

● PSF

Post-War Planning - Subject File

Box 175

NATIONAL RESOURCES PLANNING BOARD
WASHINGTON

ITEMS FOR CONFERENCE WITH THE PRESIDENT
December 4, 1941

1. Content of Report in preparation.
2. Post-Defense Agenda.
3. Budget Estimates 1943.
4. Post-Defense Progress:
 After Defense - What?
 After Defense - Full Employment.
 Hearing on S. 1617.
5. Bill of Rights Speech.
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 Relief
 Quarterly Trends
 Industrial Location
 Progress Report

PSF: Post War Planning

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

December 4, 1941.

MEMORANDUM for The President:

We have the following items for your consideration:

1. Content of Planning Program Report for transmittal to Congress:

Your Message transmitting our last major report states that "This is the first of a series of such reports which each year I shall transmit to the Congress shortly after submission of the Budget of the United States". For the next report in this series, we are preparing materials in accordance with the attached outline. If the framework and content are in general accordance with your wishes, we propose to put the report in your hands in two weeks and shall arrange for printing so that copies will be available for transmittal to Congress early in January.

2. Post-Defense Agenda: A major item in the proposed report is the "Post-Defense Agenda" on which we have been working for the last year with a view to correlating proposals of various public and private agencies for your consideration. The attached "tabular view" of the Post-Defense Agenda indicates the coverage and many agencies now engaged in this planning work.

3. Budget Estimates 1943: In accordance with your suggestion, we have strongly emphasized this Post-Defense planning activity this year and propose to use the Post-Defense Agenda as a major element in

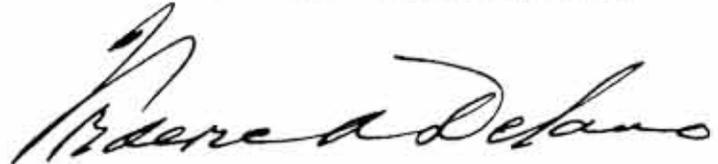
justification of a further appropriation for 1943 at the House Hearings later this month. We have prepared our estimates on the basis of a request for \$700,000 regular and \$700,000 defense funds, repeating the amount you recommended last year. This total of \$1,400,000 compares with \$1,482,590 available for the current fiscal year.

4. Post Defense - Progress in Planning: We have issued over 100,000 copies of the pamphlet "After Defense - What", and are now ready to issue a second statement, "After Defense - Full Employment", which has been prepared by Dr. Alvin H. Hansen. A pre-print edition has been circulated to members of the Federal Reserve Banks and other selected individuals for criticism, and we are revising the text to take their comments into account. Unless you have some objection, we propose to issue the pamphlet in the next few weeks. For your information, we are also enclosing herewith the hearing "Post-Defense Planning" held by the Senate Committee on Education and Labor on the bill which you asked Senator Wagner to introduce on our behalf. We anticipate that the bill will be reported out of both the House and Senate committees within the next few days.
5. Bill of Rights: In connection with your address on the 15th of December, we are submitting another copy of the materials which you read with us at Hyde Park on June 29th, because it contains a statement of a "New Bill of Rights" (pp.4-5), in the hope that some of the ideas contained in it may be useful to you.

6. Other Materials and Reports: We wish to inform you of:
- a. The availability of our report on "Long-Range Work and Relief Policies" in case that document is relevant to your proposed actions on Social Security;
 - b. The completion of our "Quarterly Statement on Trends of Income and Employment", which we submit herewith;
 - c. The progress on location of over \$5,300,000,000 worth of new industrial defense plants as recorded on the maps and tables, submitted herewith; and
 - d. The record of our work during the last two years as contained in our "Progress Report".

Respectfully submitted,

For the NATIONAL RESOURCES PLANNING BOARD



By: Frederic A. Delano
Chairman

encls.

BSF Post War Planning
12-4-41
Box 175-

OUTLINE OF REPORT

DEVELOPMENT OF RESOURCES AND STABILIZATION OF EMPLOYMENT

Part I

Introduction - Long-Range Planning in Time of Crisis.

- A. Where We Are: Trends of National Income, Employment and Consumption.
- B. Where We Are Going:
 - 1. Planning for Defense: Industrial Location, Defense Area Community Planning, Priorities, Allocations, etc.
 - 2. After Defense-What? - (See separate Post-Defense Agenda)
Full Employment, Security, Up-building America
"Shelf of Projects" - Federal, non-Federal, and private.
- C. How We Get There: Recommendations for implementation.

Part II

The Public Works Planning Problem in 1941

- A. Criteria for Defense Public Works.
- B. Criteria for "Shelf" of Post-Defense Projects.
- C. Federal Six-Year Program of Public Works:
 - 1. Recommended Projects for Construction.
 - 2. Recommended for Plans and Specifications.
 - 3. Recommended for Survey and Investigation.
 - 4. Advances in Planning Methods 1941.
- D. Plans for Federal-Aid Construction.
- E. The Public Work Reserve and Programming by Cities and States.

Part III

Functional Policies and Programs

Statements from Committees and research units on progress in formulation of Post-Defense Plans for

- A. Relief - Work Relief - Security.
- B. Industrial Location and Conversion.
- C. Transportation Possibilities.
- D. Land-- Principles of Project Evaluation.
- E. Water-- Drainage Basin Development.
- F. Energy.
- G. Special Skills -- Roster.
- H. Urban Conservation and Development.

The Board is also printing a separate volume on Regional Development Plans and Programs comprising statements of planning objectives of State and Regional Planning agencies.

To the Congress of the United States:

There can be no peace in this world, no progress toward freedom in any land, no serene private life in any home, no dignity for the human spirit anywhere, no opportunity to think, to speak, to act, to learn, or to worship according to the dictates of one's own heart and mind while there is still at large in the world any armed and aggressive people or government which is determined to enslave other peoples, seize their lands or goods by force or trickery, mock their beliefs, and destroy their freedoms.

When such a power arms and strikes at one nation, it strikes at the same time at every nation because it attacks the foundations of all human life, morality, progress, and peace.

In this day no sea is deep enough, no mountain rugged enough, no desert wide enough to end the march of a wild nation or give protection from its bombs, shells or torpedoes. The only possible protection now for any people anywhere is to combine forces, destroy the aggressor, sterilize his poisonous ideology, reestablish the rights of peaceful nations to be let alone, and through international and economic adjustments build a new world in which no such power can ever again threaten the peace, life, and liberty of other peoples.

Their Way or Ours

Already we have been told by the dictators that they and their scheme of force cannot exist side by side in the same world with our

system of individual human dignity, personal rights, organized self government, and international law and order. The Italian mouthpiece of the Axis has said that it is their way or ours that will triumph and that they intend to make it theirs. And Hitler has said that there are two ideologies at war in the world, and that one must go down in war.

But even more eloquent and trustworthy than these words are the cruel, enslaving, treaty-breaking, double-dealing, onward-marching actions of these ruthless military cliques which call themselves the leaders of their own enslaved peoples. They hate everything which free men have dared to build, to dream, or to pray for; they have sworn to go on until the remaining free peoples are all in chains. How can they stop their war machine if there is still in the world even one strong, free and upstanding people? They have no desire to stop; they glory in the business of war; they have no horror of cruelty, even to their own people.

We made no war on the dictators. It is they who armed to attack us and struck when they knew the free peoples were unprepared --- unprepared because we believed in peace and treaties.

And what have they to offer Europe or the world of enduring value? There is nothing new in Nazi tyranny, except new fashions in human chains. Can they build an order of freedom while they do not believe in freedom? Can they establish peace by agreement, while they mock all treaties? No, the new order they promise cannot be established

except by panzer divisions and dive bombers or be maintained without the secret police and the concentration camp and all the arts of propaganda manipulated by a gangster group of self-annointed elite.

The Needs of Man

Men everywhere, even within Germany, are hungry for something else. What mankind wants now above everything, and has always reached for, is freedom and that self-fulfillment and dignity of the human spirit which come with the free pursuit of ideals. Men want and should have the all-embracing security of law and order and peace. But beyond this wide range of liberty for the human personality there must be for each man a noble cause to serve, the opportunity for growth, and full and just recognition in a new and growing world. Despotism degrades the dignity of man, while freedom beckons man on to participate in the great adventure of existence in our new day.

This is the spirit of America and it is the spirit of millions of men all over the world.

This freedom men seek in all lands is directly related to their different civilizations. It shows itself in their great desire to live freely in accordance with the finer traditions of their own race. No foreign nation has the right to change these purely internal traditions by force, however superior it may think its culture to be. In the long run of history there are no master peoples destined to lord it over the rest of the world. Those who chose themselves for this role must not be surprised to find themselves overwhelmed. The demand for freedom in mankind is too strong to be defeated even by the most

powerful military machine.

Within any nation changes in underlying conditions call for new formulas of freedom. Ideas must keep pace with the growth of civilization. And the right to pursue the ideal must be won again and again through sacrifice by each successive generation.

This is just as true in the United States as anywhere else. This nation was born in the struggle for freedom and has been dedicated to its realization ever since.

We do not assert, however, that we have achieved perfection of freedom in this land of ours --- far from it. We are our own severest critics and strive to improve and develop our system as we press forward.

New Aspects of Freedom

Great changes have come in our century with the industrial revolution, the rapid settlement of the continent, the development of technology, the acceleration of transportation and communication, the growth of modern capitalism, and the rise of the national state with its economic programs. Too few corresponding adjustments have been made in our system of freedom. In spite of all these changes, that great manifesto, the Bill of Rights, has stood unshaken a hundred and fifty years. And now to the old freedoms we must add new freedoms and restate our objectives in modern terms.

Freedom of speech and expression, freedom to worship, freedom from want, and freedom from fear, these are the universals of human life.

Any new declaration of personal rights, any translation of freedom into modern terms applicable to the people of the United States here and

now must include:

1. The right to work, usefully and creatively through the productive years;
2. The right to fair pay, adequate to command the necessities and amenities of life in exchange for work, ideas, thrift, and other socially valuable service;
3. The right to adequate food, clothing, shelter, and medical care;
4. The right to security, with freedom from fear of old age, want, dependency, sickness, unemployment, and accident;
5. The right to live in a system of free enterprise, free from compulsory labor, irresponsible private power, arbitrary public authority, and unregulated monopolies;
6. The right to come and go, to speak or to be silent, free from the spyings of secret political police;
7. The right to equality before the law, with equal access to justice in fact;
8. The right to education, for work, for citizenship, and for personal growth and happiness; and
9. The right to rest, recreation, and adventure; the opportunity to enjoy life and take part in an advancing civilization.

These rights and opportunities we in the United States want for ourselves and for our children now and when this war is over. They go

beyond the political forms and freedoms for which our ancestors fought and which they handed on to us, because we live in a new world in which the central problems arise from new pressures of power, production, and population, which our forefathers did not face.

Their problem was freedom and the production of wealth, the building of this continent with its farms, industries, transportation, and power; ours is freedom and the distribution of abundance, so that there may be no unemployment while there are adequate resources and men ready to work and in need of food, clothing, and shelter. It is to meet this new turn of events, that the new declaration of rights is demanded. But in formulating these new rights, we are not blind to the obligations which go with every right, obligations of the individual to use well his rights and to insist on the same rights for others, and obligations of the community to support and protect the institutions which make these rights actual. We are ready to assume these obligations and to take the private and the public action they impose upon us.

Freedom Is for All Men

Such freedom must be within the grasp of all men everywhere to make it long endure anywhere. This world cannot live in peace, part slave and part free. Personal slavery, military slavery, economic slavery, political slavery have a common poison which degrades the masters no less than the slaves, and makes them incapable of peaceful life in contact with freedom-loving men.

The old freedoms and the new freedoms are therefore not for citizens of the United States alone. They are for men everywhere to achieve for themselves progressively. Principles are the same everywhere, though programs, procedures, practices differ in free states. But equal rights, equal justice, equal opportunity, equal recognition, equal responsibilities, are possible everywhere. These principles are not dependent upon geography or race or religion.

The realization of freedom for all peoples will require the end of predatory nationalism and of economic exploitation by governments, by individuals, by corporations, or by combinations to dominate trade. Though this may look like a sacrifice at first, it will bring rich gains to all. After all, free labor is more productive than slave labor, free enterprise than regimentation. The rise of living standards all over the world under real freedom will usher in a golden era of international trade and prosperity, as well as peace.

Lessons of the Defense Effort

These freedoms, rights, and opportunities are something more than great dreams for the future. We are beginning to realize these gains now, and know that they can be made more real to all peoples in increasing measure, when this war is over.

