Taken together, these agencies if properly teamed up and effectively utilized make possible as never before in our history the technical analysis of important phases of national policy and planning - a service advisory in character to the President and the Congress as the responsible representatives of the Nation.

It is the opportunity of the National Resources Planning Board as a part of the President's Executive Staff to take a broad view of the planning enterprises of different agencies, with a view to calling attention to possible clashes in plans and from time to time to suggest some better sort of balance, which may not always be entirely logical but may be practical and useful.

It is the further task of the National Resources Planning Board to look forward to the elaboration of basic problems of planning, bearing on the conclusive elimination of unemployment, industrial depression and insecurity, and the fullest possible use of our national resources by the whole nation which produces them.

The National Resources Planning Board has no such assignment as that of keeping all plans in balance, but it can observe carefully what is happening; it can analyze difficult situations, and offer suggestions, warnings, or comment designed for the better working of the Government plans.

What are these types of plans? First of all there are the

plans of the:

1. Military agencies (National Defense),
2. Civilian agencies,
3. Private agencies and institutions of the American economy,

all to be held in balance.

Within the military agencies there are:

1. Army planning agencies,
2. Naval planning agencies,
3. Airplane agencies,
4. Emergency production and protection services,

all to be held in balance.

Within the civilian agencies there are the plans of:

1. Departments and agencies of the United States Government, and
2. Departments and agencies of State and local agencies,

all to be held in balance.

Within the general boundaries of the American economy there are the planning agencies of:

1. Agriculture,
2. Labor,
3. Business, big and small,
4. Professional groups,

all to be held in balance with each other and to Government.

And there is the major problem of looking at the balance of all three of the above - military, civilian, and private agencies in relation to each other.

In addition to all these and of absolutely fundamental importance there is the balance between (1) domestic planning within the United States, and (2) planning for world relations, both hemispheric and global.

In our time, the whole situation is immensely complicated by the present crisis which necessitates the interrelation of our

1. National mobilization for defense
2. Regular activities of governments
3. Operation and readjustment of the national economy in period of mobilization and transition.

It is plain that nobody can know in detail all the complicated details of all these activities related to plan, but someone must take a general view of them and make the most useful observation possible in a time of rapid and energetic action, characterized as "full speed ahead". This is a tough job, in which perfection is not going to be reached, but it is an assignment on which it is important to have someone working at all times from the point of view of basic planning.

The National Resources Planning Board is not charged with administrative operational responsibilities, and is in a position consequently to take a detached view, to look at the planning objectives and operations of these diverse groups and agencies, and to relate what is happening to their long-time and fundamental bearings. Clashing of plans is often avoidable and needless sacrifice of long-time objectives to emergency objectives may be prevented.

How does this work in practice?

In various ways the National Resources Planning Board has been able, from time to time, to aid in the balance of planning although by no means covering the whole field.

A few examples will illustrate the balancing of various kinds of plans by closer grouping of them.

The National Resources Planning Board developed the principle of themultiple uses of water, for a great range of purposes, including not only navigation and flood control and irrigation, but also hydroelectric power, domestic and industrial supply, recreation, prevention of stream pollution, erosion. Through its water resources work there were drawn together for the first time some 34 different agencies of the Government of the United States, including Army, Interior, Agriculture and many local authorities as well, in a comprehensive program of water basin development, through 45 local drainage basin committees. The balance between flood control and hydroelectric power use of water is an illustration of a section of the problem in this area of water use.

The balance between reclamation and retirement of land offers an important example in the field of land use.

In the field of administrative management the National Resources Planning Board set in motion a plan for reorganization of unrelated governmental services which has promoted the readjustment of governmental services to modern requirements, notably in the case of the Executive Office itself.

The National Resources Planning Board has contributed to balance in planning by serving as a clearing house for plans of the States, the local

authorities and regional groups throughout the United States, and important balance of a unique and democratic type between grass roots planning and centralized planning.

Likewise in the field of longtime public works planning the National Resources Planning Board has brought together various agencies of the government, often working at cross purposes, in a unified six-year program for normal public works, and now further contributes to the better relationship between State, local and private construction agencies.

In the relief and transportation studies now under way a variety of governmental agencies are brought together for the pooling of their available data and for the formulation of fundamental planning for relief policies. In the case of relief 15 agencies are involved. In the case of transportation some 7 agencies. In each instance other than Federal authorities are drawn in for purposes of consultation and planning.

Other examples are the National Resources Planning Board's suggestion for the study of crisis government including mobilization and demobilization of resources in March 1939; for the study of the various factors in the Pan American situation in 1939-40; for the closer organization of fiscal policy and administration in 1937-38; for drawing together the various agencies and elements involved in the problem of taxation. All of these were directed at basic problems of fundamental planning where several agencies of the government were concerned. These are submitted as illustrations of the importance and value of looking at governmental planning as a whole and its general direction, and interrelation.

Confronted now by problems of a magnitude and significance unexampled in our history unless it be in the days of the adoption of the United States

Constitution, is it not useful to have a general view from what might be called a watch tower of planning?

II. New Democracy and New Planning.

This is a preliminary and tentative statement of some of the front line problems of planning in the new democracy. It is not a close analysis of specific problems or an attempt to solve them, but as suggested in our last interview with the President, an over-all view of the type of emerging problems of the new American democracy. Special phases of any such planning will be worked out by special agencies, but what is given here is an attempt at a unified and comprehensive view.

Our general planning problems may be briefly summarized as follows:

I. Democracy and World Order.

II. Full use of National Resources and Increase of National Productivity and Income.

III. National Sharing in Dividends of National Production.

IV. Enrichment of American Liberty - political, industrial, cultural.

I. Democracy in the World Order - political and economic:

1. National defense against all foes.
2. Organization of Pan American Resources and Relations.
3. Organization of new agencies and instruments for international trade - understandings among democratic states;

understandings regarding the nature of world order - effective steps toward outlawry of war - positive as well as negative steps - (hangs partly on outcome of present crisis).

II. Full Use of National Resources:

This involves on the negative side the

Elimination of unemployment,

Adjustment of relief problem (now under study by NRPB),

Adjustment of Youth problem.

On the positive side there is involved the

Full development of natural resources,

Land use, water use, energies, power and others - A national policy for each and their inter-relationships (being drawn together by NRPB)

Transportation and communication (Transportation Study by NRPB).

Development of national research as a resource.

There is involved, among other things, a consolidated national fiscal policy, including unified budgeting,

a revamped system of taxation,

reorganized fiscal administration,

currency, banking, credit,

outlines of a possible national investment policy,

stimulation of production and consumption.

It is indispensable, difficult though it may be, to consider this program in its entirety and relate the several parts to each other, to the end that a unified program may emerge, calculated to deal comprehensively and effectively with the use of American resources taken as a national whole.

Such a program need not be and cannot be completely symmetrical in all its parts and operations, but it must have a logic of its own - a sense of direction, a unity of purpose, a reasonably effective meshing together of the several factors of the operation. Otherwise the several parts of the undertaking not only do not work together but often are actually operating against each other, as to take a striking case in regressive taxes on consumption.

This logic would hold firmly to the concrete objective of reaching at the earliest possible moment the fullest possible use of our American national resources in men and materials.

It would grapple realistically with ways and means of enlarging our national income in an age of incredible technological advance. It would not mistake the old symbols of power for actual and living substance, or permit the entanglements of obsolete points of view or outmoded practices to conflict with the main purpose.

It would make men the master, not the servant, of the machines they themselves have made, whether noisily or quietly operating machines.

Various sections of any such program are being worked out in detail by various agencies of the government especially equipped for such special purposes, but it is important to preserve a general view of the total situation and of the interrelation of the several elements in a general plan. This again is the task of the President and the Congress, but again the National Resources Planning Board may serve a useful purpose by taking an overall view from a position favorable to observation and detached from administrative and operative as well as from political responsibilities.

Specially assigned reports on several of these questions are in preparation by technical staff of the National Resources Planning Board, and will be submitted by the end of this year. Much briefer memoranda on other problems will be submitted in concise and confidential form, indicating the progress and bearings of new plans on the general planning framework of the nation, suggesting perhaps lines of closer working together, and indicating points where there is an absence of anything like planned direction, and possibly indicating an agency by whom the undertaking might be made. There is in preparation a special memorandum summing up recent planning developments in specific countries. It is important now that there be broader planning in the field of taxation, in the field of unified budgeting (which might be put into action almost at once), in the field of overall fiscal administration - a problem of very great difficulty but fundamental in nature. On these subjects, brief, pilot memoranda will be submitted. A brief review of the possibilities in the direction of governmental investment in national resources is under advisement by the National Resources Planning Board.

It may be added that the National Resources Planning Board has been in touch with various activities of the National Defense Council (a coordinate part of the Executive Office of the President), and has been instrumental in aiding the development of its work at important points indicated in another memorandum of this Board. (See separate memorandum).

III. National Sharing in Dividends of Production.

An American standard of living is a first charge on our national income. In a welter of details regarding special arrangements of many kinds, the guiding principle is that the gains of the American nation

should be equitably distributed among our American people as our production expands. The standard of living is the foundation of our prosperity and of our liberty, of our producing power and of our enjoyment of what we produce. The type of planning including this aim is based upon a declaration of American rights - now generally accepted by our people:

The right to a job

The right to an education

The right to health

The right to housing of a decent type

The right to sufficient leisure and recreation

The right to economic security within the framework of national production.

If these rights are suspended it must not be because some are well born and others not, or because some have special political privileges and others not, or because weakness, incompetence, corruptuon or greed enables robber barons to sack and plunder those who are not armed to resist them. Pestilence, war, famine, fire and flood may call for some diminution of standards of living in the spirit of national sacrifice, but these exceptional circumstances may be well understood and are cheerfully accepted for the time, and every effort must be made to protect the living standards of dependents of those assigned to emergency duty.

The development of specific plans for the protection of these rights is not the task of the National Resources Planning Board, but of many special agencies set up for this purpose, both regular agencies and the

special Defense agency, notably Commissioner Henderson and Commissioner Elliot. But it is important to see how these plans fit together and how they gear into the general program of the Nation.

The answer to these problems is not and cannot be found in the operations of any one branch of the Government, but in the relationship between the national income and the sharing of its fruits among our people. The right to a job, for example, raises very fundamental questions which we must follow a long way before we find the end of the road. Likewise, the right to leisure, to economic security, and to other fundamentals of living. All these questions have their fiscal implications, their industrial implications, and their implications with reference to national defense.

These rights have not been fully attained here or elsewhere, and will not be attained, unless we plan for them as carefully as we have planned for other rights, and unless we watch their application as carefully and insistently as we do in the case of other claims upon society.

First things come first, and the rights of men and women to a fair share in the Nation's production is a first charge upon the national income and national planning. The realization of these rights will itself increase the volume of national production. As the consumer takes his proper place in the national economy, his demand for rights is also a demand for goods and services. Justice and prosperity go hand in hand.

IV. Enrichment of Liberty - civil - industrial - cultural:

There are those who sneer at the thought of planning for liberty - either because they think liberty is dead, or because they believe that we cannot plan without destroying liberty. Both are tragically wrong. Liberty involves more than material security and a high standard of material living. Life is more than food and raiment, more than a well-run prison, or a good dole regularly paid. It involves a wide range of independent choices and decisions about what we want to do - freedom of speech, freedom of association and organization, freedom of press; freedom of occupation; freedom of opportunity to develop the personality toward the limit of its full possibilities.

This means a way of life in which men have their say about the rules of the game, about the choice of what is the common good and who is to formulate it in law and administration, and are protected in their civil liberties.

In business affairs liberty implies freedom from unfair competition and unfair trade practices, from monopoly, and freedom from haunting insecurity for workers. We plan for free competition in areas where it is possible, for free enterprise within the limits of the common good; for cooperation among farmers, and for free choices regarding farm affairs; for collective bargaining in labor; for protection for the weak and helpless; for freedom of worship in affairs of religion.

We plan to build protection against bureaucracy, against industrial oligarchy, against intolerance and oppression of all kinds - either public or private. It is not by accident that we have set up a division of civil liberty in a department of justice, for one is useless without the other, as many tragic events in human history have shown.

Our American democracy must plan not only to protect the liberties we have inherited and now enjoy, but to enrich and expand the estate handed down to us. Liberty is not an outworn survival from an outlived age, but the greatest gift of man, to be cherished, nurtured, developed as one of the great goals of mankind. Liberty is not dead, or dying, but on the way to greater triumph. We do not intend to abandon our liberties because some right or left wing autocrat finds that liberty is standing in his impatient, imperial way. We have fought for liberty and we stand ready to fight again, if necessary; and we intend to broaden the scope of American liberty by whatever means are available to that end.

