Cooperation implies a Common purpose and the desire to find effective means for achieving these.

Throughout my talk I wanted to present and illustrate my notes. I have emphasized
view culture agreement with the need for immediate and thorough exploration of the facts bearing on interrelated debt and its moral consequences. (Memorandum)
I have clearly expressed it necessary to place in mind
studies in brief by the Court Intensive Reader,
which treats leaves the experience master. To get
into Mr. Shone the scene.
February 23, 1933

Dear Frank:

I congratulate you heartily on the ensemble of your Cabinet - and to achieve the right ensemble was, I venture to believe, the most important and most difficult of your tasks. For it was essential to secure effective representation of the diverse and not always parallel forces expressed in your election. And now you have done it. But you have done more. You have picked - so far as I am entitled to personal judgment - four men peculiarly fitted for their posts. Cordell Hull seems to me to have just the right temperament and outlook. Woodin I have met only once but was captivated by him. Tom Walsh of course is the very embodiment of Justice. And Frances Perkins is not only the best possible woman for your Cabinet but the best man for her job. From all I hear of Wallace he is no less ideal.

A Cabinet is like a symphony orchestra - the qualities that come out of the individual members depend to no small extent upon the qualities which the leader draws out of them. The New York Philharmonic is a very different thing when Toscaninni leads rather than someone else.

You have gotten the essentials under way. Now I look forward to having your Inaugural modify greatly the defeatist attitude so sedulously cultivated recently. I hope in your own happy way you will find enduring expression for the transcending need of the hour - some felicitous way of indicating that our greatest need is to resume employment, and the way to resume employment is to resume employment. The budget will be balanced when business recovers rather than this foolish theory of magic that business will recover by balancing the budget.

Always with good wishes,

Faithfully yours,

Hon. Franklin D. Roosevelt

PSF
Law School of Harvard University,
Cambridge, Mass.

Sally L. Frankfurter
Dear Mr. de Stael:

The President may
like to see the enclosed
note. It has just come
to me from Lawrence H.
Weinship, the Managing
Editor of the Boston Globe.

Yours very cordially,

[Signature]
Dear Felix -

There was the touch of leadership in the holding company message which makes the pitchmen fold up - it makes the rest of us rejoice again at plain speaking in high places.

When people begin to wander at the confusion of voices, a message like that gives the country assurance that there is still a firm hand on the reins - L.O.
Law School of Harvard University.
Cambridge, Mass.
April 14, 1935

Dear Mr. President:

Three things:

1. You may be interested in the analysis below of Ramsay MacDonald's mental habits and ways as a negotiator. It comes to me from a trusted English friend of great discernment, who has intimately watched for years MacDonald's ways, and whose desires are for the things we care about. What he writes will, in general, not be news to you, but it may help in formulating a picture of MacDonald as negotiator. Here it is:

"Mr. MacDonald's ability in the realm of diplomatic negotiation lies in what may be termed its rhetorical aspect. He has considerable skill in contributing an atmosphere of general good will and of large principle. He likes to lay down issues in such a fashion as to maximize possible agreement. His mind is not a concrete mind, and he therefore likes to concern himself with the approach rather than the detail, the drift of the conclusions rather than the conclusions themselves. He has very considerable dexterity in the handling of men, and this enables him to effect compromises for the sake of agreement the value of which (e.g. the Young Plan) becomes much more dubious when it is analysed in cold objectivity. He is, alas, ill-equipped to deal with economic issues; though he is, to some extent, balanced on this side by the considerable competence of his technical adviser, Sir P. Leish-Ross. He has confidence in his own powers as a negotiator, and this gives him a doggedness and persistence to which real value must be attached. He can irritate by being vague; and he likes formulas of this character which make a popular appeal. He does not easily reveal his own mind, largely because he is in himself indecisive; and he dislikes being pushed towards the definite and the concrete. Mr. Henderson once said that the only way to deal with Mr. MacDonald was to insist at the outset on specific conclusions and then drive him to them one by one. His elusiveness does not make this easy; but long experience indicates that it is much the most helpful technique if one is to arrive at definite conclusions with him."

2. Your message to the Governors urging minimum wage legislation was most gratifying. It was an effective because concrete way of driving home the President's influence over state legislation through the prestige of his office, and his party leadership. It emphasizes the national importance of minimum wage standards as part of a comprehensive program for restoring purchasing
With warm regards,

a great pleasure to have been at that Sunday night supper.

your proposition and demonstration are much appreciated.

It was to me a great joy to see you in the audience.

that the momentous decision of the country has been greatly changed.

sentiments of your

I have been delighted to tell you how deep and how heartfelt are these words, that the purpose and the Second Great Reorganization I will.

I have been pleased with what you have told me one of the most important declarations in the

I esteem your independence behind it no more of an occurrence than had

We finally came across the

I would have ordered had you heard Helen Benson reading him the last part.

persuade him to take the lead for the New York Republican. Expectation of the meeting at the Benson House, Republican, and I said with TEMERITY.

By extreme national and recognition to the accomplishment, you would have been.

Herbert Lehman to realize what things may be the results of this power and put it to the place on further declaration. Finally, it will encourage...
If one faith can be said to unite a great people, surely the ideal that holds us together beyond any other is our belief in the moral worth of the common man. The very Constitution of the United States was made, in the Glorious Language of the Supreme Court, "for an undoubted and expanding future, and for a people gathered and to be gathered from many nations and of many tongues."

No less is our cultural history - the sciences and the arts - the fusion of the genius and labors of men and women who come to these shores from all the corners of the globe. The very Declaration of Independence, edited by those States have been pleased," Foreign-born citizens from these and other countries fought in the War for Independence, helped to save the Union, and responded to the appeal for democracy in the World War. Of the fifty-six signers of the Declaration of Independence, eighteen were of English, Scottish, Irish, French, German, and Holland as representing the national emblems, they recommended a seal containing the national emblems of non-English stock. It deserves to be recalled that, when the Continental Congress chose John Adams, Franklin and Jefferson as a committee to devise the great seal of the United States, they recommended a seal containing the national emblems of our republic in the story of the most significant racial strutture in history.

It has bestowed this privilege from the beginning. The wording of our republican is the story of the most significant racial strutture in history, that this country has bestowed in allowing them to share of its fellowship.

Since your gracious amenity, though it might more fittingly have gone to others, has fallen to me, it gives me pleasure to accept it in the representative role in which, of course, it is offered. Gratitude is one of the least articulate of the emotions, especially when it is deep. I can express with very little adequacy the passionate devotion to this land that possesses millions of our people, born, like myself, under other skies, for the privilege to articulate the sentiments, especially when it is deep. I can express the profoundest gratitude to the people of the United States for this privilege and will continue to do my utmost to represent the people of this country with the dignity that they have so generously bestowed on me.
President of the United States, uttered on the occasion of the
Inauguration of the
It is not for me to say. Perhaps you will let me quote the judgment of the
therefore. What they have made of this opportunity, which is an opportunity,
To the heaven of opportunity came millions before me and millions
I take my place beside the Golden Door
send these, the homeless, tempest-tost to me
The weathered faces of your teeming shore,
Your huddled masses yearning to breathe free,
With their tide. Give me your tired, your poor,
"Keep, another hand's, your storied pasts, once the
The star-spangled banner that o'er thee wave command
Mother of Exiles, From her beacon hand
In the American折痕, and her name
A mighty woman with a torch, whose flame
Here at our sea-washed, storm-battened shore stand
With companions, time after time to land to land?
"Not like the brazen front of Greek fame,
introduced in those on the statue of liberty!
spirit's, whatever the source. If the sound, the profound expression in the words
nothing to the more neighborly American than this hospitality to the human
Generation after generation, discarded their lives,
the faith have her poets and seers and translators and the unknown millions,
men, whatever his race or religion. In this faith America was founded, to
"I like to think of the men and women who, with the break of dawn off Sandy Hook, have strained their eyes to the West for the first glimpse of the New World.

"They came to us speaking many tongues — but a single language, the universal language of human aspiration.

"How well their hopes were justified is proved by the record of what they achieved. They not only found freedom in the New World, but by their effort and devotion they made the New World's freedom safer, richer, more far-reaching, more capable of growth."

The volume of this stream of contributions to our country has diminished, but not their longing for us nor our need of them. The times in which we live are bringing to American life doers of great deeds and thinkers of great thoughts, and men and women undistinguished except as the sturdy foundation of every good society. We should welcome them as generations before us welcomed the pilgrims of '48. For they come not merely because persecution drives them; they come because the American tradition beckons them. They are men and women like Professor G. A. Borgese, the distinguished Italian scholar, who only the other day gave exulting voice to his joy on his attainment of American citizenship: "This country has given me the remarkable privilege of creating a new life. It is a gift for which I shall always feel gratitude."
TELEGRAM

The White House
Washington

New York, N.Y. Sept. 15, 1933

Miss Marguerite Le Hand,

The White House.

Be good enough to tell the President that I talked to
Judge Lehman and indicated to him in most polite way that
it would please the President provided it entirely commended
itself to Lehman to have the latter select as associates for
conference with the President only Cardoza and Mack so that
it would be exclusively a juridical committee and not
contain anyone representing any society or group and thereby
avoid jealousy and disappointment on the part of other
important groups or bodies whose representatives had not
been asked. Lehman said that of course Cardoza and Mack
would delight him as associates he wants wholly to meet the
Presidents wishes and will communicate with the President to
make sure what they are. I venture strongly to urge the
President to convey to Lehman upon the latters inquiry the
Presidents pleasure in having the committee composed of Cardoza
Lehman and Mack. A committee otherwise composed would I am sure
be a source of difficulty to the President.

Felix Frankfurter, Care B. V. Cohen,

The Winthrop, 119 East 47th Street, New York City.
Permit me hence in particular to express my warmest gratitude for the personal favor of your recent photograph. It is so expressive of the qualities I have been cherished and which, to action, love, knowledge, feeling, sentiment, hope, driven by pure, pure yet for life pursued by clarity of direction.
And deepened experience has only confirmed my qualified confidence in spirit. All these characteristics are conveyed by that admirable likeness, and you make me happy. When, teach me that photograph with its simple, deep-flowering words of friendship.
Dear Mr. President:

First and foremost, let me tell you how exhilarating and invigorating an experience was my over-night with you. I could not have had a better sendoff for the months to come - a richer opportunity for understanding the energy and hope and wisdom that are now directing America. You yourself I have not seen fitter looking for many a year; you seemed as mobilized and as full of reserves as when I saw you in the early days of the Wilson Administration. That in itself augurs greatly for the nation. And your handling of the coal conflict that Thursday night was a superb manifestation of the New Deal and of the new personality in action - a keen eye on the desired direction, resoluteness in pursuing it and achieving it within our democratic traditions, that is, through consent, however stimulated by the pressure of need, rather than through the arbitrary imposition of will. I am very grateful to you for letting me be present to see and feel the purposes that move you and the means by which you are vindicating them.

And you were most kind to let me canvass with you aims and achievements of the Administration, in all their varied ramifications, and to let me see how the course of events and their significance, since you came to the Presidency, lay in your own mind. The English, as you know, are greedy in their eagerness for knowledge about your Administration, and they are hopefully anxious about its meaning for them. In all sorts of quiet ways they will want to know, and it will be of inestimable value for my interpretation to be able to draw on what you were kind enough to put in the back of my head.

My Washington visit filled me with buoyancy and confidence,
and not the less so because of the evidence that came to me, during the week before my departure, that the forces of opposition - business, financial and political forces - are stirring beneath the surface, ready to become overt as soon as they think they dare encounter the unparalleled tide of popular favor now running in your direction. You, of course, know much more about these hostilities and machinations than I do. But it may not be without interest to you, as straws in the wind, for me to enumerate three items of information that came to me, quite unconnectedly, on three successive days just before sailing:

1. The man in charge of the Boston Herald editorial page - not Buxton, who is away for a time - told an intimate friend of mine that he was regretfully aware of a decision on the part of those who controlled the Herald - the strongest banking and financial interests in Boston - that "the time has come to open up on the Administration and to take the offensive, that they have let it alone long enough."

2. A responsible business man told me that, on going to his lawyers to arrange for some refinancing, "they filled me full of fears and told me to forget all about refinancing until after Congress repealed or substantially modified the Securities Act; that it was desired not to have any respectable financing done during the next few months, so as to show that the Securities Act makes desirable financing impossible. There is no question but that leading bankers and the big law firms are trying to create a bankers' strike." The law firm in question was none other than Ropes, Grey, Boyden and Perkins. Jack Richardson, a member of that firm, is, as you know, one of Hoover's intimates and Republican National Committeeman for Massachusetts, and he has quietly in the last few weeks been despairing of the Republic because of
your policies.

3. You may know that Archibald MacLeish, the poet, who is now one of the editors of Fortune, is at work on an interpretive piece of you for the December Fortune. Archie is one of my old students—he was an excellent lawyer—and he had a long talk with me about you and the meaning of your policies. He told me that "the big, rich fellows in New York," whom he has been seeing in the course of his study, are almost without exception privately hostile and awaiting ripe opportunities publicly to oppose the New Deal, whatever may be their public professions or their public display of the Blue Eagle.

None of which, as I said, will be news to you, and all of which and more will, I am sure, only whet your appetite for the joy of battle, and still more stiffen your purposes. That the great body of the nation will rally to your side, as the fight stiffens and the lines will be drawn, I have not a shadow of doubt. You will have the support not only of the great rank and file, but also of thoughtful and solid citizens who are not Bourbon in their habits and whom the recent years have torn from their conventional party moorings. The views of Mr. Justice Stone—considering that he is an old-line Republican, a member of Sullivan & Cromwell before he became Coolidge's Attorney General—seem to me in this connection very significant. Let me quote from a letter which I had from him shortly before leaving.

"The new Securities Act promises well and undoubtedly will prevent some of the fraudulent schemes which have been common in the past, especially in marketing bonds. There is another like evil that must ultimately be reached, and that is the creation of boom markets for stocks through wash sales on the Exchange.

I have been hoping, and still hope to see, the Administration deal with the question of the recognition of Russia on the merits and in accordance with the principles of international law and common sense, unaffected by the obsession which seems to have obscured it since our present policy was adopted in the Harding Administration."
You greatly excited me by your plan of getting the important appropriation committees of Congress to work during December, so as to have the appropriation bills in shape for action very early after Congress meets, thereby, and through your skillful suggestiveness with the leaders of Congress, to get through with the business of Congress by May 1. This is only another illustration—for I am sure you will be able to make your plans prevail—of how much can be done towards governmental competence and cooperation within the framework of our constitutional system, if there is real leadership at the head.

You were most kind to suggest that I write you from time to time, and I shall avail myself of the kind privilege you extended to me to send letters through the pouch.

Every good wish for your continued well being and the success of your efforts.

Faithfully yours,

[Signature]

Hon. Franklin D. Roosevelt
Dear Mr. President:

Two things:

1. By the time this reaches you, the prospective appointment of an American Ambassador to Russia may have already been settled. When I recently suggested to you the possible usefulness of Tom Thacher for Russian matters, I was not unmindful of the political difficulties in making him Ambassador. But I did mean to imply that he is the type of person appropriate for that situation, and I also meant to imply the undesirability of appointing any Jew to that post. This opinion, I need hardly say to you, does not in the slightest derive from any desire to defer to antisemitic feeling in the United States. The way to deal with that ugly thing is to smite it and not to yield to it either as to policy or personnel. But the Russian situation is entangled in too many other factors, the wise response to which, I believe, would be the appointment of a person of the type of Thacher. I now deem it desirable to tell you all this because this morning I had word - which I convey to you for your personal information - that L.D.B. shares these views.