When the resources of all lands are fully developed for peace as they are now in many lands for war, there will arise an era of abundance everywhere. Goods and services in incredible plenty are possible in every land. All this can be spelled out in terms every

man can understand --- in terms of food, employment, health, recreation, security, a fair share of the gains of civilization, justice, and freedom.

Here on this continent, after years of partial employment, our defense effort proves this and much more. It shows that we can have full employment, increasing prosperity for everyone, increase of national wealth, higher national production and income, and better standards of living, even when the work of five million men is going into war equipment and military training. What could we not do if all this work were directed to building our national estate and making the things we need for peace-time life!

What we need when this war ends is the will, the wit and gumption to make full use of the bounties of nature, the powers of science, and the good will of man.

We cannot now make detailed blueprints of tomorrow, but we can trace the outlines of an emerging future of peace and prosperity based upon justice and freedom for all men. Under no system of government have there been higher standards of living for men than in free democratic states. We propose to raise these standards far higher yet, and to aid in the development of world resources and the attainment of their full enjoyment by free men everywhere.

The Role of Planning

To do this means, first, to strike down the aggressors and confine them within their rightful boundaries; second, to establish for all time the freedom of the seas and the pacification of the air; third, to

establish by the consent of free peoples a new international order of freedom from aggression; fourth, to make this permanent by ending economic imperialism and opening up to all peoples of the world definite and progressive access to the raw materials and food and to the markets which they need for work and happiness; and, finally, to encourage, within each nation, the development of an economy of plenty and a regime of personal dignity and freedom.

We know that these plans will call on us for new policies and for the adjustment of present vested interests to a larger public interest. World peace is now so vital for every people that no nation can longer pursue those restrictive and exploitive international economic policies which inevitably require military enforcement.

These new policies cannot be adopted internationally or domestically suddenly or without advance plans. For us in the United States first come defense and aid to those who are protecting themselves against the aggressors; next comes readiness for war, if we shall be drawn in by aggressions against us and our rights, which God forbid; and then come planning and organizing for the world of peace.

Planning of this sort for peace is no more difficult than planning for defense. If peace is to be a continuing triumph for mankind, it requires within each nation the same clarity and unity of purpose as does war -- a purpose which must include, on the economic side, full employment; for the individual his bill of rights; and for the world, law and order.

Post-Defense Planning in the United States

This is the situation in the United States: The demands of defense production mean that many of our needs can be filled only partially at present. On the other hand, each of these needs is vitally involved in our defense program and we must do all that is possible to meet them. Certainly we cannot wait to begin to remedy the physical deficiencies of our manpower which have been revealed by the draft. Moreover, we must not lose sight of the goal of satisfying human needs in preparing for defense lest we aggravate the problems of readjustments when the defense period comes to an end. Certainly from the experience of our present productive activity we can learn much to guide our future efforts in time of peace.

Today the Federal Government is the Nation's biggest employer and biggest customer. When world peace returns and the time comes to curtail much of the defense outlay, there will be a drop in defense employment. It will take as much foresight, effort, and time to swing this nation back to peace-time work as it is now taking to swing over to all-out defense.

While some of the measures now necessary for the defense program will be dropped when the present emergency ends, others may be useful when our economy returns to peace-time pursuits. Perhaps different devices may be necessary and appropriate at that time. In any event, there must be plans in advance of action, and these plans must be carefully correlated and made consistent with the central purpose of the nation, by the Executive, the Congress, and the leaders of our economic and civic life.

Federal agencies must make plans now for things that can be undertaken as soon as manpower is set free from the defense effort. These projects must be thought through and worked out to the blueprint stage. They will constitute a well-planned "shelf" of useful activities ready to be undertaken just as soon as a large portion of our national effort is no longer required for defense purposes and can be turned instead to the satisfaction of individual needs and to improving our public estate.

In the development of the necessary improvement plans, our State governments, cities, and other public bodies have their part to perform. Many Governors, mayors, planning boards, and State and local defense councils are already giving attention to the problem of physical improvements. They should proceed now to canvass, tabulate, and assign order of importance to their improvement and other needs so that they too may be ready for action.

Private enterprise must be prepared to play its part in a high-income national economy and to make its plans for the expansion or adaptation of plants to produce peace-time needs in sufficient volume once the demand for defense supplies is no longer pressing. Some managers and creative engineers are already at work planning to meet these future demands. They can expect to manufacture and sell their regular products in greater volume once an even larger part of our national income than now can go into consumer purchasing.

Compared with the post-defense plans of industry and of government, the role of individuals and families may seem unimportant. But in reality it is fundamental. More than we realize, the American

economy depends upon buying by housewives, farmers, and homeowners. We know from past experience how American consumers spend their money. We know that many have wants which limitations of buying power have prevented them from satisfying. When increased purchasing power is in the hands of the masses of American consumers, we can anticipate their spending.

The impetus of national defense is providing new purchasing power, but the necessity of devoting a considerable part of our production to defense purposes now means that much consumer purchasing must be deferred. When the immediate fear of external aggression is allayed, and we are satisfied with our preparations for defense, this accumulated consumer demand will provide new opportunities for American industry. After the war our national economic objective will be to channel our productive capacity to peace-time ends, to maintain full employment, and to prevent inflation. The plans of government, industry, and the individual will be set toward solving these problems.

Development of Plans and Programs

With these considerations in mind, I have taken steps to discover what arrangements will be practical and what activities, foreign and domestic, public and private, will be necessary when the present war of aggression is ended. Major agencies of the National Government are now at work, or will soon be engaged in thinking through the practical problems which we shall face in the

post-war world. In my own immediate staff, the National Resources Planning Board is gathering, analyzing and collating these post-defense plans for my use. From time to time, I shall bring these matters before you for your consideration and appropriate action.

Defense efforts in this country should not and will not be hampered or delayed by the discussion of post-war reconstruction. I bring these matters to your attention now because men everywhere need to know not only what they stand to gain from the victory of the freedom-loving nations, but also that practical plans are being formulated looking toward the fuller realization of the freedom and the peace which all men seek.

**AFTER THE WAR—
TOWARD SECURITY**

**FREEDOM
FROM
WANT**

"The right to security, with freedom from fear of old age, want, dependency, sickness, unemployment and accident"

September 1942

INTRODUCTORY NOTE

After the war we shall face the question of how to handle the responsibility for all those individuals and families who must go through a period of readjustment following the return to peacetime order. The National Resources Planning Board in the fall of 1939 appointed a Committee on Long-Range Work and Relief Policies to examine the many problems raised by the greatly expanded public activity designed to meet the challenge to our national security caused by lack or inadequacy of jobs or income; it was also responsible for development of recommendations for long-range policy in this field. The membership of the Committee includes recognized authorities and experts in both governmental and private welfare and security agencies, with a wide variety of background, knowledge, and experience. The work of the Committee was carried out by a special technical staff and the accumulation and analysis of a great amount of data was made possible by the continuous cooperation of Federal, State, and local administrators, and of private welfare agencies. The Committee has completed its study and presented a unanimous report, which the Board has issued under the title "Security, Work, and Relief Policies."

As a guide to the solution of the problems that lie ahead, the following pages reproduce from the larger report the Introduction by the National Resources Planning Board, the Committee's recommendations on general policy, and Chapter XIX which summarizes its specific proposals. The complete table of contents for the full report of the Committee will be found at the end of this pamphlet.

NATIONAL RESOURCES PLANNING BOARD

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Director of Research

TOWARD SECURITY

INTRODUCTION

For many centuries and in many lands, the problem of social security has challenged the best efforts of man. In our occidental world the profound changes of the industrial revolution loosed technological and social forces which made it impossible for either the family or the churches to do the necessary job of caring for the needy, even when aided by other voluntary associations. Our own governments, which had been called upon to guarantee constitutional rights and privileges and to defend our borders, have now also been called upon to guarantee to every citizen the right to his place as a worker and the right to income received under conditions compatible with self-respect when he is unable to work.

It is not by accident that public aid policies are adopted by our governments, for without social and economic security there can be no true guarantee of freedom. Our efforts to establish life, liberty, and the pursuit of happiness are not effective unless and until they rest on a firm foundation of social and economic security.

As the National Resources Planning Board has reviewed the report and recommendations of its Technical Committee on Long Range Work and Relief Policies, it has been impressed with the continuing struggle to keep our actions, both personal and governmental, in line with our ideals.

This report is concerned particularly with making adequate provision for those who have no means of livelihood or only inadequate means. Some of the causes of suffering are personal in character. These must be dealt with as personal problems. The physician, the social worker, the teacher, and the churchman have important roles in meeting the needs of people who suffer from personal maladjustment. But the suffering which comes from economic maladjustment is just as real as that which comes from personal. We

shall not be satisfied until we have grappled with and succeeded in changing those phases of our life which must be adjusted if our need of minimum security for all is to be met.

It is sometimes alleged that a complete system of social security would ultimately have the effect of discouraging self-reliance and even fostering unemployment by destroying the incentives to industry, by removing the rough but salutary influence of discipline. There are doubtless some marginal persons who would deliberately choose to avoid work even if guaranteed a minimum subsistence. But these must be balanced against the millions of cases where deep anxiety, haunting fear of want, acute suffering and distress blight and sear the lives of men and women, and children, too. Most of the drifting souls are those on whom the door of hope has been closed either by nature's equipment or by the unfortunate circumstances of unkind social experience. The cure for this lies in the cause. We must and do assume that the bulk of mankind who are able to work are willing to work, and that they will strive for something more than a doghouse subsistence on a dole. Discipline that is enforced by deprivation of the elementary necessities of life, the discipline of cold, hunger, illness, should not be permitted to operate below the level of a minimum standard of security, certainly not in a land of plenty where there is enough to go around. Above that level, it is not fear but hope that moves men to greater expenditures of effort, to ingenuity and emulation, to sharp struggle for the values they seek in life—hope set in a framework of justice, liberty, fair play, and a fair share of the gains of civilization.

Four main points seem to need emphasis:

First, that our economy must provide work for all who are able and willing to work. Included in this is a special responsibility for an adequate youth program which should be an integral part of any governmental undertaking to establish security. This will be peculiarly true in the post-war period.

Second, that for great numbers whose work is interrupted, the social insurances must carry much of the load of providing adequate income.

Third, that where the insurances or work policies fail to take care of an interruption in income, adequate guarantees of minimum aid and assistance must be given both to individuals and families through a general public assistance system.

Fourth, that where adequate services essential to the health, education, and welfare of the population are not available, public provision should be made for the development of such services.

But no one of this series of proposals should be expected to solve the problem of insecurity. Taken together they constitute a rounded and integrated program. Any one of them standing alone can be criticized as inadequate, and properly so. Unfortunately, complete and well-rounded programs seldom can be adopted at one time. Living is so complicated and our system so intricate that to change it except step by step may create stresses more serious than the evils the program is designed to correct. The program suggested here is not of that kind. It is all within the realm of practical realization.

Looking at these main points more closely:

I. There must be work for all who are able and willing to work. We all accept this principle. In our industrial society the limits to what one individual can do by himself are circumscribed. The day when individuals and small businesses completely dominated the economic scene is gone. The great centers of initiative and work creation are found in corporate or governmental enterprises. Such enterprises are private, quasi public, and public. The governments (cities, counties, States and Federal bureaus and courts), in addition to their job as suppliers of services, perform integrating and regulating functions in the field of employment.

We can have work for all, and we can have much higher levels of income, particularly for the lowest income groups. Full employment makes possible these higher income levels, and without full employment such levels are impossible. The National Resources Planning Board has repeatedly stated its conclusion, based on careful study of American resources, that full

employment and high national income are indispensable parts of the American goals for which we strive.¹

But full employment and high national income can be achieved only if national and international policies are followed which will make for these objectives. For example, it is sometimes stated that our international trade creates such a small percentage of our national income that we could forego it without serious damage. But a "small percentage" of our national income is of the magnitude of several billions of dollars. And roughly speaking it takes a million workers to produce a billion and a quarter or a billion and a half dollars of national income. So a reduction of a "small percentage" of the national income as a result of our international trade policy may cut the national income by several billions and result in related reductions in the volume of employment. Readjustments affecting employment and income for millions of people are not easy to achieve.

As a further example, it should be noted that fiscal policies are of major significance in achieving and maintaining full employment. A shift of a billion dollars in the Federal budget can mean employment or unemployment for a million workers whose jobs are dependent on government initiative. A shift in the burden of taxes from low-income groups to high-income groups can mean the difference between continuous activity and interruption of activity; it can mean employment or unemployment.

