promised me that he would absent himself from the Convention. Mr. Heyward, the Chairman, assures me that he will see that no attack is made on the Administration, and a set of resolutions has been drafted which will doubtless be passed in the Convention next Tuesday afternoon. I enclose them herewith.

In the past six Philippine delegates have attended the National Convention. I am informed that these delegates are not officially elected and their expenses to the Convention are not paid. In a sense they go as voluntary representatives of the Convention here. The effort is usually made to choose Democrats who are already in the United States. The plan is that these delegates this year shall

The President,  
The White House,  
Washington, D. C.

go

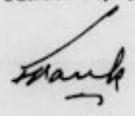
THE UNITED STATES  
DEPARTMENT OF JUSTICE  
DIVISION OF INVESTIGATION  
WASHINGTON, D. C.  
MAY 19 1944

THE UNITED STATES

go uninstructed, but I believe there is no question but that they will support Paul McNutt at the Convention if they are seated and if Paul McNutt runs as a candidate.

It seems, therefore, that everything is in hand here and I believe that Party harmony is assured.

Ever sincerely yours,



Enclosure:  
Resolutions

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Resolutions to be Proposed For Adoption  
at the Philippine Democratic Territorial  
Convention on May 31, 1940.

--ccccc--

We, the Democrats of the Philippines, in Territorial Con-  
vention Assembled, re-affirm our allegiance to the time-honored  
principles of the Democratic Party as expressed in its national  
platforms.

Since 1930, when our Party accepted the mandate of the  
American people to clean up the wreckage caused by twelve years  
of Republican misgovernment, the nation has come through the  
vicissitudes of reconstruction with a renewed and wider sense  
of social responsibility, with a restored material well-being  
and with confidence that under continued Democratic leadership  
the American people are destined to enjoy a greater degree of  
material prosperity, more widely diffused among those whose  
efforts create wealth, than ever before.

The task of recovery is not complete.

Reactionary forces have continuously fought social and  
economic reform, both by sniping and by outright sabotage.  
The dislocation of world affairs has increased the difficul-  
ties of complete business recovery. Yet due to the wise policy  
of reciprocal trade agreements initiated by the present adminis-  
tration our foreign trade has been saved from disaster.

In 1916 the Congress enacted the Philippine Autonomy Act,  
in which a promise was made to grant independence to the Phi-  
lippines when a stable government should have been established.  
We Americans who live in the Philippines have now witnessed a  
further step towards the promised goal, by the adoption of the  
Tydings-McDuffie Act, fixing 1946 as the date for Philippine in-  
dependence. Although the Philippines is today as much a part  
of the United States as it was in 1900, when civil government  
was first implanted here, we have seen a united and resolute  
Filipino nation take form, and under a leadership chosen through  
democratic processes, direct its domestic affairs with a sense  
of responsibility which justifies the faith reposed in the Fili-  
pino people by the Congress of the United States.

It is true that the economic provisions of the Tydings-  
McDuffie Law will wreck future Philippine commerce and industry.  
Yet we entertain no doubt that the Congress of the United States  
will stand ready to modify the act from time to time, to pre-  
vent the destruction of a political, social, and economic struc-  
ture which the American people have erected during forty-two  
years of American sovereignty in the Philippines.

Much has been said in recent years of the need for reconsi-  
dering the promise of Philippine independence in 1946.

We are emphatically of the opinion that the Democratic Party  
should not take the initiative in suggesting such a reconsidera-  
tion. The Party has consistently advocated Philippine independence  
and has brought about the enactment of the two laws leading to  
Philippine independence. Those of us whose business interests  
are bound to the Philippines have assumed that 1946 will see  
American sovereignty withdrawn from the Philippines. Our future  
lives are based on that assumption, and we have confidence that  
our personal and business interests will enjoy the same protec-  
tion after 1946 that they have enjoyed in the past.