2. Today's despatches bring really thrilling news - your announcement of the Civil Works Administration. The expectation of having several million men productively employed on such work by
Christmas is truly inspiring. The realization of that expectation will be the most powerful fillip to the capital industries, and it ought to serve as the right kind of "inflation". I cannot tell you how happy I am at this news, for I have long believed that nothing is so important for the recovery program as that you should give your personal impetus to a vigorous public works program.

The English papers are full of items of American unrest, but the correspondents are unanimous in wiring that your hold on the country remains unabated.

With warm regards,

Faithfully yours,

Hon. Franklin D. Roosevelt

F.S. Let me also congratulate you heartily on your successful pressure upon the steel people for a fair price for steel rails.
MISSY:

CALL UP IRVING LEHMAN AND TELL HIM I WOULD BE DELIGHTED TO HAVE HIM. TALK TO THE SECRETARY OF STATE FIRST, AS I HAD TALKED WITH HIM.

FDR
Dear Mr. President:

Since writing you interesting American news has come, through newly arrived American papers and cables, which leads me to make a few further observations.

1. The election in the third district of West Virginia is extremely gratifying — quite different from the bye-elections which the MacDonald Government has been getting. Not only is the result, in so fluctuating a constituency highly gratifying, but the size of the vote of confidence — for such it was — shows how very actively engaged the public is in the work of the Administration, and how thoroughly you have enlisted opinion.

2. Through the fog of the currency debate is the clear trend of business improvement. The reliable indices leave no room for doubt that the downward trend from the high peak in July has been arrested and is healthily turning upward. As your report to the American Farm Bureau shows, equally incontestable is improvement for agriculture.

   All of which confirms me in my ignorant conviction that the currency aspect of the situation has in fact — though not in feeling — been greatly exaggerated. When I speak of my ignorance, it is not for lack of considerable effort through reading and talk, to ascertain and understand the views of the leading currency economists on both sides of the water.

3. As a result of our discussion about gold buying with Will Woodin, that night in your study, I have felt quite clearly that you were giving that policy a tentative trial to see what it could do without committing yourself to that theory any more than to any other theory as a solvent. I don't understand why more people who are sympathetic to your efforts don't understand that. And so for myself I hope you will continue not to, what they call, "clarify" your monetary policy by declarations but declare by action as and when action is called
for. Monetary pronouncements are well enough for economists and journalists. They can afford the luxury of words, while you ought to be unembarrassed to be free to heed the flow of events. In the meantime, it will help and not hurt your objectives to have the extreme inflationist and deflationist wings murder each other and thereby enable you to mobilize general consent both in the country and in Congress.

4. Nor have I been unmindful of some of the plums you have been distributing. Who says you do not know how to pay honor to the ex-President of your University? It's more than a little funny to have Lawrence Howell czar of Hollywood! I am sure he doesn't know how funny that is - and still more funny to have him share the triumvirate with Marie Dressler and Eddie Cantor.

5. When I last saw you, you told me that you almost got me a very good job, that of administrator for the Boose Industry. I never quite understood why you couldn't land it for me. If it was for lack of experience, I'm somewhat making up for my deficiencies. Recently I attended two perfectly swell dinners, at one of which - Grand Day at Inner Temple - they had nine courses of wine, and at the Founder's Day Feast at King's College, Cambridge, there were seven. Without having been truculent about it on either occasion, I thought it was my duty not to let Englishmen feel that an American did not have a capacity equal to theirs!

With warm regards,

Faithfully yours,

[Signature]

Hon. Franklin D. Roosevelt
Dear Politi

Minister of Commerce

December 22, 1925

Your letters continue to delight and stimulate me. The memorandum was written by us to Cummings and Oliphant and Black, Governor of the Commonwealth, written in our terms and that since the memorandum was written we had already put several suggestions into practical effect. Please extend to them our very warm thanks when the occasion arises.

Your sincerely

[Signature]

[Stamp: 15F]

[Stamp: July 20, 1926, from Frankfurter]
businesslike (comparatively), and I am hoping that they will get away by May.

You can tell the professor that in regard to public works we shall spend in the next fiscal year nearly twice the amount we are spending in this fiscal year, but there is a practical limit to what the Government can borrow — especially because the banks are offering passive resistance in most of the large centers.

When you get a chance, send me a letter about British political prospects (via the Embassy mail bag). I am sending this to you by the same method, as I suppose it would be considered indiscreet if it should happen to be read by the British postal authorities.

Some day I will tell you all about Dean Acheson. I am sorry to say that after certain developments I did not feel that I could honestly send him the usual letter of appreciation and thanks after he retired.

All the good luck in the world, and the Happiest of New Years.

As ever yours,

Felix Frankfurter, Esq.,
19, Norham Gardens,
THE NEW CODES

Mr. Harold Butler, Director of the International Labour Office, Geneva, in addressing the Industrial Co-Partnership Association yesterday at the Holborn Restaurant on his return from a study of the new industrial conditions in the United States, urged his audience to follow the American experiments very closely and with sympathy, without trying to form any final judgment, yet realizing the amount of confidence that had already been restored.

The new American industrial codes, he said, were drawn up by employers and not by the Government, which merely supplied the text. The results so far were: (1) Elimination of unfair practices; (2) stabilization of the conditions of production; (3) fixing of hours of labour to 40 or less; (4) establishment of a minimum wage; (5) abolition of child labour under 16 years; and (6) recognition of the right of collective bargaining. Conditions varied from industry to industry, and some of them had introduced definite restrictions on the introduction of new machinery.

The situation today in the U.S.A. was infinitely better than it was last March, for the general employment index was 74, compared with 56 in March. Success or failure of the codes depended on many other things—monetary policy, banking, agriculture, public works and relief provisions—all of which were being carried out on a tremendous scale, forming a vast, complicated whole. It was impossible at present to say what would be the final result, but what he felt sure about was that the code system was going to stay in some shape or form, though it might take, as one man put it, some generations to work it out completely. Success of the American experiment would be a tremendously important thing for the rest of the world.

Sir David Milne-Watson, who presided, agreed that it was important that this country should watch the American experiment for any lessons it might offer. In co-partnership Britain had something which, though it might not offer a complete solution of industrial difficulties, could help towards a solution.
Dear Mr. President:

1. Your impressive rebuke of Governor Rolph was greatly needed. Lynchings at best are dreadful. But when an outburst of the most primitive savagery receives the condonation of the Governor of a great state, what else is to be expected than encouragement of like savagery elsewhere? Rolph's performance confirms an old judgment of mine that he has all the vices of Jimmy Walker without any of his talents. And so it is most necessary for you to drown the evil example by summoning the nation to civilized traditions.

2. When I left at the tail end of September it was already plain that whatever may be the differences over details, the lines were fast being drawn between those to whom Recovery meant Return - return to the good old days - and those for whom Recovery was Reform - transformation by gradual process, but radical transformation no less, of our social and economic ways of thinking and therefore of our social and economic arrangements. What was happening was plain enough. Those powerful in finance under the old regime, who, between say January 1932 and your nomination and even till your election, exhausted the vocabulary of exoriation against you, after March exhausted the vocabulary of adulation, partly out of fear, partly out of hope that, after all, you were their kind of a fellow. When, after you enabled them to get their second wind, and they came out of their storm cellars, they began to realize that the New Deal did not mean business at the old stand, they returned to all their old gods because, as a matter of fact, it was really a case of "the devil was sick." And so, the lines are being formed along true alignment of interests - which, as Hamilton and Madison so penetratingly made clear in The Federalist, is the essence of politics. But no one, I am sure, has been more fully alive than you from the very beginning that the lines would be formed along interests. I am equally certain that you welcome a true drawing of lines instead of a fictitious and unreliable maintenance of outward unity where there is no inner
agreement.

3. During my two months stay here I have, in order to gauge at first
hand English opinion, rather avoided meeting Americans. And so I have seen
all sorts and conditions of Englishmen - economists, financial writers, jour-
nalists, financiers, M.P.'s and peers - Tory, Liberal and Labor. What emerges,
on the whole, is that the reflex on this side represents, roughly speaking,
the general line-up on our side. Tories and laissez-fairists prophesy fail-
ure and hope for it, while non-orthodox economists (which means most of the
younger men), Laborites and people generally who realize that the old order
is gone and that a new one must be fashioned, have the utmost eagerness for
the success of what you are attempting and most anxiously invest in you their
hope for reform and reorganization here. That is why they so touchingly ask
for news from America and seek understanding. For, as I have indicated in
an earlier letter to you, most of the news dished up for English readers has
a Wall Street flavor. In this connection, I enclose a report of a recent
speech by the Director of the International Labor Office, which will show
you a more responsible effort towards interpreting sympathetically what is
happening.

This letter will reach you near enough Christmas to bring you
and your household all the good wishes of the season.

Faithfully yours,

Hon. Franklin D. Roosevelt

End.
Dear Mr. President:

1. This is to tell you that I have given a note to you to Sir Stafford Cripps, who, with Lady Cripps, is sailing shortly for the United States. I hope you will find time to see him. Cripps, the son of Lord Parmoor, and at the very front of the English bar today is, as you know, one of the leaders of the Labor Party. That England will have a Labor Government before you leave the White House is the expectation on all sides here, and in a Labor Government Cripps is bound to be a dominant member. He is a devout man, who takes his Christianity seriously, and seeks to apply it to the affairs of government. That is, I believe, the real explanation of Cripps' attitude, rather embarrassing to some of the other leaders of his party, in insisting on telling the electorate what another Labor Government would mean. You will find him a Britisher with whom it is easy to have plain talk.

2. You will see from the enclosed clipping that I have just been trying to explain to a Manchester audience the New Deal and what led up to it. Thanks to my host Sir E.D. Simon, the former Lord Mayor of Manchester and a late member of the Ministry, I managed to see a great number of the leading men of Manchester, churchmen, financiers, leaders of the cotton industry, etc. The one thing they had in common was a great eagerness to understand what is going on in America and a permeating wish for our success, because of the hope it holds out for them.

Always faithfully yours,

Franklin D. Roosevelt

Hon. Franklin D. Roosevelt

Enc.

P.S. Your "I don't do things that way" to Bacot, a pedigreed suggestion, has now been crossed out without signature in green.
EXPERIMENT IN U.S.A.

President’s Policy

HOW SMASH CAME ABOUT

Professor Felix Frankfurter, of Harvard University, who lectured on Friday at the University of Manchester on the Roosevelt effort and its background, said the situation with which the President was now battling did not develop suddenly. It was the result of changes in the national life of America, which, until the crash, received little attention, and the war merely intensified the effects.

Until the crash, said Professor Frankfurter, we had assumed the continuing validity of old economic and social theories, though the facts were steadily undermining those theories. Free land had been absorbed, an essentially rural civilization had changed to an essentially urban civilization, railroad building had reached the limit for the time being, and the importance of changes in society. In short, the United States no longer presented opportunities for developing a continent, but rather called for economic arrangements appropriate to maintaining a continent that had been developed. There was an arrest in the rate of increase of the population, and while before the war immigration accounted for an inflow of about a million a year in recent years there had been an excess of emigration over immigration. The effects of this change in the rate of increase in the population were obvious upon the domestic market. That market was contracted.

Debt and Taxes

Another factor to be considered was the great weight of debt, both public and private. The enormous weight of debt upon agriculture, industry, and the road system was staggering. People in Great Britain hardly appreciated the proportionately higher private debt in the United States compared with the private debt in this country. Then there was the heavy tax burden, from which little relief was to be expected. Indeed, it seemed they must look forward to an increase in taxation. The only real savings that seemed to be possible were in the armed services, and reduction here depended upon an assurance of the pacific temper of the world, for which there was little ground for optimism feeling.

Another factor to be considered was the restriction of foreign competition by the export of American goods. In this connection emphasis must be placed upon the ratio of so-called luxury goods to so-called necessities. It was plain that the capital industries of America were largely dependent upon a steady market for what until recently were called luxuries—automobiles, wireless sets, refrigerators, and the like. What was a luxury a short time ago might become a luxury again, but a cessation in the purchases of such goods would dissipate the heavy industries in a way which did not follow from the stoppage of the luxury trades in the old days. The maintenance of industrial prosperity depended upon the continuance of purchasing power on the part of the masses to acquire these so-called luxuries.

All these factors were operating during the greatest era of so-called prosperity. Little heed was given to them. Then came the crash in 1929. Until President Roosevelt came into office the Government then in power, and the dominant financial and industrial authorities, assumed that natural forces would take care of the depression, as they had taken care of previous depressions. The new factors were largely ignored, and it was assumed that there was an inherent harmony of forces in unregulated, individualistic enterprise. But when President Roosevelt came into office the farming population owed about four times as much in terms of its commodities as it had borrowed. Banks and insurance companies were, in danger of insolvency, and there were 12,000,000 to 15,000,000 people out of work. About a third of the population was on the dole, and cities and States were fast reaching a condition of bankruptcy. Even more important than the economic depression, in certain respects, was the mental depression of the country.

The President’s Policy

The key to President Roosevelt’s policy, the clue to his actions, was to be found in the reversal of the assumption that nature would pull the country out of its difficulties. The President repudiated the policy of fatalism, of waiting arms and waiting for economic disease to run its course. He asserted first and foremost the power of Government, in collaboration with individual effort, to mend the situation—a situation that was not due to any evil natural forces, but due fundamentally to lack of national wisdom and will in so ordering the productive and distributive forces of economics as to secure fair standards of livelihood amidst plenty.

The President asserted leadership, not dictatorship as had often been suggested. There was no dictatorship as there was freedom of speech and elections, and no longer was there a continuance of economic organizations, and all these conditions remained unimpaired in the United States. What President Roosevelt did was to vitalize the instrumentality of American politics, and especially to work out collaborative methods with Congress, and appeal to the people to give the necessary support. It might well be said that he took the nation to school by telling them the name of the situation in order to make it understood, what measures were needed to correct the dire condition to which it had fallen. Above all, he had galvanized the American nation with the conviction that there were answers to the problems which confronted it.

Speaking of the results achieved so far, Professor Frankfurter said that as between a year ago and to-day farm prices had risen from 49 per cent to 71 per cent above pre-war prices. The purchasing power of agriculture had risen 22 per cent. In industry from 2,600,000 to 4,600,000 people had been absorbed into employment, and pay-rolls had increased by about one-third. There were still about 1,000,000 or 9,000,000 out of work, but the President had achieved faith in methods of experimentation, in the method of trial and error to find solutions for far-reaching problems. It was impossible to separate what was called recovery from reconstruction. They could not have recovery in the sense of going back to the old days, because the old days were days of great prosperity in wealth, of vast incomes alongside great unemployment, and so the President was trying to do the necessary requirements of great masses of people to the same time they sought to reconstruct the American agricultural, industrial, and financial system so as to secure an enduring level of decent life for 120,000,000
Dear Mr. President:

1. On my return from Palestine, I find your letter of March 24th.

That you should find time to write me in the midst of all the burdens that rested on you during March is, indeed, very generous of you and a new confirmation of the buoyancy of your spirit. Of course I have been following home affairs as best one can by reading about five American dailies and therefore have some notion of the concerted drive that was made against you by all the old crowd, now that they have gained their second wind and are out of the storm cellar. There never was a more perfect illustration of "the devil is sick", etc. Those in the seats of ultimate financial and business power seem literally to have learned nothing. For, as you say, what they really want and expect, now that for them, as they think, the little storm has blown over, is "the return to the good old days."