Yet we must insist that liberty is not merely a form or a law without life - freedom to root, and starve, and rot. Liberty must be rooted deep in economic and social opportunity, and not merely adorn the law books. It must have a meaning in the daily lives of men and women everywhere. Freedom is not for the few, the wealthy, and the well-born, but for the many; for the poor, for the lowly, for the disinherited of mankind. Neither height nor depth nor any other creature

should stand between us and the realization of the promise of American life - the promise of free men, free institutions, in a free land.

Our national security and our national productivity alike rest in the last analysis on the conviction of the average man that America is a land in which free men may make free choices on a wide range of action, in industry, in government, in social relations, in religion, and that this freedom brings a higher standard of living and a richer life for all. The other systems are professing to promote the welfare of their citizens, while in fact leading them into slavery and to forfeiture of the greatest good in the welfare of a state.

We plan to cultivate the soil in which liberty grows -- in industrial affairs, in the political world, in the daily relations of man to man, to encourage the spirit of tolerance, of respect for others' rights, the appreciation of the special talents and abilities of other men.

To chase speculative money changers from the temple did not and does not now diminsh liberty, to guarantee bank deposits does not restrict liberty; to prevent the sale of worthless blue sky paper does not restrict liberty; to aid the farmer in the development of his farm does not diminish his liberty; to outlaw unfair or fraudulent trade practices does not limit the liberty of mankind; to encourage the development and use of all of our natural resources does not limit our liberty. These measures are designed for and have the

effect of emancipating mankind, of lifting men to higher levels of attainment and satisfaction. We constantly give to men a wider and wider range of power to make decisions about matters which they deem important and about values they place highest.

With this as a guiding principle, our plans, policies, patterns of action and institutions are shaped accordingly with the changing course of events. Without such a principle, the worship of the state, the worship of gold, the worship of power and imperial expansion take a ruling place in the life of a people. The many become the slave of the few, while privilege, greed, oppression, exploitation take possession of what should be the common good of all.

If we are asked what practical value has all this "chatter" about liberty when we come to planning public affairs in the new era into which we are advancing, the answer is that nothing is more important among human values associated with the common good than the enhancement of human liberty. What are we arming for and what are we toiling for? Neither armed defense, important as it is, nor economic or social arrangements have any higher purpose than the emancipation of mankind from the shackles that are placed upon it from time to time. The old phrase "Then whose shall those things be which thou hast acquired" applies to any acquisition of power, territory, wealth, which forgets the human liberty that political association is designed to secure.

It may be and is suggested in various quarters that we may most wisely drift along, following the easy currents of tradition and

established practice. But the revolutionary forces abroad in this modern world are too volcanic to be controlled by appeasement, laissez faire, indifference, led by weak-willed irresolution. This general strategy of delay and fumbling leads to a major disaster. This is the road to incredible humiliation and long suffering, - the way to the exile of democracy for a long period of time until it may come again on some happier day.

Only courage, will, imagination, invention, capacity to face the living present and turn away from an obsolete past can accomplish anything in this domain. If we will not look at what we do not like, there is little hope. Nostalgia for days that will not return is only a puny defense against the onward rush of armed power, ruthless, vindictive, pitiless in its attitudes and methods.

Our choice, like it or not as may be, is not between planning and no planning, but between military planning and conquest or national democratic planning.

The unplanned society in our day will not survive against the competition of mechanized totalitarianism. There is plenty of room in the graveyard for flabby nations that cannot organize the commonweal for survival in a new world of new tooth and new claw, and perhaps honorable burial for those who submit without a struggle.

But the world of tomorrow belongs to those who love life, liberty, and the pursuit of happiness, and are willing to plan, build, fight for what they hold dear, in peace as in war, striving toward a goal they have not attained but which they strive to reach.

Y Personal

PSF
Interior

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

October 8, 1940.

MEMORANDUM for The President:

Agenda for Board's Work - July 1, 1941-June 30, 1942

To provide the President with the advice on long-range planning problems which the Board would like to be in a position to supply and which is contemplated in the organization of the Executive Office of the President, a program of work must be agreed upon in advance. Such a program will presumably grow out of existing activities and from periodic reviews of those "Emerging Problems" on which planning studies may help solution.

The procedures for submission of Budget Estimates require the Board to "justify" requests for funds to be expended during the year beginning in July next. This, then, is an appropriate occasion to discuss a program of work.

1. Unrestricted Funds: The rapidly changing problems necessitate a policy of leaving a considerable portion of next year's appropriation uncommitted and available for special emergency work. In the appropriation for his Executive Office, the President should have a "free" fund (of appropriate proportions) for planning and study purposes. The experience of all executives everywhere provides ample justification for such a fund without going through the pretense of preparing detailed estimates for possible contingencies which can be only imagined.

2. Continuity: For next year's work, funds must be provided to carry on the activities required of the Board under Reorganization Plan

No. 1 and your Executive Orders of September 9, 1939 and June 27, 1940. For the continuance of the required studies of "trends of business and unemployment", for the preparation of the six-year Program of Public Works and for basic studies on the conservation and development of the Nation's resources, the current appropriation is already proving inadequate even with the assistance and cooperation we are receiving from all agencies of the Government.

3. Program: The general scope of studies properly included in the work of the Board during the fiscal year 1942 requires an appropriation of $1,500,000. Such a fund would be expended on studies required by law or authorized by the President, through the Board's staff, special committees and consultants in Washington and with the cooperation of Regional, State and local planning agencies in the Field. They would include major efforts and reports, such as:

Public Works Programs - Federal, State and Local
Trends of Business and Unemployment
The Government as Trustee for the Permanent Estate of the People
Industrial Location
Migration and Population Problems
Technology and Unemployment

and continuation or follow-up of current work.

FOR THE NATIONAL RESOURCES PLANNING BOARD:

Frederic A. Delano
Chairman

"BACKDROP"
of INTER-AMERICAN PLANNING

Charles E. Merriam
Nat. Resources Planning Board
Oct. 8, 1940

PSF Interior
10-8-40

Charles S. Morrain
with help by
Louis Brownlow
Guy Moffett

"BACKDROP" of INTER-AMERICAN PLANNING

General Outline

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The following memorandum is the outgrowth of a conference (September 16th) between the National Resources Planning Board and Inter-American Coordinator Rockefeller. From this came the idea of a "plan for planning", or a "backdrop", in the domain of Inter-American relations, against which particular programs and projects might be considered. Mr. Merriam was asked to prepare such a memorandum and has proceeded with the close collaboration of Mr. Louis Brownlow, Mr. Guy Moffett and Mr. Thomas C. Blaisdell to set up the broad outlines of such a plan for the consideration of the Board, and for such disposition as the Board may deem appropriate.

The experience of Mr. Yantis as a member of the Alaska Planning Committee, and that of Mr. Blaisdell in his review of the Puerto Rico planning project was available and helpful, as was also the previous memorandum of Mr. Ruml and the material assembled by Mr. Lorwin.

The broad outlines of this memorandum include a discussion of the general "backdrop" of Inter-American objectives, an examination of some specialized guide lines or directives, sharpening down to projects, an examination of what may be called the "higher federalism", an analysis of the requirements of Inter-American research for planning, and finally some comments on the organizational arrangements for longer time planning.

GENERAL OBJECTIVES IN INTER-AMERICAN COOPERATION

The objectives upon which plans for Inter-American cooperation must be based fall into three major categories: (1) immediate objectives in the present emergency; (2) longer-term objectives to be sought by the Americas alone while their safety is threatened from abroad; and (3) objectives to be sought by the Americas as a part of a desirable world. For convenience these three categories may be referred to as emergency, hemispheric, and global.

Within each of these categories may be sketched, in broad outline, plans or guiding directives for general courses of action through which to attain these objectives.

Figuratively, there might be outlined in sweeping strokes on the far background of time, as on a canvas, the global objectives and the general directives for courses of action required to achieve them. At a nearer point in time, as on a transparent screen, might be portrayed the hemispheric objectives and the appropriate directives for courses of action. In the very forefront of time, as on a second transparency, might be delineated the emergency objectives and directives.

The hemispheric pattern would show deviations from the global pattern necessitated by the menace of totalitarianism should England fall, or the war continue, or the results of the present struggle prove indecisive.

The emergency pattern would embody further modification reflecting the time factor and degree of urgency.

Carrying the figure further, from a point in the present these emergency and hemispheric transparencies, viewed against the global pattern, would form a backdrop against which programs for present action might be measured and evaluated.

An Inter-American plan must be based upon certain assumptions. First, it is assumed that Inter-American cooperation does not imply a disregard for the rest of the world, but that the cooperation of any other part of the world with similar aims would be welcomed. Second, it is assumed that certain concepts of a desirable and wholesome way of life are shared by a majority of the free peoples of the world. Inter-American cooperation, as of today, must be conditioned by the organized hostility to these concepts now sweeping Europe and the Far East. When this enemy is conquered, in the period of transition which will follow, the world may again move toward the realization of these common aims. In that period the Americas will orient their programs to these larger purposes and throw their weight into the reconstruction effort.

Granting these assumptions, there must be agreement on stated objectives before planning may begin. The question "What is to be planned for?" must first be answered. What are the primary objectives in these emergency, hemispheric, and global categories? A statement of these objectives may be ventured.

The emergency objectives are to prepare resistance against any immediate attack. In the military sphere, this involves the development of adequate military, naval, and air forces, strategically based for most effective striking power. Economically, it includes such emergency measures as may be necessary to prevent the financial collapse of any American country and insure the maintenance of an economic foundation upon which defense may rest. Ideologically, it involves strengthening the concepts of democracy and hemispherical co-operation.

The longer-term hemispheric objectives are to push forward the development of armed power and to attain such a degree of economic strength and ideological unity as to preclude successful invasion, and, at the same time, within this protected zone, to advance generally the well-being of the peoples of this hemisphere. With further strengthening of armed power would go coordination of plans for employment of that power perhaps under a unified command. Economic strength would be sought through the most advantageous use of natural and human resources, guidance of production in lines where surpluses or deficiencies exist or threaten, increase in the industrialization of Latin-America combined with higher standards of living, improvement of facilities for freer exchange of goods and services, and improvement of administration in both public and private enterprises. Ideological unity would be forwarded by advancement of education, with par-

ticular attention to proficiency in the languages used in the Americas and to the common traditions and concepts of democratic institutions and processes, and by broadening and deepening the channels for scientific, technical, and cultural interchange.

The global objectives are to advance the well-being of the human beings who inhabit the earth by affording them full opportunity to realize their individual and social potentialities, to derive the maximum satisfaction from the exercise of their creative talents and to fulfill their spiritual aspirations. In broad terms, those global objectives might involve general access to the natural riches of the earth, the most advantageous division of labor in productive processes in terms of natural resources, climate, aptitudes and skills, with wide distribution of products in a free enterprise economy, free movement from place to place, universal freedom of thought and expression and opportunity to participate on terms of equality in social decisions.

These global objectives seem far removed from the present world. But there is a new world in the making which is only vaguely perceived. Already scientific invention has telescoped time and space. Radio voices circle the globe. The motion picture whisks multitudes on its magic carpet to wide adventures. History in the making marches before countless eyes with quickening tread. Mass production sends its streams swirling out into the remotest corners. But all this is merely the beginning. The world is waiting to yield up untold new riches at the touch of science and technology. There is a land of milk and honey; a land

of plenty; a land of the ultimate in freedom and human dignity. By overcoming perversions of savagery and surmounting ineptness in social organization, this world is obtainable.

With the acceptance of these emergency, hemispheric, and global objectives or others substituted for them, a further step in the planning process is the outlining of broad plans, i.e., general guiding directives for courses of action, through which to achieve these objectives.

For the global objectives broad generalizations will now suffice. Directives for action in the hemispheric and emergency planes of reference may be developed in greater particularity.

Through analysis, evaluation, and interpretation of factual data with the exercise of judgment sharpened by insight, generalizations may be drawn from which the main directives for courses of action may be sketched. These statements of global, hemispheric, and emergency objectives together with plans, or general directives for courses of action, should provide a basis for appraisal of programs for present action which is subsidiary to them. Theoretically, at least, the merit of any program would be measured by the degree of coincidence or variance between the program and the planes of reference.

By definition, emergency steps might be justified which were entirely inconsistent with the longer-term projections. If so, they should be recognized for what they are; expedients which should give way, as soon as practicable, to more consistent action.

For example, an emergency situation might justify some unitary scheme for marketing American wheat. But for the longer-term hemispheric program curtailment of production with diversion of land to other uses might be indicated. Global objectives might suggest continuation or even increase in production, improvement of distribution, and increase in consumption, until all people in every country had sufficient bread.