BF  
Anterior

Anterior

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BITUMINOUS COAL DIVISION  
WASHINGTON

file  
personal

July 3, 1940

MEMORANDUM for the Secretary:

I understand that there is a movement well under way to appoint Mr. Wayne Ellis on the Defense Board. This man was administrator of the coal code under the NRA, and is now Secretary of Bituminous Coal Producers District Board No. 8, which comprises a large area of West Virginia. This man is known to be very close to certain large coal interests in West Virginia, some of whom are the bitterest opponents of the Guffey Act. An appointment of this kind would cause resentment and suspicion in other quarters in the coal mining industry. In my opinion there is no need for an appointment of this kind. Our statistics and knowledge of the marketing and production of bituminous coal are so complete and voluminous that we can serve the War Industries Board to the best possible advantage. The coal trade is thoroughly convinced of our impartiality and lack of self-interest, and I think the injection of a third party into this situation would be most unfortunate. The rivalries in the bituminous coal industry as you know are intensely bitter.

*H. A. Gray*  
H. A. Gray  
Director

*D. J. Thompson*  
*Anterior*  
*Study*

PSF: Interior

(Came to file Aug 2-1940)

EXECUTIVE OFFICE OF THE PRESIDENT  
NATIONAL RESOURCES PLANNING BOARD  
WASHINGTON, D. C.

[8-2-40]

MEMORANDUM for The President:

In accordance with your request at our last meeting, we have started work on re-thinking the role of planning in a Democracy.

As a first step we submit herewith a confidential

"Memorandum on Democracy and Planning in Crisis"

for whatever use you may consider appropriate. We hope you may find in it ideas and suggestions which will aid public understanding of the problems now before the Nation.

Continuing our work in this field, we are proceeding with the preparation of further brief statements for your use, including:

1. A pilot memorandum on a "Unified Budget" (in collaboration with the Bureau of the Budget). The possibility of a single budget, giving a complete view of governmental revenues and national expenditures in relation to national income should be explored. The proposed memorandum will include discussion of the "Item Veto".
2. A pilot memorandum on some of the considerations of tax policy which the imminent increase in tax load and the projected meeting of the Council of State Governments early next month may bring to the front in relation to unemployment and use of resources.
3. A pilot memorandum on "Improving the American Estate" giving a measure of the possible types and role of governmental

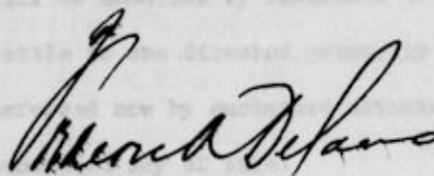
investment in public works, lands, etc.

4. Further consideration of the problems involved in export policies and economic relations with Pan America and with Europe and Asia - in connection with planning and democracy.

These activities are, of course, in addition to the regular work of the Board under your direction and complying with the requirements of the Congress. However, all these undertakings are logical supplements to the work under way.

Respectfully submitted,

FOR THE NATIONAL RESOURCES PLANNING BOARD:



Frederic A. Delano  
Chairman

Att.

MEMORANDUM ON DEMOCRACY AND PLANNING IN CRISIS

The whole problem of planning in a democracy must now be examined in the light of swiftly changing conditions which raise many new and difficult problems. In order to clarify our thinking and more easily construct a program effectively, we may analyze the situation in which we find ourselves at this time.

The new factors are:

1. Attacks upon democratic theory and practice by propaganda by reorganized economic systems and by force of arms. There is nothing new in the fact that democracy is under fire. It always has been, and probably always will be assailed by interests of one type or another. The present battle is one directed primarily by mechanized military forces, reenforced now by sustained attacks directed at the heart of the democratic way of life.

It is maintained that the decision of disputed doctrines must be made through an appeal to force as the ultimate arbiter, externally and internally. What we face is the arrogant threat of military annihilation and the elimination of democratic institutions from the face of the earth.

In addition to this, autocracies have developed nationalized systems for the manipulation of international trade of such a nature as to compel the defensive reorganization of competing economies on a new basis. In a world of totalitarian economico-political-militaristic systems, the normal methods of international exchange have

been rendered ineffective and inoperative. Our plans for international intercourse are in consequence subject to searching reconsideration and reorganization. This in turn vitally affects our internal economy in many ways, and compels the most thoughtful attention. It demands bold, vigorous and imaginative invention and action.