Since early youth, I have wasted endless time as an inveterate newspaper reader. But one thing I think I have gained therefrom, and that is some talent for reading between the lines. Despite all the shrieking of the Herald-Tribune and the subtler hostility of the New York Times and the echoes of Wall Street in the New York cables in the London press, one transcending fact emerges, namely, the permeating confidence of the American people in you and your capacity to mobilize it, on essential issues, whenever you choose to appeal to their good will and their good sense.
in support of effective measures towards the decent and humane society for which we are aiming. All the factitious supporters were bound to melt away: those who pretended support through fear or hoped to win your favor through blandishments. I ventured to say something about this in a letter I wrote you from the boat last September. It was then clear that the Ogden Millses and their journalistic allies and the unregenerate men in control of finance and industry and their Chamber of Commerce facades would come into the open as soon as they dared. No one, I suspect, knows better than you that reliance upon them was like reliance upon enemies of all the things that you really care about.

I am not the son of a prophet and certainly not a prophet. But it required no powers of clairvoyance for me to say, as I said to a number of people when they told me how big business and finance and the Republicans were all behind you, that at the very first sign of a real challenge by you of those vested interests and those abuses of power which really brought about the depression, you would be resisted and eventually personally assailed even more than was Theodore Roosevelt thirty years ago. And for the same reason as that which made all that crowd so bitterly and fiercely try to thwart your nomination at Chicago. From their point of view they know very well what they are doing. But there can be no doubt that your courage and your determination for a New Deal can confidently draw upon the support of the great body of the American people.

2. Judging from Willmot Lewis's cabled comments from American papers on the British budget you must have been seeing,
without being impressed by it, a good deal of bunk regarding that budget. In some quarters a budget is wonderful if it reduces taxes, no matter how unwisely or unfairly. The first day's shouting over the budget is gradually subsiding even here and its true implications are becoming better understood. In this connection you may be interested in the enclosed analysis of the meaning of Chamberlain's budget, and I call your particular attention to the last paragraph.

3. I wrote you a line from Palestine indicating the magic that that country exerted over both my wife and me and the wonders that are being achieved there. When I'll see you I shall also want to talk to you about some of the neglect of American interests in Palestine. As an illustration, it will interest you to know that while America is the third largest exporter into Palestine (only Great Britain and neighboring Egypt excel us) at the very important Levant Fair now taking place at Tel-Aviv, which is really a fair for the whole Near East, there is no American building, although small countries with much smaller financial interest than ours, like Sweden and Bulgaria and Czechoslovakia, have very nice exhibits. I had a good talk about this matter with our new Consul General in Jerusalem, Ely Palmer, and he is as mystified as I am by our absence at that Fair. And there are other aspects of this whole business which I shall venture to put to you when in good time I shall again see you.

With all good wishes,

Always faithfully yours,

Hon. Franklin D. Roosevelt
Enc.
Eastman House  
Oxford, England  
25. iv. 34.

25 Apr.

Dear Mr. President:

You will have seen the result of the Hammersmith bye-election. The news this morning that it has gone heavily against the Government will serve as a footnote to my comments about the Budget in my letter to you two days ago. For the Government, of course, exploited the allegedly good Budget in seeking to retain the seat, and now Hammersmith has gone for Labor by a majority almost as large as Labor had in 1929.

You may also be interested in reading the enclosed editorial from this morning's Manchester Guardian.

Always faithfully yours,

[Signature]

Hon. Franklin D. Roosevelt  
Enc.
The German Government has changed its policy in detail but not in principle. It has yielded something not to justice but to expediency. The German Jews are still inferior persons, denied full citizenship, subject to the discrimination of the “Aryan” clause, treated as a pollution of the pure German stock. Neither the Jews nor the civilised nations, as Bismarck could have told Hitler, will ever accept that principle. The German Government continues to apply it in respect of the Administration, the learned professions, and higher education, either excluding Jews or limiting their entry to a small percentage of those qualified. The Minister of Propaganda, Dr. Goebbels, who understands the political value of anti-Semitism as well as he exploits the credulity of his countrymen, declares that he will eliminate Judaism from everything that can be called “culture,” and that Germany’s spiritual life will flower anew when Jewish artists have been driven from the theatres and the “movies.” Here and there Jews are found in unexpected high positions; many lawyers and doctors still make a living; instances of justice done by officials to a Jew are recorded more often than they were this time last year. But generally, in the official and professional field, the ban is still enforced. It is in commerce that the Government has been compelled to some extent to yield: the Jewish employer is, after all, too useful a member of the community to be thrust into penury as though he were a mere lawyer or teacher; perhaps also he has powerful friends abroad. Herr Schmidt, the Minister of Economics, with the support of one or two other Ministers, has for some time resisted the madness of attacking unemployment in Germany by destroying an industrious, employment-giving source. His difficulty is to get orders obeyed. The demons of race-hatred and trade jealousy do not so easily return to the pit from which their masters called them. Up and down the country, and especially in that part of Bavaria influenced by Herr Julius Streicher, the editor of the virulently anti-Jewish “Stürmer,” the campaign against the Jewish trader goes on. Nor red one wonder, for, while the “Stürmer” advocates boycott and even attacks individual Jews by name, Herr Streicher has been made a Government Commissioner and a member of the Bavarian Cabinet.

Silent Pogrom

Familiarity breeds indifference; the terrible is not so terrible, at all events to read and think about, if it goes on long enough. Perhaps it was the war that changed the scale of values; the mind became blunted to great horrors and insensitive to any that did not come up to that high standard. Or perhaps it is only that being like the Athenians who spent their time in nothing else but either to tell or to hear some new thing we weary quickly of the twice-told tale. It is unfortunate, of course, for those who seek our sympathy because they suffer a continuing wrong. It may be Armenians or Assyrians in Iraq or Jews in Germany: they have their hour in the limelight on the stage and then they pass into the wings, to make way for another “turn.” They fade out of the press whose function it is to inform public opinion. Yet the need for publicity, perhaps for protest, may be no less than it was when the subject was good “front page” news. It is so with the situation of the German Jews, of which little is now heard except, of course, among the Jews themselves. There may even be an impression abroad that the persecution in Germany has died away, that the German Government is abandoning its anti-Jewish policy, that since little is said in the public press, there is little to be said. But that is to misunderstand. The persecution, the “silent pogrom,” of the Jews goes on in Germany. But it has lasted so long now, a full twelve months, that it is not “news,” like “shorts” at Wimbledon.

The German Jews are being driven in upon themselves, confined to an intellectual pale as deadly as the Ghetto. They have to adjust themselves to a lower economic life, since “relief” cannot be permanent, or die, or emigrate. The young, especially those who share the intellectual vigour which made the Jews so profitable to Germany, will hope to emigrate. But in these days most countries welcome no immigrants. There is one exception, Palestine, to which the German Jews may most naturally go, which offers scope for their labour, which already thrives through Jewish work and capital, and would thrive still more by the influx of Jewish industry and brains from Germany. In an admirable booklet just published (“British Interests in Palestine”) Mr. Herbert Sidebotham argues on many grounds that British policy demands the generous admission of German Jews to Palestine. It is, indeed, a great opportunity for this country, which holds the Palestinian Mandate. It is an opportunity, for those who care about such things, to assist some of those uprooted from a secure life to which they had as good a right as we to ours; to help to fulfill the famous Declaration, to which we are pledged, of a National Home for the Jews; and, above all, to build up still more surely in Palestine a flourishing community, strong both in character and in intellect, which will convincingly testify to the future of the political wisdom of the British people.

THE GUARDIAN
MANCHESTER, WEDNESDAY,
April 25, 1934
Dear Mr. President:

1. The Hon. Mrs. Phillimore, daughter-in-law of the late Lord Phillimore, is a common friend of Arthur Henderson and mine. The other day she phoned me from London to say that Arthur Henderson was most anxious to see me on a matter of great public importance. As a result, I had dinner and a long evening with him last night, the upshot of which was my last night's cable to you. In view of Henderson's strong feeling on the subject, I felt that you would want me to be a conduit of his message, even though I was quite ignorant of the background of the situation in your mind regarding the Geneva Conference and America's relation to it. Henderson is really one of the finest characters in English public life - completely disinterested, completely devoted to the things of ultimate worth in society. He is a simple, religious nature, but also a great organizer, the real architect of the Labor Party, and because of his character a man of the widest influence among the rank and file of the people. I cannot but think that it would have made a difference to the peace of the world if Henderson instead of Simon had been at the Foreign Office the last few years. Henderson has not been wholly well, as you know, and his doctor is urging him to go off before very long. There is a chance that he may be visiting America. You would, I am sure, like him much. May I tell him that you would be glad to see him if he comes to America?

2. Unless through your publishers or otherwise you have seen them, I think you may want to see the enclosed reviews of your book (which is receiving the widest attention here) from The Times, The Post, Lord Bustace Percy and Harold Laski. It is indeed astonishing to have the Tory Post say the things they are saying about the book and about you, but still
more extraordinary to have the Post and Harold Laski say so much in common in admiration of your achievement.

3. You may be interested in the enclosed leader from the Times on "The Mind of Germany", which I suspect is by Ebbitt, their Berlin correspondent, an especially acute observer and interpreter of the Nazi regime.

4. The cables seem to indicate the passage of the Tariff Bill. It was really daring of you to ask Congress for such authority. It again proves the response that real leadership evokes. Incidentally, what a different thing democratic leadership is from Führer Prinzip. The cables also indicate that you are getting a stock exchange control act with a good set of teeth. Every bit of evidence that comes this way shows that in the totality, things are certainly on the mend.

      Always faithfully yours,

Hon. Franklin D. Roosevelt
Enos.
The Association football season ended on Saturday when, as the result of the last day's matches, Preston North End and Wolves won promotion from their respective divisions and Millwall were relegated. (p. 4)

Hunslet won the Rugby League Cup at Wembley on Saturday, when they beat Widnes in the final round by 11 points to five. (p. 6)

King's College won the London University Inter-Collegiate Athletic Championship at Motspur Park on Saturday. (p. 6)

FINANCE AND COMMERCE

In City Notes comment is made on:—Dunlop Rubber Company's More Informative Accounts; A Rhodesian Copper Company's Issue of Debentures; A Property Company's Issue; Two Trust Companies' Results; and the London Assurance Account. (p. 19)

In Lombard Street on Saturday money was plentiful. Discount rates were unaltered. Foreign Exchanges were slightly lower, the New York rate to $5.11½ and the Paris rate to 77.7-32f. Gold bond rose 4d. to £136s. 2d. per oz., £164,000 being sold. Silver recovered 4d. to £184s. 1d. (p. 20)

On the Stock Exchange on Saturday the tone was generally firm. Gilt-edged securities were slightly higher in a few instances, while the strength of German bonds was an outstanding feature. Electric and Musical Industries were strongly supported among Industrials. Rubber shares were active and higher. (p. 21)

THE MIND OF GERMANY

Nothing in Europe is more important to-day than the mind of Germany, and two articles from our Berlin Correspondent, the first of which is published this morning, should contribute to the understanding of it. They tell of much that is not ordinarily visible to the eye of a foreigner. The bane of a non-Parliamentary Administration and a controlled Press is that public events are seldom seen or interpreted in correct perspective; what really matters is often imperfectly known, and the result of official minimization is to set going magnified rumours. This confusion of vision applies especially at this moment to the process of military reorganization, which, as our Correspondent says, is the heart of the German political development in home as in foreign affairs. A struggle has been proceeding between the Regular Army and the para-military forces about the manner in which the change-over can best be effected from a long-service Army of 100,000 men to a short-service force of 300,000. Some of the leaders of the storm-troops, many of them ex-officers, expected to receive fresh regular commissions on the strength of past service, but the Reichswehr—like the British Brigade of Guards when officers joined it after service at the front with other Corps—have made it quite clear that a bout of training on the barrack square is an indispensable preliminary. The Reichswehr command have no intention of departing from the high standard of efficiency which General von Seeckt established. It has been maintained since his day, and is to be maintained so far as the conditions of short service allow. Admission to the enlarged Reichswehr, whether for officers or men, is to be by individual selection; the entry of whole companies of Brownshirts, bound together by a sense of privilege and of political allegiance, is sternly refused. Storm-troopers coming into the Regular Army must come in as recruits.
the revivalist Nazi movement should take the form of praising and practising militarism. If it had stopped at the teaching of those military qualities which are also the attributes of every good citizen, there would have been little to criticize; but the process was unfortunately carried much farther in Hitler's Mein Kampf, in the general doctrine of the movement, and in the text-books prepared for German schools by the National-Socialist régime. Herr Hitler, before he reached office, was expounding those theories of hatred and war which were to prove so stubborn an obstacle to foreign confidence in his subsequent offers of non-aggression pacts; and the text-books are founding a legend of racial pride which inculcates dislike of foreign nations, and especially of France. The rising generation is being taught a false version of the reasons of the last War, is not being allowed to learn the lesson that war as an instrument of policy failed disastrously, and, worst of all, is being educated to hate and despise other nations.

It is something that Herr Banse, the author of two notorious books of a militarist and anti-foreign character, should—as announced yesterday—have been relieved of his post in a technical high school; but it is natural that neighbouring countries—with everything that reason has to urge in favour of an agreement with Germany—should have their doubts and hesitations when the rising generation in Germany is encouraged to dislike them. Some commentators have drawn a parallel between the pacific professions of the Kaiser and the steady preparation of the war-machine by von Tirpitz and his fellows before 1914, and Herr Hitler's friendly gestures to foreign nations and the persistent education of a war-mind now. The guarantee which Germany's neighbours would rate most highly would be proof that Herr Hitler desires only that his people should regain their self-respect and the power to defend themselves, and that the re-equipment of Germany, now notoriously proceeding, is not intended to go beyond a strictly defensive limit.
Dear Mr. President:

1. Lewis Einstein tells me that Homer Cummings is a friend of his and has been wanting to arrange, through Secretary Hull, who is also acquainted with Einstein, a talk for Einstein with you. Einstein, as you know, was for a number of years Minister to Czecho-Slovakia. He really is a scholarly gentleman and I believe is especially informed about central European affairs and the Nazi influences upon the general European disequilibrium of the moment. Einstein is a man of means and I believe quite disinterested. I merely write to say that while my acquaintance with him is not intimate, I know about him very intimately through Mr. Justice Holmes, and I do know that Holmes holds Einstein in very high esteem indeed. They have been friends for a very long time. I ought to add that Einstein is not seeking any position, cares for no post or title, but he may, because of his background of knowledge and wide sources of information on the Continent, be of some use to the Administration as a source of knowledge.

2. I have heard both from Sir Stafford and Lady Cripps of the very generous effort you made to see them during their recent trip to the States. They were immensely touched by your manifestation of friendliness and the unusual resourcefulness on the part of the very busy head of a great state to try to see a couple of visitors without any official responsibility. I told them it was just like you.