As still another example of the many-sided problem of establishing full employment and high levels of income, we might refer to some of the issues in labor relations policy. What can be done to encourage the types of policies which will stimulate employment? Statesmanlike union leaders and managers have studied their joint problems from this standpoint. But too often the struggle for power between management and labor or between rival labor organizations has pushed these major problems of income and employment into the background.

¹ See National Resources Development Report for 1942; *After the War—Full Employment* (1942); *Development of Resources and Stabilization of Employment in the United States* (1941); *Economic Effects of Federal Public Works Expenditures* (1940); *Structure of the American Economy* (1939), etc., etc.

The same issue has been at stake in our years of struggle over antitrust policy. When does monopolistic power restrict employment, opportunity, and the expansion of national income? When does competition become destructive of labor standards and produce poverty and wage slavery instead of full employment and high incomes?

Examination of other fields of policy would quickly indicate their relationships to full employment.

When the Board endorses the recommendations for a Federal work program made by its Technical Committee, it is more concerned with the result than the details of organization. A work program was part of the early FERA relief undertaking which was administered by the non-Federal governments. WPA itself, administered by the Federal government, was part of a larger work program. It has been demonstrated that when imagination is used a work program can be modified to fit the changing demands of growing employment and the requirements of a nation moving into an all-out effort to arm itself for protection. Programs were adjusted to provide services where local government was weak and where individuals could not help themselves. A work program can be carried out by financial grants to local governments or by a Federal work agency administering a multitude of projects. At times competition may arise between agencies engaged in the same kinds of projects. Such competition may well be encouraged just as we encourage competition in private industry, and should be limited only when duplication becomes wasteful. At different times and at different places varied methods must be used. But we are convinced of the necessity for government initiative both in stimulating sound general policies and in carrying out a work program if the broad objectives of security are to be achieved.

II. While full employment is necessary to high levels of national income, even full employment does not establish that continuity of income which individuals and families must have. A considerable number of our people reach advanced years unable to work and in need of income. Nearly all have time "between jobs" for which they are unable to provide.

Sickness or disability from various causes interrupts the steady flow of income of others.

Military service has long been recognized as establishing a claim against the Government, and pensions and special insurance rights have been a part of our system for many years. More recently we have come to recognize that any person who makes his contribution to our national life is entitled to protection against the necessary interruptions of income. Thus, the establishment of the social insurances through the Social Security Act provides an orderly system by which workers will receive income in their old age. It provides for income during involuntary unemployment. The great blank in the present system which remains to be filled has to do with invalidity or health insurance. Some scheme for taking care of this need is necessary to maintain high levels of working efficiency.

In all the provisions for insurance it should be remembered that "insurance" refers to income and not to some form of mathematical or actuarial relationship between money collected from and money disbursed to any individual. Social insurance agencies are not and cannot be regarded as something wholly independent of other governmental activity or other economic activity. Contributions or pay roll taxes are indeed taxes. Earmarking by requiring a separate accounting does not change the influence which they have on the general movement of the national economy. Likewise, the payments of the system influence the economy as does any other measure which redistributes income, both individual and national. The amounts involved in the insurance system are so large that they cannot be disregarded in the determination of national fiscal policies or in budgetary procedure. In the final analysis the guarantees provided by the insurance system are the guarantees of a people's government to the people.

III. The machinery of the social insurances, however, is not suited to all situations and persons. For some the income from the insurance system will always be inadequate by any standard. Others will fail through no fault of their own to establish eligibility for insurance. Still others will require personal care

and rehabilitation which only an adequate system of individualized public aid can provide.

In the present state of affairs it would seem that such a system can be made available only if a Federal grant-in-aid for general public assistance is made to local governments. But it cannot too strongly be stated that individualized aid need not be allowed to degenerate into a form of dole. Neither is it a substitute for work or insurance. It is a necessary complement to provide for those gaps which occur in any system. Furthermore, it protects the special programs from abuse. It must be administered as a complement to and not as a substitute for other parts of a comprehensive program.

The incapacity of local jurisdictions to finance their own services is no reflection on their competence. It reflects the inability of local government to tap the streams of wealth created by an economy which operates on a national and international basis. Large-scale corporate activity is rarely subject to local control except in a technical sense. And the community with the power to tax could usually meet its own needs with a small portion of the funds thus available. Thus, Federal aid is essential if "local" burdens are to be borne or certain needy parts of the population are not to be penalized.

IV. The three principles which have briefly been mentioned all bear directly on the problems of acute personal need arising from the instabilities of our economic system. Full economic activity and full employment are our first need. Stabilizing of the income flow through a social insurance system is a second. The third requirement is that an adequate general public assistance system provide for those accidental and incidental needs which neither a work program nor an insurance system can supply. But a fourth element is closely related. We have become aware of the need of low-income persons for higher levels of services: access to education, to medical care, to recreational and cultural facilities, to adequate housing and other community facilities. While the insistent needs of some of our poorest citizens have made the provision of these services part of a public aid program, they are of great importance to all members of our society. The truth

is that the levels of national income which we seek can apparently not be achieved unless these untapped services can be unlocked and made available to all. High national productive efficiency can be achieved only by wide diffusion of these services. They are no longer relief. They are the necessities of a people mobilizing their strength for a struggle which calls for their utmost in capacity; or for a people which need no longer divert its energies to destruction.

The Board has indicated its full concurrence with its Committee in regard to the necessity for a public aid system geared to a program for high national income and full employment. We have passed the stage when "financing the program" need be more than a technical problem. If we measure the physical and intellectual stature of our people and our vast national resources, financial problems need be no hindrance. Their complexity need not stand in our way. We require only the will and the courage to make full use of our national resources.

If we take these objectives as seriously as we take national defense—and they are indeed a fundamental part of national defense—the ways and means of obtaining the objectives are ready at hand. On the basis of full employment and of a national income at say one hundred billion dollars, all the proposed services can be provided. It is not the provision of these basic services that would threaten the security and prosperity of the nation, but it is, on the contrary, the failure to develop the purchasing power implied in these services that drags down our national income from time to time and everything with it to a lower level. But operating at half capacity or, as we once did, at a level of \$43,000,000,000 of national income, we cannot provide these services, nor can the national economy be operated effectively. On a high-level income these services are not only possible but are indicated as indispensable, even from a narrow economic point of view. From a broader human democratic point of view these guarantees of minimum security are equally indispensable.

In commending this report as a whole, the Board has chosen to select and emphasize some parts which seem of highest significance. This is not to minimize the

remainder but to stress the broader perspective. Perhaps the program and policies which the Technical Committee was asked to review and reformulate were misnamed. It might have been more accurate to ask for a review of certain phases of a program for the development of our national income and the stabilization of employment. Certainly the program and policies suggested are an inherent part of a program for the maintenance of these high objectives.

With respect to the implementation of the broad policies and objectives presented by the Technical Committee, the Board commends in general the ways and means suggested, without, however, endorsing all of them in every detail. In particular the Board wishes to emphasize the importance of strong Federal leadership in the movement for freedom from want, for minimum access to security, for all our people. It is essential that the forms of national aid should pay due regard to the genuine interests of local self-government and of unofficial associations, and should avoid excessive entanglement in jurisdictional problems. The full employment of our national resources of men and materials is a problem in which the cooperation of Federal and non-Federal agencies, of the home, the neighborhood, the church, the social agencies, and the associations of innumerable types, of industry and agriculture, of labor and management, is indispensable, and will continue to be; but the Federal government cannot escape national responsibility for its share of broad and effective leadership, in truly national aspects of the problem.

Further the Board wishes to emphasize the importance of maintaining on all levels the highest possible standards of administrative management of public work, of social insurance, and of public assistance—in the management of personnel, of finances, of planning. There is no place in this program for partisanship and spoils, for reckless, careless or imprudent expenditures, for muddling and unplanned operations, nor for any outmoded schemes of organization.

Some may urge that such a program must be set aside until the war emergency is ended. But to post-

pone until the war is over will be too late. We should move now on the major changes needed to set our house in order.

It is easier to make these changes when employment is high, and it is easier to keep employment high than to lift it once it has declined. Furthermore, we cannot be blind to the fact that national morale is mightily influenced by consideration of what will come when a warring world will be replaced with one more devoted to the arts of peace. Shall that period be a return to the inequities of the past, or a forward movement toward the promise of the future?

PUBLIC-AID POLICY: THE SELECTION OF ENDS AND MEANS²

Successful long-range planning in the field of public aid requires a full appreciation of the character of the problem to be faced and agreement as to the objectives of national policy. Given these prerequisites, we believe that the American people will discover the ways and means to implement their decisions. It is the object of this pamphlet to suggest the broad principles which should govern national public-aid policy in the future and the major financial and administrative principles whose application would facilitate the attainment of the proposed objectives. The application of these policies and principles to existing programs and situations will then be discussed.

Our major purpose has been to develop a comprehensive, consistent, and well-rounded system of public-aid measures. It follows that a high degree of interdependence characterizes our various proposals. Failure to implement some of our major recommendations, such as the creation of a comprehensive general public-assistance underpinning system or the development of an adequate work program, would render meaningless many of our other proposals.

In making the following recommendations we wish to make it clear, too, that we do so only on the basis of experience and of trial and error up to the present. We set up before us certain goals, such as the maintenance of national unity, and our proposals to achieve these goals are based not on our individual judgments but solely on what the present state of evidence compels us to conclude will achieve these goals.

THE CHARACTER OF THE PROBLEM

The American public must base public-aid policy upon the acceptance of the following facts:

1. *The need for socially provided income, in whatever form, is in large measure a consequence of the*

² This is Chapter XVII of the full report.

imperfections in the operation of our economy and by personal, physical, or psychological defects, many of which may be remedied.

The influence of economic forces is evident in regard to loss of income attributable to unemployment. In a still more fundamental sense the low incomes from private employment that, as this report has shown, are received by a substantial proportion of our people, especially in certain areas, create a public-aid problem. For not only is it impossible for persons receiving low incomes to accumulate savings against periods of unemployment, disability, or old age, but, even during the height of their earning power, such persons are denied access to many of the necessities and conveniences which Americans have come to regard as the basic essentials of decent living. It is obvious, too, that, even in periods of so-called prosperity, sickness and disability account for a large part of the need for public aid. The greater part of the public-aid problem is thus in the last resort merely an extreme manifestation of the general problem of our failure to exploit to the full our productive resources, to achieve a more satisfactory distribution of incomes and to make a more effective attack upon sickness and ill health. It follows that every constructive measure aiming to secure fuller and more efficient utilization of our productive resources, to rectify the present maldistribution of our national income, and to improve the health of our people, will reduce the need for public aid as such.

2. The public-aid problem is likely to be both large and persistent for some time to come.

Although we may hope that intelligently applied national economic policies will be developed in increasing measure, it is idle to expect that the defects in our economic order will be remedied overnight. Common sense requires acceptance of the harsh reality that for many years to come there will be a widespread need for socially provided income. Analysis of the available data suggests that, even under conditions approximating full employment, the need for public aid is unlikely to fall below about one-half of its magnitude in 1940.

Whatever the causes of the great depression of the thirties, it is unreasonable to expect their permanent solution by the defense effort. Their reappearance

may be delayed, but the country must be prepared to face them again, once the war is terminated. Even if spending for war should raise the level of national income to its practical maximum, it is problematical whether private demand for investment will be sufficient, upon the termination of the war, to absorb all the savings made at such a high-income level.

There may be developments in the investment sphere which cannot be foreseen at present. If the war should be of long duration, a backlog of delayed demand might accumulate, as it did in the first World War, so that a post-war spurt of private demand would offset part or all of the decline in war spending, at least for a while. Nor do we know what "termination of the war" will really signify. It may mean drastic disarmament in a world of good neighbors, or it may mean maintaining a large navy and army in a precarious truce between potential enemies. Much will depend upon the extent to which America will be called upon to aid in the reconstruction of Europe. It is possible that the second World War will destroy Western civilization to such a degree that all long-range problems of oversaving or underinvestment will be "solved" for an indefinite period.

Nor must it be forgotten that the war program itself will cause economic dislocations with resultant repercussions upon the security of some sections of our people. While it is in progress, the war mobilization inevitably disrupts the peace-time economy and results in some measure of unemployment. Even if fiscal policy manages to facilitate full production while avoiding inflationary general price rises, there will be specific disruptions of costs, wage rates, and prices due to localized scarcities. The war industries are absorbing millions of workers, not only those who have been unemployed but also millions who were working on farms or in shops or were engaged in "submarginal" work. Once the war is terminated, these millions will be released. Will there be other industries ready to employ them? Certainly some program of readjustment will have to be prepared, with emphasis on the nonmonetary problems of productive facilities and employment.