2. A reexamination of democracy and planning is forced by the effects of modern technology upon our daily lives.

The most revolutionary factor in modern life is not Nazism or Fascism. It is the unparalleled growth of science, invention, technology. The National Resources Planning Board in its report on research as a national resource showed that in the United States alone there were 1,300,000 inventions in the first third of this century and there will be more in the next third. What does this mean?

Inventions in transportation and communication have upset the political boundaries of the whole world, twisting them all out of line and compelling basically new adjustments.

Increase of productivity has revolutionized the world by making a transition from an economy of scarcity to an economy of abundance, necessitating reconsideration of traditional practices.

The whole struggle over democracy is utterly blind without taking these factors into account, and without reckoning on the entrance of democracy into this new world.

The age-old struggle between the many and the few is now cast upon another and a different stage. Whatever happens, new means are emerging for the attainment of the old ends, whether democratic or autocratic.

The old assumptions of democracy are still good, but its programs and practices must be adapted to a new world.

3. From the long-time point of view in the modern world and present-day America, we must reckon with the vastly increased sense of common responsibility for the living and working conditions of our fellow men and women.

In the old economy of scarcity it was accepted as inevitable that there would be as a matter of course many who were hungry, who were ill clad and ill housed, ill cared for, insecure, living on the ragged fringe of existence in a world where there was not enough to go around anyway. The ancient democratic doctrine of the dignity of mankind, long glossed over by poverty, now deals with the modern economy of abundance. Not only do the disinherited of earth now know that there is enough to go around, but it is universally recognized by all those who are more prosperous and powerful, even if the recognition be sometimes only a form of lip service. During the recent depression the measures taken by our Government for the relief of millions in one form and another have shown us many things we did not know or recognize. We learned about the failure to realize what we called the American standard of life - in food, shelter, clothing, security - in the case of all too many of our fellow citizens.

We have now taken steps toward higher standards of living that will never be retraced. It is the continuing task of a responsible democracy to give constant attention to the planning of continually higher standards of living as we go forward with our increased national production. This calls for new forms of democratic planning.

These considerations, (1) of military attack propaganda and nationalized economy, (2) of the new economy of abundance, and (3) of increased responsibility for the care of our fellow citizens, compel America to new combats and to leadership toward a new sense of democratic doctrine and practice. All these changes taken together make much of the older practice obsolete.

The ends of democracy are sound, but the ways and means of reaching our ends require reconsideration. We maintain confidence in the consent of the governed freely arrived at as the great guaranty of the supremacy of the common weal; we maintain the superiority of free discussion and rational decision as against violence. We do not abandon violence to our enemies, but we subordinate it to higher purposes. Even while we arm or fight we look forward confidently to a time when war is outlawed as an institution in a world of order and justice.

Many of the faults charged to democracy by its foes, now and at earlier times, are the result of non-democratic features lingering in democratic systems of government. It is not democracy that fails to

function, but the lack of it. It was not the democratic principle that protected human slavery, but the opposite; it was not democracy that disfranchised half or three quarters of our adult citizens, but the lack of it. It was not the democratic principle that once declared labor unions to be criminal conspiracies, or that rejected collective bargaining; but the lack of it. It was not the democratic principle that set up special interests or industrial oligarchies; but the lack of it. From time to time surviving elements of aristocracy, or new forms of plutocracy, or pseudo racial theories, have caused great damage in democratic systems of political association. But these were parasites on democracy and not a part of the basic democratic idea. The foes of democracy sworn to its destruction cannot be allowed unchallenged to point to weaknesses in democracy which are in fact lingering anti-democratic features in a democratic system.

The influence of the British Tories has not been helpful to the application of democratic principles during a recent changing industrial era. The influence of French Fascists has not aided in the democratization of French social and economic life, but has brought tragedy and humiliation to the nation. The influence of the German Junkerthum on the Weimar Republic was disastrous in the extreme, and prevented the realization of German hope for liberty. Reactionary and fundamentally undemocratic elements in America have stood across the road battling our advance to social and industrial justice. These elements in many lands have first prevented democratic action and then cast the blame

upon democracy for inaction; thus shifting to others blame for devastation they have wrought themselves.

