PSF Labor Dept. - Perkins Folder

BSF Labor Perkins file private file File Perkins (1)

DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

March 12, 1935.

MEMORANDUM TO THE PRESIDENT:

I have thought for some time that you need (at least for the period Congress is in session) a political scientist right at your personal beck and call, to draft, to make analysis of proposals by Congress, by Administration Members, either original ones or amendments, and help you to decide what is right and best so that you can utilize the existing political machinery to push it over.

You have no real defense and personal help against your associates' errors (mine included).

You ought to get analyzed information and clear statements of alternatives. Then you can decide policy and general plan to be followed. Then your political scientist can draft, modify, adopt etc., this policy and see it through. Legislation must be:

1.-Socially and politically proper
2.-Desired by the Executive
3.-Satisfactory to Congress.

The Executive by his veto and message power is a part of Congress--the first and last word! Most really good and wise legislation can be made to fill the three above conditions. There is an art and a science to the doing of it. Dr. John F. Sly of West Virginia has been doing this brilliantly for the Governor of West Virginia for five years. Amazing progress has been made in a backward State.

I think that he and two or three of his young assistants could be "borrowed" without more cost than expenses.

I suggest you think about this. He is exceptional and loyal to you—a real New Dealer but hard-headed and realistic. No "dreams of things to come" for him. Just do it today stuff.

Thomas G. Corcoran

PSF Labor

THE WHITE HOUSE

WASHINGTON

[redacted]

August 5, 1937.

MEMORANDUM FOR

THE SECRETARY OF LABOR

I hear John Lewis is miffed because you have not answered his letters, especially the one about filling the vacancy of Assistant Secretary of Labor.

F. D. R.

1 Perkins Dr 1

DEPARTMENT OF LABOR

1938

Dear Missy: PSF Labor Perkins

Some day when there is time will you hand the President this small personal note of affection

Sincerely yours Frances Perkins

No. 904 [illegible] 14—[illegible]

PSF
Labor
Perkins

W.

August 17th
1938

How nice of you
dear F.D. to
mention me
"with thanks" in
your radio speech
on Social Security.
It's like you
of course but some-
how it was very warming
& gratifying to have
you remember

and appreciate
what I did to
make possible that
program which,
I venture to think, may
have more weight than
any other item on
our "application for entrance",
in persuading Saint
Peter to stamp our
visas.
Thank you faithfully
for your friendship
& your "pat" & most
for your courage to
keep on going. Sincerely
Frances [illegible]

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

December 15, 1938.

MEMORANDUM FOR

THE SECRETARY OF LABOR

I understand there is a man by the name of Carolla, an alien Italian, in Kansas City. He is alleged to be the "pay-off" man and deeply involved in gice rackets. It is also alleged that he has voted illegally, although an alien, and that it would be easy to get proof of other crimes, etc.

Will you have a confidential investigation made? He should be deported, of course, if the allegations are true.

F. D. R.

File personal + confidential

DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

December 17, 1938

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

In response to your confidential memorandum of December 15th with reference to the case of a man named Carolla, who resides in Kansas City, our records indicate that this matter is being investigated by the Attorney General. In response to a letter dated December 7th from Mr. Brien McMahon, Assistant Attorney General, we advised that instructions have been sent to the District Director of Immigration and Naturalization at Kansas City to give every assistance possible, by detail of personnel and otherwise, to the United States Attorney in this investigation.

Frances Perkins

Memo For Miss LeHand.

The Secretaries of Commerce and Labor asked me to send this in to the President.

J. H. R. JR.

Mr. President.

Admiral Land should be asked.

1. Find a way to hire union men on ships.

Because

A - all private lines receiving govt funds + subsidies use the union hiring halls.

B. Govt lines like Army Transport uses hiring halls.

Henry

[1939]

PSF
Labor.
Perkins

DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

From: The Secretaries of Commerce and Labor

At Cabinet meeting on Friday you requested us to submit a memorandum suggesting what you might say to Admiral Land in connection with the current dispute over the manning of ships owned by the Maritime Commission with union sailors.

The Maritime Commission has taken the position that it may not recruit seamen through union hiring halls to man ships owned by it. While the Commission has advanced a number of technical legal objections, its position seems to resolve itself into the proposition that sailors on its ships are employees of the United States Government and may not therefore be selected from the ranks of a particular union. The conclusion that such sailors are government employees is based upon an opinion rendered by Attorney General Stone which overruled an earlier opinion to the contrary by Attorney General Doherty and which is in conflict with a recent opinion of the National Labor Relations Board. But assuming such sailors to be government employees, they are employees exempt from the classified civil service under Schedule A and there is no statute or other legal requirement which would prevent their selection from union hiring halls.

There has been some suggestion that the employment of sailors assumed to be government employees from the ranks of a particular union would be in conflict with the expression of policy contained in your letter of August 17, 1937 to Luther C. Steward, President, National Federation of Federated Employees. We wish to emphasize the fact that there is no conflict between that expression of policy and the present proposal. It seems clear that the relationship between the Maritime Commission and the sailors who man ships owned by it does not fall within the scope of those "special relationships and obligations of public servants to the public itself and to the Government" which were dealt with by your letter to Mr. Steward.

Aside from the legal objections, the Commission has suggested that as a matter of policy it is undesirable for it to become involved in the conflict between opposing factions of organized labor. But no such question exists in the present case because the two opposing factions represented by Lundeberg of the A. F. of L. Sailors' Union of the Pacific and Bridges of the National Maritime Union (C.I.O.) are standing together on this issue and propose to take joint action. The Sailors' Union of the Pacific is the only union maintaining a hiring hall for deck hands on the West Coast. The National Maritime Union does not maintain any hiring halls in Seattle at the present time which conflict with any other maritime union.

In recent years maritime relations have been stabilized by collective agreements which have been signed by virtually all of the private American lines. In general, these agreements provide that lines operating from a home port in the East select their crews from union hiring halls in such home port [usually an N. M. U. hiring hall] and that ships operating on the line whose home port is on the West Coast select their crews from the appropriate West Coast hiring hall [S.U.P. for deck hands; Maritime Federation of the Pacific hiring halls for engine crews, stewards, etc.]. Since these ships are to be put on a Seattle-Oriental run, both labor factions request that the customary practice of private West Coast lines be followed in this instance.