On the other hand, increased industrialization in Latin-America, combined with a higher standard of living and promotion of cultural interchange, would be found to conform to all three planes of reference, emergency, hemispheric and global.

SPECIALIZED DIRECTIVES OR GUIDES TO PLANNING

Within the limitations indicated certain guides or directives are here suggested.

1. Military security of the United States and other countries of Inter-America. All particular programs and plans must be checked against and checked with this over-all emergent imperative consideration. Undoubtedly this involves very considerable difficulties operationally, sometimes in view of the time factors involved and sometimes in view of the necessary secrecy of military plans and movements. At times these difficulties may seem insuperable or so formidable as to make anything more than superficial acquaintance with overlying factors impossible. From the long-time point of view it will be necessary to hold these military defense considerations in balance with other factors arising

from other considerations -- economic, cultural, administrative, diplomatic, or otherwise. This is neither simple nor easy; it is indeed one of the major problems of all states.

2. Another constant directive is the development of natural and human resources in all Inter-American countries in the light of the most advanced modern technology and the most advanced organizational devices. Optimum development of national resources is a concrete objective which may serve as a guide to programs and projects. The question may constantly be raised: How does a proposed project fit in with the stated goal of maximum development of resources either in a particular nation or in Inter-America as a whole? Unquestionably, there will develop considerable differences of judgment as to what tends to promote full resources development, but the general principle is fairly clear, and from the long-time point of view this principle may serve as a general guide. So simple, yet so unusual is this point of view that in various countries it will be found that there is no estimate even of national income and of national resources as a whole (aside from national budgets in the narrower governmental sense). Specific plans, programs, and projects may be tested by this criterion in the large. It may be observed that this test is broader than that of the interest of particular areas or particular interests or particular groups and concerns itself fundamentally with the expansion and diffusion of the national income in a given country and with the total income of all the countries taken together.

A related objective is the highest development of facilities for advantageous interchange of resources and for the pooling of such interests as are found to be common. This is a broader idea than that of national income and resources alone and involves considerations of common income, common resources, commonweal of a group of peoples. Here again there will be wide variation of judgment and practice regarding the tendency of particular projects to promote these ends. The general principle, however, is sound as a guide to a general direction and the line of advance may often be very clearly indicated if the technical data available are carefully scrutinized and analyzed with this in mind.

3. Another imperative guide to Inter-American planning is that of raising the standards of living in Inter-American countries in accordance with increases in national productivity and income. Consideration must be given to the question whether a proposed expansion of national resources would involve a corresponding raising of standards of life. Otherwise, improvements in national income would result only in benefiting special groups either within or without the given state and in the exploitation of other groups. Making sure that the gains of civilization are fairly diffused is a consideration of prime importance.

4. Another objective is that of the defense and development of the democratic ideals, aspirations and framework of political society. The promotion of democratic standards and practices is essential as a means of military defense, as a means

of sound development of resources and as a part of the general drive toward a finer way of life. Devices, however plausible for increasing national income while violating democratic canons, will not be useful in planning for Inter-American relations. These are short cuts sometimes but in long-time planning, they will be found deceptive and inadequate. Closely related to this is the principle of aid to all nations in the development of their own resources in their own interest under their own control for their own advantage. This plan may well involve under certain circumstances differential treatment favorable to such nations as concern themselves with the democratic development of their national economies, with reasonable relation, of course, to the economies of other nations and their commonweal.

5. Advancement of the "higher federalism" of the Americas and elsewhere. This involves the consideration of the relations of each Inter-American national state to other Inter-American national states and to extra-American national states. No view of Inter-America alone and as such is broad enough to cover the cases which will arise in the formulation of long-time planning. (See later pages.)

6. A general directive of long-time Inter-American planning is the preservation of working unity among the foregoing general directives, and this in the framework of a going concern. Piecemeal planning under various heads may go on, but unless these separate plans are tied together, they are likely to collide with each other or fall short of effective action. No one of these objectives can stand alone. They must be fitted into a common web. This is not a

counsel of remote meaning, but of concrete, practical and immediate significance -- a consideration constantly to be applied in testing individual directives.

THE ECONOMICS OF SOUTH AMERICAN DEVELOPMENT

The economics of South American development is of basic importance as a background for long-time planning.

1. The Process of Industrialization

In many ways the industrialization of South America has proceeded and is proceeding along the lines which have been fairly well recognized in other industrialized areas.

The principal difference between South American development and the development of Europe involves the question of timing. European industrialization took place against the background of the development of agricultural resources in newly developed countries as well as the expansion of the production of goods desired by Europe and peculiar to the Far East. Agricultural development in Western Europe never kept pace with the growth of population and the growth of industry. Western Europe has always been the industrial workshop for the foodstuff and many raw materials supplied by the rest of the world.

The agricultural development of South America was largely a part of this major development and is not dissimilar to the development of agriculture on the North American continent. It did come, however, at a later period. The stimulation of wheat growing and cattle raising in a form competitive to that of the United States

represented the further demand of European populations for foodstuffs. Thus the industrialization of South America will have to rest on two bases: (1) the replacement of European industrial activity, and (2) what is more important, the raising of the standard of living of South American populations, and the concomitant increase in demand for agricultural products which this will produce.

In the development of industrial countries the principal categories have been the growth of capital accumulations, the development of technical skills, the development of a group of skilled workmen, the strengthening of the corporate powers of nations and municipalities, the development of social services supplied by the nations, and the concomitant social changes which go with this series of developments.

Capital accumulations have come from the growth of existing enterprises with a corresponding growth in concentration of wealth (ownership), and from the import of foreign capital in South America. Western Europe has been more important as a capital source than North America. In terms of physical goods this capital import is represented by the importation of such goods as locomotives and rails, factory machinery, mining equipment, et cetera. Closely related has been of course the financial services which go with investment banking as well as commercial banking.

Industrialization rests on the growth of human knowledge in the managerial and technical fields. The development of a corps of civil servants competent to operate the growing governmental powers is as important as the development of managerial skill for

the operation of corporations and manufacturing enterprises. Likewise, the development of technical knowledge in the natural sciences, particularly in their commercial relationships, provides a broad base for industrial growth.

Skilled labor reflects at only a slightly lower level the growth of technical knowledge in the natural sciences, managerial techniques, and governmental devices. Historically, the failure to recognize the importance of the labor force has resulted in bitter and prolonged clashes. The growth of the labor movement and trade union organization represents a recognition by the community at large of the importance of the human skills in the process of industrialization.

The growth of social services provided by the state has come only after long struggles in Western European countries and in North America. A recognition of their significance at an early stage of industrialization speeds the increase in national living standards as much as any other one thing.

Urbanization, which parallels industrialization, is apparently a necessary and vital part of the whole economic development. South American cities are relatively even more concentrated than those of North America. The growth of a few metropolises has not been paralleled by the growth of middle-sized and small-sized industrial communities. If industrialization is to proceed rapidly, the need for adequate planning and foresight in the development of such towns is apparent.

2. Foreign Economic Ties of South America

Geography has of necessity determined the main lines of

relationship of the South American countries with other parts of the world. The strongest ties have been to the European countries. Europe has supplied the shipping services so essential to the maintenance of foreign trade, and these services have played an important part in providing imports to balance the commodity exports. Cable and radio facilities have been linked more closely with Europe than with North America. Newly developed air lines not only have brought North America closer to South America but have also brought Europe closer to South America. The relative locational advantage of Europe has, however, diminished in recent years with the growing speed of communication in the rest of the world.

The trade relations have been developed on a triangular basis, between North America, South America, and Europe. Trade balances have been settled through the equations resulting from triangular trade. The breakup of this triangular trade relationship through the development of barter systems of trade and special types of monetary arrangements creates some of the most serious problems now affecting industrialization in South America as well as trade relations with other countries.

During the decade of the twenties the major capital export from the United States to South America was in the form of South American loans floated in the United States, which provided a principal source of foreign exchange for carrying on trade and equating balances of payments. To this flow of public funds into the hands of South American Governments (including municipalities and states) was added the further investment of funds by private enterprise.

Some of this was in the form of development of branch plants such as those of the meat-packing corporations.

The inability to secure foreign exchange to meet debt charges finally put a stop to foreign loans in South America and formed the background for one of the most serious problems now facing the reestablishment of relationships on a broader basis. By the same token they stand in the way of further industrialization with foreign funds in South America.

3. Cultural Clashes Complicating Relations between North and South America

The historical ties of language, education, and art have been at fundamental variance with native South American cultures. The early Spanish and Portuguese culture has more recently been mixed with the North European culture of England and Germany. These two latter cultures, to which that of the United States may be added, have understood even less than the Spanish and Portuguese how to integrate and mesh with native cultures. Furthermore, the clash of legal systems inherent in the Spanish law, the Continental system of jurisprudence, and the Anglo-Saxon legal tradition have created almost insuperable barriers in a problem of basic economic and social change. This clash has been reflected most sharply in the conflicts between Mexico and the United States over the legal rights of oil companies. A further conflict in this connection has been produced by the constitutional structure of most of these South American countries, which has rested in theory on the philosophic basis of the French revolution. The growth of nationalism with relation to this philosophical base has never been suited to the economic structure of South America.

4. The Breakdown of the Nation-States in Relation to Industrial Development

The apparent growth of nationalism in Western Europe witnessed during the last fifty years has been paralleled by the weakening of the nationalist structure because of the tightening of economic ties and the development of huge economic structures which fail to coincide with those of the nation-states. The accentuation of these forces which have weakened the nation-states has been slowly calling into existence new forms of governmental and economic control. The most striking of these is of course the development of the international corporation and the international cartel. The foreign trade and industrial development of South America have been closely related to both the international corporation and the international cartel, as even a casual review of the economic development of South America makes only too clear. The struggles of the nation-states of South America against these powerful forms of organization have left the Latin-American states in an unstable and changing condition.

The planning of trade relationships and the development of an industrialized South America must be focused against the type of changes and cultural background sketched above, as well as toward a detailed analysis of those commodities and services in which these economic ties are rooted, such as: coffee, rubber, sugar, tin, meats, grains, bauxite, oil, et cetera.

The stalemate in economic development between North and South America focuses in the problem of the foreign exchanges. The

lack of exchange makes it impossible for South Americans to purchase in North America except at exorbitant cost. This problem is not soluble in itself except for short periods. Various devices can be adopted which will permit trade to inch forward until some new devices must be invented. It is on this basis that trade has been proceeding for several years past. European countries have invented different types of blocked currencies, and the United States has made some concessions in tariff schedules. However, the demands for exchange created by the scheduled interest payments on foreign indebtedness are so large as to make these devices only palliative.

Capital investment will not move until some settlement can be arrived at which will permit new commitments to be entered upon which have some probability of being repaid. Private capital is more hesitant than government in making such commitments. Thus, the negotiation of a settlement of outstanding obligations to private investors would release funds for payment of the old scaled-down debts and for payment of the new obligations.

In addition to debt readjustment the modification of some tariff schedules might open a few channels of import which would provide some foreign exchange. But the problem can be adequately solved only with the reopening of capital flow.

Loans to the South American states either by government or by private individuals are hampered not only by the unwillingness to lend but also by the lack of ability to spend in such a way as

to give reasonable assurance of repayment. Historically such international loans have been secured not only by government guarantees but also by supplying managerial service for the new enterprises or by foreign control of tax sources (n.b. Dominican Republic). American enterprisers have been loath to emigrate and establish new businesses. Long-distance supervision does not bring fruitful results. American banking enterprisers had little success in the period following World War I. Of recent years the tendency has been still further to withdraw rather than to expand managerial assistance. United States citizens are still content to be "Good Neighbors" rather than "Fellow Workers".

The development of such mechanisms as the Inter-American Bank and the Surplus Commodities Corporation will have to depend not only on the willingness of American capitalists and governments to lend money but also on the willingness of competent managerial personnel to follow the money in person.

These general considerations naturally bridge over to the most concrete economico-political realities, often with the most urgent need for adjustment and decision. Organization for the disposition of surplus commodities, for banking, currency, exchange, for the settlement of debts and facilities, for future investment in national resources, for the construction of public works and construction agencies, cooperative devices and arrangements of many forms, encouragement of adequate managerial skill; all these are closely tied in with the basic facts regarding the economico-politico-cultural basis of our Inter-American life.

They call for courageous attitudes, for imagination and invention, for stout hearts and wills, utilizing the best results of modern technology, the creation of new categories of action. Basic, long-time planning in these troubled times and in this vexed zone of action will be satisfied only with those planners capable of rising above the formal and conventional, adjustable to new facts and forces, adept in creating agencies of progress fitted to the dynamics of our time.

"THE HIGHER FEDERALISM"

Long-time Inter-American planning reaches very quickly into extra-American problems. Hence there is discussed here the aspect of what may be called for lack of a better term "the higher federalism."