I. Planning:

An examination of the whole field of democratic theory and practice is now going on throughout the world, and much could and must be said on this vital subject which touches the life of all mankind. The purpose of this particular memorandum is, however, to discuss the newly arising relations between modern democracy and modern planning, an important aspect of the broader problem of democratic institutions. Long-time planning of national resources - the orderly development of democratic programs - is a basic element in the preservation of democratic institutions, and in the realization of the purposes of democracy.

Planning is an organized effort to utilize social intelligence in the determination of national policies. Planning is based upon fundamental facts regarding resources, carefully assembled and thoroughly analyzed; upon a look around at the various factors which must be brought together in order to avoid clashing of policies or lack of unity in general direction; upon a look forward as well as a look around and a look backward. Considering our resources and trends as carefully as possible, and considering the emerging problems, we look forward to the determination of long-time or basic policies.

Many of these plans will be imperfect. Some will be mistakes. But taken in its entirety, all planning effort amounts to an

intelligent forecast of the Nation's future as carefully prepared as is possible, from the technical side, and as prudently as possible from the point of view of community determination of community policies, local, State, and national.

Despotisms old and new, in many periods of the World's history, have built great monuments flattering to their pride, - great pyramids, great boulevards, great empires, and some of these monuments, built as they were upon cruelty, blood, hate, and scorn of the humble man stood for centuries, and indeed will stand like the pyramids. These despots were not concerned, however, with the elevation of all men, with the fair distribution of the gains of the community, with raising the standards of human living - material, intellectual or spiritual, with the emancipation of the slave or the serfs, or with the unfolding of the possibilities hidden in the human personality.

On the contrary, our democratic planning is aimed at the highest possible standard of national production constantly expanded through the years, and the translation of national production into the lives of the mass of our citizens.

We plan not for the glory of the conquerors or the gratification of national hatred or national pride, but for enlarging and enriching the existence of our citizens and of mankind.

Our present task - and an urgent one - is to reconsider our democratic plans for national resources - both natural and human - and to streamline them in the light of the new era into which we are coming.

The agenda of American Planning involves:

1. Preservation of balance among our present plans;
2. Development of new programs adapted to our new situations.

(1) Balance: Balance is necessary not just for the purpose of elegant symmetry, but in order to make plans effective in their practical operation, to make sure that they do not work against each other, that they are geared together for their highest and best use.

The over-all balance in the development and operation of national planning is, of course, primarily in the hands of the President and the Congress chosen by and responsible to the people for this purpose. In their hands rest the fiscal power, the military and police power, the regulative and organizing directives through which essential political action may from time to time be taken in accordance with our Constitutional arrangements.

To implement this balance on the administrative and technical side there have been set up recently within the Executive Office of the President, two important agencies designed for this purpose:

1. The Bureau of the Budget, and particularly the Division of Research in Administrative Management.
2. The National Resources Planning Board, the purpose of which is stated in the Executive Order as
  - (a) To survey, collect data on, and analyze problems pertaining to national resources, both natural and human, and to recommend to the President and the Congress long-time plans and programs for the wise use and fullest development of such resources.

(b) To consult with Federal, regional, state, local, and private agencies in developing orderly programs of public works and to list for the President and the Congress all proposed public works in the order of their relative importance with respect to

- (1) the greatest good to the greatest number of people,
- (2) the emergency necessities of the Nation, and
- (3) the social, economic, and cultural advancement of the people of the United States.

(c) To inform the President of the general trend of economic conditions and to recommend measures leading to their improvement of (or?) stabilization.

(d) To act as a clearing house and means of coordination for planning activities, linking together various levels and fields of planning.

Through these agencies it is now possible

1. To obtain careful technical consideration regarding fundamental National Planning, (National Resources Planning Board) and
2. To obtain technical advice upon the administrative management of any national planning policies (Bureau of the Budget);
3. To relate these closely to the fiscal policy of the government through organization and administration of appropriations;
4. To relate these agencies to the other branches of the Executive staff, namely to the White House Staff, the President's Administrative Assistants, the Office of Government Reports; and to the Emergency Division (Division 6 of the Executive Office) now serving as the Manager of the Advisory Defense Commission.