Inasmuch as one of the ships to be put on the Seattle run is already en route to the West Coast manned with an Eastern crew, the prompt solution of this question is extremely urgent if a maritime strike is to be avoided. We therefore recommend that the Maritime Commission be instructed to recede from its position and in accordance with the agreements between the A. F. of L. and the C. I. O. deck crews should be recruited through the hiring halls of the Sailors' Union of the Pacific and engine crews, cooks, stewards, etc. are to be recruited from the appropriate hiring halls of their respective unions.

Frances Perkins

Roy Wilkins

BF Labor
Perkins

file

February 15, 1939

Dear Mr. President:

I haven't been able to see either Andrews or Sifton these last two days - one sick, other out of town.

After you told me you did not want the Wages and Hours Division to be released from financial control - and so all control - by the Department of Labor, I asked Mr. Andrews to join with me in a letter to Senator Adams and Mr. Woodrum (enclosed). This he agreed to do in conversation but for the past two days through others - attorneys and clerks - has declined to do.

Therefore I am asking you to sign this note to him and send it over at once. When you come back will be too late.

Mr. Dimock knows all the detail on this and will try to handle also.

Sincerely yours,

Frances Perkins

The President
The White House

file personal

PSF
Labor
Perkins

DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

April 28, 1939.

My dear Mr. President:

As Chairman of the Conference on Children in a Democracy I wish to express to you the very deep gratitude of the Conference for the wonderful way in which it was inaugurated at the session at the White House on April 26. The delegates were unanimous in feeling that it was a session that was outstanding in its inspiration and power. Very many of them expressed appreciation of your address. Those responsible for the next stage of Conference work are proceeding with a great deal of enthusiasm and a deep sense of obligation.

Respectfully yours,

Frances Perkins

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

file personal

BF
Labor
Perkins

DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

APR 29 1939

April 28, 1939.

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

Dear Mrs. Roosevelt:

I cannot express to you how deeply grateful I am for what you and the President have done to make the opening session of the Conference on Children in a Democracy a success. Everyone felt that the session at the White House went off perfectly and gave those present a very real spiritual lift. Your own remarks were just what was needed. We had stenographic notes taken and plan to give mimeographed copies of all four addresses to members of the Conference at once. We also plan to issue a bulletin containing these addresses and the proceedings of the evening session.

I realize that the significance of this opening session will depend on the character of the work which follows it. You and the President have given us all a full measure of inspiration to go ahead and give the best there is in us to the undertaking.

Miss Lenroot joins me in expressing our appreciation for all you have done in connection with this Conference.

Sincerely yours,

Frances Perkins

file Journal

PSF
Labor.
Perkins

THE WHITE HOUSE
WASHINGTON

5/12 [1939]

Miss Perkins 'phoned:

"In N.Y. the coal operators have come to a decision to settle on the basis of the whole Appalachian Assn, instead of one by one as we thought they would and as we directed them to do.

"I will give the President a complete memorandum by 5 o'clock."

BF Labor Perkins

December 25, 1939.

Dear Frances:-

Even if you are not a nicotine addict many of your friends are.

My best wishes for a Merry Christmas.

As ever yours,

PSF Labor F. Perkins Folder [1941]

1 Important

THE HAY-ADAMS HOUSE

WASHINGTON, D.C.

"COMPLETELY AIR-CONDITIONED"

File personally confidential

Mr. President:

I understand you have asked Al. Whitney of the K.K. Kaufman to see you Thursday. Good idea to isolate him but remember he is (1) vain (can be flattered) (2) wants prestige a photograph - a letter - a personal appeal to him

THE HAY-ADAMS HOUSE
WASHINGTON, D.C.

HAY-ADAMS HOUSE
"COMPLETELY AIR-CONDITIONED"

as a patriot to
save the situation
~~the~~ from strike &
uphold this marvellous
Railway Labor institution
he helped to make — we
all keep —
(3.) He is not entirely
loyal to his men or
anyone. & Especially dislikes
the "low down" non-operating men.
(operating crews are aristocrats.)

THE HAY-ADAMS HOUSE
WASHINGTON, D.C.

HAY-ADAMS HOUSE
"COMPLETELY AIR-CONDITIONED"

(4.) He has played with Lewis in times past.

Try deep regard flattery for great mind leadership - courage patriotism & desire to help you.

Good luck!

Frances Perkins

2/14/41 PSF Labor Perkins file personnel Perkins Folder

THE WHITE HOUSE
WASHINGTON

Mr. President
I have to
catch the
4 o'clock train.
May I telephone
at 3.40 —?

F. Perkins

Perkins Folder

THE WHITE HOUSE

WASHINGTON

July 25, 1941.

MEMORANDUM FOR THE

SECRETARY OF LABOR:

~~CONFIDENTIAL~~

Here is a letter. Please treat it as being highly confidential. You have never seen it. Let me have your slant.

F.D.R.

Ltr to the President from Chairman H.A.Millis, NLRB, 7/24/41; gives list of men as meriting consideration if an outside man is to be appointed to the Board, and brief comment is made concerning each of them.

Perkins Folder

THE WHITE HOUSE
WASHINGTON

VERY CONFIDENTIAL

June 9, 1942.

MEMORANDUM FOR

THE SECRETARY OF LABOR

You might follow this up and please return for my files. Also, please do not quote Mr. Hoover.

F. D. R.

F.B.I. report to Watson 4/22/42 re shortage of skilled shipyard workers may occur in various Wash. State Shipyards, since the Oregon Shipbuilding Corp. has offered foremen and other key men of the United Brotherhood of Welders, etc. the regular union rate of wages, etc. if they will go to Portland, Ore. or Vancouver where they are erecting a new shipyard. Mentions a Mr. Henry Kaiser of the Ore. Shipbuilding Corp.

PSF Labor Perkins file 2-44

THE WHITE HOUSE

WASHINGTON

January 10, 1944.

MEMORANDUM FOR THE PRESIDENT:

The Secretary of Labor just called me to say Messrs. Green and Murray are desperately anxious to see you alone.

They do not want to come in with the Victory Committee. They want to talk about stabilization. If you are willing to see them, the Secretary of Labor thinks it would be an admirable chance to tell them what they have to do under the O.L.O., in which case she would like to have an opportunity to talk with you first to refresh your memory about some of the things you would take up with them.

GGT

Pa —

[illegible]

[illegible] P Mullany

[illegible]

[illegible]

[illegible]

Memo
Sent

Frances Perkins folder 2-44

PSF Labor file Personal

OUTLINE

January 12, 1944

MEMORANDUM FOR THE PRESIDENT

FROM THE SECRETARY OF LABOR

I. Green and Murray asked to talk with you and tell their views about the stabilization situation and program. (Try to keep them on this subject).