In these circumstances, prudence demands that public-aid policy be postulated upon the probability of recurrence of need attributable to unemployment. It follows that planning for its occurrence must be viewed as a continuing and regular function of Government to be performed by agencies with permanent status.

The country has increasingly recognized the continuing nature of need attributable to old age and dependency and to short-period unemployment; and it has implemented this view by the creation of permanent agencies to administer programs dealing with these groups. There has been, however, an unwillingness to accord the same degree of permanence to the agencies concerned with long-term unemployment because of a belief that the problem is itself temporary. For the reasons we have given, we believe that this attitude reflects a failure to accept current realities.

We recognize that the attribution of permanence to an agency concerned with the problems of long-period unemployment involves a risk which has, no doubt, influenced Congress in its continued refusal to grant permanence to the agencies at present performing this function. It would be unrealistic not to recognize that the will to survive is strong in all agencies. But it is equally unrealistic not to admit that a large part of this tenacity is attributable to the understanding which the agency has gained of the vast magnitude of the problem and the necessity for continuing appropriate measures.

Hitherto the Nation has met the issue by refusing to recognize the essentially persistent character of the problem. In the long run, this is not a satisfactory solution. Our analysis of the character of the social problem of unemployment convinces us that the question is not one of whether or not there should be permanent agencies, but rather how the necessary flexibility can be combined with permanence. *For it is evident that flexibility involving periodic expansions and contractions of functions and staff must be the outstanding characteristic of any agency charged with continuously planning for and, if necessary, operating such programs as may be required.* We would draw attention to the fact that precisely the same problem

has been faced by our War and Navy Departments. Both of these agencies are charged with responsibilities requiring the establishment of a permanent nucleus for planning and operating a minimum program, and in periods of war or emergency both departments undergo great expansion. But when the emergency has passed they again contract. We see no reason why a similar flexibility should not characterize an agency responsible for dealing with the peace-time emergency of unemployment.

3. *The social problem created by economic insecurity is many-sided and requires for its solution a series of diversified programs.*

Our examination of the characteristics of the dependent population and of the operation of existing programs convinces us that loss or inadequacy of private income gives rise to three types of needs which, though closely related, are none the less distinguishable. These needs exist over and above the general need for preventive action to which we have already drawn attention.

The individual suffering loss of private income requires in the first place the wherewithal to purchase the minimum requirements of physical existence. This need for maintenance can, and we believe in general should, be met by the assurance of the necessary cash income. In the second place, however, certain types of health, welfare, and advisory services which are essential for well-being are not enjoyed by all persons receiving low incomes, including recipients of public aid, because they are unable to purchase them or because there is no machinery for supplying them. This type of need cannot be met merely by the assurance of cash incomes. Moreover, such services can be most effectively supplied by large-scale provision. They call for the expansion and development of community resources and social services. In the third place, unemployment as such creates problems both for the individual and for society as a whole which require for their solution positive policies and constructive measures that aim to do more than provide merely for physical maintenance. The needs created by the loss of work can be satisfied only by the provision of work.

In a well-organized and wealthy society, it would be difficult to attach predominant importance to any one of these three aspects of the problem of individual economic insecurity. The solution of all three is essential to the well-being and stability of the Nation. On the other hand, it cannot be denied that a poverty-stricken community possessing limited resources would undoubtedly concentrate on the assurance of physical maintenance before tackling the other problems. And it is a difficult issue of policy, involving the weighing of important social values, whether a rich society such as ours should, if willing to expend only limited funds on public-aid programs, devote any part of them to the solution of the second and third problems until the first is satisfactorily solved.

During the last 10 years, maintenance has been provided for millions of our people, but there are still serious gaps and inadequacies in this basic provision. On the other hand, we have begun to recognize that even the assurance of physical maintenance is an inadequate response to the broad problem of loss or inadequacy of private income. We have increasingly and simultaneously adopted measures for meeting needs other than for physical maintenance, many of which, it should be pointed out, were of long standing. But, because inadequate funds have been available both to meet the increased need for physical maintenance and to grapple with the wider problems now recognized as created by loss or inadequacy of private income, our achievement has been very uneven. The provision made for the other-than-maintenance needs of the economically insecure population has in some respects vastly improved. The level of living of many groups dependent on socially provided income has been raised, and they have secured public aid under less restrictive and offensive conditions than in an earlier period. But, because of the absence of an adequate underpinning system, for certain groups and in certain areas bare physical needs are still met not at all, or at best inadequately. Indeed, as the report makes clear, in some cases improvement of the position of certain groups of public-aid recipients has been purchased at the expense of others.

THE BROAD OBJECTIVES OF PUBLIC-AID POLICY

We have no hesitation in saying that if the country is prepared to sanction only limited appropriations for public-aid purposes, these funds should be utilized first of all to ensure adequate physical maintenance for all our people wherever they reside. *But the issue has never been clearly submitted to the country in this form, and we doubt whether it would be seriously contended that this country is so poverty-stricken that it must face this drastic choice.* On the contrary, we believe that the vast productive potentialities of our country offer ample leeway not merely for the assurance of decent maintenance for our people, but also for an expansion of our social services and for the provision of more nearly adequate opportunity for work. All of our policy recommendations which follow are based upon this premise. It is indeed important to observe that much of this expenditure yields a direct economic return to the Nation as a whole. Consumers with more purchasing power can absorb the surpluses of our agricultural economy. Healthier and better-adjusted citizens make better and more effective workers; and, given appropriate planning and careful selection of projects, workers employed on public projects can add as much to the material and nonmaterial wealth of the Nation as those employed by private enterprise or on what the public still regards as the "normal" functions of Government.

Full appreciation of the character of the problem of public aid would materially contribute to the clarification in the public mind of the objectives of public policy. For we are convinced that the American people as a whole desire the eradication of the distressing and disturbing conditions to which this report has called attention. In enumerating the broad policies which should govern national policy in the future, we recognize that there are many difficulties in the way of their attainment and that not all of them can be achieved overnight. But we believe that progress toward the goal of a better life for the people of our country will be more sure and that the appropriateness or inappropriateness of specific measures will be more

speedily apparent if we have at all times clearly in mind the nature of our ultimate objectives.

Our findings concerning the character of the public-aid problem and our analysis of established programs lead us to conclude that the major objective of public-aid policy is and should be to assure minimum security for all our people wherever they may reside, and to maintain the social stability and values threatened when people lack jobs or income.

We believe that the assurance of a decent minimum of economic security for all our citizens, regardless of place of residence, has become an essential prerequisite for the maintenance of a sense of national unity. The present emergency, by stressing the strategic significance of civilian morale and loyalty, reinforces all other considerations in support of this conclusion.

So long as the recipients of governmental aid constituted an insignificant proportion of the total population, the adequacy or inadequacy of the provision made for them was unlikely to react upon the stability of the social system of which they were a part. Suffering or demoralization of a few individuals here and there might have offended the susceptibilities of the more humane and stimulated the more active to agitate for reform. During severe depressions, marches of the unemployed and occasional riots served as a warning that inadequate public provision for incomeless persons might have serious social repercussions. But it led to no serious challenge or widespread loss of faith in the established order.

We live today in a different world. The tragic developments in Europe, the rise of dictatorships, and the collapse there of democratic forms of government have challenged old assumptions as to the permanence of existing institutions. It has become increasingly evident that systems of government inspire loyalty and faith only if they justify themselves by their works. Political democracy has little appeal unless translated into economic realities. To be worth dying for, a political system must make possible a society that is worth living in. To those who have nothing to lose, any proposed change in the form of government offers at least the illusion of greater economic liberty and opportunity. Thus, our democracy, if it is to survive,

must secure adequate and appropriate provision for the millions of people directly dependent for their livelihood upon socially provided income. In these times this objective of democracy assumes a new significance. It cannot be dismissed as a mere matter of sentimental humanitarianism; it is at once in the economic interest of society and the first line of national defense.

Individual and national well-being is, however, dependent upon much more than the mere assurance of basic economic security. Most of our people desire independence and a sense of participation in productive work. The division of our Nation into two groups—one independent and actively engaged in industry, agriculture, or commerce, and the other dependent and, although willing and able to work, unable to secure employment or to have any confidence that steps are being taken to facilitate their absorption into industry within a reasonable period of time—is not a healthy state of affairs.

The great security that the vast majority of our people look for is the opportunity to work at decent wages. If this opportunity were available for all, much of the need for socially provided income would be removed and many of the personal and social maladjustments attributable to idleness and a sense of difference from the rest of the community would disappear. Furthermore, the extension of the objectives of public-aid policy to embrace the assurance of work opportunity has evident economic advantages. It prevents the wastage and lack of utilization of our greatest productive resource, namely, our labor power.

THE SPECIFIC OBJECTIVES OF PUBLIC-AID POLICY

Having stated what we believe to be the broad objectives of public-aid policy, we think it desirable to make clear our concept of specific objectives.

1. *Every measure aiming at the prevention of economic insecurity must be prosecuted to the full.*

This recommendation follows from the fact that so large a proportion of the need for public aid is attributable to the imperfections in the operation of our eco-

conomic order (in the form of both incomplete utilization of all our resources and a high degree of inequality in the distribution of incomes), or to remediable personal physical or psychological defects. The experience of our own and other countries has shown that the need for public aid can be materially reduced by judiciously applied social and economic policies. We do not believe that the American people will remain satisfied with palliatives when farther-reaching preventive measures are available.

We fully recognize that our recommendation envisages the attribution to government of a more active role in the economic life of the country. But the nature of the measures to be applied, in view of the size and national character of the problem, leaves no alternative. As a democratic society, we must utilize every instrument available for grappling with a serious threat to our welfare and our national solidarity.

It is a strange and melancholy fact that the people are prepared to accept the leadership and judgment of their freely elected government in regard to the needs and strategy of war and military defense but are distrustful of it in regard to the needs and strategy of peace and economic defense. We believe that the degree of personal insecurity that now characterizes our Nation and the admitted failure, hitherto, fully to utilize our vast productive resources constitute a real economic and social menace. We are confident that when the American people fully appreciate both the severity of the situation and the potentialities of the tools now available to them, they will rise to the challenge and prove that their willingness to run the risks of social engineering is no less than their willingness to defend their country from attack from without.

2. Government should provide work for adults who are willing and able to work, if private industry is unable to do so.

We see no other way in which one of the most urgent social and individual needs arising from the instability of operation of our economy can be satisfied. During recent years this country has experimented more extensively and constructively than any other with the public provision of work. As we have already indi-

cated, the record shows that a high degree of success has characterized this venture.

Acceptance of the policy of public provision of work undoubtedly involves certain economic and social risks, but much has already been learned from experience. It is now recognized that effective utilization of the idle manpower of the Nation calls for advance planning of projects by all levels of government. The great improvement in the quality of projects which has characterized the Work Projects Administration in recent years is largely attributable to the accumulation of a backlog of projects. This in turn has come into existence because State and local authorities have to some degree begun to regard public provision of employment when private enterprise fails to provide it as a normal function of government and to plan for it accordingly. It is evident, however, that public projects must be subject to expansion and contraction with changes in the volume of unemployment, and it will be no easy task to ensure that in periods of relative prosperity there is no cessation of the planning activity essential to the scheduling of worth-while projects for adoption as and when they are needed.

The devising of a variety of projects with sufficient flexibility to adjust to the changing numbers, characteristics, and experience of the unemployed presents real practical difficulties. The imagination and ingenuity which our people have shown during recent years in developing and organizing socially significant and useful projects encourage us to believe that these difficulties will not prove insuperable. Some of these projects may well involve government in certain fields traditionally regarded as the preserve of private enterprise. If government is to be forbidden to operate projects which yield products of the type produced by private industry, it is difficult to see how one of the major advantages of a work program can be secured: the maintenance and the creation of skills and work habits which will be in demand when private industry recovers. Nor, if the scope of public projects is to be thus severely prescribed, can it be expected that work programs will attain another of their major objectives: the maintenance of the respect of the worker both for himself and for the job on which he is employed. The

public must therefore be willing to countenance a diversification of the types of projects undertaken by government if the full social and economic advantages of the public provision of work for the unemployed are to be secured.

Admittedly, continuous work for those claiming to be involuntarily unemployed and capable of work cannot, in the economic interests of society, be assured to workers regardless of their previous patterns of employment or the duration of their employment. But here, too, it should be possible to utilize the lessons of the past decade, and in our discussion of specific programs we make certain specific suggestions for a more effective allocation of the unemployed between work programs and other measures.