A basic assumption of Inter-American planning is that it is the common concern of the American peoples, as individuals, to continue to live as free men, and that, at the same time, it is the common concern of these same peoples, as nations, to continue to exist as free nations. Planning, then, proceeds from that assumption to discover in what ways it may be possible for the American peoples, as free men and as free nations, to organize their political machinery so as to facilitate the achievement of their common objectives.

In a sense, the very existence of this common concern creates a common citizenry composed of free men. This citizenship, it is true, is of a quality also shared by free men in non-American countries -- indeed, by all those who are devoted to the principle of democracy. Of course, this kind of citizenship has no political recognition or legal status, but for all that, it long has been sensed by the discerning, and now that the threat to democracies everywhere is so great and so immediate, the feeling of common citizenship is practically universal.

Plans for military defense, for economic readjustment and prosperity, for cultural advance and for spiritual realization

must take into account the political organizations through which the administrative machinery for carrying out the plans may be provided.

In this phase of planning, it will be necessary to consider the existing political organizations, how well they are adapted to the purposes of the program, what changes may be required to make the realization of the program easier, and what organizational obstacles must be removed. All of this, of course, must be done without infringing upon the essential liberty of the individual or the fundamental independence of any one of the nations.

Some form of higher federalism, predicated upon common concerns and some type of common citizenship, may be desirable. Insistence upon soverign independence, in accordance with traditional conceptions of nationalism, even when coupled with strict neutrality, has not enabled nations, small or large, to safeguard either their national integrity or the liberties of their peoples. The events of the last year have proved all too clearly that free nations, acting independently, or even acting together under formal alliances of the nineteenth century type, are vulnerable to the attacks of the combined strength of the anti-democratic powers.

A prime difficulty in undertaking even a preliminary exploration of the possibilities of the higher federalism is that the vocabulary of politics, in its commonly accepted definitions, lags behind political events. Many still are frightened at the "imperialism" of the British Empire, although that Empire was dissolved into

the British Commonwealth of Nations by the Statute of Westminster. Only the symbol of the crown and a common citizenship unite, but do not compel, the peoples of a British federation of nations, some of which at the present time are at war and some of which, by their own free will, failed to follow the crown or their fellow subjects into the conflict. There is no pat political phrase with which to label many of the new political phenomena.

England offers to France, on the eve of its tragic collapse, an absolute union, with common citizenship, common defense, and common currency. If that offer had been made a little sooner, or if the French people had known about it when it was made, or if there had been sufficient political planning to have foreseen such a union, basic liberties now lost to Frenchmen might have been saved.

The United Kingdom and the Dominion of Canada, acting in concert with certain British colonial possessions, gave to the United States the use of two British naval and military bases, and, in exchange for fifty United States destroyers, bartered the use of six more. That was done with the all but universal approval of the peoples of all the nations concerned, but without the requirement of a treaty or other convention of the traditional sort.

Hard upon the heels of this unprecedented action of a sovereign nation giving to another nation the free use of its military outposts, the United States turned, and, without a word, extended the use of all eight of these military bases, freely to twenty other individual soverign nations. There is no accepted set of political words with

which to label neatly either these unprecedented actions or the set of circumstances which has resulted therefrom.

If Australia and New Zealand join with the United Kingdom in offering the use of the British naval base at Singapore to the United States, will the United States, if it accepts, feel equally free to invite Brazil and Argentina and all the others to use it? If it be desired to open Singapore to the Dutch navy, defending the Dutch East Indies, will the invitation proceed from London, from Canberra, from Wellington, from Washington, or from all four?

It is true that not all of the old political practices are abandoned, by any means. Germany and Italy, the Axis powers, join with Japan in an offensive-defensive alliance, which at one and the same time excuses communist Russia and is directed against the democratic nations. This was accomplished in a formal pact signed with great ceremony in Berlin. But at the same time there is reason to believe that the ceremony was prized more for its dramatic values than for any legal validity that it might lend to the arrangements. Certainly neither Germany nor Japan has felt any compulsion to abide by traditional forms of international law, since they have found it possible to abrogate treaties without formal denunciations, to say nothing of armed invasions of other nations without the formality of a declaration of war. Certainly their confederation based on opposition to democracy has resulted in united action, the effectiveness of which is not measured by any treaty, convention or statute.

Plans for the higher federalism through which the machinery for the realization of the common objectives of the American nations might be set up, might be made without formal written constitutional changes. Rather, these plans should be adjustable from time to time, and be sufficiently flexible to enable necessary readjustment to be made quickly in accordance with developing needs.

Actually, it is this type of higher federalism that already is developing in the common defense plans for the American republics growing out of the conferences of Panama and Havana and the conversations between the United States and Canada.

It is this type of higher federalism that was envisaged in the Act of Havana when it provided for the expansion of the activities of the Inter-American financial and economic advisory committee, and when it set up the scheme for the Inter-American commission for territorial administration to guard against the transfer of territory of non-American nations in the Western Hemisphere.

In addition to such functional organization for common action, however, Inter-American planning may also require the exploration of bolder devices for political solidification, without the sacrifice of national independence.

Among possibilities to be examined are various forms of:

1. Common citizenship. The extension of the scope of citizenship or some new form of common civic rights to coincide with the area of joint action would give political validity to military, economic and cultural programs now being undertaken or yet to be

begun. This citizenship need not infringe upon either the privileges or the limitations of national citizenship. It might indeed be very restricted in its scope, symbolic as much as substantial, yet important and useful. For instance, citizenship in the United States does not carry with it the right to vote, the suffrage being bestowed upon citizens of the United States (sometimes upon non-citizens) by the several states, which are restrained only by the negative mandate that they may not deny the right to vote because of certain reasons. Citizenship, from one point of view, is a bundle of rights, privileges and duties. Some common citizenship, broadly defined, might also serve to remove certain disabilities of alienage without affecting essential national control of migration.

2. Common currency and exchange facilities. It certainly will be a part of Inter-American economic planning to endeavor to minimize the difficulties caused by the existence, in the Western Hemisphere, of twenty-two national currencies, to say nothing of the circulating media of the French, British and Dutch colonies. The project for an Inter-American Bank provides, among other things, for the amelioration of the exchange situation, and various suggestions have been made with respect to the refunding of external debts of some American nations by conversion into obligations payable in domestic currency. Whether the creation of a common currency is possible depends, of course, upon many political as well as economic factors. If the management of such a currency is not beyond possibility, there can be no question of its desirable features.

3. Common planning. Inter-American machinery for planning for the development and utilization of natural resources, both physical and human, could be created by joint political action. In this phase, the higher federalism could be useful to all of the peoples of all of the nations, and that without encountering the difficulties certain to be discovered in joint administration of operating agencies, since the planning function is advisory and persuasive, not authoritative and coercive.

Difficult as may be the planning problems to be encountered in any approach to the higher federalism, it must be remembered that a certain measure of political organization is necessary to carry into effect the plans for cooperation in the fields of defense, economics and culture. It also must be remembered that there may be no independence for a democracy today except as a participant in a larger common scheme. Today it is more difficult than it was even a year ago to look forward to a world organization based upon a dominant community of democratic societies, a community of justice rather than of violence, dedicated to a jural order for the solution of difficulties by reason and peaceful adjustment. Nevertheless, the ultimate goal of democratic planning must continue to be such a world organization. The impossibility of a complete scheme in the near future should not deter the development of the broadest and most inclusive framework that circumstances will now permit.

BACKDROP OF RESEARCH FOR PLANNING

The development of plans presupposes the availability of adequate data. The data for Inter-American planning is not adequate. A vast complex of strategic, economic, sociological and cultural factors are involved; a complex differing in composition with each country.

By pooling the information now available, it should be possible to draw certain generalizations, and to outline, at least tentatively, general directives for courses of action which will serve as a guide for decisions which must be made now. But research is necessary to supply obvious deficiencies in present knowledge and provide a more comprehensive and precise factual background. As additional data is accumulated and digested, present generalizations and the directives based thereon may be tested and modified if necessary, and adaptations made to the variations in different countries.

A characteristic of sound, long-time planning is the preparation and use of available technical data bearing on the particular problem. Naturally, ample allowance must be made for decisions which must be completed in the absence of full technical information. Technical data includes sets of facts and conclusions arrived at by competent technicians accustomed to precision in measurement and acuteness of analysis and, beyond this, gifted with insight. Such data will not always provide the necessary lines for a decision,

but decision should not be made, except in an emergency, without careful collection and canvassing of technical data as distinguished from mere opinion, offhand judgment, one-sided facts, and wishful thinking as compared with keen-eyed observation and hard-headed judgment. It is probably fair to say that much of the Inter-American research has not been comprehensive and thoroughgoing enough or incisive enough to supply the necessary basis for over-all Inter-American planning, nor are the available data brought together and interchanged for effective use. In the various agencies of the United States Government vast masses of data can be found, but these must be carefully worked over, analyzed and organized; inadequacies must be repaired, and probably new lines of inquiry promptly initiated under expert direction.

In addition to United States sources, there are, of course, large storehouses of material in the several Inter-American countries, including Canada, and doubtless much material in the possession of Great Britain. Furthermore, the Pan American Union has a great mass of information in its possession, some of which would be very useful in preparing the technical basis for planning. The Geneva groups (International Labor Organization and League of Nations) have much material pertinent to these problems. No attempt is made here to catalogue the various other types of organization -- cultural and commercial, which unquestionably have information of very great value in their special fields -- public, semipublic and private.

It is important to emphasize at this point the desirability of arranging for clearing information among the various agencies possessing it. Technical research assistance might be made available to any or all agencies seeking this type of help. Possibly an Inter-American research organization or clearing house might be set up to the mutual benefit of Inter-Americas.

It is not the intention to undertake here a comprehensive analyses of research data. It is essential, however, to direct special attention to some outstanding considerations which are set down here for review.

1. The importance of a thorough mastery of the data and research field. The roots of modern industry and modern war are largely technical in nature. Other things being equal, those who command the highest technology survive, often regardless of numbers, wealth, status, organization, or ideals. There are also ideological and institutional roots in law, philosophy, mores. Inter-American planning should "command the air" in the research field so effectively as to make technical challenge impossible or difficult. This is a strange saying, but in our times "worthy of all acceptation."

2. The importance of securing all relevant data as distinguished from encyclopedic data. Research of the omnum-gatherum type in the broad field of Inter-American relations will not be very helpful. Effective research for planning purposes must deal with relations and interrelations, with facts and ideas as they bear upon existing and emerging problems within the general framework of the planning

program. Sharp and continuing analysis of data is imperative with reference to questions coming to a focus as far as this may be foreseen. Engineers along the Lower Mississippi study "sandboils" as indications that something is wrong with the levees controlling the river and the flood.

3. The importance of technical data revealing historic movements, trends, and possibilities or probabilities. Particularly in our times, movements and trends may be reversed, but by and large, they move in slow cycles which can often be observed roughly if not precisely. There are indices of social cycles as well as of business cycles. Neither can be wholly arrived upon but both are useful. Statesmen who ignore history and the dynamics of broad social movements in Inter-America are courting disaster.

4. The importance of inventive, creative, forward-looking interpretations of research results. Intense specialization sometimes destroys imagination, or leaves it only in a highly specialized field without any imagination whatever in the general field where specializations must be synthesized. In Inter-American research lively imagination may be as important as statistical correlation. Imagination may be Utopian and impractical in its extreme forms, but there is such a thing as a trained imagination which can be levelled on immediate problems with advantage at times. The unpardonable sin in much research planning, it may be said, is the lack of imagination, invention, and something of the courage of the prophet who may sense a direction even if he does not see the goal

as clearly as he thinks.

5. Insistence on the basic importance of special factors revolutionizing the modern world, such as communication, transportation, facility in mass production of goods, improved types of management, modifications of the master-slave relationship, new human aspirations, the achievements and possibilities of medicine, education, engineering. These are the A, B, C of any modern encyclopedia, but they are often lost sight of in research centering too closely around jurisdictional forms, organizational and institutional intricacies and perhaps outmoded complexities in economic and social organization. What has research to say regarding the possibilities of applying on an optimum basis these new and dazzling techniques to standards of living throughout Inter-America.

6. The importance of research in balancing (1) the role of custom, (2) the role of violence, and (3) the role of conscious will and intelligence utilizing science, education, industrial and cultural techniques and guidance. What common elements can be found in Inter-America as a basis for Inter-American cooperation in the grand manner? What social, economic, political factors are likely to resist all change? Which yield readily to suggestions of change; or yield reluctantly?

The fullest possible knowledge about Inter-American zones or areas of adaptability would be very helpful in long-time planning. All this involves profound and penetrating study somewhat detached from the field of responsible action, but it is of very far-reaching

importance.