II. Ask a few questions. Listen, take notes, be impressive.

QUESTIONS:

A. How well has Stabilization Program operated in 1943?

Cost of living up 3.5% in 1943. (Since May 1942 7%)
Wholesale prices went up and then levelled off 1.8%.

National income was 142 billion.

Wage-earners' income was 102 billion in 1943.
Wage-earners' income in 1939 was 44 billion.
Wage-earner's income in 1942 was 80 billion.

Changes in wage-earners' income - increase of 22 billion since 1944 and double since before the war.

Income spent on non-durable consumers goods was 90 billion dollars.

Same percentage as in years before the war, but note the high-income groups had less and low-income groups had more.

Food consumed per capita in 1943 was 5% larger than in the 5 years previous to the war.

Changes in wage rates. Average of 7% increase in 1943. Since January 1941 this increase has been 30%.

Taxes - total drawn off 17.8 billion.

Savings bonds, etc. 33.6 billion.

How do you think it has worked?

B. Have you some suggestions to improve it?

Subsidy bill
Tax bill - do you want sales tax?
Renegotiate to take out profits.

c. Praise for general cooperation of labor in Stabilization program.

d. Ask them to consider the whole question of inflation hazards - stabilization method (must be practical from administrative end) and consult their own economists, consult with Secretary of Labor and economists of Department of Labor and prepare a careful, documented memorandum on subject for President's consideration. Constructive with clear recommendations on economic management.

III. Lead them to problems of the immediate post-war period, i.e. post-German war.

Hazards of deflation then.

a. How keep a balance?

b. How provide employment at desirable and practicable levels?

c. How maintain Trade Union strength and influence then?

d. Do they want 40-hour Law continued and enforced, and overtime?

e. Do you want Social Security Law extended and how?

QUESTIONS: f. Do you want public works immediately - how controlled - who gets the jobs?

g. Do you want Government purchases of excess food offarmers (Stamp Plan?)

h. Do you want Government loans to industry - Government guarantee of limited market for manufacturing?

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

IV. What plans - hopes for Trade Unions in post-war?

1. Employment controls.

2. Veteran absorption.

3. Wages and prices then - what relation, controls, etc.?

Let them talk about their dislike of National Service. Reassure them. Emphasise that you rely on Labor's pledge to prevent and shorten strikes. Appreciate difficulties with new members. Open the question of mere competition between unions in wage demands. Can't they soften for next six months.

T-212

THE WHITE HOUSE

WASHINGTON

January 21, 1944.

PRIVATE AND ~~CONFIDENTIAL~~

HONORABLE FRANK C. WALKER:

FOR YOUR INFORMATION.

F.D.R.

Perkins folder
2-44

COPY

(LONGHAND)

Mr. President:-

Are you following N.Y. politics?

I am told (via Charlie Hand) that Bob Wagner cant be reelected. Republicans will run Wadsworth.

Cant something be done.

Tammany, etc. are "sore" at Wagner!

Frances Perkins

THE WHITE HOUSE
WASHINGTON

file personal

February 28, 1944.

MEMORANDUM FOR

HON. JAMES F. BYRNES

FOR YOUR INFORMATION

F. D. R.

7 Perkins folder
2-44

PSF
Labor

February 28, 1944.

MEMORANDUM FOR

THE SECRETARY OF LABOR

I have been thinking over yours of February twenty-first, suggesting the appointment of a Cabinet Committee in regard to the relationship between the States and the Federal Government. I do not think that we should appoint any Committee because it would magnify an issue which the opposition has made out of whole cloth, failing any really good issue.

Our policy should be to laugh it out of court, and to demand of the opposition from time to time examples of encroachment by chapter and verse. Then we should demand of them whether, being practically all a part of running the war, they would decentralize the whole war effort State by State. In my judgment, the whole thing is such a "fishing expedition" that the best thing to do is to ask them a lot of questions which they cannot answer.

F. D. R.

OFFICE OF WAR MOBILIZATION
WASHINGTON, D. C.

JAMES F. BYRNES
DIRECTOR

February 26, 1944

MEMORANDUM FOR THE PRESIDENT:

So-called encroachments by the National Government on States Rights represent an issue the Republicans undoubtedly will endeavor to exploit during the coming campaign. It has been urged, however undeservedly, by many who are hostile to this Administration that it has been unfriendly to States Rights.

While I know that the purpose of the Secretary of Labor is exactly the reverse, the appointment of a committee such as that suggested would, in my opinion, be misconstrued as a device to give justification for encroachments on States Rights by the National Government. Since I fear that the appointment of such a committee could thus be misinterpreted for partisan purposes during an election year, I doubt the wisdom of creating this committee.

J. F. B.

JAMES F. BYRNES

DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

February 21, 1944

MEMORANDUM TO THE PRESIDENT

FROM THE SECRETARY OF LABOR

One of the political and administrative problems which is becoming clearer in the last few years is the problem of the relationship between the States and the Federal Government. The answers to the problems are not altogether clear to us. However, we have recently had a great deal of experience in Federal-State cooperation and have acquired some wisdom. I presume it is not enough to settle all the problems, but perhaps enough to begin a fruitful discussion which might eventually crystalize a pattern of appropriate relationships between the Federal and State Governments in this and any other country which has the Federal-State pattern of constitutional construction.

It occurs to me that it might be a useful thing if you would appoint a Cabinet Committee (members entirely of the Cabinet) somewhat as you appointed the Committee on Economic Security, and ask them to explore this problem and make a report to you. Keeping it within the Cabinet you can be sure that premature publicity and conversation will not ruin any good that might come of it. It can be made public if and when you think it will help the country.

Frances Perkins

file Personal PSF + Perkins folder Labor 2-44

THE WHITE HOUSE

WASHINGTON

July 1, 1944.

FILE MEMO:

The Secretary of Labor called to get word to the President that she had been invited to a dinner on July 10 in honor of Jim Farley for his retirement as Chairman of the N.Y. State Committee. None of the remarks will be political, she said, and she asks the President whether he thinks she ought to go.

The President told me to tell her that "I think the whole thing depends on her own desires. No reason she should not go -- that is perfectly all right. On the other hand, I think she should make the decision."

I gave the Secretary this message.

djb

T-471

PSF Labor

Perkins folder 2-45

THE WHITE HOUSE

WASHINGTON

January 22, 1945.