Finally, we recognize that the provision of work is, in the short run, a more costly form of providing economic security. But we believe that reluctance to countenance large expenditures of this type will be reduced as the public increasingly appreciates the real values of a work program, as compared with other methods of providing for the unemployed, and recognizes the material and nonmaterial gains reaped by the community as a whole from the productive utilization of otherwise idle labor. Opposition to such expenditures will also be lessened by a wider understanding of the contribution toward the achievement and maintenance of a high level of national income that can be made by a well-timed and sufficiently large public spending program. In this connection the experience of the war program should be instructive. Hereafter it will be difficult to argue either that a relatively small deficit of \$3 to \$4 billion will weaken the financial standing of the country, or that public spending does not influence the tempo of economic life.

In the last resort we do not face a choice between a painful and a painless social policy. The risks and costs of the policy of public provision of work must be set against the risks and costs of doing nothing. We believe that the social costs of prolonged idleness and denial of participation in the normal productive life of the community are so great as to overshadow the social and economic costs incidental to the provision of work by government.

3. *Appropriate measures should be provided to equip young persons beyond the compulsory school-attendance age to assume the full responsibilities of citizenship.*

Because the period between school-leaving and adulthood is decisive for the formation of both social attitudes and economic potentialities, society has a duty and an interest in making the most constructive use of these strategic years. We do not, however, believe that it is in the public interest that all young people under 21 claiming to be capable of and available for work should be entitled to expect government to supply them with jobs similar to those made available to experienced adults. On the one hand, the great majority of them will have had little work experience and are not "capable of work" in the same degree as experienced adults. On the other hand, it is not in the interests of society as a whole that all of them should be "available for work" during these years. Undoubtedly, there are some who would become better-adjusted adults through being engaged in productive paid work under realistic conditions immediately or almost immediately on leaving school. But the greater proportion of them would profit by further education and training. Whether this may best be accomplished through full-time attendance at an educational institution after the compulsory school-attendance age or through productive work with related training will depend on the characteristics and capacities of the individual youth.

In any case, during these formative years all young people should be assured of an opportunity to acquire that degree of formal and cultural education which is essential for the exercise of the responsibilities of citizenship in a democratic society. It is equally desirable that, by the time they reach the age of about 21, young people should have secured through experience the necessary work habits, discipline, and familiarity with the use of tools and equipment which will place them in a position to compete effectively for employment with other adults. If they have been thus prepared for participation in adult economic life, we believe that no special measures will be necessary for the age group 21-25, but that they should receive the same treatment as all other adults.

4. *So far as possible, basic minimum security should be assured through social insurance.*

The case in favor of extending the social-insurance type of security can be briefly stated. First, there is growing evidence that our people highly prize the privilege of receiving a form of socially provided income whose amount is specified in the law and not related to need, thus avoiding the necessity of undergoing a minute examination of resources or coming in contact with a relief system which still has obnoxious associations. Second, the fact that the right to income in certain contingencies has been introduced through contributory insurance systems offers the financial advantage of securing at least part of the cost of these benefits from prior contributions from the beneficiaries themselves. Third, it seems likely that, once routines are established, the administration of a system of benefits provided as a right will prove less expensive than one in which each individual payment involves minute investigation of each separate case and the exercise of considerable official discretion.

Great importance must be attached to the social advantages of a system which minimizes the degree of official discretion in matters which closely affect the private life of the citizen. These advantages assume even greater importance as the numbers of persons affected increase, and as technical and economic considerations appear to point to a continuous extension of the activities of government. We believe that the vast majority of our people, including those at any time on relief, can be trusted to make the best use of whatever funds are given them and to manage their own lives in an intelligent and orderly manner.

It is evident, however, that in a certain proportion of cases there is need for more individualized treatment, calling not merely for greater flexibility and adaptability in the sums granted to applicants but also for guidance and an opportunity on the part of the applicant to discuss his problems with a trained official. For many persons, the need for public aid and the conditions giving rise to this need, whether death or illness of the breadwinner, unemployment or other catastrophe, tend to introduce serious tensions and emotional in-

security into personal and family life. This is especially true when the family has been reduced to complete destitution before receiving public aid. Change of economic status in itself also creates problems of social and economic adjustment regarding which professional advice may be desired.

It is also obvious that a society operating under conditions of private enterprise would run great economic risks in making universally available for an indefinite period stated security payments unaccompanied by any test of need. The danger is particularly acute in regard to workers in the productive years, especially if the differential between the minimum security payment and their normal level of earnings from private employment is relatively small. Financially also, the risks of making any specific sum of money generally available as a right, with no test of need, are considerable. For, if the sum is to be large enough to provide basic security for those with no private resources, it will be more than is necessary for those with resources of some kind. Total expenditures will inevitably be much greater than if payments were graduated according to need.

These considerations, however, do not in themselves imply that the social-insurance type of security is undesirable. They point rather to the need for careful delimitation of the groups to whom social-insurance benefits are made available; namely, those who can reasonably be expected to require little more than alternative income when earning power is temporarily or permanently lost through reasons beyond their control and who are also unlikely to be deterred from seeking an independent livelihood because of the assurance of fixed payments in certain contingencies.

Furthermore, to the extent that economic uncertainty and the fact of destitution tend in themselves to create a need for advice and even therapeutic treatment over and above assurance of income, these considerations point to as wide an extension as possible of social-insurance measures. Social insurance, with its specified payments which can be definitely counted upon, is valuable not only because it provides income but because it prevents the discouragement and lack of initiative which uncertainty begets.

5. *A comprehensive underpinning general public-assistance system, providing aid on the basis of need, must be established to complete the frame-work of protection against economic insecurity.*

The adoption of the policy of publicly provided work for employable adults who cannot find private jobs, the development of adequate specialized programs for youth, and the extension of the social insurances do not remove the necessity for a noncategorical program capable of providing public aid to all needy applicants regardless of the causes of their need. The values of the special programs will be realized only if access to them is restricted to those, and only those, for whom each measure is peculiarly appropriate. In view of the diverse causes of economic insecurity and the many-dimensional character of the needs to which loss of income gives rise, it is doubtful whether it will ever be possible to group applicants for public aid and related services into a manageable number of neatly arranged and logical categories which neither overlap nor exclude any needy person, whatever the cause of his insecurity.

Quite apart from the difficulty of providing for all types of need through the special programs without detriment to the attainment of the proper objectives of each, there are other reasons for believing that the goal of assurance of access to minimum security will not be attained unless there is a comprehensive residual system of general relief or, as we prefer to call it, general public assistance. The special programs do not always provide even for those clearly eligible for them. The establishment of eligibility frequently takes time, but the needs of the applicant for maintenance may be urgent and immediate. Unless there is a residual public-assistance system in which the only essential condition of eligibility is need, many applicants will undergo serious privation. Because payments on many of the special programs are not adjusted to need, they cannot be expected to provide for all types of situations. Recipients with unusually large families, those with special problems, or those incurring occasional and unavoidable expenses will require some supplementary aid.

It follows that a stable, effective, and adequate gen-

eral public-assistance system is a necessary underpinning to all the specialized programs and a vital element in any comprehensive social-security system.

6. *Social services which are essential for the health, welfare, and efficiency of the whole population should be extended as widely and rapidly as possible.*

The years 1930-40 have witnessed a notable increase in the provision by governmental agencies of certain community services, sometimes designed to assist mainly the public-aid population but often available to, and certainly needed by, all low-income groups or even by the entire population. Outstanding among these are health services, both preventive and remedial, educational and recreational facilities, better housing, meals for school children, and technical advice and guidance on a wide range of problems occasioned by the complexities of modern economic and community life.

We believe that this type of social provision should be expanded for several reasons. All of the services which we have listed make an important contribution to the well-being, not only of the individual but also of the community of which he forms a part. Their efficient rendering often calls for large-scale organization and for the ability to tap the resources of costly specialists and research organizations. This is notably true of health services. It is obviously impossible for the public-aid population to purchase these services. But it is equally obvious that, if the much larger numbers of the population who possess cash incomes of as low as \$1,000 or less a year are required to purchase these services, they can enjoy them to a vastly smaller degree than is socially desirable.

It follows, therefore, that where the national interest requires that certain types of service or facility be utilized to the full by the population at large, these services should be made freely available and regarded in the same way as elementary- and high-school education or access to the public employment service. The development of the social services in this way has the further advantage that it would permit a substantial increase in living standards with a minimum of both cost and interference with the wage and price structure. For since, in the case of medical facilities, the

need for costly types of service is experienced only by certain unfortunate individuals, it would be uneconomic to aim to provide all individuals with the minimum cash income necessary to purchase them. In any case, the attempt to provide through public aid or other measures cash income to each individual which would suffice to pay for these services would involve making payments greatly in excess of the incomes normally yielded by employment in private industry.

FINANCIAL AND ADMINISTRATIVE PRINCIPLES

We have already stated our conviction that, given a clear understanding of the character of the problem and the objectives of national policy, the American people will discover ways and means to implement their decisions. The attainment of the objectives we have suggested calls for appropriate developments in the fields of finance and administration. In this section we indicate some of the major principles which we believe would be essential to more orderly financing and administration as well as to a more certain attainment of our goals. The application of these principles to existing programs and situations will be treated in the following chapter.

1. *The financing of public aid should be provided for as a normal and continuing function of Government in a revised and reorganized fiscal system.*

This conclusion follows from our finding that the need for public-aid measures is persistent and will probably be of considerable dimensions for some time to come. Permanent provision for adequate and orderly support must be as assured as the provision now made for education, roads, and other normal responsibilities of government. The compartmentalized financing of public aid tends to place this function in the position of a financial residuary legatee—an unfortunate consequence in view of the fact that the need for expenditures is usually greatest when the fiscal resources of government are most strained. The treatment of public aid as but one of several normal functions of government is also suggested by the facts given in this report concerning the difficulties of allo-

ating financial responsibilities for this function between different levels of government without taking into account the other responsibilities of the various governmental units.

We wish, however, to state our conviction that orderly and continuous provision of adequate funds for public aid, even when treated as one of several normal governmental functions, will ultimately call for radical revisions of our present intergovernmental fiscal relationships. Many of the problems that have arisen in recent years in connection with the financing of public aid are but an acute manifestation of a more general problem with which the country has yet been unable or unwilling to grapple; namely, the lack of adaptation and adjustment of the financial arrangements of government to the new functions (of which public aid is only one) which government has been forced to assume. This lack of adaptation is evident in regard to both the time periods over which budgets are expected to balance and the distribution of fiscal resources as between the different levels of government. Many of the new functions call for a period of accounting considerably longer than a year, if the best economic results are to be achieved. And additional functions have been accepted by, or imposed upon, the States and localities with little or no consideration of their fiscal and economic capacity to sustain the expenditures necessary for efficient performance. Any such basic reconsideration of the appropriateness of fiscal resources to the responsibilities of the various levels of government is obviously beyond the scope of this study. We strongly urge, however, that consideration be given to the feasibility of such an investigation at the earliest possible moment. For we would repeat that the unsatisfactory character of existing intergovernmental fiscal arrangements is not evident in the field of public aid alone, although, as one of the newer functions to be supported by government, public aid has experienced these difficulties to a peculiar degree.

2. *Public-aid financing, even if treated on a compartmentalized basis, should be coordinated with the broader economic and monetary policies of government.*

The revitalization of the economy which has accompanied the vast national expenditures for defense and war purposes has again demonstrated that public spending directly affects the tempo of economic life. This report has also shown that public-aid disbursements are now of such a magnitude that changes in their volume and the methods by which they are financed play a major role in influencing the character and extent of fiscal measures designed to stimulate the economy. These facts must be duly reflected in future policy, for it is clearly absurd for public policy in one field to defeat the objectives of policy in another. Coordination of policy would obviously be easier if it were decided to provide for public aid as a normal and continuing function of government in a revised fiscal system. But, even if public-aid financing continues for some time to be treated in a compartmentalized manner, it should be possible to achieve greater coordination with the broader economic policies of government.

Coordination of the financing of public-aid measures with these broader fiscal and economic policies of government has two aspects. In the first place, the specific financial provisions of public-aid programs must not be allowed to imperil the objectives of public fiscal policy. A situation such as occurred in 1937-38, when the imposition of pay-roll taxes undermined the effectiveness of a spending program, must not recur. It does not follow that the integral requirements of social-insurance programs must be sacrificed to the larger objective. Social considerations may well dictate the imposition or the increase of such taxes if the integrity and the special values of social-insurance measures as such are to be retained. But in such cases there should be full realization of the economic effects of this policy, and efforts should be made to offset these influences by appropriate changes in the other financial activities of government. Thus, for example, if realization of the objectives of social-insurance measures demands the imposition or raising of wage and pay-roll taxes despite the fact that the Nation has at the same time embarked upon a program of monetary expansion, it would be necessary to offset the deflationary effect of these taxes

by a reduction in other types of tax or by deliberately planned compensatory increases in expenditures.