3. I enclose herewith a leader from the Times, of which you doubtless have seen extracts. You will agree, I think, that it shows not a little understanding, on the part of the editors of the Times at least,
of your problem. I have been seeing not a little of editors of some of
the leading papers and other influential molders of opinion on this side,
having reached the conclusion that it is much more important, because much
more lasting, to educate their minds for a continuous understanding of your
aims and methods and the problems of our country, so that right views and
understanding will be generated by them, rather than attempt to write what
would inevitably be regarded as partisan articles by a partisan of the Ad-
ministration. To that end also I have been doing a good deal of informal
talking in small clubs and groups and in the common rooms of the various
colleges here, at Cambridge and in London.

4. You will be interested, I think, in the full text, if you have not
already seen it, of the impressive letter which the Archbishop of Canterbury
wrote to the Times the other day.

5. When I read some of the utterances of the so-called leaders of bar
and business, I just wonder if the depression has taught them anything. A
striking and representative sample is furnished by Silas Strawn's speech, of
which I have just read the full text, before the Chamber of Commerce. The
emergency is over, he announces, though he hasn't the decency to say that
you pulled them out of their sloughs of despond, and since the emergency is
over, let's go back to the good old days, for, as he says, "the temporary
maladjustments" of the traditional system of the glorious Harding-Coolidge-
Hoover era have been corrected, and now we can go back to those glorious
days. Apparently our national economic system, as it was before the de-
pression, was like a beautiful Bechstein or Steinway piano, which through
excessive playing had two or three of its keys dulled, and so the piano
tuner, Roosevelt, was called in. But now that he has tuned the piano, that
beautiful instrument is just as it was before. It really would be funny
if it were not so sad. They really are Tories; they learn nothing and forget nothing. I wish I had time to dig out the utterances from the same and similar sources as those which are now expressing themselves so violently and so sanctimoniously against your policies, uttered against T.R. when he proposed such bolshevist legislation as the Hepburn Act and the control of pipe lines, and later the attacks by leaders of the bar and finance against Hughes' proposals in New York for a Public Service Law, and still later, what you so well remember, the outcry against Wilson regarding the Federal Reserve Act. How the whole United States was going to the dogs because of that measure. I think I am right in remembering that the American Bankers Association, with only a single dissenting vote, passed resolutions against it. No doubt about it, the real trouble with capitalism is the capitalists.

I infer you've had your hands full with the silver people, but this morning's dispatches seem to indicate that you have worked out a *modus vivendi* to save us from financial foolishness.

With warmest regards and good wishes,

Always faithfully yours,

[François D'ans]

Hon. Franklin D. Roosevelt

*Enns.*
THE MAY NUMBER OF
"DER STÜRMER"

ARCHBISHOP OF Canterbury's ProTest

TO THE EDITOR OF THE TIMES

Sir,— Permit me to add my own to the other protests which you have already printed against the publication in Germany of the May number of the periodical entitled Der Stürmer under the name of Herr Julius Streicher, the recently appointed Reich Commissioner in Upper Franconia. Though significantly its export from Germany was prohibited, I have just been able to see a copy of it. It takes up legends and lies about the alleged custom of ritual murder by the Jews which have been over and over again exposed. It contains a series of gruesome and disgusting illustrations. It seems almost incredible that such a publication recalling the worst excesses of medieval fanaticism should have been permitted in any civilized country; yet it bears the name of a high officer of the Reich.

I am permitted by some 40 representatives of Christian public opinion in this country, assembled in my house for another purpose, to say that they associate themselves strongly with this protest. But it is needless to collect names. I am satisfied that the whole body of our fellow-citizens if they realized the character of this publication would share our indignation.

If the authorities of the Reich wish to secure for themselves and for their State the respect and good will of the people of this country, let them promptly disown the issue under the name of one of their own number of this odious incitement to religious bigotry and, it may well be, to renewed and brutal persecution.

I am, Sir,

COSMO CANTUAR:
Lambeth Palace, May 15.
THE PRESIDENT AND WAR DEBTS

The United States Government have made it clear that countries which make only token payments on June 15, when the next War Debt instalments become due, will be "in default" in the sense of the Johnson Act, which denies to defaulting nations the facilities of the American money market. They have thus cleared away what little doubt there may have been about the way in which the White House would in practice interpret the Act. But the official intimation to certain of the diplomatic representatives in Washington—the British Ambassador was not one of them—hardly affects the main problem. The President has not yet disclosed whatever proposals he may have in mind for a settlement of War Debts. It is easy enough to understand his manifest reluctance to move towards any settlement for which he could not hope to obtain the approval of Congress. In the first place any such move would be fatal, since it is Congress and not the President which is the final authority on all that concerns these debts. In the second, to court a rebuff on a matter of this importance would be to risk weakening his hold over both Congress and people for the sake of something which, important as it is, he regards as secondary to the work of internal recovery and of economic and social reconstruction.

Mr. Roosevelt went a long way last June, and again last December, in accepting token payments and in stating officially that he had "no personal hesitation" in saying that he did "not characterize the resultant situation as a "default." But on both occasions he was careful to point out the well-known fact that it is not within his discretion to reduce or cancel the existing debt owed to the United States, nor is it within his power as President to alter the schedule of debt payments contained in the existing settlement. Such power rests with Congress.

Since then—for reasons which in reality are quite irrelevant, but the effect of which on public sentiment is very natural and comprehensible—opinion both in Congress and outside has hardened against any concession. The President therefore, whatever his own personal attitude, is compelled to act with great circumspection. Since he took office some fourteen months ago he has led the United States along paths which many both of his critics and of his supporters describe as revolutionary. He has effected changes in a little over a year which have taken decades in other countries, and he has exercised powers as extensive as those of any dictator. It is important to note that he has been able to do so much just because he has been able to rely upon the support of the great majority of his fellow-citizens, who believe in him and his New Deal, and whose enthusiasm he has known how to kindle and to sustain. Moreover he has shown throughout the most punctilious respect for constitutional forms and for the rights of Congress. The point is emphasized in his recent book, "On Our Way." He maintains in it that, if what he has sought to achieve is a revolution, it is being achieved "without a change in fundamental republican "method." He insists that "we have kept the "faith with, and in, our traditional political "institutions."
No one would accuse Mr. ROOSEVELT of any resemblance to the man who, asked why he was trailing behind a band of rioters, explained that he had to follow them because he was their leader. It is in a very different sense that Mr. ROOSEVELT is the leader of the American people. All the same he is careful never to forget that he is their leader, not their ruler, and that to lead effectively he must keep in close touch with public opinion. He must maintain his influence over Congress, which means that he must take into account every current of feeling by which it is swayed, and must be content to compromise and to manage where he cannot convince. This is a task at which he is supremely competent, but there are indications that it is becoming increasingly difficult. Big business is manifesting more and more forcibly its impatience of the restraints imposed by the N.R.A. The general feeling reflected in the resolutions tabled at the recent convention of the United States Chamber of Commerce was so hostile that Mr. ROOSEVELT felt compelled to intervene, and he told the convention that it was time to stop crying “Wolf!” and “to cooperate in working for recovery and for the continued elimination of the evil conditions of the past.” It is just that, of course, which is the cause of the trouble. When the danger of complete collapse was imminent everybody was ready to support the President in the measures which he held to be necessary to avert it. But, as that danger seemed to recede, many became eager to resume the uncontrolled scramble for profits, which, in the President’s opinion, though not in theirs, was the main cause of the breakdown. They were not in the least eager to eliminate the “evil conditions of the past.” As a matter of fact these conditions seemed to them not nearly so evil as those which they feared under the New Deal.

Criticism is not coming from the Right alone. At a recent Conference in Washington there were complaints from all over the country that the N.R.A. had been so loosely administered that manufacturers and middlemen had been able to increase their prices far beyond anything which was justified by the increase in costs due to the higher wages and shorter hours. Labour

THE TIMES SATURDAY

is disappointed by the compromise over company unions and the recognition of unions independent of the employers, and at finding that there has been no increase in real wages since the nominal increase in rates has been almost entirely offset by the increase in the cost of living. A survey of the position by the American Federation of Labour states that, whereas between March last year and October work had been found for 3,567,000 of the unemployed, the situation had since taken a different turn and the employment gain had shrank to 2,784,000. This survey puts the present number of unemployed workers in industry at over 10,000,000 and says that the industrial wage-earners’ total income is still 45 per cent. below the 1929 level. It warns the public that serious labour troubles threaten to check progress towards recovery. The discontent among the farmers finds what is perhaps its most dangerous expression in the support given to all manner of inflationary projects, cutting across Mr. ROOSEVELT’s own policy of working for the establishment of an honest dollar” stable in purchasing and debt-paying power. The latest example is the Silver Bill favoured by large majorities in both the Senate and the House of Representatives, which the President is now labouring to convert from a mandatory to a permissive measure. All these discontents have to be balanced one against the other, and a course followed which will command the approval of the main body of public opinion. Amid so many causes for anxiety over the situation at home, it is scarcely to be expected that the President should create further difficulties for himself at this moment by taking up an unpopular attitude on the question of War Debts.
Dear Miss LeHand:

I am troubling you again to hand the enclosed letter to the President.

I envy you this season in Washington, if it's anything like the May that I used to enjoy in years gone by.

With cordial regards,

Sincerely yours,

Miss Marguerite LeHand

Enc.

P.S. Please give my greetings to Miss Tully, who I hope is thoroughly restored.
Dear Mr. President:

What follows has relevance only if you have not yet filled the new commissionerships created by the final form in which the Stock Exchange Control Bills will come out of conference. Not that I shall tell you anything that you don't know. But it has been my business to study closely for more than twenty years the work of regulatory bodies both national and state, and perhaps you will forgive me some general observations.

No one knows better than you that in the last analysis legislation means predominantly administration. Prendergast is a good shorthand name for that truth, and a whole chapter could be written about the paralysis of the Federal Power Commission until your Presidency. The recent Supreme Court decision in the Chicago Telephone case is a dramatic illustration of what unaggressive and unresourceful regulation means, in dollars and cents and well-being, to the ordinary man and woman. More than $20,000,000 would have been unjustly taken from the telephone users of Chicago through the hocus-pocus of corporate accountancy, but for the pertinacious and powerful fight, on behalf of the public, by one of the lawyers of the public, against whom were thrown all the obstacles that usually wear men down. The lack of moral zeal and intellectual capacity to meet the powerful resources on the other side on the part of public service commissioners throughout the country have, without a doubt, led not only to unfair charges to consumers but, what is worse, have been responsible for the grave abuses in the capitalization
of public service enterprise and for the building up of concentrated financial power to thwart the public interest.

Now the administration of the Stock Exchange Act will, I am sure, be even more difficult and call for greater skill, resourcefulness, firmness as well as fairness of temper, a will not worn down by fatigue, than has been the work of the older regulatory commissions. The problems are more subtle, the abuses less obvious, the public more misleadable and the consequences of non-action more far reaching. What will matter most to Wall Street indeed is what the Commission will refrain from doing, in view of what the law might enable a courageous and knowing commission to do. I don't know, of course, what the final terms of the Act will be, but I do know that the extent and effectiveness of the powers conferred by the legislation will depend largely upon the understanding of the possibilities under the statute by those charged with its administration.

And what is involved is not merely the Stock Exchange Control Act. Nothing less is involved than to keep Wall Street in its place, to furnish a counterpoise against its aggrandisement of power, by which the Street along the line resists efforts by the government for the common interest. And so, plainly, you need administrators who are equipped to meet the best legal brains whom Wall Street always has at its disposal, who have stamina and do not weary of the fight, who are moved neither by blandishments nor fears, who in a word, unite public zeal with unusual capacity.

To turn to a totally different matter - Sir John Simon's conduct of foreign relations. If you have not seen it, you may be interested in the enclosed account of a recent speech by Lord Lytton on the British Government's policy towards Japan.

Always with warm regards,

Faithfully yours,

Hon. Franklin D. Roosevelt

Enc.
BRITAIN AND THE LEAGUE

Lord Lytton and Government's Failure in Japanese Crisis

HOW TO RESTORE LEAGUE'S AUTHORITY

Lord Lytton, chairman of the League of Nations Commission which investigated the events leading to the crisis in the Far East, delivered the Ludwig Mond Lecture at the Manchester University last night, his subject being the effect of the Far Eastern crisis on the League of Nations. The Vice-Chancellor of the University (Dr. W. H. Moberly) presided.

There may have been, Lord Lytton admitted, adequate causes for the inactivity of the League since the beginning of 1933, but failure to follow up its resolution of February 24, 1933, had immensely increased its difficulties in settling other problems, and had considerably weakened public confidence in the practicability of any scheme of collective security, without which a general measure of disarmament could not be accomplished.

The problem of concerted action to prevent aggression is no longer a hypothetical one. A definite act of aggression has taken place, and the inability of the League to deal successfully with a situation which has actually arisen is necessarily regarded as the test of its ability to deal with hypothetical situations which may arise hereafter.

The Government's Defence

"At this point I feel I must say something about our own share of responsibility for the present difficulties of the League. The most deplorable feature of the present situation is the line of defence taken by our own Government against those critics who have urged them to play a more leading part at Geneva. This line of defence has had two features, both of which show a failure to appreciate the obligations of League membership."

"The first is the claim that we have done all that the League has called upon us to do. This argument is really a very insincere excuse, because it suggests that the League is an entity apart from the States that compose it. The executive body of the League is the Council, and of the States which occupy a permanent seat on the Council Great Britain is obviously the one most interested in this particular issue, and the one therefore from which leadership is naturally to be expected."

"In another connection, the Government is constantly reminding us that it is useless to propose a course of action which other States are unwilling to follow, since general agreement is an essential feature of League action. But in this particular question what other State is there which could propose a line of action unless it was assured that we should agree with it? Apart from our interests in China and the fact that we are the principal naval power in Europe, we are the traditional friends of Japan. We have for many years been in alliance with Japan, and are better qualified, therefore, than any other State to make friendly representations to that country, and to offer her our help to put herself right with the rest of the world. Therefore, if there has been inactivity it can only be because we have given no indication of our willingness to take any action."

"It would be a more justifiable line of defence to say that the Far Eastern situation is one which cannot be effectively dealt with without the co-operation of the United States of America, a country which is not a member of the League. But we have never been told that our Government has proposed to the League to invite the co-operation of the U.S.A., or that it has itself made proposals to the Government of that nation which have failed to find acceptance."

Keeping Out of Disputes

"The second line of defence taken by the Foreign Secretary in his speeches in the House of Commons is that he has
been careful throughout to prevent this country from becoming involved in the Sino-Japanese dispute. That line of argument is absolutely destructive of the whole basis of collective security, and has utilised all the efforts which Sir John Simon is making to bring about an agreement on disarmament. The only possible justification for a general measure of disarmament is the knowledge that if a State is attacked it can rely on the combined forces of all other States members of the League to defend it.

"Though we all have to contemplate that one member may at some time under pressure of national interests violate its international obligations and attack a neighbour, it is reasonable to argue that all the other States members may be relied on to honour their obligations. But the argument of the Foreign Secretary, which has always been loudly cheered in the House of Commons, is that though it would be dishonourable to attack a neighbour for the sake of national advantage, there is no obligation on us to come to the aid of a victim of aggression, if national interests make it expedient to keep out of the quarrel. Is it surprising that the man who has used this argument so confidently should be finding it difficult to persuade the French to give up the only security of which at present they have had any experience?"