~~HIGHLY CONFIDENTIAL~~

MEMORANDUM FOR

THE SECRETARY OF LABOR:

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

F.D.R.

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

Frances Perkins file 2-45

file Personal PSF Labor

January 22, 1945.

Dear Frances:-

That is a tremendously interesting letter of yours and shows concisely and clearly all that you have accomplished in the Department of Labor.

There are many other things to do -- matters with which you are familiar -- and, as I told you on Friday, your resignation is not one of them. It is hereby declined. Indeed, it is rejected and refused.

I will see you as soon as I get back.

As ever yours,

"F. D. R."

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

PSF Labor

speech material

DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

December 1, 1944

Dear Mr. President:

I have been Secretary of Labor in your Cabinet for almost twelve years and three Presidential terms of office.

It is desirable - particularly in a long term of Presidential office - that a variety of talents be brought to the service of the Government. For this reason and because so large a part of the program I had in mind and discussed with you when I took office has now been carried out and is embodied in legislation, administrative and social practice, I desire to present my resignation. I suggest January 20, 1945, Inauguration Day, as the appropriate date for its taking effect.

The basic law creating the office of Secretary of Labor defines the principal duty of the Secretary as follows: "To promote the welfare of the wage earners of the United States". This I have tried faithfully to do, and I have pointed out their needs, their economic and social problems, and recommended reforms in practice and in law which would make their conditions of work and life less hard and dreary, more in keeping with the humane civilization of our country. This I think to be the duty and privilege of the Secretary of Labor on behalf of the millions of unorganized workers as well as those with trade union protection. The wage earners of the United States of America have that official alone as their advocate at the center of Government.

It has been an exceptional experience to work with you in these historic times and particularly in the Department of Labor where so many of the problems and so many of the projects for change and improvement in social, economic and industrial practices have necessarily been centered. It has been my privilege to explore and report on these problems for you and to assist you in the development of practical measures for their amelioration, through legislation, administrative practice and social education.

The marked improvement in the conditions of work and living which the plain people of this country now enjoy - the significant new humane, democratic and fraternal attitude with which most Americans now regard not only these new practices, but also their fellow

citizens, is evidence not only of the success of your leadership in this field, but also of a vast gain in true civilization in these twelve years.

These social and economic reforms of the past twelve years will be regarded in the future as a turning point in our national life - a turning from careless neglect of human values and toward an order (voluntarily established by the people through representative government) of mutual and practical benevolence within a free competitive industrial economy.

In these years I have been privileged to help you in the initiation and development of varied types of relief and of economic stimulus in the depression crisis of 1933-34 - such as the Civilian Conservation Corps, the Public Works Program and the labor aspects of the N.R.A. The legislation for a Public Employment Office and the organization and administration of this office followed closely thereafter.

You entrusted me with the research, legislative program, popularization and education for the establishment of unemployment compensation, old age insurance, and the general social assistance program which we call Social Security.

The development of legislative recommendations and (later the administrative organization) of the fundamental economic labor reforms involved in legal establishment of minimum wages and maximum hours in all interstate industry, has been a high point in these twelve years, and I take great satisfaction in having had the opportunity to assist in the programs embodied in the Public Contracts Act and the Fair Labor Standards Act and their enforcement.

Among the most rewarding activities has been the promotion of extended and improved labor social legislation in the several States by the establishment of regular consultation service - annual conferences of State Labor Officials and trade unions and the offering of a service of information and training.

In the Department of Labor itself these years have seen expansion in activities and services and improvement in the quality and coverage of those services to labor, to industry and to the responsible branches of Government - both Federal and State. In particular we have, in the

Department, developed effective methods of promoting good working conditions - particularly physical and social working conditions, such as industrial accident prevention, occupational disease prevention, regularization of employment and apprentice training with industry-labor cooperation. Great declines in child labor and its attendant evils were noted up until the pressure for manpower in the past two years. The decline was due in part to the Wage-Hour Law and its enforcement through the Children's Bureau, and in part to the educational campaign.

Standards for the healthful and efficient employment of women based on modern knowledge and experience have been established by the Women's Bureau and put into practice by the War Department, Navy Department, War Shipping, Maritime Commission, War Manpower Commission and by private employers and trade unions generally.

Extensive reorganization and scientific modernization of the Bureau of Labor Statistics have made it one of the most used, trusted and adaptable research and reporting enterprises of the Government. Within its activities have developed new techniques for measured prediction in regard to job opportunities and manpower needs on different levels of economic activity in relation to money value of production contracts, which hold great promise of usefulness in the postwar effort for maximum production and maximum employment.

We have been able to develop the small Conciliation Service of 1933 into a large, readily-available and regionalized service to handle industrial disputes which it has done with increasing success and with a shift of emphasis to the prevention of strikes and stoppages by earlier and more effective intervention in disputes.

You will find in the Department today a competent and smooth-running agency with internal harmony and a great number of people of exceptional ability, training and experience, but marked throughout the staff by social conscience, integrity, deep loyalty and practicality and common sense. I know of no abler and more devoted Government staff in this or any other country.

In addition to these items we have been able to accomplish under your inspiring leadership the entrance of the United States as a fully participating member of the International Labor Organization - the general recognition of the full right of workers to organize into

unions for collective bargaining about the hours and conditions of work - the increasing participation of labor , both organized and unorganized, in the social, civic life of the community - increased opportunity for workers' education - vastly improved standards and even increased amount of housing for wage earners' families.

During the war we have maintained in operation all of the Federal labor and social legislation and most of the State labor legislation, in spite of wartime strains and early fears that it would be suspended or repealed. Improvement in efficiency and production, stabilization of income, flexibility in the use of labor, have resulted to the great benefit of industry, labor and the war effort. Moreover, general labor standards such as industrial sanitation, comfort, ventilation, lighting, and one day of rest in seven, have shown more general adoption during the war on advice from the Department of Labor and cooperation of the Procurement Agencies. The war emergency program of maternity and infancy aid to service men's wives, administered through the Children's Bureau, has been increasingly popular and effective. The Department's inspection staff, research and policy-making functions have been taxed in supplying services to the specialized war agencies - such as War, Navy, Maritime Commission, W.P.B., W.L.B., O.P.A., W.M.C., etc.