The second aspect of the coordination of public-aid financing with broader economic and fiscal policies requires that increasing attention must be paid to the utilization of public-aid measures as vehicles for the implementation of national monetary and economic policies. If an expansionist program is decided upon, public-aid measures offer a variety of devices for effectuating the desired end. Thus, if a rapid increase in consumer expenditures is desired, the unemployment compensation systems, suitably amended, offer a speedy and almost automatically operating mechanism for distributing funds to those who will spend them; they also provide certain safeguards to insure the termination of expenditures when their objective, the revitalization of the economy, has been attained. For, unlike an increase in spending attained through the grant of more generous assistance to the aged, an increase of public payments through the unemployment compensation system will automatically decline as employment rises, i. e., as the conditions justifying an increase in expenditures disappear.

The use of unemployment compensation in this way will, however, necessitate at least temporary changes in the principles on which the program is now financed, for it is evident that no increase in consumer purchasing power will occur if the increased disbursements are financed out of increased wage and pay-roll tax levies. A direct subsidy from the general revenues financed by borrowing will be essential.

In the same way, if national economic policy should be based upon the assumption that continuous growth cannot be assured by the automatic functioning of privately controlled economic factors, certain types of public aid—notably work programs and improved health and welfare services—offer themselves as more suitable vehicles for implementing a spending policy than the payment of cash allowances, which call forth no immediate economic return.

3. Reliance on consumption and earmarked taxes should in general be avoided.

The heavy use in financing public aid of sales and other consumption taxes, wage taxes, and even pay-

roll taxes, all of which fall more or less heavily on low-income groups, is of doubtful wisdom. As we show in discussing specific programs, in certain circumstances a case can be made for recourse to wage and pay-roll taxes, at least to a limited extent, in the financing of the social insurances. But no such justification applies to the use of sales and other consumption taxes.

It is obviously contradictory in a series of programs whose major objective is the enhancement of the economic welfare of the lower-income groups to collect any substantial proportion of the funds necessary to finance these measures from the very group whose incomes the programs are striving to raise. The greatest expenditures will occur in periods of depression because they will be occasioned by unemployment. At such times it is particularly important that consumption be stimulated rather than curtailed. An increase in consumption taxes in such a period would clearly be contrary to the economic interests of the Nation.

Reliance on earmarked taxes to a large degree, with the possible exception of the social insurances, is also unsatisfactory. There are few specific taxes whose yield is not directly affected by the level of economic activity. Yet the most fluctuating and at times the most substantial part of public-aid expenditures arises in periods of economic depression. It is obviously undesirable that expenditures should be curtailed at the very time when the need for them is greatest, because of a decline in the yield of an earmarked tax.

4. *A distribution of financial responsibility for total public-aid costs between the various levels of government is advisable and should reflect differences in need and in economic and fiscal capacity.*

There are wide differences between States, both in regard to the extent of need for public aid and in regard to economic and fiscal resources. In many cases the inadequacy of access to basic security experienced by some sections of the population is directly attributable to the fiscal incapacity of the jurisdictions in which they reside. At the present time the financial responsibilities of the various governmental units vary from program to program and, for certain programs,

from State to State. The resultant location of financial responsibility when all public-aid programs are considered together frequently fails to correspond to need or to economic or fiscal capacity. This situation must be remedied in any satisfactory long-range program.

In the following pages some specific proposals are made toward this end. At this stage it is only necessary to observe that any such readjustment of financial responsibilities for public-aid expenditures will necessarily result in heavy financial participation by the Federal Government. Both its taxing and borrowing powers are much greater than those of the States and localities, and, as we have already indicated, the financial burden of public aid for many years to come is likely to be both large and characterized by sharp fluctuations from year to year. The practical question in carrying through any redistribution of financial responsibilities between levels of government on the basis of the principle we recommend will not be *whether* the Federal Government should continue to participate, but rather *where* that financial contribution can be made most effectively.

5. *The objectives of the various special programs should be clearly stated and distinguishable, and the beneficiaries of each should be only those for whom the specific type of provision is peculiarly appropriate.*

Our examination of the characteristics of public-aid recipients and our analysis of the potentialities and costs of the different measures now operating convince us that any satisfactory and comprehensive public-aid program must be highly diversified. Programs that are obviously suitable for certain types of persons are equally obviously inappropriate for others. Many of the administrative difficulties of the past few years and much of the inconvenience and uncertainty experienced by applicants, as well as the confusion in the public mind, have been due to the lack of clearly marked differences between the various programs and to the inadequate attention given to devising eligibility provisions which will admit to each program only those persons for whom it is appropriate.

The importance of the kind of clarification of objectives we have in mind may be illustrated by a single

example. During recent years the people have been asked to approve measures directed toward satisfying the need of the unemployed for work, primarily on the ground that these measures were needed to provide for bare physical need. In these circumstances it is not surprising that those who are convinced of the importance of constructive programs for the unemployed have on occasion opposed proposals for a more nearly adequate general-relief system on the ground that, because the peculiar and unique values of a work program are not generally appreciated, public support for a work program would be withdrawn if physical needs were met. It may well be that in the present confused state of public thinking, this danger is real. However, we believe that the remedy is not a perpetuation of the confusion, but a more strenuous effort on the part of those responsible for policy determination to clarify the issues. For in the long run it seems unlikely that progress can be made by indirection. Programs whose major aim is to provide work for the unemployed but for which public support has been sought on the ground that they are necessary for the assurance of physical maintenance, will be in a precarious position when the urgency of the need for maintenance alone becomes less evident. Regardless of whatever may have been the situation during the last 10 years, we believe that in the future a more determined effort should be made to enlist popular support for welfare and work programs by disseminating a wider understanding both of the specific objectives of these measures and the social and economic gains and costs of putting them into effect. Only if public policies are based upon a broad measure of popular understanding and approval of the basic objectives, can there be any hope for stability of policy.

We attach equal importance to the second part of the principle we have enunciated, namely, that the beneficiaries of each special program should be only those for whom that measure is appropriate. Inadequate attention to this principle in the past has led, for example, to the inclusion in unemployment compensation programs (where benefits are affected by wage levels and stability of employment) of workers whose past earnings would entitle them to benefits of an insignificant

amount or payable for an unduly and uneconomically brief period. Similarly, at various times and places, persons who would not normally be members of the work-seeking population or who are of less than normal efficiency have been admitted to the work program, a situation which tends to discredit the program itself in the public eye.

More widespread recognition of the character of the total problem of public aid, of the peculiar values of each special program, and the appropriateness of each to meet the needs of certain types of the insecure population would promote more intelligent policy formation. Adoption of the principle we recommend would mean that it would no longer be possible to contemplate extensions or contractions of any given program without taking into account the existence of related measures and the relative desirability of expanding one rather than another. More specifically, it would mean that the size of the appropriation for WPA would not be determined, as now, mainly by reference to the fluctuations in the total number of needy unemployed persons. The relevant additional factors to be taken into consideration would be the characteristics of the total group of the unemployed, the nature and scope of the unemployment compensation program (both actual and potential), the character and availability of general relief, and the relative desirability of utilizing these programs to a greater or lesser extent as compared with work programs for groups with specific characteristics. Similarly, proposals to extend or liberalize legislation for unemployment compensation or old-age and survivors insurance would no longer be supported merely by reference to the illiberality of prevailing benefit rates or the restrictive character of eligibility requirements. It would be equally relevant, if the implications of the principle we recommend were fully appreciated, to take into account the availability of work programs, the special assistances and general relief and their relative appropriateness for the groups concerned.

This method of approach to public-aid policy has an important corollary. It points to the necessity for more adequate and comprehensive data concerning the social and economic characteristics of the public-aid population. Only when this information is available

can intelligent decisions be made as to the desirability, from the point of view of both the individual and society as a whole, of providing for specific groups on one program rather than another.

6. *Although Federal-State cooperation is preferable as a general principle, the allocation of administrative responsibility for the various programs between Federal, State, and local governments should be determined by reference both to the capacities of the different governmental units for the exercise of specific financial, policy-forming, technical, and routine administrative functions, and to the national importance attached to the attainment of the objectives of the given program.*

The many-sided character of the public-aid programs, together with the close relationship that necessarily exists between all of them in view of their common concern with the problem of economic insecurity, precludes the adoption of any simple formula for determining whether administrative responsibility for public-aid functions is "naturally" or "inevitably" a State or local or Federal concern. The issue is no longer the simple antithesis of Federal *versus* local administration.

The importance of continuing State and local participation in the administration of a service so vital as public aid to the welfare of each community is obvious. Even had not historical developments and established traditions suggested the wisdom of this course, practical considerations would lead to the same conclusion. In a country as large and varied as the United States, policies and programs must necessarily be flexible and adaptable to the peculiar needs of different sections of the country. These objectives are necessarily more difficult of attainment in a highly centralized administration. Local interest and initiative, so important in the maintenance of the democratic tradition, are most likely to be fostered if accompanied by a real responsibility for, and participation in, policy formation and administration.

On the other hand, it is equally evident that the Federal Government, as the only available authority capable of operating across State lines, must play an important role in many aspects of administration.

First, any constructive attack upon the factors making for poverty and economic insecurity calls for many measures which can only be operated effectively on a national basis. The presence of depressed areas and stranded populations, calling for revitalization of industry or transferences of manpower or equipment, the training of a labor supply and its direction to the places and occupations where it is in demand, the carrying through of monetary and fiscal policies contributing to recovery, all call for action on a national scale.

Second, certain important public-aid programs can for technical reasons be operated only on a national basis. This is the case, for example, with the old-age and survivors insurance program, which involves a semicontractual obligation between government and the individual, running over a generation. With a mobile population, the rights of the insured population can be assured only if the responsible governmental unit is a national one. Economy of operation is also promoted if the record-keeping essential to a program of this type is the responsibility of a single governmental unit. Similarly, it is evident that for technical reasons the problems of the transient population cannot be handled solely by the smallest political units.

Third, purely financial considerations also point to administrative participation of the larger units of government. We have already indicated our reasons for believing that heavy Federal financial participation is inevitable. But all experience demonstrates that it is unwise to divorce administrative from financial responsibility. The Federal Government which will, as we believe, be heavily committed financially must exercise some control over the spending of the funds, not only in its own financial interest but also because it has a responsibility for assuring the attainment of the broad objectives of social security for which the Federal appropriations were made.

The national importance of the broad objectives of certain public-aid programs will also condition the extent to which the Federal Government must accept responsibility for securing certain minimum standards of performance. While there is everything to be said in favor of State experimentation with varying policies and procedures, our national unity also requires that

freedom to experiment, including the freedom to take no action at all or to continue with policies that have proved unsatisfactory or inadequate, must be limited by the overriding national interest.

The importance attached to minimum adequacy of performance of public-aid measures will vary from program to program. Obviously there are many programs in which wide differences in performance or even the absence of any program at all constitute no threat to the integral unity and welfare of the Nation. But there are others (among which we would place those assuring that needy Americans can secure adequate maintenance, regardless of place of residence, and those implementing the work objective) which we believe are charged with vital significance for the welfare of the whole Nation. Whether the attainment of these objectives, which have a national importance, can be secured by cooperative administration by the States and the Federal Government or will require the direct operation by the Federal Government of the program in certain parts of the country will depend upon the efficacy of the cooperative techniques adopted. Our preference is in general for jointly administered programs. The cooperative relationships that have been worked out between the Federal Government and the States in connection with various health, welfare, and assistance programs under the Social Security Act give much ground for encouragement. It has been demonstrated that a vast improvement in these services has resulted from the joint planning and action of Federal and State officials.

But we have also to recognize that there may be limits to this cooperation, and that the tempo of progress by this route may be unduly slow. In such circumstances the role of the Federal Government in specifying and ensuring the maintenance of minimum standards of performance may involve a supervisory relationship that is tantamount to direct operation and more productive of friction than Federal operation would be. The standards to be satisfied may even be so extensive that individual States may refuse to participate in the program. In such circumstances direct Federal operation may be the only practical and

effective method of speedily attaining the national objective.

7. In jointly administered programs, special attention should be paid to defining as logically and clearly as possible the respective responsibilities of the participating governments and to developing techniques for cooperative action.

Although the application of the principles we have enumerated in point 6 above may suggest the desirability of operating certain programs on a wholly Federal, State, or local basis, there will be many which can most effectively be operated on a joint basis. It is indeed to be hoped that some for which Federal operation may now seem appropriate may ultimately prove amenable to joint administration. To an increasing degree therefore the distribution of specific administrative functions and responsibilities between partners in a jointly administered program and the improvement of techniques of cooperation will constitute a major administrative problem in the years ahead.