Adding that he did not wish to use that phrase merely for the purpose of criticising our Government, Lord Lytton said he could not in honesty refrain from pointing out the consequences of its policy. "The League is suffering to-day," he declared, "because so many of its most powerful members have failed in the sincerity of their adherence both to the letter and the spirit of the Covenant. Our Government is not alone in this, and in so far as our Government is open to criticism the blame is as much ours as theirs, for are they not justified in saying that their policy has had the support of the House of Commons? If it be true that they have also the support of the country—and of that I am no judge—it is because they have taught the country what to think right.

I am confident, at any rate, that if they had themselves realised what the obligations of the Covenant are, and had taught the country to realise them, if they had shown themselves as vigorous in the vindication of an international obligation as they have been in the championship of national interests—if they had done this the country would not have failed to support them."

Restoring the League's Prestige

Turning to discuss what could be done to restore the prestige and authority of the League Lord Lytton said there were two alternatives. One was to disband the Disarmament Conference for the time being and summon a world conference, to which the U.S.A. and the U.S.S.R. should be invited, to consider the situation in the Far East with the intention of giving practical evidence of the effectiveness of concerted action before resuming the disarmament discussions. The other was to secure an agreed disarmament convention which should at least be a first step towards the fulfilment of this long overdue obligation, and to follow this up immediately with a conference to deal with the Far East. The second of these alternatives had obvious advantages. The prospects of success might not be bright at the moment but he was confident that an agreed convention could even now be secured if our Government would recognise the necessary conditions and state when the conference met its willingness to provide its share of a real collective security in return for a real measure of general disarmament.

"So far as I know," Lord Lytton added, "our Government has never yet admitted its willingness to provide its share of real security, and this is essential to the acceptance by others of its proposals for real disarmament."
May 29, 1934.

Dear Miss LeHand:

I am returning to you herewith Felix Frankfurter's letter. We have made a copy and are busy digging up the material the President wants.

Sincerely,

Grace E. Lark
Assistant to the Assistant Secretary

Enclosure

Miss Margaret LeHand
Secretary to the President
Dear Mr. President:

The Justice greatly appreciated your concern over Hugh's blazing indiscretion and is much moved by your readiness to do whatever is advisable and wise to correct it. The real reason why he does not think a public retraction even from Hugh desirable is because of tenderness for him. I think it will interest you to have me quote a paragraph from him:

"The Herald Tribune's editorial of today and an attempt to disqualify are not agreeable to contemplate, but the incident must be regarded as a casualty - like that of being run into by a drunken autoist or shot by a lunatic."

All of which recalls to my mind your observation in one of your letters to England, "Brandeis has and is a great soul."

Ever yours,

Hon. Franklin D. Roosevelt
Very well, then, if you don't like my information about old Oliver and yourself, maybe you'll like better what Harold Lassiter says (in the Manchester Guardian) about our Herbert Hoover and the President of here.

W.T.

Ralph [signature] affectionately
It's hardly a serious and coherent argument. It is an incantation, mainly written inargarid, rhetorico, and it presents tendencies of American politics. Mr. Hoover is in a state of alarm and distress. Something called the American system of liberty is in danger. It gave the United States a happiness and prosperity not approached by other peoples. There was opportunity, there was freedom of speech, there was a fine sense of social responsibility. Everyone went well until the depression. It is true that there were evil excesses in the body social, but they were of a minor order. Now there are bureaucracy, regimentation, the most stupendous invasion of the whole spirit of liberty that the nation has witnessed since the days of competition. Everything that makes for good is in danger. There is dictation instead of co-operation, there is a threat to that security of possession which is the main incentive to thrift (for Mr. Hoover almost the sovereign social virtue), there is a drift towards new philosophies which deny the genius of Americanism; even of men's souls and thoughts Government has become the master. Mr. Hoover warns his fellow-countrymen that a ball must be called to all this if American liberty is to be saved.

It is all intensely melodramatic, if, indeed, somewhat shrill. Unfortunately, Mr. Hoover seems to have very little notion of what has happened to the country over which he ruled for four incalculable years. The American Civil Liberties Bureau would not share his enthusiasm for the freedom of speech which was attained. The Senate investigation of Wall Street suggested that what he regards as minor defects of the system had become inherent in its character. The beauties of the competitive system appear more dubious when analysed in the light of such classic investigations as those of Mr. Justice Brandeis. The implications of the reports issued by his own Law Enforcement Commission hardly bear out the idyllic picture he draws of the conditions of American administration.

Cases like the famous child labour case before the Supreme Court, the economic conditions prevailing in the South, the revelations of the situation of the miners, the cotton operatives, the steel workers, to take only outstanding examples, suggest an unduly optimistic temper in Mr. Hoover or a Nelsonian ability to close one's eyes to the inconveniences of the American system.

No doubt, Mr. Roosevelt—for he is the inanimate villain of the piece—proceeds upon very different assumptions from those which satisfied Mr. Hoover. No doubt, also, if he succeeds in any effective measure he will help to make a country very different from the society over which Mr. Hoover presided. But no one who reads Mr. Hoover's passionate oætates, whether of exultation or denunciation, will doubt for a moment that he has a far more real picture of contemporary America in his mind than his eminent successor. The United States the latter may still love, never to return except for the handful of citizens who live in Newport in summer or in Palm Beach in the winter. His hymn to a dead Utopia may arouse enthusiasm in Wall Street. It will not turn a hundred votes outside that area in the November elections for which it was timed.

For it reads like nothing so much as the terrified anger of a high priest of the Ptolemaic astronomy watching the growth of the Copernican hypothesis. Mr. Hoover has no idea of what is happening in the States. He has notions of economics and sociology which might have been partially appropriate about the years after the Civil War but have not since that time borne any relation to the situation they are intended to control. Problems like the relation of liberty to equality, the nexus between political democracy and economic power, the significance of the Supreme Court's attitude to capitalism, the historical meaning of section 3 of the Recovery Act in the light of the injection in industrial disputes, the Clayton Act, and other little matters never occur to his mind. He is an interesting museum exhibit, a proof of the danger men incur when, as William James said, they have habit without philosophy. Mr. Hoover has a healthy power to doubt his own making.
1934

Cambridge,
192 BRATTLE STREET
October 23 [1934]

PSF Frankfurter

Mr. Ryle —

Please let me
day how very
much I liked your
Rasputin speech. It
was I think a little
good — it said so
much to so little,
and said hard things
to you

Yours sincerely,

[Signature]
PSF Frankfurter [10-25-34]

THE WHITE HOUSE
WASHINGTON

Dear Frank: 

I wish you could have seen F.D.R.'s glowing face as he first took his, in that large simple way of his,

"Why the President
recently succeeded. It is
his life. He has such a
large human heart, and
a clear mind, and conc-
crete grasp of conditions.
It just can't be otherwise."


I've never met a woman of a more perfect experience and inspiration from one to have been allowed to see her.

And I won't leave you unless that which has been done—

Except that I go away with keen strength and keen faith.

Affectionately and devotedly,

[Signature]
Dear Mr. President:

1. You may be interested in the enclosed leader, "Up with the Houses," and the report of a dinner to the National Housing Committee on which that leader was based, both from The Times for November 2. There are, of course, real differences between the English situation and ours, and yet it is highly significant, a Director of the Bank of England, Sir Basil Blackett, should support the following views:

"There was no reason why the necessary funds should not be raised without the least difficulty and without in any way embarrassment the National Exchequer, damaging the country's credit, or straining its finances. The cheaper the money was raised, the lower the economic rent of the houses built, the larger the number of wage-earners able to pay that rent and live in the houses, and the lower both the risk of the Government and the amount of rent allowances and subsidies required.

So far from there being any fear of the financing of a big housing programme putting a strain on the national resources, there were many strong reasons for believing that the capital expenditure involved would be of very great benefit to the country in existing circumstances. Not only would the new houses be a capital asset of great social value, but the initiation of such a programme would serve at the same time a most beneficial purpose in providing profitable employment for unemployed money and unemployed labour. No better way of reducing unemployment was available than a big national housing programme."

Whatever the differences in the circumstances of the two countries, certain it is, as The Times points out, that a successful housing program requires arrangements for reasonable cost of materials and for reasonable rates of labor. And English experience has shown in the past that the Government can secure such terms for both.

2. You may also be interested in what Woodrow Wilson
used to call a conspectus of the building situation throughout the world. And so I am enclosing a recent leader from the London Economist.

3. "I see by the paypers" that Newton Baker and Jim Beck have found T. V. A. unconstitutional. How surprising! I also note that Thomas McCarter "hopes to have an early opportunity to lay this whole matter before the President of the United States." You will recall that McCarter was the fellow, in that very secret and confidential conclave of industrial and financial leaders held in the middle of October in a New Jersey retreat, who told the great men assembled that the only way to deal with the Administration was to accumulate a vast war chest and to fight without compromise. By enlisting Baker and Beck he evidently thought he ought to have the Constitution as well as a war chest on his side.

With warmest regards,

Always faithfully yours,

Hon. Franklin D. Roosevelt.
To interpret this amazing victory is not so easy as to record it. One thing, however, is as clear as daylight: it is an immense personal triumph for Mr. Roosevelt. That can be seen not only in the victories of Democrats but in the fate of Republicans. Those who had attacked him, such as Senators Reed of Pennsylvania, Foss of Ohio and Robinson of Indiana, and Congressman Britten of Illinois, have been rejected. In Wisconsin, his personal support was sufficient to elect the brothers La Follette, one to the Senate and one to the Governorship, even though they had both Republican and Democratic opponents.

There can be no doubt that the electorate has applied to every candidate the touchstone of his loyalty to the President.

Whether the election is a specific endorsement of the President's policies is rather more open to doubt. This was the first test of the New Deal. Two years ago the voters did not vote for the New Deal, which at that time had a name but no substance; they did not even vote for Mr. Roosevelt so much as against Mr. Hoover, and it is possible that if the details of the New Deal had been revealed to them they would have rejected it in advance. This, then, was their first opportunity of passing a vote of thanks to Mr. Roosevelt for being better than Mr. Hoover and for making 1934 better than 1933. Reopened banks, higher agricultural incomes, increased employment, the swelling stream of relief—all these undoubtedly helped to swell the voice of gratitude. The New Deal as a whole has been endorsed. Indeed, it could not have been otherwise, for no alternative was offered, and the people will always prefer somebody with some policy to nobody with no policy.

But if the President seeks to draw from this expression of the popular will any indication whether he should drive his policies forward to new and unexplored fields of Radicalism, or return gradually towards Conservatism, or keep in the middle of the road, he will find very little guidance. Conservatives like Senators Byrd and Gore, provided they were Democrats, were elected just as triumphantly in the East as in the West. The public will embrace elements as incompatible as Carter Glass and Huey Long. Mr. Roosevelt has collected all opinions behind his banner rather than forged a new instrument of consistent policy.

This fact makes the victory in a sense even more remarkable, for it strengthens the impression that the vote was a Democratic vote rather than a New Deal vote. No one man has ever, in the face of free opposition, won such unconditional support from so many millions. After this election, even more than before it, everything depends on the personal policies of Franklin Roosevelt.

The President appears to be emerging as a sincere and powerful Liberal. There has been very little monetary experimentation, and no currency manipulation for nine months, and Mr. Roosevelt has let it be known that he does not wish to reopen this phase of his earlier policy. The N.R.A. is no longer an attempt to lift the country into immediate prosperity by its own bootstraps but an agency for the social control of business. The President's policies, as they appear at the moment, consist of relief of the destitute, social reform and controlled expansion of individual business—a platform on which any Liberal in any country would be proud to stand. An extension of the public works scheme is foreseen, the White House has already announced a great development of its housing plans, and a comprehensive system of social insurance has been promised for many months. These are likely to be the main lines of progress in the immediate future. They are less Radical, but at the same time less frightening, than those of 1933.

There is the major hazard of monetary disturbance, arising either out of the excessive supplies of credit already available to the banking system or out of some possible inflationary move forced on the President by an impatient Congress. But apart from this, the United States now see the prospect of sound progressive leadership such as neither it nor any other nation has known since the days before the war.

The mention of Congressional impatience brings up the other threatening danger. The very size of the Democratic majority and the diversity of opinions it embraces may make it very unmanageable to control. The opposition of the Right has been annihilated and thrown to the winds; the opposition of the Left, solidly entrenched within the Democratic Party, has still to arise. The probability is increasing that when the time comes for Mr. Roosevelt himself to go to the people he will do so as the champion of moderation.

THE BUILDING BOOM

Recovery in the building of houses has long been regarded as one of the first indications of an upward movement of the trade cycle, for this branch of activity is normally very sensitive to changes in the rate of interest and in the costs of production. The experience of the past two years has confirmed this view so far as this country is concerned. Both interest rates and construction costs declined appreciably between 1929 and 1933 and facilitated the translation of the social need of houses into effective demand at such a rate that the building trade experienced an expansion in 1933 and in the first half of 1934 to a level never before reached.

The comparative development of the building industry in a number of countries is shown by the following indices, compiled by the Economic and Financial Organisation of the League of Nations. With the exception of the figures for the United Kingdom, which are based on the estimated cost of building plans passed, the statistics relate either to the number or floor space of buildings:

<table>
<thead>
<tr>
<th>Indexes of Building Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Based on Building Plans Passed)</td>
</tr>
<tr>
<td>(1928 = 100)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>Union of South Africa</th>
<th>France</th>
<th>Germany (Dwelling Houses only)</th>
<th>Italy</th>
<th>Great Britain</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>1935</td>
<td>Monthly Avg.</td>
<td>120.4</td>
<td>120.4</td>
<td>147.2</td>
<td>147.2</td>
<td>100.0</td>
</tr>
<tr>
<td>1934</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1933</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1932</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Contracts awarded. (b) Adjusted for seasonal variation.
The divergences in the development of the building industry in these countries are remarkable. Most countries, with the exception of the United States and France, experienced an improvement in 1933; but the expansion of dwelling-house construction in Great Britain in 1933 and in the first half of 1934 was unequalled by any other country. Since the beginning of the current year South Africa has made progress, and Italy and Germany have forged ahead under the stimulus of official encouragement. On the other hand, the position in France has recently continued to deteriorate and the volume of construction in Canada and in the United States, which had fallen from "sky-scraper" to "log-cabin" proportions between 1929 and 1933, remains at an insignificant level.

In the absence of Government subsidies, a revival in house-building during a period of general industrial depression can only take place if there is a social demand for houses and if there has been a sufficient decline in interest rates and in costs of construction to permit the translation of potential into effective demand. The first of these conditions is undoubtedly present in all countries, and particularly in the United States, whose population is still increasing by over a million per annum. But one or both of the other two conditions are still absent in many countries. In the United States, for example, an appreciable expansion in the building industry has so far been prevented by the high level of building costs, due in a large measure to the operation of the National Recovery Act.