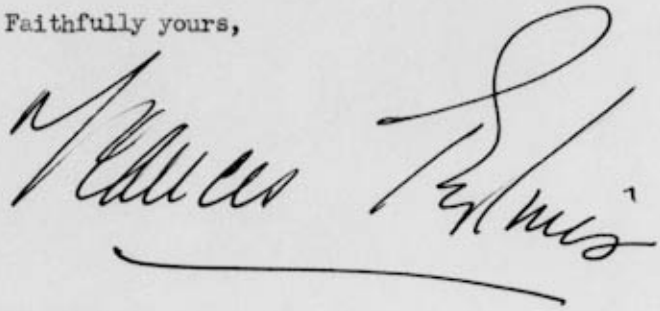
With the beginning of the defense and then war production drives and consequent need to reduce loss of work time by work stoppages and strikes, you accepted and made part of the war machinery the program which I and our associates worked out first for the Defense Mediation Board and later for the War Labor Board to be our National Appeals Board in labor disputes not settled by the usual conciliation and have definite wartime authority to settle and even apply sanctions as an instrument for effective realization of the no-strike, no lockout pledge of labor and industry.

I have recited these items in the hope that the recollection of them will convey to you the reason for my deep appreciation for your vision and your leadership and for the opportunity which you have given me to share in this service to the people of our country. With one major exception all the items we discussed as "among the practical possibilities" before you took office as President have been accomplished or begun. That exception is a social security item providing for some form of benefit to persons where loss of income is due to sickness

and provision for appropriate medical care for the same.

I hope that this will be upon your agenda for the near future.

Faithfully yours,



The President
The White House

PSF Labor Perkins Folder

RESTRICTED

ECEFP D-21/45
February 23, 1945

EXECUTIVE COMMITTEE ON ECONOMIC FOREIGN POLICY

FORMULATION OF A FULL EMPLOYMENT PROGRAM WITH REFERENCE TO ECONOMIC FOREIGN POLICY

(As approved by the Executive Committee on Economic Foreign Policy February 23, 1945.)

ECEFP D-21/45
February 9, 1945

FORMULATION OF A FULL EMPLOYMENT PROGRAM WITH REFERENCE TO ECONOMIC FOREIGN POLICY

1. The Executive Committee on Economic Foreign Policy is charged by the President with examining problems and developments affecting the economic foreign policy of the United States and with formulating recommendations in regard thereto for the consideration of the Secretary of State, and, in appropriate cases, of the President. It includes in its membership agencies of the Government having responsibilities in the domestic and the foreign fields and appreciates that foreign as well as domestic economic policy should seek to raise the national standard of living. It recognizes the mutual dependence between foreign and domestic policies in advancing that aim, to which expanded world trade is regarded as fundamental.

2. The Committee has stated its belief "That a domestic program to maintain a high level of productive employment in the United States is essential to the maintenance of a high level of international trade and to the substantial reduction of restraints on trade"; and "that domestic measures designed to maintain such a level of employment should facilitate, and not conflict with, a policy of international trade expansion." As we approach the period when we have to deal with the problems of post-war foreign trade, and when the successful development of our economic foreign policy depends upon the negotiation of beneficial international agreements, the formulation of a suitable domestic full employment program becomes increasingly urgent.

3. The Committee has requested a group of government experts to consider at the technical level "the effects on foreign trade of various types of full employment policies in the United States." On the basis of the statement prepared in accordance with that request, the Committee submits the report which is annexed hereto. In this report it is pointed out: (a) that a positive government program is necessary for assuring a continuously high level of employment; (b) that a program can be framed which appears likely to be effective in maintaining a high level of employment and which will be consistent with the purposes and methods of United States economic foreign policy; and (c) that, on the other hand, certain types of measures sometimes urged as contributing to the maintenance of a high level of employment would apparently be of

doubtful

doubtful effectiveness in creating this necessary condition for unrestricted foreign trade, or would in their general principles conflict with United States economic foreign policy, or both.

4. Recommendations. Accordingly it is suggested that the Secretary of State, on behalf of the Executive Committee on Economic Foreign Policy, transmit this report to the President and convey to the President the following specific recommendations of the Committee:

(a) That an effective full employment program should be formulated as expeditiously as possible which will be favorable to the expansion of international trade in accordance with comparative efficiencies of production;

(b) That this report should be brought to the attention of the government agencies concerned in formulating such a program with a view to advancing their consideration of the problem.

5. To the end of facilitating the development of an effective full employment program, the Executive Committee will continue its examination of the international aspects of the full employment problem including the effect of domestic full employment measures which may be proposed upon United States economic foreign policy.

Attachment: ECEFP D-21/45
February 9, 1945

THE EFFECTS OF VARIOUS POSSIBLE TYPES OF FULL EMPLOYMENT POLICIES ON UNITED STATES FOREIGN TRADE

Summary

In appraising any suggested domestic full employment program from the standpoint of foreign trade, two questions must be considered: First, whether it would actually be effective in achieving a high and stable level of employment and national income, which is a necessary condition for expanded trade and for removal of restraints on trade; second, whether it would in other respects tend to create a favorable environment for trade barrier reduction here and abroad, for trade expansion, and for private trading of the traditional type.

It is concluded herein that adoption of a positive economic program by the Government is essential if a continuing high level of employment is to be assured, and that a program can be framed which appears likely to be effective in maintaining a high level of employment and which will be consistent with the purposes and methods of United States economic foreign policy. Positive measures under such a program should not go beyond what conditions require. However, mere elimination of government interventions in economic processes cannot be relied upon to maintain employment.

With respect to a number of the leading positive proposals, the conclusions presented herein, including the technical subcommittee's conclusions as to the probable effectiveness of these several policies in maintaining a high level of employment, may be summarized as follows:

1. Government policies to provide for active stimulation of private investment, of new enterprises, and of business activity as a whole are an essential component of a well rounded full employment program, and would in general benefit foreign trade. A fully implemented government commitment to maintain a high level of employment could offer a most effective encouragement to private enterprise. Such a commitment would also tend to reassure other countries as to our prospective markets for their exports, and hence would facilitate international action to remove trade restrictions.

2. Strengthened

2. Strengthened antitrust enforcement, preserving the freedom to compete, plus public control of industries where competition is not feasible, is essential to assure maximum employment by private enterprise and to minimize dissipation of the effects of fiscal action in unduly high prices. Such a program would further benefit foreign trade by helping to undermine restrictive cartel practices.

3. Fiscal policy, including both revenue and expenditure measures, can provide a powerful and flexible instrument for maintaining demand at the full employment level, assuming suitable companion measures. It can thereby play a major part in increasing the volume of foreign trade. This approach also favors freedom of trade by reducing the pressure for interventions to assist particular industries. A program emphasizing expansion of consumer demand might confer somewhat greater benefits from the standpoint of our foreign trade than one based mainly on public investment.