Without attempting to go into detail on the specialized subjects of research, it may be said that it is of outstanding importance to have adequate, competent personnel capable of dealing with basic problems in other than a superficial manner. Considering the vast range of difficult problems, looking at far-flung Inter-America with its divergent populations, differing habits and institutions, varying standards of living and aspirations for improvement, it would be idle to set up any other than a staff of distinction.

Remote as the results of somewhat expensive research may appear at this moment, it can be confidently predicted that without such equipment, long-time basic planning will suffer severely and perhaps break down. Spot decisions must be made -- many of them on scanty information when time is the essence of the contract, but, whenever possible to obtain, comprehensive technical data are of incalculable value.

ORGANIZATION FOR PLANNING

Two suggestions are presented as to ways and means of implementing long-time planning in Inter-American affairs.

1. The Coordinator might appoint an administrative assistant designated as a staff planning official and engaged in the task of checking current projects and programs against the backdrop of general directives for the Coordinator. The urgency of particular projects would of course have to be taken into consideration in determining

how much time could be given to this staff examination, or to a study of any recommendations growing out of the examination of a project by the administrative assistant.

2. The National Resources Planning Board might make inquiries requested by the Coordinator in the area of basic data, analyses, or comment on long-time objectives in relation to pending Inter-American projects. To facilitate this, a special Inter-American staff planning official might be appointed by the National Resources Planning Board to deal with long-time planning research, or as consultant. In an emergency the National Resources Planning Board might give to the staff officer of the Coordinator available information and counsel as seemed useful without waiting for Board action. The Board itself might make recommendations or comment on larger types of long-time or basic problems where time permits more careful and mature examination.

In Inter-American planning attention would naturally be given to various forms of planning already developed in various nations of Inter-America. An intimate knowledge of the objectives and practical workings of these planning arrangements would be helpful in the projection of American and of Inter-American planning.

Among these general planning agencies are those of Bolivia, Colombia, Venezuela, Ecuador, Mexico, Chili. Included also might be various regulatory and control agencies. There are also numerous types of city and local planning authorities dealing with urban or local features of what is commonly called city planning. "Our Cities"

prepared by the National Resources Planning Board and translated into Spanish was widely circulated in Spanish speaking countries. A detailed description of these agencies and their methods of operation, prepared as part of a different National Resources Planning Board enterprise, is available.

In general it may be said that the broad objectives of these widely varying types of planning include land policy and agricultural diversification, promotion of domestic industries, industrialization, improvement of social conditions. The methods pursued range over a wide variety of activities including public works, land distribution, agricultural resettlement, state aid to agriculture, adjustment of agricultural output and price, state aid to industry (technical and financial), control of foreign trade, dealing with tariffs, trade agreements, exchange controls, among others. These and many other collateral lines of planning enterprises impossible to enumerate or discuss here may well be compared with the technical experience of the United States of America. Some useful form of interchange of planning experience in the several countries of Inter-America or other democratic states might be devised and operated to great advantage. All the more so since planning agencies are advisory only and brandish no coercive authority.

For purposes of greater certainty it may be said again that this memorandum is presented in no sense as a comprehensive analysis of the current run of Inter-American problems. This would call for

a quite different approach, based upon close contact with and analysis of a wide variety of data, plans, and purposes. Many urgent questions are now pressing for solution, often in detailed form and demanding instant decision. The formulation and implementation of these detailed projects is in the hands of competent draftsmen.

The purpose of the foregoing statement is to provide a "backdrop" against which specific projects may be set for general perspective, to supply a plan for planning out of which might come the general objectives and the main guiding directives for planning when there is time and opportunity for elaboration of programs. It is our hope that these statements may be helpful to those responsible for Inter-American planning and programming, and useful to the National Resources Planning Board, as well, if called upon for consultation at any time in a field closely related to the planning of the national resources of the United States and bearing a vital relationship to our cycles of depression and unemployment.

Velma
PSF—Delano
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EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL RESOURCES PLANNING BOARD
WASHINGTON, D. C.

November 18, 1940.

MEMORANDUM for The President:

In accordance with our discussion with you last week on the subject of "Public Works and Employment Planning in Germany", I am enclosing herewith a confidential memorandum on that subject prepared for us by Dr. Lewis L. Lorwin.

As you pointed out, the story of German organization and financing of Public Works is not new, and this memorandum is a convenient summary of material rather than a discovery of new data. We had it prepared for our own use in developing the report on our own Six-Year Program of Public Works and the memoranda on Post-Emergency Economics which you requested.

Respectfully submitted,

Signed

Frederic A. Delano
Chairman.

encl.

For original of this letter and attached memo
See:Public Works Planning File--Drawer 2-1940

P&F Interior

File Personal Confidential

FILE COPY
Surname:

Mangold

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON

NOV 18 1940

MEMORANDUM for the Secretary.

Pursuant to your instructions I discussed our plans for a refugee transit station in the Virgin Islands with Assistant Secretary Breckinridge Long, at the State Department, on Wednesday, November 13. He expressed his grave concern at what he considered a threat to break down the barriers against undesirable alien visitors. This fear proceeded, I thought, from five erroneous assumptions:

1. That the Governor's proclamation on this subject had already been promulgated and was in effect;

2. That this plan had been devised without any consultation with the State Department;

3. That the program contemplated would be administered in disregard of the consular service;

4. That under this program the determination of the admissibility of an alien visitor would rest entirely in the discretion of the Governor of the Virgin Islands;

5. That, as a matter of law, persons thus admitted to the Virgin Islands would then be entitled to proceed to enter the United States.

The facts on each of these points are, in brief:

1. The Governor's proclamation (Appendix A), although signed, has not been promulgated and is not in effect. It will not be put into effect or promulgated until suitable procedures for the administration of the plan have been worked out with the other interested Departments, particularly State and Justice. These procedures are still in "preliminary draft" stage.

2. Far from ignoring the State Department in this matter, this Department has been in consultation with the State Department for about a year on plans for the establishment of a temporary haven or transit station for refugees in the Virgin Islands. (See Appendix C for a chronology of negotiations.) On October 23, 1939, Attorney

COPY FOR THE SECRETARY'S OFFICE

General Jackson wrote that the State Department would be glad to give careful consideration to any suggestion or recommendation from this Department concerning amendment of the existing regulations, with a view to making possible the establishment of the proposed temporary haven. On December 15, 1939, Secretary Hull expressed sympathy with our purpose but indicated that in his judgment the particular regulations that we then proposed were inconsistent with existing law. Thereupon this Department, after receiving from the Secretary of Labor a communication upholding the legality of the proposed regulations (with minor and wholly acceptable modifications), submitted the question of the legality of the proposed plan (based on the issuance by consuls abroad of special visas for entry to the Virgin Islands) to the Attorney General for a legal opinion. This opinion has not yet been received. Meanwhile further informal discussions have been held on an alternative plan of operation, looking towards the original objective, with the Department of Justice, the Assistant Chief of the European Division of the State Department, the Executive Secretary of the President's Advisory Committee on Political Refugees, and interested religious and philanthropic organizations. The preparation and signing of the Governor's proclamation was a mere preliminary step in the working out of this plan. This proclamation is serving as the concrete basis of confidential discussion with the various interested agencies in an effort to work out a practical scheme of operations.

3. The procedure contemplated for passing on admissions would not bypass the consular service; on the contrary, the regulations tentatively drafted provide that each application will be referred to the appropriate consular official for final determination of the question whether the applicant falls within any excludable class.

4. It has never been contemplated that the Governor of the Virgin Islands would assume complete responsibility for determining the admissibility of visiting aliens. What is contemplated is that applications will be checked by the State Department, the Department of Justice, and, probably, the President's Advisory Committee on Political Refugees, with respect to matters within the respective jurisdictions of these agencies, and only when an application has been approved by all these agencies will the Governor of the Virgin Islands exercise a discretionary power to accept or reject the applicant.

5. It is not true, as a matter of law, that a person specially admitted to the Virgin Islands is free to travel to the mainland. Court

decisions and the long practice of the State Department and the Immigration Service uphold the validity of special restrictions in the terms of admission of visiting aliens. Informal discussion of this question on November 14 with the Assistant Solicitor General, the Acting Chief of the Immigration Service, and their aides in the Department of Justice, indicated that the view which this Department has entertained on this legal question is entirely in agreement with the views of the Department of Justice.

At my conference with Assistant Secretary Long I tried, within the limitations of time imposed, to correct the misimpressions which he had acquired concerning the steps taken and contemplated by the Interior Department in this matter. Continuing the conference with various subordinate officials, we were able to isolate certain issues of law and policy, to which, it was agreed, both Departments would give further consideration and thought. We hope to resume discussion of these issues within the next day or two.

Meanwhile Assistant Secretary Chapman, Governor Cramer and I have been proceeding with confidential discussions of the Governor's proclamation and the procedures necessary to implement it, in collaboration with Mr. George Warren, the Executive Secretary of the President's Advisory Committee, the immigration authorities of the Department of Justice, and interested philanthropic agencies, including The National Refugee Service, Inc. (Joseph P. Chamberlain, Chairman), the Coordinating Foundation (Paul Van Zeeland, Director), The Refugee Economic Corporation (Charles J. Liebman, President), The Dominican Republic Settlement Association (James N. Rosenberg, President), and the various important Catholic, Jewish, and other religious groups acting in this field. On Friday, November 15, a tentative agreement was reached as to the procedures to be followed in implementing the Governor's proclamation, in a conference with a committee representing all these organizations and headed by Mr. George Warren. This plan of procedure has been communicated to the Department of Justice and will be discussed in detail on Tuesday, November 19. It is contemplated that this plan of procedure will then be discussed with the State Department. A copy of this tentative draft of regulations, together with the proclamation thus implemented, is attached hereto as Appendix B.

The procedure thus tentatively agreed upon is based upon authority conferred by Executive order, giving the Governor of the Virgin Islands power to waive passport and visa requirements in emergency cases. Under

this authority, and under suitable safeguards, the Governor would treat as emergency cases individuals desiring to stop temporarily in the Virgin Islands in transit to other lands of settlement, where current conditions make it imperative for them to secure a temporary haven during the necessary waiting period. It is contemplated that thorough scrutiny of all cases will be made by the consular officials, the Department of Justice, and the President's Advisory Committee before the Governor of the Virgin Islands admits any applicant. It is also contemplated that reasonable assurances will be required from responsible interested religious and philanthropic agencies with respect to the maintenance of the individuals admitted and with a view to securing assistance in their permanent relocation. In all these respects the proposed procedure follows the lines of operation established by the Attorney General with respect to the admission of refugee children under sponsoring organizations.

While proceeding upon the foregoing assumptions, parallel conversations have been held with the Department of Justice on the legal questions submitted some months ago. These questions are directed primarily to the use of consular visas in achieving our proposed objectives. Under this procedure admission to the proposed temporary haven in the Virgin Islands might have to be restricted to those who are assured of the right to enter the United States within the reasonably near future as quota immigrants. The process of selection and admission would be entirely in the hands of the consular officials. The local authorities would be concerned only with problems raised by the actual presence of these refugee visitors in the Islands, i.e., problems of housing, maintenance and supervision. It is expected that answers to the questions that have been formally submitted will cast considerable light upon the modified program embodied in the attached proclamation and regulations. The informal conversations with the Department of Justice already referred to convince me that the position of this Department will be upheld at all points if an opinion is rendered. The Assistant Solicitor General, however, desired further argument on the question of whether the interest of this Department in the questions submitted is sufficient to justify the rendition of an opinion, in the absence of a request therefor from the State Department. On November 15 I submitted a memorandum to Assistant Solicitor General Fahy citing more than twenty precedents for the rendition of an opinion under these circumstances.

Nathan R. Margold
Solicitor.

Attachments.

6-5-40

PSF Interior

EXHIBIT A

GOVERNOR'S PROCLAMATION

EXHIBIT A

PROCLAMATION BY THE GOVERNOR OF THE VIRGIN ISLANDS

Whereas, Executive Order No. 8430 of June 5, 1940, provides:

"By virtue of and pursuant to the authority vested in me by the act of May 22, 1918, 40 Stat. 559, as extended by the act of March 2, 1921, 41 Stat. 1205, 1217, I hereby prescribe the following regulations pertaining to documents required of aliens entering the United States (which regulations shall be applicable to Chinese and to Philippine citizens who are not citizens of the United States except as may be otherwise provided by special laws and regulations governing the entry of such persons):

Part I

"1. Nonimmigrants must present unexpired passports or official documents in the nature of passports issued by the governments of the countries to which they owe allegiance or other travel documents showing their origin and identity, as prescribed in regulations issued by the Secretary of State, and valid passport visas, except in the following cases:

* * * * *

"4. The Secretary of State is authorized in his discretion to waive the passport and visa requirements in cases of emergency for nonimmigrants, except that the Governor of the Virgin Islands is authorized in his discretion to waive the requirements in cases of emergency for nonimmigrant aliens applying for admission at a port of entry of the Virgin Islands."