The importance of the revival in dwelling-house construction in Britain's recovery since the beginning of 1933 can hardly be exaggerated. Moreover, although the revival has been largely financed by money borrowed from the building societies and other credit institutions, it took place virtually without official stimuli in the shape of subsidies. The extent of the improvement can be illustrated by the fact that whereas the Economist index of general business activity rose from 95.7 (1924 = 100) in February, 1932, to 111.9 in June, 1934, our index of building activity, which includes industrial construction, advanced from 110 to 226 during the same period. There is no doubt that the revival in dwelling-house construction forms the backbone of British recovery, for the money spent on buildings and household equipment represents a fairly substantial proportion of total expenditure. Moreover, building and construction usually represents more than one-half of the amount annually invested in fixed capital. The following table shows the ramifications of the building industry in this country and the extent of the improvement in the various trades directly connected with this branch of activity:

<table>
<thead>
<tr>
<th>Trade</th>
<th>Estimated Number of Insured Persons Employed in 1934</th>
<th>Estimated Number of Insured Persons Employed in 1933</th>
<th>Percentage of Insured Persons Employed Compared with 1933</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public works contracting</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Building</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Stamps plant</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Steel and iron</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Artificial silk and cotton</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Brick, tile, terracotta</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Water, energy, light</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Paint and varnish</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Stone, brick, pipe, etc.</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Electric cable, apparatus,</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Building and civil engineering</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Heating and ventilating apparatus</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Carpenters</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Furniture making, upholstery</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Wall paper making</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Oilcloth, linoleum</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
<tr>
<td>Brick and tile</td>
<td>10000</td>
<td>10000</td>
<td>100%</td>
</tr>
</tbody>
</table>

All Trades enumerated in Ministry of Labour Census

It will be seen that the number of insured persons increased between 1932 and 1933 in all but three of the trades enumerated above. Despite this influx of labour into the building and allied trades, unemployment declined by more than the average of all trades between September, 1932, and the corresponding month of 1933, in all but a few of the less important industries shown separately. The percentage of the total number of insured persons represented by the above list of trades (which is by no means comprehensive) rose from 23.7 in July, 1929, to 14.8 in the corresponding month a year ago.

In the Economist of March 31, 1934, we estimated that from five to six million houses would have to be built between 1931 and 1951 in order to ensure that by 1951 none of the population is housed more densely than three persons to two rooms and that old and out-of-date houses are replaced at a reasonable rate. The attainment of this standard would require the construction of an average of 250,000 to 300,000 per annum for the next seventeen years. During the twelve months ending September 30, 1934, no less than 240,000 houses were constructed by private enterprise without subsidy—an increase of 73,000 as compared with the preceding year. During the same period the number of houses completed with State assistance rose from 56,433 to 51,407. The level of dwelling-house construction in the past twelve months was, therefore, at the record rate of just under 300,000 per annum.

But will this record level of building be steadily maintained? The answer to this question is of the utmost importance for those connected with the industry, for a misjudgment might easily lead to wasteful over-expansion of the productive capacity of these trades and ultimately to a severe slump in profits. Although both interest rates and building costs remain as low as ever, and are not likely to increase in the near future, there are signs that the peak in building middle-class-dwelling-houses has, for the moment, been passed. On the other hand, an appreciable decline in the rate of construction of this category of houses is improbable in coming months. Moreover, commercial construction has tended to increase, and this development, together with the Government's slump-clearing programme, will probably compensate for a moderate decline in the building of dwelling-houses of the middle-class type.

**RECOVERY IN SOUTH AFRICA**

*(BY A CORRESPONDENT)*

It is now nearly two years since South Africa suddenly abandoned the gold standard, after maintaining it under conditions of great difficulty for fifteen months longer than Great Britain. To those who supported the policy of going off gold, subsequent developments have apparently confirmed their contention that this step would be wise. All the available economic indices show that the country has made a striking recovery from the deep depression which existed in 1932:

<table>
<thead>
<tr>
<th>Year</th>
<th>Europeans</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1932</td>
<td>36,100</td>
<td>365,423</td>
</tr>
<tr>
<td>1933</td>
<td>35,750</td>
<td>363,430</td>
</tr>
</tbody>
</table>

Index of industrial employment (July, 1925 = 100):

<table>
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<tbody>
<tr>
<td>Europeans</td>
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<td>95</td>
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<tr>
<td>Total</td>
<td>100</td>
<td>95</td>
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Bank debits (Jan.-July):

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<tr>
<td>Johannesburg</td>
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<td>187</td>
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<tr>
<td>Pretoria</td>
<td>127</td>
<td>127</td>
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<tr>
<td>Port Elizabeth</td>
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Gold value:

<table>
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<tr>
<th>Year</th>
<th>1898</th>
<th>1899</th>
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<tbody>
<tr>
<td>Gold</td>
<td>18-9</td>
<td>18-5</td>
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There are, however, still a certain number of cautious observers who feel a sense of distrust about the apparent benefits of currency depreciation. They feel that prosperity obtained by currency manipulation has sometimes been fictitious about it, and, however striking in the short run, may not be permanent. They distrust the easily made fortunes of the gold boom, and regard with apprehension...
1,000,000 NEW HOUSES

NEEDS OF LOWER-PAID WORKERS

A LONG-RANGE PLAN

A dinner to meet the National Housing Committee, given by Mr. E. Beddington Behrens, its deputy chairman, was held at the Carlton Hotel last night and attended by a large number of members of both Houses of Parliament. The guests included Lord Salisbury and Sir Austen Chamberlain. The dinner was held with a view to giving support to the Government in the prosecution of an active and extensive housing policy.

The CHAIRMAN referred to the recommendation contained in the report of the National Housing Committee, which embraced the question of establishing a Housing Corporation. He pointed out that the Government had decided against the establishment of any new executive body, and that in the circumstances the committee did not wish to press for a commission, which they regarded as a matter of procedure and not of principle.

The all-important question was the magnitude of the new-building programme to provide accommodation for the lower-paid worker. There had been a large increase in the building of houses for the higher-paid artisan, and there was a danger that saturation point in these types of houses would soon be reached. A Government policy that would help the building of the badly needed houses for the lower-paid worker would come in just in time when it was greatly wanted. All factors for dealing with the housing problem were at present favourable, and if the Government undertook a bold, courageous, adequate housing policy they would have the whole country behind them.

"MODERN PLAGUE OF LONDON"

LORD BALFOUR of Burleigh said that the task of dealing with overcrowding was much more formidable than even slum clearance. The five-year programme would replace 280,000 slum houses with the same number of good rented houses. It would not per se help the overcrowding outside the slum houses. For that at least twice as many more low-rented houses were needed, or, say, 1,000,000 in all. They must be houses to let, not for sale. The financial capacity of the lower-paid worker to be rehoused required rents as low as those of the 1910 Act houses. Rents must be a maximum, not an average, of 10s. a week, inclusive of rates, for three rooms. Such houses could not be made to pay more than 2½ or 3 per cent., over 80 years, even where land was cheap. Where site value was high, it was impossible to show even that return. Commercial private enterprise would remain unattracted, so the initiative must come from the Government or the local authority. No addition to the number of houses for sale beyond a certain point, which had probably already been reached, would add to the number of low-rented houses to let. Commercial private enterprise could properly build the houses under contract on a proper margin of profit. It could not or would not own them over 80 years. There was no incentive.

Overcrowding was the modern plague of London. It involved two other plagues—basements and bugs. Almost 100 per cent. of the overcrowded houses were vermin-infected, and in those houses no effort on the part of the occupants could cure that. Lord Balfour caused exclamations of horror by holding up in each hand a glass bottle full of insects. One bottle, he said, was full of cockroaches and black beetles and the other full of bugs. He explained that they had each been extracted from the furniture of two former slum dwellers in Kensington only the previous day and were vouched for by the medical officer. All the vermin were now dead.

As an alternative to municipal ownership they wanted to press on the Government the advantages of public utility society ownership. The dual relationship of landlord and tenant and local authority and ratepayer was unwholesome, and with building on the scale required would inevitably lead to unfortunate political results. A third point was the need for long-range planning, both as to where the million houses were to be put and also in the provision of the labour and materials with which they were to be built to prevent a rise in costs.
GREAT AREA INVOLVED

SIR BASIL BLACKETT regretted that the Government had not seen fit to approach the subject by accepting the suggestion for the appointment of a National Housing Commission. That, however, was a matter of machinery. What was important was that the task should be carried out quickly and successfully. The task was the provision of minimum standard houses for not less than 1,000,000 families. As he understood it, the Minister of Health was in entire agreement with the Committee in that statement of the objective. Housing must be linked up with the demolition of ancient properties, the replanning of built-up areas, the decentralization of industry, the grouping of population, and the preservation of rural England. He was sure that one of the most urgent problems might not be the extension of the grid system, already applied to electricity and other public utility services such as water and gas.

As he saw it, the problem of London housing could not possibly be satisfactorily dealt with unless the plan for providing the necessary houses embraced an area covering a large part of the Home Counties, and there was already little margin between the point where London housing problems ended and those of Birmingham began. Large scale planning was a primary necessity. If the planning was to be more than rather bad guess work it must be supported not only by research into building materials and methods, costs of building and movement of prices, but also by statistical examination of the workings of various schemes in operation and generally the pooling of experience. There should be also continuous thought and supervision as to the artistic and aesthetic effects of particular designs of houses, layouts of new areas, and the use of this or that building material, the size and colour of the bricks, for example, in relation to surroundings.

RAISING THE MONEY

He was sorry that the Government had not decided on the issue of a national housing stock, but so long as every effort was made to find the money needed at the lowest rate of interest — that was the important point — and the money must be made available for the local bodies and public utility societies which were going to do the building with the minimum of delay and expense. There was no reason why the necessary funds should not be raised without the least difficulty and without in any way embarrassing the National Exchequer, damaging the country’s credit, or straining its finances. The cheaper the money was raised, the lower the economic rent of the houses built, the larger the number of wage-earners able to pay that rent and live in the houses, and the lower both the risk of the Government and the amount of rent allowances and subsidies required.

So far from there being any fear of the financing of a big housing programme putting a strain on the national resources, there were many strong reasons for believing that the capital expenditure involved would be of very great benefit to the country in existing circumstances. Not only would the new houses be a capital asset of great social value, but the initiation of such a programme would serve at the same time a most beneficent purpose in providing profitable employment for unemployed money and unemployed labour. No better way of reducing unemployment was available than a big national housing programme.

LORD SALISBURY’S VIEWS

LORD SALISBURY said that they could not exaggerate the urgency of the problem. They must not dawdle any more. There had been quite enough of inquiries and statistics. He had seen enough of slums and overcrowding to be profoundly shocked. They must not put the standard too high. Let them remember how varied, complicated, and expensive was the problem. He had found that people who would cooperate in schemes of reconditioning houses, but a very large number of tenements were not capable of being reconditioned. They must be pulled down and rebuilt. Private enterprise in itself would not bring about the desired result. They must fall back on some wider and bigger system.

He differed from Sir Basil Blackett in regretting that the Commission idea had been abandoned. Such a proposal would mean an enormous number of officials, and the great vice of bureaucracy creeping in. It became choked by its own size. Why not avail themselves so far as they could of the public utility societies? He could bear testimony to their public spirit and efficiency. He would like to see a Public Utility Council established by statute to deal with the money which they could get on very cheap terms from the Government, and which they would arrange to distribute under their own rules and supervision among the public utility societies.

SIR AUSTEN CHAMBERLAIN, speaking of overcrowding, said that they could not simply remove the surplus population from the houses and put them far from where they now resided. The people must be near their work. That meant that great blocks of property had to be dealt with, and the way cleared for replanning and rebuilding. The people who had allowed the conditions to grow up could not push on to other shoulders problems of dealing with the people whom they disdained. The difference in the value of the land had to be met by the community as a public charge for the removal of a nuisance which we had allowed to grow up in our midst.

It would be fatal, if they meant to make progress, to antagonize the local authorities. After a great deal of hesitation, and rather reversing his earlier opinions, he had come to the conclusion that that was a fatal objection to the suggestion of a great housing commission or board as originally put forward by the National Housing Commissioners.

He hoped that local authorities would be induced to regard the public utility societies as their friends. His appeal to the Government was to consider whether they could not make even greater use of the public utility societies, and whether they could not advance money to them more generously. He begged the Government in particular to consider the proposal made by Lord Salisbury that a central housing commission should be created to be the intermediary between the Government who raised and lent the money and the individual public utility society. He believed that public money filtering through such a central board to those public utility societies would be so safe that the margin that the Government would need to reserve for bad debts would be almost negligible.

Sir Robert Horne moved a resolution, which was seconded by Sir Francis Freshfield, M.P., and carried unanimously, declaring that the meeting whole-heartedly supported the Government’s slum-clearance programme and urged upon the Government the necessity of making such provision in the forthcoming Housing Bill as would secure sufficient building of new houses at low rents to remedy overcrowding.

A list of those who accepted invitations to the dinner will be found on page 17.
In Association football matches yesterday Oxford University were beaten by Tottenham Hotspur by four goals to three at Oxford, while Arsenal beat Cambridge University at Cambridge by two goals to none. (p. 6)

The Cromer Lawn Tennis tournament in covered courts was continued yesterday. (p. 5)

The Altcar Coursing Club’s meeting was continued yesterday. (p. 6)

The British golf team in Australia yesterday beat Queensland by four matches to one. (p. 6)

FINANCE AND COMMERCE

In “City Notes” comment is made on:—The German Debt Agreement; Union-Castle Voting Control; Central Argentine Preference Dividend; Increased Wall Paper Dividend; the Low Grade Ore Policy; and Brazilian Warrant Capital Scheme. (p. 22)

In Lombard Street loan rates were unaltered, but discounts weakened further. Foreign Exchanges moved in favour of sterling, the New York rate rising to $4.98 and the Paris to 7s. 19-32f. Gold rose 3d. to 139s. 10d. an oz., £31,000 being sold. Silver recovered 4d. to 23½d. (p. 23)

UP WITH THE HOUSES

The National Housing Committee continued its good work yesterday by rallying over 150 Conservative Members of Parliament in support of a resolution urging that the forthcoming Overcrowding Bill should be both drastic and comprehensive. The Committee itself is the result of an impulse among a group of persons, eminent in many walks of life, to pool their knowledge and their ideas upon the provision of low-rented accommodation. Earlier in the year they presented two reports, the central feature of which was the advocacy of a considered plan for the building of one million houses for the lower paid wage-earners. The report suggested that the best agency to carry out this policy would be a statutory Housing Commission, with powers similar to those possessed by the Central Electricity Board. But, now that the Government have promised to achieve much the same results through the agency of local authorities, the Committee has wisely suspended insistence upon every detail of its own scheme, and with proper public spirit has devoted itself to the task of mobilizing authoritative opinion behind the Government.

This attitude will appeal to all who view housing problems impartially, and who are ready to judge policy by its results and not in the light of preconceived ideas. It will be generally agreed that the root problem remaining after fifteen years of intensive effort is the housing of the lower-paid wage-earner, who cannot afford to pay an inclusive rent of more than ten shillings a week in urban districts; that it is useless to expect this problem to be solved by the “filtering up” of these persons into houses vacated by those with larger incomes; that private enterprise, left to its own financial resources, cannot solve the problem; and that house-building on a large scale is probably the most useful method of engendering or confirming industrial recovery. In view of this agreement upon the objects of housing policy, it would be ridiculous if quarrels about methods were to frustrate an advance in common.