4. Some measures which would have the effect of reducing the labor supply are undoubtedly justified on other grounds, but attempts to solve the unemployment problem by artificial reduction of the labor supply would neither remove involuntary unemployment nor stimulate trade by expanding the national income.

5. (a) Production planning in the form of "industrial self-government" would almost certainly restrict rather than expand production and employment, and would similarly foster a variety of foreign trade restrictions. (b) Co-ordinated production planning under public authority would be inherently capable of promoting a high level of employment, but the centralization of control necessary to avoid unemployment by this method would probably not be acceptable in this country, and would involve extensive participation by the state in foreign trade.

I

In a previous recommendation of this Committee it was pointed out "that a domestic program to maintain a high level of productive employment in the United States is essential to the maintenance of a high level of international trade, and to the substantial reduction of restraints on trade".* This conclusion is supported by the following considerations: (1) American imports are very

sensitive

* Executive Committee on Economic Foreign Policy: minutes, June 23, 1944.

sensitive to the level of domestic income and business activity in the United States; a high national income is thus an indispensable condition for a high level of international trade. (2) Failure to maintain a large domestic market and a high level of employment would create in the United States an environment unfavorable to reduction of import restrictions and export subsidies. (3) A high level of income in the United States tends to improve the balance of payments positions of foreign countries and will therefore reduce their reluctance to relinquish their own controls of foreign trade - (a) because it stimulates our imports and thus in turn provides other countries with dollar exchange, and (b) because it increases our domestic demand for world-surplus commodities of which we are exporters, thereby tending to reduce the surpluses and maintain the prices of those commodities.

It is apparent from the foregoing that the value of any domestic "full employment program" for foreign trade - not to speak of domestic considerations - must depend in great degree upon its actual effectiveness in achieving high employment and a high national income. However, even if all programs were equally effective in this respect, they would still differ in their foreign trade effects because some would cause a larger share of a given national income to flow through foreign trade than others. Some would also provide a better environment than others for relaxation of trade barriers and for competitive private trading.

The first broad conclusion with respect to domestic full employment policy is that a positive government program will be necessary if a continuing high level of employment is to be assured. The mere abandonment of wartime controls and cultivation of a hands-off policy in domestic economic affairs will not be enough to assure a continuing high level of employment, and consequently will not promote confidence in the adequacy and stability of our demand for products traded in world markets. Lacking such confidence, other nations will probably be unwilling to desert existing arrangements for preferential trading, exchange controls, and other restrictive or discriminatory devices which do, in their view, give them some measure of protection against the apparent dangers to them of an inadequate or unstable American demand for their products.

Turning to the multiplicity of partly conflicting and partly complementary proposals for positive government action to sustain employment, the conclusion appears warranted that a program can framed which will probably be effective in assuring the maintenance of a high level of employment and which will in all essential

respects

respects be consistent with the purposes and methods of United States economic foreign policy. Such a program will mainly consist of a combination of a number of the elements discussed under the first three broad headings below, since most proposals of the types discussed under headings four and five are of doubtful merit or actually dangerous from the standpoint of our foreign trade policy.

II

Five leading types of post-war domestic full employment policies likely to receive a significant share of public attention are here considered. They are as follows:*

1. Positive Stimulation of Enterprise

Policies designed to provide positive stimulation to enterprise are generally recognized to be a part of any well rounded full employment program in a private enterprise system. These policies comprehend a wide variety of measures.

Special assistance to new businesses, removal of unreasonable financial handicaps confronting small businesses, and encouragement and diffusion of scientific research and technical information would no doubt encourage employment by stimulating activity on the part of the immediate recipients of such assistance and would probably also tend to stimulate enterprise in general by strengthening competition. Government assistance and guarantees in the field of housing and urban redevelopment could widen the investment opportunities for private capital and insure a substantially higher level of construction activity and national income, without necessarily entailing heavy expenditure of public funds. A generalized stimulus to business activity might be provided by the selective revision of our tax system to encourage the enterprising use of funds; if desirable and practicable, the effect could presumably be heightened by imposing a tax designed to penalize the holding of idle money or of unused corporate earnings in excess of reasonable requirements. A continuing government program of facilitating long-term foreign investment is a widely advocated means of stimulating private enterprise and employment in the war-expanded capital goods industries, and secondarily in other parts of the economy.

A more

* In developing its analysis, the Committee has made extensive use of background material contained in the survey, "Post-War Full-Employment Programs: Main Types of Proposed United States Domestic Prosperity Policies with Special Reference to Their Probable Effects on Our Foreign Trade", which was prepared in the Department of Labor. This survey is transmitted with this report.

A more far-reaching proposal currently under discussion calls for an outright government commitment that full employment will be maintained. This commitment would be implemented so far as possible by means of long-range measures designed to eliminate artificial restrictions and promote a better natural balance between demand and capacity to produce. When necessary, such measures would be supplemented by additional Federal expenditures for public investment and public services or by Federal expenditures or tax reductions that bring about a direct expansion of the purchasing power of individual consumers. Under such conditions businesses would still be subject to the usual competitive business risks, but would not face the risk of a sudden decline in national income and aggregate demand.

2. Antitrust and Monopoly Control

Antitrust and monoply control programs are advocated not only as a means of preserving the basic freedoms of enterprise in our economy and maximizing opportunities for expenditure by new and growing businesses, but also in order to assure that added amounts of expenditure by consumers and investors will lead to corresponding expansions of employment and output instead of being absorbed in monopolistic price rises. In the absence of such programs, spontaneous economic expansion would tend to be checked, and the effectiveness of compensatory expenditures by government might be seriously impaired even as the need for such expenditures was accentuated. If saving was allowed to increase as a result of monopoly profits, while no effort was made to break down the barriers to new investment in established industries, a heavier burden would be placed upon the government in finding means to absorb the resulting uninvested saving, as would be necessary if resources were not to be left unused.

According to this view, a more explicit and more readily enforceable antitrust law than we now possess, providing easier access to essential information, more adequate penalties, and reasonable limitations on large business combinations, might do much to prevent any further unnecessary decline of competition. Certain revisions in the patent law, as, possibly, provisions voiding unused patents and forbidding restrictive licensing, are also urged as an important means of strengthening competition. It is recognized, however, that the technical conditions for competition are not necessarily present in all fields of production not already classified and regulated as public utilities, and that a really strong antitrust program might in fact be unduly burdensome on industry and at variance with the public interest unless technologically justifiable monopolies were exempted from antitrust prosecution, and subjected instead to some effective form of government regulation, or other control, intended to assure maximum output and reasonable prices. Hence it is suggested that a practical approach to the monoply problem would include monoply control as well as antitrust action.