Our analysis of the problems which have confronted administrators in recent years suggests that some of them have been attributable to a lack of clarity as to the precise responsibilities of each partner. The Federal Government has been given a general responsibility for certain programs, but the legislation has left to the States a degree of freedom to determine certain characteristics of the programs which is inconsistent with the general responsibilities given to the Federal partner. This has occasionally resulted in action by the Federal agency which was undoubtedly consistent with its broad responsibilities but which could properly be regarded by the States as an overstepping of legal authority. Although no hard and fast rules can be laid down which would be equally applicable to all programs, we believe that administrative relationships would be smoother and that administrative functions would be more efficiently performed if the following principles were given greater weight in assigning functions to the Federal agencies:

(a) The Federal partner should be given authority to secure conformity with the standards prescribed in the Federal legislation and to promote the coordination of the several State policies.

The number and character of the standards for which minimum conformity is essential will vary from program to program and from time to time. Some programs may operate effectively despite wide differences between the cooperating States in the character of the program. Others may require substantial uniformity in respect to a large number of legislative provisions.

We conceive it to be an important part of the responsibility of the Federal agency to direct attention to areas where the need for coordination of State policies or for the securing of minimum standards of performance is essential. But, to minimize administrative friction between the two participating governmental units, we believe that the Federal agency should resist the temptation to stretch its present legal powers over standards or administrative procedures in an effort to secure the enforcement of these desired policies by indirection. It should rather rely on the possibly slower but ultimately more satisfactory method of openly seeking these additional powers from Congress.

(b) In administering legislation, the Federal agency should devote increasing attention to the formulation of standards of performance in broad but definitive terms and abstain from the prescription of detailed regulations.

If adequate general guides in respect to administrative activity and to standards to be incorporated in the State plans could be established, the necessity for constant Federal interference in the details of administration would either be eliminated or reduced to a minimum. This principle should be applied in cases where the Federal Government has a responsibility for standards relative to the nature and levels of payments made to public-aid recipients, the quality and efficiency of administrative performance, accountability for expenditures, and the like. The Federal agency should devote increasing attention to the perfection of techniques of general control which would obviate the necessity of case-by-case inspection and direct interference with administrative processes at the State level.

(c) The Federal agency should be charged with responsibility for making continuous evaluative surveys of the operation of the State programs.

On the one hand, the programs must be studied from

the national point of view. The country needs to be informed of the extent to which the program as practically operating is appropriate for the situations it was designed to meet, and of the differences in performance as between States in regard to some of the more readily definable characteristics of the program, such as the levels of benefits or payments, conditions of eligibility, coverage, and efficiency of administration. On the other hand, the Federal agency should make available the results of experimentation by the States. The assertion that State operation provides 48 laboratories fostering experiments in policy and methods of administration is one of the most powerful arguments in favor of State, rather than national, operation of public-aid programs. Yet the advantages of experimentation can be secured only if the results of experiment are made known and if the experiments are directed to a common purpose. It is a corollary of this function that the Federal agency must have power to ensure the accumulation of basic data on a comparable basis for the country as a whole.

Greater clarity as to the respective responsibilities of the Federal and State partners and a more logical and appropriate allocation of functions is an essential prerequisite for smooth and harmonious administration. But in itself it is not sufficient. We, therefore, attach great importance to the second part of the principle we have enunciated, that increasing attention must be paid by Federal, State, and local administrators to perfecting the devices and techniques for cooperative action.

In particular, methods of consultation between the Federal and State administrators should be exploited to the full. Sound development of policy and effective administration will be fostered if policy decisions concerning both the content of the program (in so far as this is not defined by legislation) and administrative policies and requirements are arrived at after consultation between Federal and State officials. One type of organization through which such cooperative decisions and administrative contacts could be promoted is the semiofficial body representative of State administrations. We have been impressed by the success which has attended the annual conferences

which the Surgeon General is required to hold with State health officials, and we believe that such institutions could with advantage be developed in connection with other Federal-State programs. The presence of such an institution would not remove the necessity for frequent consultations between Federal and State personnel concerned with the more specialized aspects of administration where more technical problems of common interest would be dealt with. Nor would it remove the necessity for another development to which we attach some importance, a mutual familiarization of the officials of the two governmental levels with the methods of approach and with the problems faced by each. This objective would be fostered by more frequent field visits on the part of Federal employees, the object of which would not be inspection or enforcement, but rather the acquisition of an understanding of the situations faced by State administrators. We should also like to see an exploration of the possibilities of attaching State employees to the Federal administration for limited periods in order that they may fully appreciate the problems with which Federal administrators are faced.

8. *The advantages of administrative decentralization should be explored to the full, especially through a more constructive development of the regional basis of organization.*

Although the efficient administration of many programs will call for a high degree of centralization, it does not follow that there is no possible centralizing administrative unit larger than a single State but smaller than the entire United States. We believe that fuller utilization of the regional basis of organization offers the possibility of avoiding some of the less desirable characteristics of highly centralized administration while overcoming some of the limitations of purely State-administered programs.

A more effective use of the regional basis of organization will call for consideration of a number of problems. In the first place, *increased attention must be paid to the selection of appropriate regions.* Since we believe that constructive and preventive policies must play an increasing role, the selection of appropriate areas must reflect this fact. In the second place, *every effort should be made to assure uniform regional bound-*

aries for agencies operating closely related programs. This is especially important in the case of such agencies as the Social Security Board, the Work Projects Administration, and those dealing with unemployed youth. In the third place, in many public-aid programs, *increased authority and responsibility must be given to the regional officers.* Determination of the precise sphere of their responsibilities will call for careful consideration, but experience suggests that for many programs, in addition to a high degree of responsibility for approving administrative operations which otherwise would be referred to the Federal agency, many policy matters (especially those involving the adaptation of broad national policies to the needs of their respective regions) could with advantage be vested in the regional officers. This would relieve the central office of many questions of detail and free it for the more appropriate function of over-all coordination, the development of standards and techniques of administrative and budgetary control, and the like.

9. *The personnel administering public-aid programs should be fully qualified by training and experience for the performance of tasks which call for a high degree of skill and professional competence.*

The administration of the many-sided public-aid programs we envisage cannot be entrusted to poorly trained or politically selected personnel. A high degree of skill and professional competence is required to determine eligibility and administer aid in such a way that human values are conserved and that the needy families and individuals are assisted to make the most of their own capacities and opportunities.

These skills, adapted to the objectives of each program, are needed by all officials dealing directly with people who are potential or actual recipients of any form of public aid. This applies equally to registration, occupational classification, and vocational guidance in an employment office; to the interpretation of objectives and procedures, and the rights of the insured, the adjustment of claims, and the consideration of appeals in the insurance programs; to comparable contacts and relationships in the work programs; and to the making of loans and grants to farmers.

A high calibre of personnel is also called for if the

intricate relationships which will necessarily exist between different agencies and different levels of government are to operate smoothly and in the public interest. The story of public-aid administration during the past decade is one of inventiveness and originality in developing new forms of organization which in some cases have been set up independently and in others have been made a part of older administrative structures. Particularly in the special-assistance and child-welfare fields, the organization of new programs has involved building upon patterns already created, and, in many cases, highly developed, in State agencies. The result has been a type of Federal, State, and local cooperation and a joint approach to common problems which tend to minimize the administrative difficulties encountered in the operation of specialized programs on three governmental levels. In consequence, the need for extensive and detailed authoritative controls has been lessened. Administrative cooperation has fostered a sense of participation in a common undertaking on the part of Federal, State, and local agencies and encouraged a unified approach to the problems of any given local community.

This type of cooperative effort has been possible to the extent that key positions on Federal and State headquarters and field staffs have been filled by qualified personnel, trained and experienced in the specialized fields which they were supervising. The type of relationship established by such personnel between different levels of government has been maintained through constructive supervision, consultation, and two-way interpretation of policies and problems. It has resulted in a growing acceptance on a Nation-wide basis, of standards of aid, of service, and of personnel, and also in the acceptance of Federal leadership in establishing these standards.

This report has drawn attention to the extent to which the character of the programs and their evolution have been influenced by administrative decisions and by the research and data made available by the different agencies. Inevitably the public must depend in large measure upon its administrators for guidance and knowledge concerning both the character of the problem and the appropriateness of the measures at

any time adopted. This contribution to intelligent planning and sound development of policy can be made only by administrators who combine technical competence with an understanding of and sympathy with the major objectives of public policy.

10. Citizen participation in policy formation and program operation should be encouraged wherever this is consistent with sound and impartial administration.

Full realization of the objectives of public-aid policy depends in large measure upon the success with which the gap that now exists between governmental administrators and the public can be bridged. All events conspire to increase the role of government in the realm of public aid. The increase in the magnitude of the task, the growing emphasis on preventive and constructive services, the need for specialized and highly trained personnel, and the necessity for increased appropriations to secure the desired objectives, all point to utilization of government and in particular of large units of government, as the only effective instrument for implementing many of the objectives of public-aid policy. Yet there is an unfortunate consequence of what should have been merely an intelligent adoption by a democratic society of the instruments available to it for dealing with problems beyond the control of individuals or scattered groups. We refer to the marked tendency on the part of the general public to assume, once performance of certain functions has been assigned to government and particularly to the Federal Government, that the problem is no longer one with which the individual citizen need be concerned. Government and its operating agencies thus come to be thought of as entirely apart from, if not alien to, "the public," and officials are regarded as autocratic or arbitrary, instead of being what they really are—the servants of the public. We believe that a perpetuation of this attitude would be little short of disastrous.

Enlistment of lay participation both in policy forming and in certain administrative aspects of public-aid programs offers one method of bridging the gap between administrators and the public by giving the citizen a sense of responsibility for the programs with which he is connected. It brings to bear upon administrators the nonofficial viewpoint and fosters the

adaptation of programs to existing local needs. Technical assistance can also often be rendered the administrator, as when advisory committees representing employers and workers are attached to employment offices to assist in local labor market analyses or in determining the technical requirements of certain occupational skills.

Equally important is the effect of lay participation in interpreting to the public at large the problems with which government agencies are faced. The citizen who can speak from a familiarity with these problems and who is personally acquainted with the many types of situation which confront officials can enlist public interest and direct criticism along informed lines, as well as defend the agency against unjustifiable attacks.

Finally, lay participation in public-aid policy formation and administration is a valuable channel through which the obligations of citizenship can be expressed. We believe that a large section of our population desires an enhanced civic responsibility and shows a readiness to make a social contribution where it can be effective. The willingness of citizens to devote time and energy to assisting in the local draft board machinery of Selective Service operations, and to participating in civilian defense activities demonstrates how great a response can be expected when the reality and significance of the job to be done are made clear. It is not too much to hope that the problems of public aid would call forth the same kind of citizen participation if their vital significance for the national welfare were appreciated.

FINDINGS AND RECOMMENDATIONS*

We have given our reasons for believing that the adoption of certain policies and the application of certain financial and administrative principles would result in a more nearly adequate, well-rounded, and orderly system of public-aid measures. In summarizing these proposals, we wish again to emphasize that, precisely because we have attempted to develop a well-coordinated and consistent body of policies and principles, no one of our specific recommendations can be considered apart from the whole system of which it is an integral part.

In this context, and for the reasons we have given in the preceding pages, we therefore make the following recommendations:

I. THE PUBLIC-AID PROBLEM

The American people should base public-aid policy upon the acceptance of the following facts:

1. The need for public aid will be both large and persistent for some time to come.
2. The need for public aid is in large measure caused by serious maladjustments in the operation of our economy and by personal physical or psychological defects, many of which can be remedied.
3. The social problem created by economic insecurity is many-sided and requires for its solution a series of diversified programs.

II. BROAD OBJECTIVE OF PUBLIC AID

The over-all objective of public aid should be the assurance of access to minimum security for all our people, wherever they may reside, and the maintenance of the social stability and values threatened when people lack jobs or income.

*This is Chapter XXIX of the full report.

III. SPECIFIC OBJECTIVES

The specific objectives of public-aid policy should be:

1. Increasing emphasis upon policies aiming at the prevention of economic insecurity through a fuller utilization of our productive resources, including labor, and by more comprehensive measures to improve the health of our people.
2. Government provision of work for all adults who are willing and able to work, if private industry is unable to provide employment.
3. Appropriate measures to equip young persons beyond the compulsory school-attendance age for assuming the full responsibilities of citizenship.
4. Assurance of basic minimum security through social insurance, so far as possible.
5. Establishment of a comprehensive underpinning general public-assistance system providing aid on the basis of need, to complete the framework of protection against economic insecurity.
6. Expansion of social services which are essential for the health, welfare, and efficiency of the whole population; this expansion should be as wide and as rapid as possible.