There is indeed ample ground for agreement about method. One very important point upon which agreement ought to be possible is that the size of the problem is not to be measured by any definite number of houses. The Committee originally said “we want at least a million houses.” The Government now say “we shall make overcrowding illegal, see how many houses are required by our definition of overcrowding according to a careful survey, and then procure the building by local authorities, or by public utility societies “of all the houses required.” Spokesmen of the Committee yesterday seemed to accept this method, provided that it were followed swiftly and resolutely. If that is the spirit of the central administration, and if it can be imparted to local authorities, there is no reason why the Government’s method should prove the longer. But, if it is to be swift and successful, it will have to be translated into certain very definite provisions in the forthcoming Bill, or in the administrative measures taken under it. In the first place the definition of overcrowding must be satisfactory. The present standard of accommodation on the housing estates of the L.C.C. is one and a quarter persons to a room. This is generous, but not too generous when such factors as the increase in the number of families and the necessity of segregating the sexes are taken into account. The next requirement is that the
survey based upon the definition should be thorough. It took a very long time before a satisfactory survey for the purposes of slum clearance could be obtained, and without it the present slum clearance campaign could never have been launched. Still, the decks have now been cleared for an overcrowding survey, and local authorities will be able to proceed with it without other distractions. The next point to be looked for in the Bill is that the promised subsidy should really be devoted to cheapening rents. The most obvious method of guaranteeing this is to provide that the subsidy shall vary according to the cost of rehousing, and be calculated to bring the effective rent down to ten shillings a week. The effect of such a provision can be extended by allowing the local authorities to pool the subsidies which they receive under the various housing Acts, and thus to prevent inequalities as between their tenants. Low rents are essential to the success of the Bill; for it has been proved that, if rent absorbs too much of the family income, then public health suffers, no matter how good the standard of housing. Again, as Sir Austin Chamberlain pointed out last night, there are grave objections to local authorities becoming almost universal landlords, and strong reasons for vesting ownership and management wherever possible in public utility societies.

These must be the bones of the Bill; but there remains the flesh to be put upon them. For example, if the subsidy is to vary according to cost, then costs must be kept low. Costs are composed of interest on money and of the price of land, labour, and materials. Thanks to the financial policy of the Government the cost of public borrowing has been brought very low indeed. It is not likely to be increased by the new borrowing by local authorities which the Bill will involve. When once the survey and the resulting plans are ready, it will be known how many houses are likely to be built in how long a period of time. Some effort might then well be made to secure an undertaking from financial interests to supply the money as and when required at a steadily low rate of interest. The same consideration applies to the provision of materials. When the size of the problem is known an effort should be made to secure an undertaking from the purveyors of materials to supply them at the special prices rendered possible by steady orders, on the lines followed by the late Mr. Wheatley in 1924. These arrangements would probably involve the closer association of representative business men with the Ministry of Health, and their collaboration would certainly simplify and accelerate negotiations. Similar cooperation with the Trade Unions will be required to steady the cost of labour; and, as for the cost of land, it is apparently intended to make use of the Acquisition of Land Act, though this is a point to which further attention should be given. Lastly it should be insisted that housing schemes are carried out according to definite time schedules. Such is the scheme which seems to be envisaged by the National Housing Committee and those who endorsed the resolution moved by Sir Robert Horne yesterday. It involves first drawing up a definite plan, and then organizing every industry and interest concerned in order to carry that plan into effect cheaply and swiftly. The fact that local authorities are to be the agents of national policy does not render unnecessary the construction of a national plan or the conception of the housing problem as a national responsibility. Last night’s proceedings are one more proof of what the nation expects from the Government and of the support which will be accorded to what it expects.
THE WHITE HOUSE
WASHINGTON

December 20, 1934.

MEMORANDUM FOR THE PRESIDENT

F. F. said you wanted this memorandum:

If you analyze it all down, the philosophy of the New Deal simply comes down to this - "In our scheme of Government there must be room for the man who wants to earn an honest living."

M. A. L.
THE WHITE HOUSE  
WASHINGTON

Mr. President,

1. Perhaps you can find time for a word with Henry Wallace, at today’s Cabinet, about his Harvard speech — your kind you understand.

2. And when you get to your dictation, please see in her a line of appreciation for Senator Brown of N. Y.

3. And I do hope that business is subsideing.

Franklin D. Roosevelt
Sen. Mr. President:

Prentice today gave a new version:

In effect, he testified that he was ready to destroy his own reputation (and incidentally that of others) for dear old Teddy! But he also admitted talking to Tozer's people in Paris:

"Young men, come on and cheer beautifully!"
Mr. Dancer,

Here with a draft of a statement in case the paper carry tomorrow morning a false item about "White House interference" or "interference" at holding Company Reel Conference.

It is simply meant to see you to feel as though fight at head of a long hot exercise. The telegraph wire be tic
a deviation of your "needs". He reconciled
Realization by the Country that we have
a Liberal Leader -
Special but militant -
The Creeping of Tory
and left extremist flanks.
The mobilization of the
Great body of voters for
the right. Pacific was
who have an interest
for a Leader who want
moderation and a fair
hope for his color "Common
People." And soon, too,
I have been surprised at press reports that the Administration was seeking to influence the action of the Conference Committee on the Holding Company Bill by having Administration representatives present at the Conference meetings. In fact the technical advisers who attended the Senate Conferees were of course present at the request of Senate Conferees. To be sure the Administration has always been ready to afford to the Congress the assistance of trained and experienced Government servants. If such technical assistance is not available to the Congress from within the public service, there is danger that the only technical assistance available may be obtained from less disinterested sources. In this case the Senate Conferees, as I understand it, requested Executive Departments to furnish the services of men expertly versed in the intricacies of utility regulation to advise and assist them at the Conference. The advisers chosen, as I understand it, were the General Solicitor of the Federal Power Commission and the General Counsel of the National Power Policy Committee, both of whom had been the only technical advisers of the Senate Committee on Interstate Commerce throughout the Senate deliberation on its Bill. The services of such advisers were sought by the Senate Conferees, I presume, because they thought that the presence of such advisers would help in their labors. It is entirely for the Senate Committee, of course, to determine what aides they should draw to their assistance in deliberating upon such an important Bill. But it does seem pertinent to add that the procedure followed by the Senate Committee has behind it the sanction of a long Congressional tradition in working out solutions for difficult problems. We are constantly admonished to pursue efficiency in Government. Surely the Government ought to match the highly paid skill of special interests with the skill of its own disinterested experts.
The Mayflower
Washington, D.C.
District 3000

Mrs. Ferdinand Peone
Hotel Champlain
Bluff Point, N.Y.
For a month, one of my greatest burdens has been to find a chief counsel for the investigation of the affairs of the American Telephone and Telegraph Company which has been ordered by the Senate. The Telephone inquiry raises grave problems of national concern and the chief counsel must possess an unusual combination of rare qualities.

Naturally, your husband was my immediate choice in view of his tried experience and superb talents. But I put the thought of him out of my mind because the great public service he had already rendered in the Banking Investigation entitled him to immunity from being drafted so soon again. Not until I had exhausted every other possibility of finding that unusual combination of rare qualities in another did I feel warranted in asking Ferd, and therefore you, to make the sacrifice involved in his undertaking this most important task.

But I have exhausted all other possibilities and the public interest leaves me no alternative. So I have appealed to Ferd and I know he will not fail me.

It is not easy to ask all that I am asking of Ferd and of you. But be assured that it is really an imperative call that I have made on Ferd — to take off my shoulders a burden that he alone is able to carry for me. I know the high sense of public devotion that moves both of you, and it is to that that I confidently appeal.

Faithfully yours,
To make his wife feel happy about his acceptance, Fred wanted to visit her for a face-to-face talk. That requires that he be relieved of his present Cornell assignments. For this, P. is on Lake Champlain.

Fred says his release, through the designation of some other official, is under fire. Term assignments, causing be arranged if the situation will be good enough to have to replace those Cornell assistants through Martin, P. V.
(1) Had a talk with Stanley Reid, particularly about the Belcher case. Made clear to him what seemed to me the decisive reasons for dismissing this appeal in view of the proposed changes in NRA legislation. He indicated that the NRA people are anxious for a ruling from the Supreme Court even if adverse in order to guide the new legislation. I told him I thought that was a suicidal policy from any point of view. He, himself, believes the case should be dismissed but wondered whether the views of the NRA people, if they had come to him, were not a reflection of yours. I assured him that if he were convinced, as he is, of the wisdom of dismissing the appeal he would have your support.

(2) I had a visit from Sam Rayburn. He is keen for the message early next week. He wants the message restricted to Holding Company Legislation—Title (1) of his Bill. He agrees highly with you that Holding Company "must Legislation" be—Titles 2 and 3—regulatory rate making features—are not at all "must Legislation." He has procedure for separating the Holding Company features of the Bill from the others.
Law School of Harvard University,
Cambridge, Mass.

PSF
Frankfurter

Ben Hurke Haar

Please be good
even if Haar

Dear Sir

Very Cordially Yours

A. Frankfurter
Law School of Harvard University, 
Cambridge, Mass. 

January 17, 1935.

Dear Mr. President:

1. If you have already selected a Minister for the Irish Free State don't bother to read what follows, but even then the enclosed memorandum may interest you. It is part of a letter which Francis Hackett wrote me in August 1932. You certainly know of, and you probably know personally, Francis Hackett. He was the son of Parnell's physician, who in his late teens ran away from Ireland to this country where, after many vicissitudes, he became, in the judgment of Mr. Justice Holmes, the most original and brilliant of our literary critics. More recently he wrote "Henry the Eighth", and there has just come from the press his fascinating "Francis the First." Some ten years ago he returned to Ireland where he now lives above the battle in County Wicklow. You will form your own judgment of Hackett's analysis of the Irish situation, but for me it was most illuminating, and when I showed it to Professor Whitehead, that benign Englishman who is the wisest of all men now at Harvard College, he ventured to say that the historian two or three hundred years from now would endorse Hackett's as the right analysis of the situation.

All this by way of preliminary to the following observations which I have just had in a letter from Hackett:

"We are going to pass through a period in which W.E. Ulster, Free State and the Commonwealth, so called, have to rearrange everything, and a shrewd and honest man from Washington can be of considerable help. We don't want a career man or an entertainer -- we want a real fellow. He must know England and Ireland, and Irish politics in America. He ought to be flexible, loyal and unprejudiced. This is the time to get a man who can put in his ear on the right side of the canoe to the great advantage of the diverse conflicting elements in the whole situation."
Law School of Harvard University,
Cambridge, Mass.

2. I think I have two wholly excellent names to put to you for Bingham, but it is no use for you to propose men and have them decline. In any event it is very difficult to get a man with the combination of necessary qualities, and still more difficult to persuade such a man to transplant himself for a number of years to an English University. Therefore, before sending you the names I am making the most discrete soundings to ascertain whether the men I have in mind would consider going to Oxford. I ought to have answers before many days.

Always yours,

Hon. Franklin D. Roosevelt

See what a lot of things to talk about - I wish we might. I do hope you are all well.

Your Cols.
We agree, I suppose, on Irish self-govt. The big question is, a
dominion or a separate unit.

The great trouble with making Ireland a dominion is the difference
in ideologies. The Empire, the Army, the Navy, the King, the Queen, the Prince
of Wales, Oxford, Cambridge, cricket, the Alhambra, the Nat'l Portrait Gallery,
the Oxford Dict., the Woolsack, Tattoo — mean nothing much. English horseracing, yes. Bass, Rugby, lawn tennis, gardening, Daily Mail, popular novels,
Times Library, sweet shops, sausages, — these are domesticated in Ireland.
The Yard, the pound, the jury, the motor, the barrister, the British Medical
Ass'n, the trade-union, architecture, golf, fashions in clothes, cigarettes,
bad coffee, badinage, — these are all in common. But outside N. E. Ulster
— the Protestant Zone — the popular ideology is Irish, not British. For
a hundred years the British politician has battered himself against this dif-
ference in thought-habit. It is no use. So long as dominionism is based on
sentimental preference, the common Irish are not susceptible of it. No go.
It never took. Armistice Day doesn't work. Cenotaph is a dud. The Irish
popular ideology has been entirely formed by the Catholic Church, bucolic
sports, nationalist history and propaganda, American radicalism, tribalism,
the squire system and serfdom. The Catholic intellectuals have been formed
by Irish Jesuits or seminarians, Dominicans or Franciscans. Trinity College
has leavened the law, the doctors, the Irish Church, but the national impli-
cations are slight. In a word, the basic obstacle to a dominion is the feeble-
ness of sentimental preference.

The basic obstacle to a separate unit has been, and is, British
policy. The English established in Ireland a landlord, a Union, a Church and
a police. These the Irish had to pay for. They then disestablished the Church,
the landlord, the Union and the police; and this second operation the Irish
have also had to pay for. (It seems a bit thick.) But besides maintaining
these indemnities, England has maintained a frontier in Ireland in N. E.
Ulster. In a word, it says to Ireland that if Ireland will not become a
dominion on sentimental terms, it cannot become a separate nation on economic
terms either. And, out of 1,000,000 voters in Southern Ireland, 400,000 would
agree with England.

The result of this deadlock, which is a clash of systems, is to in-
tensify the illiberality of Irish nationalism. All the things that are good
in the English liberal tradition — national education, a free trade, religious
liberty, jury trial, open debates in parliament, free press, voluntary army, etc.
etc. — are one by one being disowned or cancelled out in Ireland. The Catholic
party in Ireland, like the Catholic party in Belgium, naturally tends to be nar-
row, pugnacious, illiterate and hierarchical. Irish nationalism is far from
identical with this Catholic tendency, but the two are intertwined, and each is
utterly illiberal.

So you have the British politicians wanting Ireland to be weak and yet
sentimentally attached to England, while you have the Irish national politicians
wanting Ireland to be strong yet sentimentally detached from the best in English
civilization.

My policy for England would be this: make Ireland strong. Favor
Irish nationalism. Back up Gaelic. Let them be Catholic. Give them a total
remission of all the costs of an imperial programme that failed. Instead of
saying, "DeValera is impossible", I'd say, "DeValera is possible." I'd say
it simply because I think that the virus of nationalism cannot be stamped out,
and ought not to be stamped out, in Ireland. The Irish want to be separate.
Let them be separate. Divorce with goodwill. And, at the same time, see that
the minorities are internationally guaranteed and protected. By giving Ireland
sovereignty and removing every real obstacle to development, the basis for part-
nership would emerge and the chance for liberalism in Ireland would emerge too.

I am not certain that the Irish can be liberal. Their evolution from
Catholicism, and in Catholicism, was interfered with. They are inconsiderate,
suspicious and superstitious. They have a long way to go. They have Hitlers, Mussolinis, etc. etc., in every political camp in Ireland. But the process of liberalism cannot begin until hypocritical dominionism is abandoned. Consecration? The outcome will be some sort of close partnership. It must be. But it won't be any good unless it is a free partnership. If I were Britain, I'd remove every obstacle to a convinced voluntary partnership.
February 5, 1935

Dear Mr. President:

1. If there is still time for a suggestion regarding the Harmsworth Professorship than I should like to make a proposal which, though novel, may have some sense to it. I propose Lewis Einstein, who, though not

an academician is a real historian. He has, I believe, written more impor-

tant books on American history than have all but a handful of the most dis-

tinguished of American historians. Though a professional diplomat he has

been all his life a gentleman scholar. His "Tudor Ideals", "Roosevelt, his

Mind in Action" and "Divided Loyalties" — to mention only some of his writ-

ings — bear witness to his qualities. And I have heard Mr. Justice Holmes,

during the last twenty-five years, frequently refer with the highest regard

to Einstein's scholarship. And it is not uncommon in England to take a

scholarly man from the world of affairs for academic posts. Recently Arthur

Salter was made a professor of government at Oxford. I have no doubt that

Einstein could amply fulfill the academic duties of his post.