3.

3. Fiscal Policy

Fiscal policy is widely advocated as a means of preventing unemployment. This use of fiscal policy would have many aspects, but in general its main purpose would be to enlist various government revenue and expenditure measures in supporting total expenditure for goods and services in the economy at a level adequate to buy a full employment output. During the war, full employment has been quickly attained by stepping up government demand for goods and services to a level requiring full utilization of resources to meet the aggregate private plus government demand. Government expenditures have, moreover, been large enough not only to fill the previously existing gap but to divert resources away from other uses to war production and to require administrative control of prices. As a result individuals have accumulated an extraordinary volume of savings during the war years. The post-war spending of these savings (or an increase in spending out of current income resulting from the heightened security afforded by these savings) may temporarily act as a partial substitute for further expenditures by government. In the normal course of events we may also expect a liberalization of social security benefits, and an expansion of public programs such as education, public health, conservation, and development, which are regarded as having such high intrinsic value that they will probably be carried on without specific reference to their employment creating effects.

Proponents of the fiscal approach point out that, if appropriately financed, these developments will substantially assist in maintaining demand and employment. In addition, wage policies which insure that labor receives its full share of increases in productivity, assistance to substandard income groups in agriculture and elsewhere, and long-run fiscal measures such as the removal of regressive taxes and the curtailment of automatic saving in social insurance reserves would contribute substantially to maintaining an adequate volume of consumer demand. Whenever private consumption and investment and normal public expenditures failed to generate a satisfactorily high level of activity, however, fiscal policy would be utilized for the specific purpose of making up any deficiency in aggregate demand. Fiscal policy in its most highly developed form is envisaged as an instrument sufficiently powerful, sufficiently flexible, and sufficiently precise to act promptly and effectively either against threatened deficiencies in employment and national income or, if the situation changes, against developing dangers of over-spending and inflation.

4. Reduction of the Labor Supply

Certain programs seek to attain full employment, or something superficially resembling full employment, not by the assumption of

continuing

continuing responsibility for economic expansion but by the mechanical expedient of contracting the labor supply. It goes without saying that a freely chosen increase in leisure such as a successful economy makes possible is definitely to be desired. However, the proposals here referred to would frequently impose a reduction of working hours beyond the point where additional leisure is actually as much desired as a higher material standard of living. Or, they may take the form of arbitrarily forcing certain categories of workers (women, immigrants, minority groups, persons over a certain age, etc.) out of the labor market, or out of certain types of work, without regard to their capacities and inclinations. A complete ban on immigration, or even the deportation of all aliens, has sometimes been proposed on similar grounds,

5. Production Planning

Production planning programs, which tend to substitute centrally planned for market-directed relations between business units, typically take one of two quite different forms. The planning may be confined to the single industry and be directed by the industry itself, or it may embrace the interrelations of several or of all the industries in the economy and be directed by a public planning authority, which may be composed in part of representatives of major interest groups. The narrower type, industrial self-government, would extend the activities of trade associations and cartels and give them official sanction. The wider type, coordinated planning, is illustrated by the production control aspects of our war production program, and in its most extreme form by collectivistic economies. In certain of its aspects, the N.R.A. program stood somewhere between industrial self-government and coordinated planning.

III

Each of the foregoing measures should be examined with reference to its probable effectiveness as part of a program that will actually maintain a high level of employment. It cannot be emphasized too strongly that the success of our foreign economic policy is in large measure dependent upon securing a high level of employment at home. However, it is felt that such an appraisal is primarily a function of agencies directly concerned with domestic policy. As a matter of information for those who may later undertake such an appraisal, the original conclusions of the subcommittee (TBR D-12/44) are quoted:

"While measures whose specific effect is to provide positive stimuli for enterprise cannot be relied upon to assure sustained full employment by themselves, a policy that takes advantage of the possibilities

along

along this line is an indispensable component of a well rounded full employment program in a private enterprise system."

A government commitment that full employment would be maintained, "which would presuppose, of course, available means of implementation, should provide a most effective stimulus to private enterprise . . . A policy which emphasizes maintaining and assuring a high level of consumer expenditure may prove more effective than other elements of a full employment program in stimulating private enterprise, by strengthening the market for its products."

. . . .

"A successful combination of [antitrust action and monopoly control] would supplemtnt effective programs for the positive stimulation of enterprise in assuring spontaneously high levels of operation in the economy and keeping the need for compensatory government action down to manageable proportions."

. . . .

"[Fiscal] policy will be most effective under the following conditions, to which the more carefully developed proposals with varying degrees of emphasis direct attention: (1) The deficiency in demand is minimized by full use of policies designed to stimulate private investment and consumption. (2) In order to avoid overemphasis on government spending, consideration is given to the possibilities of increasing private spending by reduction of taxes. (3) The total volume of private plus public expenditure is related to the total full employment productive capacity in such a manner that it does not lead to instability in the general price level. (4) The need to rely on compensatory public investment is kept within limits that will avoid a wasteful use of resources and avoid undesirable government competition with private enterprise. Due attention must therefore be given to fiscal and other policies aiming directly at assuring an adequate volume of consumer demand. These policies may include tax remissions or other supplementary transfers of purchasing power to consumers."

"[Fiscal policy] would in particular be indispensable for implementing a commitment to maintain a specified level of employment or of consumer spending."

. . . .

Certain measures which have the effect of reducing the labor supply are undoubtedly justified by broad social considerations. However, as a means of solving the employment problem, policies to contract the labor

supply

supply "would not eliminate unemployment so much as redistribute it, disguise it, remove public responsibility for it, or in the most obvious manner export it to other nations . . . The compulsory reduction of hours, as well as the encouragement of voluntary withdrawals from the labor market, may, however, be justified during the reconversion period as a temporary supplement to fundamental measures."

. . . .

"Where it has operated, industrial self-government has shown an understandable tendency to place primary emphasis on keeping total output in each self-governing industry from exceeding the limits judged necessary to preserve prevailing prices or established profit expectations. It seems most unlikely that full employment could ever be attained by means of a program so predisposed toward restrictionism . . . Co-ordinated planning under government auspices, on the other hand, could promote a concerted and well balanced expansion of output and employment, but only by exerting a high degree of centralized control over the detailed operations of industry, and probably over the income shares going to workers, stockholders, landowners, etc."