And Whereas, the term "nonimmigrant" is defined by the act of May 26, 1924, sec. 3, 43 Stat. 154, as amended, (8 U. S. C. 203), to include "an alien visiting the United States temporarily as a tourist or temporarily for business or pleasure";

And Whereas, current international conditions have created an emergency wherein persons eligible for future admission to the United States as quota-immigrants are unable to secure passports from their countries of origin or to return to their residences in such countries during the continuance of such emergency conditions;

And Whereas the Legislative Assembly of the Virgin Islands did on November 18, 1939, enact the following resolution:

"RESOLUTION

offering the Virgin Islands of the United States as a place of safety for refugee peoples.

Be it resolved by the Legislative Assembly of the Virgin Islands of the United States in session assembled:

WHEREAS, world conditions have created large refugee groups, and

WHEREAS, such groups eventually will migrate to places of safety, and

WHEREAS, the Virgin Islands of the United States being a place of safety can offer surcease from misfortune.

NOW THEREFORE, be it resolved by the Legislative Assembly of the Virgin Islands of the United States in session assembled that it be made known to Refugee peoples of the world that when and if existing barriers are removed that they shall find surcease from misfortune in the Virgin Islands of the United States.

AND BE IT FURTHER RESOLVED that copies of this Resolution be forwarded to the President of the United States, the Secretary of State, the Secretary of Labor, the Secretary of the Interior, and members of the Press."

NOW, THEREFORE, I, Lawrence W. Cramer, Governor of the Virgin Islands, by reason of the circumstances and authorities above set forth, do proclaim that the cases in which the following requirements are met will be considered emergency cases within the meaning of Executive Order No. 8430 above set forth and that in such cases nonimmigrants applying for admission at a port of entry of the Virgin Islands will not be required to present passports or visas:

(a) The applicant shall demonstrate that he does not fall within any of the classes of persons excluded from admission to the United States, under any existing law.

(b) The applicant shall present adequate assurance that he will not become a public charge during his stay in the Virgin Islands; that he will not, during the continuance of his special status, depart from the Virgin Islands to any other point within the United States; and that while within the Virgin Islands he will not accept any employment except such employment as, by resolution of the Legislative Assemply of the Virgin Islands, shall be declared to be conducive to the economic prosperity of the Virgin Islands,

(c) The applicant shall show a bona fide intention to renounce his status as a special visitor to the Virgin Islands upon the termination of the emergency conditions hereinabove referred to, and thereupon to depart to foreign soil, unless he shall at such time be entitled to receive a regular immigration visa.

(d) The applicant shall give suitable evidence of devotion to the principles and institutions embodied in the Constitution of the United States; he shall establish a legitimate purpose for his entry; and it shall be shown that his entry would not be contrary to the public safety.

And I do further proclaim that as evidence of the special status conferred under this proclamation each person admitted to the Virgin Islands thereunder will be entitled to receive a border-crossing identification card valid for two years, capable of extension at the termination of such period if, in the judgment of the Governor of the Virgin Islands, the circumstances above referred to continue to exist, and subject to prior cancelation upon (1) the violation by the holder of any of the conditions of his admission, or (2) the termination of the emergency conditions above referred to.

LAWRENCE W. CRAMER,
Governor.

P3F Interior

APPENDIX B

DRAFT OF PROPOSED REGULATIONS

REGULATIONS ON ADMISSION OF ALIEN VISITORS TO VIRGIN ISLANDS

(Tentative Draft No. 2)

1. Qualifications. In order to qualify for consideration as an "emergency case" under the foregoing proclamation each applicant for a border-crossing identification card thereunder shall present the following documents:

(a) A certificate from the President's Advisory Committee on Political Refugees, approved by the Attorney General or such official of the Immigration and Naturalization Service as the Attorney General shall designate, the contents of such certificate to be of the character prescribed by section 2 of these Regulations;

(b) A certificate from an American consul of the character prescribed by section 3 of these Regulations;

(c) Financial guarantees as prescribed by section 4 of these Regulations; and

(d) Affidavits of an approved sponsoring organization of the character prescribed by section 5 of these Regulations.

In requesting consular consideration of an application, the Governor of the Virgin Islands may submit the documents filed under headings (a), (c), and (d) of this section, together with a preliminary finding by the Governor that the applicant is entitled to receive a border-crossing identification card as an "emergency case" in the event that an appropriate consular certificate is secured.

2. Certificate of President's Advisory Committee. Every applicant for a border-crossing identification card issued under the foregoing proclamation shall present a certificate executed by the President's Advisory Committee on Political Refugees, and endorsed by the Attorney General or such official of the Immigration and Naturalization Service as the Attorney General shall designate, containing a finding that the applicant deserves consideration as an emergency case, that he has a legitimate purpose for entering the Virgin Islands and that his entry would not endanger the safety of the United States.

3. Consular Certificate. Every applicant for a border-crossing identification card issued under the foregoing proclamation shall present a certificate signed by a consular officer of the United States, in the attached form, indicating that the applicant does not fall within any of the classes of persons excluded from admission to the United States under the Immigration Act of February 5, 1917, as amended.

4. Financial Guarantees. Adequate assurance that he will not become a public charge during his stay in the Virgin Islands shall be given by each applicant, in one of the following forms, the choice to be in the discretion of the applicant:

(a) The execution of a guarantee by a nonprofit organization, approved by the Secretary of the Interior* said guarantee to be in such form as may be required by the Secretary of the Interior.*

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*With the consent of the Attorney General that officer might be substituted at this point.

(b) The filing of a surety bond, approved by the Secretary of the Interior,* in the sum of $1,000, guaranteeing that the applicant, if admitted to the Virgin Islands, will not become a public charge.

(c) The filing of such financial affidavits as have been accepted by an American consul in passing upon an application for a quota immigration visa, in cases where the applicant for entry has also applied for a quota immigration visa.

5. Affidavits. A non-immigrant visitor seeking entry to the Virgin Islands under the foregoing proclamation shall submit an affidavit of a non-profit organization approved by the Secretary of the Interior*, as evidence of the following facts: That he has no intention of departing from the Virgin Islands during the continuance of his special status, to any other point within the United States; that he has no intention of accepting any employment within the Virgin Islands except such employment as, by resolution of the legislative assembly of the Virgin Islands, shall be declared to be conducive to economic prosperity of the Virgin Islands; that the applicant intends in good faith to renounce his status as a special visitor to the Virgin Islands upon, or before, the termination of the emergency conditions referred to in the proclamation, and thereupon to depart to foreign soil, unless he shall at such time be entitled to receive a regular immigration visa; that the applicant has given suitable evidence of his devotion to the principles and institutions embodied in the Constitution of the United States; and that the

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*With the consent of the Attorney General that officer might be substituted at this point.

affiant organization will use its best efforts to see that the applicant is resettled outside the United States if, upon the termination of the emergency conditions referred to, the applicant is found ineligible to enter the United States; and, further, that the affiant organization shall undertake that the applicant will be under continuous supervision during the period of his stay in the Virgin Islands and that proper housing facilities will be available to him during such stay; and that the affiant organization shall use its best efforts to comply with such directions as shall be made by the Secretary of the Interior respecting the admission and departure of the applicant.

6. Preference. In passing upon applications approved in the manner above prescribed, the Governor of the Virgin Islands will give preference to cases in which it appears that the applicant will remain in the Virgin Islands for a period less than 60 days.

7. Agreement of Applicant. No border-crossing identification card shall be issued until the applicant has signed an agreement undertaking to abide by all the conditions specified in these regulations and the Governor's Proclamation under which the said card is issued, and agreeing that the said card shall be voided by any violation of any of the said conditions.

8. Reports. Every organization, approved by the Secretary of the Interior* under sections 4 or 5 of these regulations, shall undertake to submit to the Governor of the Virgin Islands and to the Secretary of the Interior* a regular report of the whereabouts and activities of all alien visitors for whom it has presented financial guarantees or other affidavits, in such form as may from time to time be required. Unexcused failure to submit such reports shall be deemed ground for removal of any such organization from the list of approved organizations qualified to present guarantees and affidavits under these regulations.

9. Alien Registration. Every alien entering the Virgin Islands under the foregoing proclamation shall be required to register under the Alien Registration Act at the time of his admission into the Virgin Islands.

10. Posting of Alien Visitor Lists. A list of alien visitors admitted to the Virgin Islands under the foregoing proclamation, together with copies of fingerprints, photographs and descriptive matter for each visitor, will be maintained in the immigration offices at all ports within the Virgin Islands and will be available to masters of all vessels taking on passengers within the Virgin Islands, and to their agents.

11. Fees. A fee of ten dollars shall be paid upon the issuance of each border-crossing identification card under this proclamation.

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*With the consent of the Attorney General that officer might be substituted at this point.

All funds so received shall be available for expenditure, at the direction of the Governor of the Virgin Islands, in meeting the costs of administering these regulations.

PSF Interior

Appendix C

Chronological Account of Inter-Departmental Negotiations on Admission of Alien Visitors into Virgin Islands

1. On April 28, 1931, the Department of the Interior transmitted to the Department of State a set of regulations designed to govern the entry of visiting aliens into the Virgin Islands, under which permits are granted for temporary visits not exceeding thirty days, subject to renewal, to persons not possessing passports or visas, "where the facts of the case appear to warrant such action." This provision has been incorporated by the State Department in the current Supplement A of the Consular Regulations (at p. 143.) It has been in effect for many years and the State Department has never offered any objection to this arrangement.

2. On November 18, 1938, the Legislative Assembly of the Virgin Islands adopted a resolution inviting oppressed peoples to look to the Virgin Islands for a haven of refuge. A copy of this resolution was presented to the State Department.

3. During September and October 1939, the Secretary of the Interior received communications from various individuals who were on waiting lists for quota immigration visas, inquiring whether they might be permitted to visit Alaska while waiting their quota turn. Informal inquiry at the State Department revealed that such persons would either be refused visitor's visas, if they sought to visit Alaska, or if such visitor's visas were granted, that they would be stricken from the quota waiting list. It was not clear whether this procedure was a requirement of administration or a requirement of law, and it seemed that through a modification of this rule, whether by legislation or by administrative action, the Territories might aid in achieving the objectives of the United States as expressed in the Evian Conference and subsequent meetings of the Inter-Governmental Committee.

4. On October 16, 1939, the Secretary of the Interior asked the Attorney General for a ruling on the question of whether under existing law a person who has applied for admission to the United States as a quota immigrant and who desires to visit a Territory of the United States temporarily for business or pleasure is faced with the dilemma of having to forego such visit or having to forfeit his quota waiting number.

5. On October 23, 1939, the Attorney General indicated that it was unnecessary to consider the abstract question proposed because

CHRONOLOGY OF NEGOTIATIONS

the Secretary of State would be "glad to give careful consideration to any suggestion or recommendation from you concerning amendment of the regulations."

6. On November 25, 1939, pursuant to the Attorney General's suggestion, proposed amendments to existing regulations on the entry of alien visitors to the Virgin Islands were drafted and submitted to the Secretary of State as well as to the Secretary of Labor, who was then charged with supervision over immigration matters.

7. On December 15, 1939, the Secretary of State advised that in his opinion the proposed regulations were incompatible with existing law but that "if Congress adopts the measures which appear to be necessary to achieve the desired end, this Department will cooperate with you and through you with the authorities of the Virgin Islands."

8. On February 3, 1940, the Secretary of Labor advised that in her opinion the submitted regulations, subject to certain minor technical corrections, were consistent with existing law and unobjectionable from the standpoint of policy.

9. On March 21, 1940, the Secretary of the Interior, in view of the conflicting opinions expressed by the Secretary of State and the Secretary of Labor, resubmitted the original question, with the suggestion that that original question be considered specifically with relation to the Virgin Islands.

10. On March 29, 1940, the Attorney General declined to express an opinion on the question submitted, for the reason that the Secretary of State had not invited such an opinion.

11. On August 10, 1940, the Secretary of the Interior, pointing out that the regulations to which amendment was sought were regulations of the Interior Department itself and therefore involved questions on which this Department had a right to request legal guidance, resubmitted the legal question to the Attorney General.

12. Some weeks after the submission of the foregoing question the Solicitor was informally advised by the attorney of the Department of Justice in charge of immigration questions, to whom the Secretary's request had been referred, that the position of the Interior Department appeared to be sound in so far as it held that there was no incompatibility between a temporary visit to a Territory of the United

States and an application for permanent admission subsequently as a quota immigrant. The Solicitor was advised, however, that a serious legal question existed as to the power of the State Department to issue a limited visitor's visa requiring the holder to remain within a specified Territory until his departure from the United States. The Solicitor was invited to submit a supplementary memorandum on this question.