And on the representative side he would admirably fill the

bill. He is at home in the social and political life of England — he has

a house in London — but unlike not a few of our countrymen he is totally

devoid of snobbery, or that sense of inferiority which makes some people

whom you and I know feel they are breathing better air when they are in May-

fair. In other words Einstein is civilized and tactful, and appreciative

and understanding of the English, but he still remains a robust American.

And I think he would be intelligent and sympathetic in his interpretation

of democratic forces of our country and of the social purposes that lie
behind them. Einstein really has an uncommon combination of qualifications. He is a scholar, well versed in the affairs of the world, can write and speak admirably, has a liberal outlook, and has money. In the words of Heine, "Mein Läbchen was willst Du noch mehr."

2. What do you say to the following from an opinion of the Supreme Court, written more than one hundred years ago, to be exact, on March 2, 1821?

"The science of government is the most abstruse of all the sciences; if, indeed, that can be called a science, which has but few fixed principles, and practically consists in little more than the exercise of a sound discretion, applied to the exigencies of the state as they arise. It is the science of experiment." 

The writer of that opinion was William Johnson of South Carolina, who was a very considerable fellow.

3. You might like to run your eye over the full text of the recent speech of Lloyd George's opening his campaign for an English New Deal. I have marked the passages which struck me as specially interesting.

4. The enclosed report on the United Fruit Company shows that our friend Zemurray satisfies the ultimate test of a good businessman — he knows how to make money for his company. I suspect that Zemurray's hard-headed good sense about social economic problems is not wholly unrelated to his successful conduct of business.

With warm regards,

Faithfully yours,

Hon. Franklin D. Roosevelt
February 18, 1936.

Dear Felix:

That will be grand to have you and Marion. The Rodhunter girls are coming down on the eighth to spend the weekend so I am wondering if you and Marion can arrange to come down and spend the night of the seventh.

I doubt if I shall see you in Cambridge, as I get there at 7 P.M. and leave at midnight — then to Hyde Park for, I hope, three full days with no telephone and no Senators!

As ever yours,

Professor Felix Frankfurter,
Law School of Harvard University,
Cambridge,
Massachusetts.
Dear Mr. President:

Your letter of the 9th stirs deep thanks in me, but also a sense of guilt that even unwittingly I should have made demands on your time and strength at 11 P.M. Of course I know your extraordinary resiliency, and doubtless you will have forgotten that you had a wearing day last Saturday [by the time this reaches you]. I know how wise you are in directing your energies and how resourceful in getting refreshment. Nevertheless it is an almost superhuman load that the times have put upon you, and I do wish much that, before very long, you went off for a few days, freed from the newshawks and all the thousand and one little and big boys who come running to Papa to straighten out their snarls.

Yes, I know all the major bills that are and are to be in the Congressional melt. But I wonder if it will do any real harm to let the boys on the Hill stew around a little bit in their own juice. Apart from the opportunities that hard times give to demagogues and blatherskites to stir up muddied waters, I suspect that one of the elements in the present Congressional situation is the large number of raw recruits. And these days, more than ever, it takes time to shake down raw Congressional recruits to sense and to a sense of responsibility.

You admonished me when last I saw you that when next I came without Marion it would be the last time I came. She and I are
planning to come to Washington to see Justice Holmes on the eighth, and I wonder if it is a convenient time for you to have us. I venture to ask thus frankly because I know I can count on you not to put the slightest extra burden on yourself, nor to inconvenience anybody else if the time is not convenient.

Incidentally Marion greatly enjoyed your story from the Hill "to reserve education for a select committee of one thousand and teach everybody else to speak but not to read, write or think." Speaking of education, I wonder if you saw the recent editorial "Yellow and Red" from the Commonweal. I thought it a penetrating commentary on our contemporary machinery for mass "thinking."

With warm regards,

Faithfully yours,

Hon. Franklin D. Roosevelt

I have just read your tribute to Mr. Cole, and I am sure to believe that Mr. Cole would have liked its pith and beauty. I don't think I ever told you how deeply impressed I was by the speech of the Speaker in the House in which Mr. Cole began to speak and I believe, reflection...
YELLOW AND RED

WILLIAM RANDOLPH HEARST, who once upon a bloody time—1898—saved his country from being crushed by the might and majesty of IMPERIALISTIC Spain by INSPIRING the nation to hurl itself against the foe before the latter could bring its ARMADA into action on our defenseless coasts, has begun a NEW CRUSADE to save it once again, this time from COMMUNISM.

It was through the POWER of THE PRESS that he precipitated the glorious and immortal Spanish-American War, and it is through the same POWER that he is now acting to preserve American DEMOCRACY.

In 1898, he had only a few newspapers to serve his purpose—yet he succeeded. Now he OWNS scores of newspapers, and CONTROLS scores of other newspapers. He has a great News Service at his COMMAND. And a RADIO chain. And a MOTION PICTURE syndicate. And all the PRESTIGE of SUCCESS, as America's most powerful JOURNALIST. And he has MANY MILLIONS of DOLLARS.

Journalism, as employed by Mr. Hearst, and as DEFINED by him—and by Mr. Arthur Brisbane, his chief lieutenant—is the prime modern means for making the people, the masses of the people, THINK. The Hearstian journalism can easily transform even the most trite of platitudes, even the most obvious banalities—even Brisbanalities—into powerful aids and GUIDES of MASS-THINKING. It does all this through ceaseless reiteration of a few simple ideas. It is JAZZ journalism, perhaps—its enemies used to call it YELLOW journalism—but JAZZ is indubitably American, and exciting, and up-to-date, and popular. EMPHASIS must be given to all KEY WORDS, through capitalization like this. Headlines must be gigantic, and they must scream, or bellow, or explode like the biggest rockets.
and bombs of a gargantuan Fourth of July. And these verbal rockets aglare, these word bombs of hot air, must always light up the Stars and Stripes. And the Stars and Stripes must always be displayed as being in DANGER. In DANGER from Spain. In DANGER from Japan. And now in Danger from COMMUNISM.

Great is Journalism. Mighty is this power which makes the masses Think. No doubt Mr. Hearst keenly remembers that Karl Marx, the creator of Communism, was a journalist, as well as the author of dry books like "Das Kapital," and that through his journalism Marx spread the message of his books. And Lenin and Trotsky, who captured Russia in the name of Marx, were journalists—or, anyhow, knew how to use journalism as their weapons. And Mussolini prepared his path to power by journalism, and now controls the entire Italian press. And Hitler opened the door for his personal supremacy in Germany when he got hold of his first newspaper. Now he, too, absolutely controls not only Germany's press, but all its other mighty agencies of publicity and propaganda.

But Mr. William Randolph Hearst, of course, not being a Communist, like Marx and Lenin and Trotsky, nor a Fascist, like Mussolini, nor a National Socialist like Hitler, but being a One Hundred Percent American Patriot, would not, could not, dream of emulating such subversive or destructive journalism as was used to transform Russia and Italy and Germany into what they are today. He may emulate the METHODS of such journalism—although really he was the inventor of most of them—but he does not emulate its purposes. For he seeks to keep his country free and safe from Communism and Fascism and National Socialism—anyhow, he seeks to keep it free and safe from Communism, for as yet his prophetic patriotism sees no danger from any other source than Communism. Hence, with all the energy which nearly fifty years of mass production journalism seems not to have impaired in the slightest, he has turned all the instruments of publicity and propaganda which are at his sole command—his News Service, his Radio System, his Motion Picture syndicate, his chain of Newspapers—to the task of making the American masses THINK as he asserts that HE thinks, namely, that Communism has invaded the United States. So successfully, that it has captured and now controls a large and growing number of American school and college teachers, who are corrupting the THOUGHTS of American youth.

Mr. Hearst KNOWS that this danger exists, because he sent his reporters, disguised as Radical college students, to a number of universities, seeking to entrap the Red professors by claiming that they themselves were Radical Reds, if not yet Complete Communists. It is true that some of these Red, or at least Pink, professors trapped their trappers by causing stenographers to listen in and to record their conversation, which included confessions that they had been ordered by their editors—who in turn had been ordered by Mr. Hearst—to start a Crusade on Communism, which, of course, is like a War; and in War, as we all have been taught to THINK, it is honorable and patriotic to lie and cheat and deceive the enemy by any and all means whatsoever. But despite these little embarrassments, Mr. Hearst collected enough evidence to satisfy him (he did not require much), as to the imminent Menace threatening us all, and promptly began that mighty Crusade which is now going on full blast.

Now, THE COMMONWEAL, which would desire to be like Mr. Hearst's journalism in at least one respect, namely, in its desire to arouse thought among its readers, has two things to remark concerning Mr. Hearst's anti-Communism campaign. First of all, it firmly agrees with Mr. Hearst that Communism is a great, a really frightful, evil, and that to some extent it has obtained a footing in many of our educational institutions, and that all fair and reasonable and honorable means should be exerted to prevent its influence from spreading among our youth.

Secondly, however, when Mr. Hearst attempts to smear all college professors, and writers, and organizations—including his own government, the present administration of the United States—with the contagious accusation of being infected with Red Communism, it is high time that a little real thinking and not a flood of unreasoning emotion should be aroused among sensible people. When Mr. Hearst vilifies men and women simply because they advocate methods which they believe and hope will secure measures of greatly needed social justice for the American people—measures which Mr. Hearst perhaps rightly does not always approve—then we consider that Mr. Hearst justly deserves the indignation, the contempt, and the effective opposition of all Americans who really are able to think straight. The great decision which Americans are required to make in this time of crisis is not merely a choice between going "to the Left," or "to the Right"—politically and economically—but rather between going right, or going wrong, morally and ethically. And in making use of the fact that a few college professors are Communists to brand all other people who dare to try to reform our social system (which gave Mr. Hearst his millions and his power over the moronic elements of the masses) with the red badge of Communism, Mr. Hearst is not only illogical as a thinker but is a traitor to the true standards of any kind of journalism which a free nation can tolerate and still preserve its liberty—and its honor.
Dear Mr. President,

I don't know whether I shall see you again before we leave, and so I want to thank you for the sherry, and say how much it has meant to me to be here, where I feel so much the atmosphere is friendly, protective, warm and welcoming.
During those busy days,

gracefully gone,

Maria Bankfort
Mr. Hale —

I don't know whether
I'll have a chance to say
my piece — and it's easier
to write than to speak what
I want today.

I wish the whole people
might see you, and see
you — your patience,
your generosity, your
unflagging zeal for
the kind of a society for
which this nation was
annoyedly established.

One of the most sophisticated/precise/quick—
who breaks the poisoning atmosphere of "upper-class
rich beer drinkers," said
lives sometime ago.
When I tried to explain
what business of person
you are, "you make me
feel as to be in the
most glamorous career
President ever had except
(see below) well
leave with a preserved
tissue of the window of
your districts and the great importance of having you act on your affirmative measures to curtail the fear and prevent the growth of these laws which are or less capable of obstructing the faith of the Hurricane people. Continue to give them your leadership, and they will follow. Devotedly
Mr. President,

I'm sorry to miss the glory of your farewell, but I thought not to add to the burdens of your day. I send this note of affection and gratitude. It is a day of sorrow and of transcending triumph. If the grand old Man's life have its dignity, then we know it
Carr. And I should always associate this meaning for me with your at the worst poet's and triumphant hours of life.

It was most generous of you to have had me here for two days, and I leave with a renewed and increased sense of the kindly humanity and simple wisdom of the noble god who guides the destiny of our beloved country. Devoted

[Signature]
TELEGRAM

The White House
Washington
Cambridge Mass March 12th-1935.

The President,

The White House.

Dear Mr. President Your holding company message expresses your consistent courageous policy on that subject and is a vigorous manifestation of your liberal leadership, gratefully.

Felix Frankfurter.

718 P
March 22, 1935.

Dear Professor Frankfurter:

The President has seen your letter of March nineteenth and is really going to do something about it. As you know, everything here is very unsettled because of Mr. Howe's illness.

Very sincerely yours,

M. A. Le Hand
PRIVATE SECRETARY

Professor Felix Frankfurter,
Law School of Harvard University,
Cambridge,
Massachusetts.
Law School of Harvard University, Cambridge, Mass.

19 March 1935

Dear Mr. President:

There comes a time when one's concern about a friend reaches a depth of feeling to which expression can no longer be denied. A fortiori, as the lawyers say, is that the case when it touches one upon whom the whole country is most dependent for its well-being. And so you will forgive me if I say that ever since I have seen the conditions under which you are working in the White House I have felt truly outraged at some of the load that you are needlessly carrying. In a word, there isn't a lawyer in New York, with a sizable practice, who has not more dependable facilities and more systematic help in the preparation of the materials for his own action than has the President of the United States in finding his way through the maze of matters on the basis of which he is called upon to act. You have, of course, your personal secretariat. What I am talking about is provision for at least a fraction of the facilities available at 10 Downing Street. Really, I have been shocked at the way in which fat reports are submitted to you without any précis, without any intellectual traffic directions. Equally intolerable is it that you should not have at your disposal the kind of preliminary sifting of legislative proposals and bills that you had when you were Governor of New York. I know your generosity, your readiness to carry the burdens of all sorts of people; I also know your incredible resources of strength and spirit. The country needs them all as never before but you ought not to be made to do the work of understudies.

Of course the kind of a person that you need calls for an unusual combination of qualities. He must be strictly anonymous, outside the current of publicity and politics, be very discreet, capable quickly and reliably
Law School of Harvard University,
Cambridge, Mass.

of going to the heart of a complicated governmental problem, sure to have mastered all the relevant considerations, and possessed of the power of effective and accurate speech both orally and on paper. He should have wide knowledge of the various governmental agencies, be a shrewd judge of personalities, care passionately about your purposes but be very calm and self-possessed in the pursuit of the means for realizing them. Since so much of our legislation implicates legal and constitutional problems, I think it is indispensable that he should not merely be a lawyer, but a very good lawyer up to all the tricks of the best law offices in New York, as well as familiar with the mysteries of the judicial process.

You will say that I am giving the specifications for a paragon. Well, I am, but there is one such, strangely enough, ready to hand. I mean Tom Corcoran. You have seen him enough and know enough about him to know that I am not exaggerating his qualities. I should like to remind you that I have known him intimately and in all sorts of trying, testing situations for more than ten years. Against the judgment of all the wise ones, I sent him as secretary to Holmes, and Brandeis is my authority for saying that of all his secretaries Tom was dearest to Holmes. His career in recent years, you know. Very, very rarely do you get in one man such technical equipment, resourcefulness, powerful style, unstinted devotion, wide contacts and rich experience in legal, financial and governmental affairs.

Please do try the experiment and see how it works to have Tom sift the materials as they come in to you, do a great deal of reading for you, so as to leave you free for those major and directing judgments which