IV

Apart from the question of the fundamental efficacy of the plans - basic to our foreign policy as well as to our domestic interests - these programs will have different repercussions on foreign trade. These may be summarized as follows:

1. Positive Stimulation of Enterprise

These programs would as a rule impose no obstacles to foreign trade, but would rather be beneficial in so far as they served to increase production and raise thenational income. This would not be true, however, of forms of assistance which have the effect of creating or stimulating uneconomic production, since such measures would tend to limit the benefits obtainable through international specialization. Some question might also be raised concerning the taxation of idle money, which might require exchange controls to prevent transfers of idle balances to other counies if the export of funds should become excessive.

Measures to stimulate productive foreign investment may confer substantial benefits on international trade. There are obvious dangers to international relations if foreign investment is encouraged merely in order to create domestic employment, and without regard to the needs or wishes of borrowing countries or their opportunities to repay. If, however, the program is reasonable in its size and in its terms, and if measures are adopted to enable the debtor nations to secure the dollars necessary for payment of interest and principal when due, then repayment

will be

be possible and new loans will be encouraged. Under such circumstances net foreign investment will offer a profitable opportunity to invest a part of our savings, and to contribute at the same time to raising productivity and standards of living in othr parts of the world. Moreover, if the borrowers are left free to spend the proceeds wherever desired, such an investment program will best promote a steady expansion of multilateral trade.

A firm government commitment to maintain a high level of employment could be expected to have a highly favorable collateral influence nn foreign trade, since it would operate to assure other nations as to the prospective size and stability of our market for their exports.

2. Antitrust and Monopoly Control

Antitrust action and monopoly control would benefit foreign trade by attacking restrictive cartel practices, which are private obstructions to trade comparable in importance to formal trade barriers. Effective antitrust programs would dissolve some of the domestic trusts and combinations in restraint of trade upon which international cartels are built. Government regulation or other control of technologically justifiable monopolies would greatly weaken the incentive to make restrictive agreements, particularly if a regulatory system could be devised that made maximum profits after taxes, or maximum managerial rewards, depend upon the widest use of productive facilities.

3. Fiscal Policy

Adequate fiscal policies would have a favorable effect on foreign trade. While providing assurance of an expanded volume of demand for imports, which in turn would stimulate exports, they would require no government control over the importing or exporting industries. The assumption by government of a clear-cut responsibility to maintain a sound general framework for business operations and to sustain the general level of operation in the economy as a whole would be a helpful antidote to the philosophy of government intervention, via tariff protection, to safeguard the prosperity of particular industries.

Fragmentary data suggest that high consumption programs would involve a somewhat greater expansion of imports than public investment programs; this would certainly be the case if the latter are legally required to use domestically produced materials. High consumption programs would also to a greater extent enlarge the domestic market for important world-trade commodities produced in this country, such as cotton and wheat, and would thus be more helpful in reducing our export surpluses of these commodities. It would therefore appear that our balance of payments position might be more easily rectified if our compensatory fiscal policy were to emphasize high consumption than if it were to place primary emphasis on public investment.

4. Reduction

4. Reduction of the Labor Supply

The high levels of national income associated with genuinely high employment would not be attained by a program that artificially reduced the labor supply, and no substantial expansion of imports and foreign trade generally could be expected to result.

5. Production Planning

A program involving industrial self-government would clearly have unfavorable repercussions on foreign trade. Being shielded against domestic competition, the organized industries would almost certainly attempt to exclude foreign competition by securing higher tariff barriers or import quotas. In the struggle for foreign markets among the organized industries of various nations, an extensive use of export subsidies, exchange controls, and restrictive and discriminatory cartel agreements would logically follow.

Under coordinated planning, if the central planning authority reached the point of being sufficiently independent of separate industry interests, it could also plan for an expansion of foreign trade, even if this required the admission of imports that would jeopardize high-cost domestic industries. Foreign trade would, of course, be subject to the requirements of the over-all domestic economic plan, and import quotas would be established accordingly. Trade of this sort, however large it might become, would be neither free trade nor trade of the traditional individualistic type, but rather a variety of state trading.

BSF Labor Perkins file Labor folder

Cabinet

DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

THE WHITE HOUSE
APR 1 8 46 AM '45
RECEIVED

2-45

MAR 3 1 1945

MEMORANDUM FOR THE PRESIDENT

FROM THE SECRETARY OF LABOR

A report of the Executive Committee on Economic Foreign Policy dealing with the Formulation of a Full Employment Program With Reference to Economic Foreign Policy is being forwarded to you by the Secretary of State. This report grows out of recognition of the fact that unless there is a domestic program to maintain a high level of productive employment in the United States it would be almost impossible to achieve our goal of more liberal conditions for international trade. Thus the success of our economic foreign policy will depend upon our success in the domestic field of organizing our economy to maintain continuously high levels of employment.

It was not within the competence of the Executive Committee or of the State Department to recommend the particular domestic policy or policies which should be pursued. Therefore the recommendations are limited to the statement "That an effective full employment program should be formulated as expeditiously as possible which will be favorable to the expansion of international trade in accordance with comparative efficiencies of production;" and to the statement "That this report should be brought to the attention of the government agencies concerned in formulating such a program with a view to advancing their consideration of the problem."

In order to implement the latter recommendation, it would be desirable that you request the two most interested agencies, the Department of Commerce and the Department of Labor, jointly to assume initiative. I have discussed this problem with the Secretary of Commerce and we would be glad to discuss our recommendations with you at your convenience.

Frances Perkins

~~RESTRICTED~~

DEPARTMENT OF STATE
WASHINGTON

March 30, 1945

MEMORANDUM FOR THE PRESIDENT

Subject: Full Employment Program

At the request of the Executive Committee on Economic Foreign Policy there is submitted herewith a statement by the Committee regarding the importance of full employment to economic foreign policy and containing recommendations, in which I concur, concerning the formulation of a full employment program with reference to such policy. Also, there is attached to the statement a report concerning the possible effects of various types of full employment policies on United States foreign trade.

Specifically, the Executive Committee recommends that an effective full employment program should be formulated as expeditiously as possible which will be favorable to the expansion of international trade in accordance with comparative efficiencies of production and that the report referred to should be brought to the attention of the government agencies concerned in formulating such a program with a view to advancing their consideration of the problem.

Enclosure:

Restricted document
number D-21/45