13. On October 30, 1940, the Solicitor signed, and thereupon transmitted to the attorney of the Department of Justice who had made the request, a supplementary memorandum indicating that the Secretary of State had power to issue such a special visa. Some time thereafter the attorney of the Department of Justice who was considering the matter advised the Solicitor that he was entirely satisfied of the soundness of the Solicitor's position on this question, as well as on the legal questions that had already been considered. He stated, of course, that his views were subject to the confirmation or rejection of Assistant Solicitor General Fahy and Solicitor General Biddle.

14. In the course of examining the question of the power to issue a geographically restricted special visa the Solicitor found that power to achieve some of the objectives originally desired was vested in the Governor of the Virgin Islands. Informal discussions with the Department of Justice and with the Assistant Chief of the European Division of the State Department indicated that the objective sought was not contrary to any established national policy and that the means proposed were properly within the jurisdiction of the Interior Department. After consultation with the Governor of the Virgin Islands and the Director of the Division of Territories, a draft of proclamation, specifying conditions under which discretionary power to waive passport and visa requirements vested in the Governor might be exercised, was presented to the Secretary of the Interior, together with an opinion on the legality of the said proclamation.

15. On November 6, 1940, the opinion on the legality of the proclamation was approved by the Secretary and a letter of transmittal recommending approval of the proclamation by the Governor of the Virgin Islands was signed by the Secretary.

16. On November 7, 1940, the proclamation in question was signed by the Governor of the Virgin Islands (it has not yet been promulgated) and work was immediately begun to prepare the regulations or instructions necessary to implement this proclamation.

17. On November 8, 9, 11, and 12, 1940, while work on the drafting of regulations proceeded, the proclamation was discussed informally with at least two officials of the State Department and with the Executive Secretary of the President's Advisory Committee on Political Refugees, and arrangements were made for a meeting with interested religious and philanthropic leaders to be held on November 15 to discuss possible methods of implementing the purposes specified in the Governor's Proclamation.

18. On November 12, 1940, Assistant Secretary of State Long asked that all action on the proclamation be suspended pending further discussions. He was assured that for the present no such action was contemplated.

19. On November 13, 1940, the Solicitor met with Assistant Secretary Long. The subject of this meeting is discussed in the accompanying memorandum.

20. On November 14, 1940, the Solicitor met with Assistant Solicitor General Fahy. This meeting is likewise discussed in the accompanying memorandum.

21. On November 15, 1940, Assistant Secretary Chapman met with the group of philanthropic and religious leaders that had been invited to discuss the problem. Mr. George Warren, Executive Secretary of the President's Advisory Committee on Political Refugees, and Mr. Clarence E. Pickett, Executive Secretary of the American Friends Service Committee, were appointed as a continuing committee to cooperate with the Interior Department and other interested departments in working out full plans for the establishment of a temporary haven or "transit station" for refugees in the Virgin Islands. The tentative draft of regulations attached was agreed upon, in outline, as necessary to implement the Governor's Proclamation. Further discussions with the Department of Justice were arranged for, and further discussions with the State Department were planned.

file personal.

PSF Interior

November 29, 1940.

Dear Mr. Delano:-

The President has asked me to thank you for letting him see the enclosed letter from Mr. Owen D. Young. The original is returned herewith and we are keeping the copies for our files.

With kindest regards,

Always sincerely,

M. A. Le Hand
PRIVATE SECRETARY

Hon. Frederic A. Delano,
220 State Department Building,
Washington, D. C.

(Enclosure)

PSF Interior

FREDERIC A. DELANO
220 STATE DEP'T BUILDING
WASHINGTON, D. C.

570 LEXINGTON AVENUE
NEW YORK CITY

Washington, D. C.

November 19, 1940.

The President,

The White House.

My dear Mr. President:

I enclose herewith a personal letter from Mr. Owen D. Young, in which he expresses the hope that you will set at rest the rumor that he is to be named to the new Board of Investigation and Research to be set up under the Transportation Act of 1940. A copy of my reply to him is also enclosed.

Sincerely yours,

Frederic Delano

Encls.

F. A. DELANO
Room 220
State Dept. Bldg.
Washington, D. C.

PSF Interior

Washington, D. C.

~~CONFIDENTIAL~~

November 19, 1940.

Mr. Owen D. Young
570 Lexington Avenue
New York, New York.

My dear Mr. Young:

I have just received your personal and confidential letter of November 15, and I think I can understand perfectly how you feel. Although I think you would be an ideal man as Chairman of the proposed Board of three, I can understand why you would not wish to accept such a full-time assignment. Even if I were younger, I could not conceive of accepting the position myself unless I could select the other two members of the Board, and that probably would not be practicable.

It seems too bad that a rumor such as you mention should get around. It must be rather annoying to you. I will try to find out what the source of that rumor is, and I shall be glad to see that the President is informed about the matter in order that he may set the rumor at rest as you suggest.

In regard to the study which we have been conducting and for which Dr. R. J. Watkins was asked to prepare the material for submission to you and to the other members of the Advisory Committee, our hope is that a preliminary statement can be submitted to the President before the first of the year. Dr. Watkins and the members of his staff are now at work on that statement. He tells me that he has sent you a copy of the outline which they are following. The idea is that the several sections there listed will be mimeographed in order that they may be given widespread distribution for critical review to the members of the Advisory Committee and their staffs and also to the informal consultants which have been named by the several carrier and shipper groups in response to your invitation. Dr. Watkins will, of course, take care of the distribution of this material so as not to impose a burden upon you. After these people have had an opportunity to review the material, then I think we should have a meeting of the Advisory Committee so you may learn of their reactions to these interim statements. As I explained in my letter of October 15, the purpose of these interim statements is not to arrive at policy recommendations but to clarify the problem through a review of basic issues and alternative lines of policy. Most of these statements have already been submitted, and the mimeographed copies should be ready for distribution before the first of December or shortly thereafter.

As regards the continuation of our study, it is our understanding that the President wishes us to complete the report on which our staff and the staffs of the several transportation agencies are now at work. I quite agree with you that it would be unfortunate if we were to attempt to duplicate the work of the Board of Investigation and Research established under the Transportation Act of 1940. As a matter of fact, however, I rather doubt that there is any conflict. To begin with, ours is a general policy study to be completed in the course of the current fiscal year, which means that the reports should all be in our hands

~~CONFIDENTIAL~~

by the first of April next to allow time for critical review, editorial work, and publication. On the other hand, the Board of Investigation and Research is to operate for at least two years and in all probability for four years, since the Act permits the President to extend the life of the Board for two additional years.

It should be noted also that the Board of Investigation and Research has three specific research directives which will require comprehensive and detailed factual investigations and public hearings on costs, services, subsidies, and tax burdens. To refresh your memory, these three research directives are as follows:

1. To investigate the relative economy and fitness of railroad, motor and water carriers, and the methods by which each type should be developed.

2. To investigate the extent of public aids to each of the three types of carriers.

3. To investigate the extent to which taxes are imposed on such carriers.

Naturally, we are in no position to conduct that type of an investigation, even if we should wish to. Our study, rather, will be concerned with broad principles and basic questions of transport policy. While we would not be duplicating the work of the new Board, we feel confident that our general statement of the problem will be useful to that Board in suggesting lines of inquiry and particular investigations to follow up.

I shall look forward with much pleasure to seeing you here in Washington during the first week of December. In the meantime, we will proceed with the preparation of the interim statements referred to in this letter, and when you are here I should like to discuss this whole subject with you.

Very sincerely yours,

Signed

Frederic A. Delano

COPY FOR WHITE HOUSE FILES

NATIONAL RESOURCES PLANNING BOARD
WASHINGTON

January 11, 1940

Mr. Rowe:

Here is a copy of what Mr. Delano sent to the President on November 19 concerning Mr. Owen D. Young.

R. J. W.

Ralph J. Watkins

PSF Interior

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~~CONFIDENTIAL~~

Washington, D. C.
November 19, 1940

The President
The White House

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Sincerely yours,

/s/ Frederic A. Delano

Encls.

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Washington, D. C.

~~CONFIDENTIAL~~

November 19, 1940

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570 Lexington Avenue
New York, New York

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As regards the continuation of our study, it is our understanding that the President wishes us to complete the report on which our staff and the staffs of the several transportation agencies are now at work. I quite agree with you that it would be unfortunate if we were to attempt to duplicate the work of the Board of Investigation and Research established under the Transportation Act of 1940. As a matter of fact, however, I rather doubt that there is any conflict. To begin with, ours is a general policy study to be completed in the course of the current fiscal year, which means that the reports should all be in our hands

by the first of April next to allow time for critical review, editorial work, and publication. On the other hand, the Board of Investigation and Research is to operate for at least two years and in all probability for four years, since the Act permits the President to extend the life of the Board for two additional years.

It should be noted also that the Board of Investigation and Research has three specific research directives which will require comprehensive and detailed factual investigations and public hearings on costs, services, subsidies, and tax burdens. To refresh your memory, these three research directives are as follows:

1. To investigate the relative economy and fitness of railroad, motor, and water carriers, and the methods by which each type should be developed.

2. To investigate the extent of public aids to each of the three types of carriers.

3. To investigate the extent to which taxes are imposed on such carriers.

Naturally, we are in no position to conduct that type of an investigation, even if we should wish to. Our study, rather, will be concerned with broad principles and basic questions of transport policy. While we would not be duplicating the work of the new Board, we feel confident that our general statement of the problem will be useful to that Board in suggesting lines of inquiry and particular investigations to follow up.

I shall look forward with much pleasure to seeing you here in Washington during the first week of December. In the meantime, we will proceed with the preparation of the interim statements referred to in this letter, and when you are here I should like to discuss this whole subject with you.

Very sincerely yours,

/s/ Frederic A. Delano

Owen D. Young

570 LEXINGTON AVE
New York City

November 15, 1940

Personal and [redacted]

C
O
P
Y

Mr. Frederic A. Delano, Chairman
National Resources Planning Board
Washington, D. C.

My dear Mr. Delano:

I had hoped when I was in Washington attending the meetings of the Advisory Council of the National Youth Administration to have a talk with you regarding our transportation study. Unfortunately, the Council did not end its work until noon on Saturday and then presented its report to the President afterward. It did not seem feasible, therefore, for me to deal with the matter over that weekend.

Today I have been besieged with inquiries from the press about the rumor that I was to be chosen to head the three member board recently authorized by the latest transportation act. As I have indicated to you heretofore, it seemed to me that when that Commission was appointed we might turn over our material to it and so terminate our work. Personally, I should not wish to operate any inquiry which would largely duplicate and, in substantial measure, parallel the work of a formally authorized Government commission. To do so, it seems to me, would not only be a waste but what is worse, if the recommendations were at variance, the result would be to add still further to the confusion of the thought which now exists.

Next may I say that I hope today's rumor is quite unfounded. I do not wish to serve on the Government Commission. That is or ought to be a full time job and I have made great effort to relieve myself of that kind of a job by retiring from the Chairmanship of the General Electric Company. I have responded to the call of the President in the purely defense area where, fortunately, the assignment was temporary.

When the President asked me to accept the Chairmanship of your transportation committee, he assured me that it would not take a great amount of my time and I inferred from his statement that my chief service would be in an endeavor to reconcile conflicting views and opinions. I assumed that I was to a kind of arbitrator or, as the fashionable word in Washington now is, coordinator. That task I was willing to accept as an unpaid service because I wished to respond to the President's call and because of my great respect for you and your associates on the Planning Board. I do not wish to take a paid position on a formal Government Commission.

If you would be willing to indicate this to the President, it would save embarrassment to me. The rumor could then be definitely set at rest by the White House.

I am venturing to trouble you as my friend in the hope that the matter may be disposed of without embarrassment.

Very sincerely yours,

/s/ Owen D. Young

P.S. I expect to be back in Washington during the first week in December.

Memo for the President

file personal

Admiral Leahy is on S.S. BORINQUEN, due in New York on Monday, 2 Dec.

Naval Communications is endeavoring to ascertain from the ship itself the expected time of arrival. I will inform the President when I have found out the time.

Respy,

D. J. Callaghan

file PSF Interior

THE WHITE HOUSE
WASHINGTON

November 30, 1940.

MEMORANDUM FOR

THE PRESIDENT

Admiral Leahy's ship (S.S. BORINQUEN) is due in New York at 0800, Monday, 2 December, "weather permitting."

Respectfully,

D. J. Callaghan

D. J. CALLAGHAN

PSF Interior

THE UNDER SECRETARY OF STATE
WASHINGTON

December 30, 1940

My dear Mr. President:

In accordance with the request contained in your memorandum of December 19, I am transmitting herewith a suggested reply for you to send to Frank Sayre's letter of November 13.

Believe me

Faithfully yours,

Encs.

The President,

The White House.

"Personal"

December 31, 1940

Dear Frank:

The expression which you give me in your letter of November 13 of your pleasure over my re-election and of your good wishes for the critical four years that lie ahead is naturally most gratifying.

We of course do not want to be drawn into a war with Japan--we do not want to be drawn into any war anywhere. There is, however, very close connection between the hostilities which have been going on for three and a half years in the Far East and those which have been going on for sixteen months in eastern Europe and the Mediterranean. For practical purposes, there is going on a world conflict, in which there are aligned on one side Japan, Germany and Italy, and on the other side China, Great Britain and the United States. This country is not involved in the hostilities, but there is no doubt where we stand as regards the issues. Today, Japan and Germany and Italy are allies. Whatever any one of them gains or "wins" is a gain for their side and, conversely, a loss for the other side. Great Britain is on the defensive not alone in and around the British Isles, and not alone in and around the Mediterranean, but wherever there is a British possession or a British ship--and that means all over the world.

You say that you have "the feeling that any day Japan may start moving southwards." As you point out, we are faced with the danger of Japan's continuing her expansion in the Far East, especially toward the south, while the European issue remains in the balance. If Japan, moving further southward, should gain possession of the region of the Netherlands East Indies and the Malay Peninsula, would not the chances of Germany's defeating Great Britain be increased and the chances

of

Inter View!
x Sayre

of England's winning be decreased thereby? I share your view that our strategy should be to render every assistance possible to Great Britain without ourselves entering the war, but would we be rendering every assistance possible to Great Britain were we to give our attention wholly and exclusively to the problems of the immediate defense of the British Isles and of Britain's control of the Atlantic? The British Isles, the British in those Isles, have been able to exist and to defend themselves not only because they have prepared strong local defenses but also because as the heart and the nerve center of the British Empire they have been able to draw upon vast resources for their sustenance and to bring into operation against their enemies economic, military and naval pressures on a world-wide scale. They live by importing goods from all parts of the world and by utilizing large overseas financial resources. They are defended not only by measures of defense carried out locally but also by distant and widespread economic, military, and naval activities which both diminish the vital strength of their enemies and at the same time prevent those enemies from concentrating the full force of their armed power against the heart and the nerve center of the Empire.

The British need assistance along the lines of our generally established policies at many points, assistance which in the case of the Far East is certainly well within the realm of "possibility" so far as the capacity of the United States is concerned. Their defense strategy must in the nature of things be global. Our strategy of giving them assistance toward ensuring our own security must envisage both sending of supplies to England and helping to prevent a closing of channels of communication to and from various parts of the world, so that other important sources of supply and other theaters of action will not be denied to the British. We have no intention of being "sucked into" a war with Japan any more than we have of being "sucked into" a war with Germany. Whether there will come to us war with either or both of those countries will depend far more upon what they do than upon what we deliberately refrain from doing.

Regarding

Regarding your suggestion that you make a trip to Chungking, as you well know, I desire that you and our nearby (!) Ambassadors each and all be as fully informed regarding the whole situation in the Far East as is practically possible. Each of you occupies a very important position where the responsibilities and problems are heavy and perplexing. There have to be balanced the very tangible advantages to the United States which accrue when each of you is at his post against the potential advantages which would result from visits by one of you to another. I doubt whether there exists any special need which would render it imperatively desirable that you proceed to Chungking in the near future, and I should prefer that you hold any such plan in abeyance. I am considering suggesting that Johnson, if and when the situation permits him to be absent from Chungking, pay a brief visit to Manila, principally in the thought that, having now been at Chungking continuously for many months where he has had to undergo almost constant bombings in a trying and somewhat primitive environment, a change of scene would be very helpful to him.

With best wishes for a good New Year, I am

Very sincerely yours,

(Signed) FDR

The Honorable
Francis B. Sayre,
United States High Commissioner
to the Philippine Islands,
Manila, Philippine Islands.

THE UNITED STATES HIGH COMMISSIONER
MANILA

November 13, 1940.

My dear General Watson:

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

Very sincerely yours,

Francis B. Sayre

Enclosure.

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

THE UNITED STATES HIGH COMMISSIONER
MANILA

Via airmail

November 13, 1940.

Personal and [redacted].

My dear Mr. President:

First, I want to tell you how profoundly thankful and happy your re-election has made me. Not only do I feel immensely thankful that during the four crucial years ahead we will have as our leader a man as understanding of international affairs, as experienced, and as brave as you, but also the election was to me a stirring manifestation of the essential soundness at core of democracy and of the American faith. God bless you and guide you during these critical four years ahead!

Out here in the Far East the situation is growing more and more tense. I have the feeling that any day Japan may start moving southwards. Indeed, she is in a sense already on the way, and every day is strengthening her grip upon Indo-China. Our policy in the Far East should be resolute and firm; and yet, on the other hand, I feel it of fundamental importance that our policy should be foundationed upon avoiding being drawn into a war with Japan. The future of the Far East will depend inescapably upon the result of the war in England. If Germany should win in Europe, Japan will run amuck in the Far East, whereas if England wins, I doubt if Japan will thereafter present much of a problem in this part of the world. In other words, our objectives in the Far East depend upon the outcome of the war in Europe and I believe that our strategy ought to be to render every assistance possible to Great Britain without ourselves entering the war. Since a war with Japan would prevent our rendering maximum assistance to England, it seems to me clear that our fundamental Far Eastern policy should be to take as resolute a stand here as the situation permits and to keep Japan guessing, but under no circumstances to allow ourselves to play into Hitler's hands by being sucked into a war with Japan. This should be our major strategy.

As I wrote you once before, I believe it important that

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

I should keep in as close touch as possible with Ambassador Johnson and Ambassador Grew. If the international situation permits, I should like, if you approve, to plan to confer with Ambassador Johnson in Chungking sometime in January or February. I could go up to Chungking by plane from Hong Kong. Of course, my going would have to be dependent upon the international situation.

Admiral Hart reached Manila two or three weeks ago and it is good to have him down here again. I work intimately and constantly with him, Admiral Smeallie and General Grunert, in command of the Philippine Department.

With joy over the election, believe me,

Ever sincerely yours,

Frank

THE WHITE HOUSE

WASHINGTON

December 30, 1941.

MEMORANDUM FOR THE

SECRETARY OF THE NAVY:

Will you be good enough to prepare reply to the enclosed from Gov. Charles Harwood?

F.D.R.

PSF Interior Folder (Virgin Islands)

PSF

OFFICE OF
THE GOVERNOR

GOVERNMENT OF
THE VIRGIN ISLANDS OF THE UNITED STATES

CHARLOTTE AMALIE, ST. THOMAS

December 22, 1941

My dear Mr. President:

After a thorough personal investigation of conditions in the Virgin Islands, I am constrained to report to you that in my opinion these vital American outposts are without adequate military protection.

You know, Mr. President, that the Virgin Islands are strategically important because:

1. On St. Thomas is located an advanced submarine base, a marine air base with a 4,000 foot runway which will accommodate the largest military planes, and an army listening and observation post.

2. On St. Croix is located an army air base with two similar runways.

3. St. Thomas is the largest trans-shipment point for aluminum bauxite in the Caribbean area and has more than a third of a mile of docks capable of accommodating the largest ocean freighters, liners, or troop transports.

4. The Islands, in the hands of the enemy, would be an ideal base for attack on either the Panama Canal or the Mainland.

Following your suggestion during our conference in Washington, I interviewed high officials of the War and Navy Departments with a view to obtaining essential military protection for the Islands and their population. I received many promises and assurances, but I fear that very little in a concrete way has been accomplished.

Let me summarize briefly the present situation:

1. At the marine air base on St. Thomas there are only nine antiquated amphibian planes with a speed of about 100 miles per hour, mounting only thirty-caliber machine guns and capable of carrying only 100 pound bombs. These planes are fit for limited patrol duty only. There are no fighter planes and no bombers.

2. The submarine base at St. Thomas is unprotected by either surface ships or land batteries.

3. On the Army air base at St. Croix I understand there are four old bombers, and no scouting, interceptor, or fighter planes.

4. There is not a single anti-aircraft gun on the Islands.

5. There are no coastal batteries on the Island.

6. There are no air raid shelters, no gas masks for the civilian population, and no gas masks even for police, fire, or other organizations which will be on active duty in an attack.

7. So far as I can learn, there are no warships stationed or based in or about the waters of these Islands.

8. There are not sufficient troops on duty here to be able to hold the Islands in event of an attempted landing from a surface raider, or from a submarine, or by parachute troops.

9. There is one company of native Puerto Rican infantry on duty in St. Thomas and one company in St. Croix, each armed with only four machine guns in addition to rifles. These troops are not sufficient to guard the long and indented coastline of either Island. They are not equipped with any artillery. They do not have sufficient machine guns to repel an invasion or to furnish protection from low-flying aircraft.

10. The mass of the population is housed in highly inflammable wooden structures in three densely congested urban areas on the two Islands. A bomb or shelling attack could readily cause a holocaust which would engulf the military bases.

Knowing your personal interest, Mr. President, in these Islands and your understanding of their importance as military bases, I am impelled to make this full and frank report to you and I earnestly urge your most serious consideration of the following recommendations:

1. That properly equipped Continental troops, sufficient in number to hold the Islands against attack, be sent here at once.

2. That the War Department make immediate arrangements to mount anti-aircraft guns and coastal batteries on the Islands.

3. That modern fighter and interceptor planes be stationed at the Marine air base in St. Thomas and on the Army air base in St. Croix.

4. That gas masks be provided immediately and that funds be made available without delay for construction of air raid shelters, and the installation of adequate fire-fighting apparatus to protect the civilian population.

5. That adequate naval surface ships be assigned for the protection of the Islands.

With best wishes and assurance of my highest personal esteem, I remain

Faithfully yours,

CHARLES HARWOOD
Governor of the Virgin Islands

The President
The White House
Washington, D. C.

PSF Forest Service Interior Folder

copy

February 17, 1941.

Dear Claude:

There is just one way in which Earle Clapp can make amends to the Government of the United States. Naturally I accept his sincere apologies to the President but I think that it is necessary that a repetition of this sort of thing be prevented for all times in this branch of the Government.

I, therefore, suggest that as he is your subordinate, you call his attention to his violation of the merit or career service policy of the Government which has existed for the last sixty years -- with an increasing trend away from the older theory of political patronage.

This should be in the form of an admonition by you, should be accompanied by a written expression of his sincere apology, and should then be promulgated to the same list of people who received the original statement or political appeal from Mr. Clapp.

I am sorry about Mr. Clapp but the regular permanent service of the Government must live up to the perfectly clear law of the land as expressed by the Congress.

Always sincerely,

Franklin D. Roosevelt

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

February 14, 1941

The President,

The White House.

Dear Mr. President:

Before I go into a discussion of the Acting Chief Forester's letter of March 30, 1940 to regional foresters and directors I want to pass along to you Earle Clapp's sincere apologies for the misstep he made in the second paragraph in which he referred to the "threat of reorganization."

When the Reorganization Act was passed Henry Wallace, as you know, instructed Department officials to refrain from engaging in any activities which in any way might be prejudicial to a program of reorganization under the Act. In general, Forest Service officials followed this instruction. However, many of them were restless under this restraint in the face of radio talks and other public addresses by Interior officials, calling for the transfer of the Forest Service from Agriculture. I do not doubt that in a few instances the provocation was such that Forest Service officials violated the spirit of the instruction.

I think it only fair to you to state that Mr. Clapp and others in the Forest Service and the Department believe most sincerely that a transfer of the Forest Service from the Department of Agriculture to the Department of the Interior would seriously impair the total program of the Federal Government in aid of forestry. But this feeling, no matter how deeply or sincerely held, naturally does not justify any officer of the Executive branch of the Government using such an ill-considered phrase as, "the threat of reorganization," even if it is addressed solely to his subordinates, and not to the public; Mr. Clapp fully realizes this and, as I say, offers his apologies.

Incidentally, we in the Department of Agriculture are working on a long-range program for forestry. In the not too distant future I should like to discuss this with you.

Respectfully yours,

Secretary's File Room

(Signed)

Claude R. Wickard

Secretary.

THE WHITE HOUSE
WASHINGTON

file personal

October 31, 1941

MEMORANDUM FOR THE PRESIDENT:

I doubt if this needs to be acknowledged. I don't think Harold has his figures straight and I think it is part of his persecution complex.

HARRY L. HOPKINS