IV. FINANCE AND ADMINISTRATION

The following financial and administrative principles should be consistently applied in all public-aid programs:

1. The financing of public aid should be provided for as a normal and continuing function of government in a revised and reorganized fiscal system.
2. Public-aid financing, even if treated on a compartmentalized basis, should be coordinated with the broader economic and monetary policies of government.
3. Reliance on consumption and earmarked taxes should in general be avoided.
4. A distribution of financial responsibility for total public-aid costs between the various units of government is advisable and should reflect differences in need and in economic and fiscal capacity.
5. The objectives of the various special programs

should be clearly stated and distinguishable, and the beneficiaries of each should be those, and only those, for whom the specific program is appropriate.

6. Although Federal-State cooperation is preferable as a general principle, the allocation of administrative responsibility for the various diversified programs between Federal, State, and local governments should be determined by reference to:

A. The capacity of the different governmental units for the exercise of specific financial, policy-forming, technical, and routine administrative functions; and

B. The national importance attached to the attainment of the objectives of the given program.

7. In jointly administered programs special attention should be paid to defining as logically and clearly as possible the respective responsibilities of the participating governments and to developing techniques for cooperative action.

8. The advantages of administrative decentralization should be explored to the full, especially through a more constructive development of the regional basis of organization.

9. The personnel administering public-aid programs should be fully qualified by training and experience for the performance of tasks which call for a high degree of skill and professional competence.

10. Citizen participation in policy formation and program operation should be encouraged wherever this is consistent with sound and impartial administration.

V. SPECIFIC PROGRAMS

The existing programs should be modified in the light of these policies and principles in the following ways:

1. Federal Work Programs

A. To carry out the principle that work should be provided for all adults willing and able to work, a Federal work agency charged with responsibility for developing and operating work programs should be established on a permanent basis. The organization should operate with a high degree of flexibility.

In developing appropriate projects, the organization should work in close contact with the Public Works Programming Division of the National Resources

Planning Board, the Bureau of Employment Security of the Social Security Board, and appropriate technical agencies, and with State and local public-works and welfare administrations. State and local governments should be encouraged to intensify the efforts now made to develop long-range public-works planning with a view to maximizing the amount of work given during periods of economic depression. It is recognized that the types and volume of public works which will lend themselves to such programming will change from time to time. Increasing attention should, however, be paid to planning for nonconstruction work and service activities.

B. The character of the work performed should be adapted to the developing needs of the Nation and of communities for both construction and nonconstruction work, including social services. It should also reflect the occupational characteristics and geographical distributions of the unemployed and the probable future needs of the economy for workers with specific skills and occupational experience. Necessarily the programs must be flexible and highly diversified.

C. The standards of performance demanded of project workers should be those normally required in private industry and should be strictly enforced.

D. Rates of remuneration, conditions of employment, and hours of work should parallel as closely as possible those prevailing in private employment. Where, however, the work projects are primarily used as an instrument for training or retraining, suitable training grants should be paid in lieu of wages.

E. Eligibility for employment on work programs should be restricted to persons normally dependent upon full-time employment and those who are not entitled to receive unemployment compensation benefits, or whose unemployment is likely to persist for an extended period of time. Persons undergoing short spells of unemployment and partially unemployed workers should not normally be assigned to work-project employment. Special work projects, limited in duration, should be devised for farmers and agricultural workers during slack seasons.

F. Eligibility for employment should be determined by relative employability and need for work. Access

to the program should not be dependent upon undergoing an investigation of economic need. Adequate appropriations for a work program and a general public-assistance system would make such a test unnecessary.

G. All persons seeking work should be required to register at public employment offices and access to the work program should be through the employment office.

H. Major responsibility for the operation of work programs should remain with the Federal Government, although every effort should be made further to develop cooperative relationships with the States and localities.

I. Major financial responsibility should be carried by the Federal Government. In sponsored programs the share which sponsors are required to contribute should reflect the fiscal capacity of the sponsor.

2. Programs for Youth

A. Federal financial aid as needed, to assure educational opportunity for all young people above the age of compulsory school attendance who desire and can benefit by continued schooling, should take the form of educational grants. These grants should be distributed by the educational authorities and, in determining payments to be made to families under public-aid programs, no part of the payments made to enable youth to continue schooling should be treated as part of the resources of the family.

B. The curricula of the schools should be revised so as to provide that all young people obtain meaningful unpaid work experience in the school or in community service during the period of school attendance.

C. Apprenticeship should be recognized as an appropriate channel for the occupational adjustment of youth.

D. Young people who are not in full-time attendance at schools or institutions of higher learning or who are not in private employment should be provided with productive work for a wage. The character of work and the wages paid should reflect the inexperience of the young workers. Both resident and nonresident types of programs are desirable. Special stress should be placed upon the educational aspects of the work and upon the inculcation of work habits and disciplines and

familiarity with the use of a variety of tools. The hours of work and related training should be the equivalent of full-time work. Close relations should be maintained between the educational authorities responsible for related training and the administrators of the youth work programs.

E. All young people seeking public work should be required to register at public employment offices, and they should be referred to the various special programs by this service. Access to the youth work programs should not be limited to young people in economic need.

F. Eligibility for the youth work programs should be ordinarily restricted to persons under 21 years of age unless it can be shown that, because of the absence of public provisions, they have not had access to special youth programs or have not had adequate work experience through private employment prior to reaching this age.

G. Facilities for counseling and guidance should be made available to all young people and their parents. The actual counseling should be performed by the schools and the public employment service. The employment service, through a special youth-service unit, should act as the local coordinating body.

H. All youth programs should devote special attention to the physical health of youth, and financial provision should be made accordingly.

I. The youth work programs should be financed and administered on a national basis, and the present CCC and NYA out-of-school work programs should be combined in a unified administration. Local sponsorship of work projects should be encouraged so long as this is consistent with the development of work projects appropriate to the needs of youth.

3. Work Programs for the Handicapped

Further study should be given to the development of therapeutic work programs for those with special physical and mental handicaps and disabilities.

4. The Social Insurances

A. Disability Insurance

The existing protection against economic insecurity through social-insurance measures should be expanded by the development of a system of social insurance to

provide at least partial compensation for loss of income attributable to permanent or temporary disability.

B. Unemployment Compensation

The unemployment compensation system should be strengthened and expanded in the following ways:

(a) Coverage should be extended to embrace seamen and employees of nonprofit corporations and of firms employing one worker or more. The inclusion of workers in domestic, agricultural, and other low-paid employments should be considered in relation to the patterns of employment, the character and amount of their earnings, and the feasibility of devising a benefit formula which will yield them significant payments. Consideration might be given to the desirability of developing a separate system with its own eligibility, benefit, and contribution provisions for agricultural workers.

(b) The duration of benefits should be extended to 26 weeks and should be uniform for all eligible workers.

(c) The benefit formulas should be reconsidered with a view to assuring benefits which will enable the vast majority of recipients to maintain themselves for a period up to 26 weeks without recourse to supplementary payments under other forms of public aid. The payment of dependents' allowances would be a first step in this direction.

(d) Eligibility rules should be revised so as to admit to insurance benefits only workers whose past earnings and employment records offer a presumption that they will draw significant benefits from the system and yet not such amounts as to induce them to prefer benefit status to self-support. The adoption of duration of past employment in place of previous earnings as a criterion of eligibility should be explored.

(e) Experience rating should be abandoned. If experience rating is retained, minimum Federal standards relating to eligibility, duration, and amount of benefit are essential.

(f) The present Federal-State system should be replaced by a wholly Federal administrative organization.

(g) There should be a single national unemployment

compensation fund, part of which should be drawn from general tax sources. If, however, the system is not placed upon a national basis, a reinsurance system accompanied by Federal standards relating to eligibility, duration, and amount of benefit should be developed.

C. Old-Age and Survivors Insurance

The old-age and survivors insurance system should be strengthened and made more widely available by the following changes:

(a) Coverage should be extended to employees of nonprofit corporations. Additional groups of employees should be covered as rapidly as it can be demonstrated that they will receive adequate or significant benefits from the system.

(b) Continuing study should be given to the feasibility of revising the benefit formulas and the minimum-earnings eligibility requirement, with a view to making it possible for the vast majority of covered workers to qualify for benefits and to enabling the system to offer significant monthly benefits to a larger proportion of the low-paid and irregularly employed workers. Periods of involuntary unemployment, sickness, and military service should not impair eligibility for and amount of benefits.

(c) The general principle of a governmental contribution to the costs of the program should be specifically embodied in legislation.

5. General Public Assistance

A. In addition to adequate work and social-insurance programs, there should be a comprehensive general public-assistance program.

B. There should be a Federal grant-in-aid for general public assistance, which should be available on a basis reflecting differences in need and economic and fiscal capacity as between the States. The States should be required to distribute Federal and State monies within their political subdivisions on a similar variable basis. The costs of public assistance granted to persons with less than one year's residence in a State should be a wholly Federal charge.

C. The system should be administered through a single State agency responsible for the administration

or supervision of the plan. The Federal administrative agency should be the Social Security Board. Where a State refuses to comply with the Federal requirements in accordance with the Federal law or refrains from participation in the program, the Federal Government should have the power to operate the program within that State with Federal personnel until the State demonstrates its ability and willingness to reassume its responsibilities, provided:

(a) That a public hearing should be called at which the Federal Government should show why this step is believed to be necessary and at which the State government should have an opportunity to answer the allegations; and

(b) That the hearing should take place within the State concerned.

D. In addition to the provisions laid down for the special types of public assistance in the Social Security Act relating to availability of aid throughout the State, selection of staff on a merit basis, the assurance of appeal rights, and the rendering of reports to the Social Security Board, the States' plans for general public assistance should provide:

(a) That public assistance may not be denied any person by reason of race, sex, marital or employment status, or failure to have resided within the State for more than one year.

(b) That public assistance should be administered in accordance with general standards adopted under rules and regulations of the Social Security Board relating to adequacy of aid and methods of payment.

(c) That the same standards regarding eligibility (other than residence) and assistance given shall be applied to persons with less than one year's residence as to the remainder of public-assistance recipients.

6. Special Types of Public Assistance

A. Public assistance now provided for special groups such as the needy aged and blind and dependent children should be continued with such modifications of existing provisions as are necessary to develop a more fully coordinated program. Consideration should be given to extending the categories to embrace all groups whose need for socially provided income is likely to be rela-

tively permanent or of long and predictable duration.

B. The present equal-matching Federal grant should be replaced by a grant in which the amount of the Federal contribution would take into account differences between the States in need and in economic and fiscal capacity.

C. The States' plans should provide for a distribution of Federal and State monies within their political subdivisions in accordance with relative need and fiscal capacity.

D. The Federal act providing aid to dependent children should provide specifically for payments to mothers. Grants under the aid-to-dependent-children program should be comparable in adequacy with those for the aged and the blind.

7. Public Social Services

A. Public social services essential to the health, education, and welfare of the population should be available throughout the country, especially in areas which are disadvantaged in respect to income and taxable wealth. In most communities, marked expansion of present services will be required in order to achieve these objectives. The planning and administration of public social services should be lodged in the appropriate agencies of government and responsibility for their development should be shared by local, State, and Federal authorities. The administration should be in the hands of qualified full-time personnel selected on the basis of merit.

B. It is essential that public provision be made for meeting the needs of our people for more adequate medical care. Toward this end the Federal Government should stimulate, assist, or undertake constructive action to provide such care for the millions of our people whose need cannot be fully met from their own resources. Such a program should include adequate provision for promoting the health of mothers and children.

C. State and local child-welfare services for the prevention of child neglect and delinquency and for promoting adequate care of children requiring special attention should be expanded with the assistance of the Federal Government so as to be everywhere available.

D. Free school lunches should be provided for all school children.

E. The bulk distribution of surplus commodities should be replaced by the stamp plan, and greater efforts should be made to prevent the availability of commodities from concealing the inadequacies of general public assistance or from leading to a reversion to payment in kind. Surplus commodities should be available to the entire low-income population and not merely to public-aid recipients.

8. General Administrative Arrangements

A. The merit system should be extended upward, downward, and outward for all personnel in the field of public aid. Opportunity for employment on these programs should not be restricted on the basis of residence in a particular State or locality. Greater use should be made of inservice training and staff-development programs. Interchange of staff between Federal, State, and local governments should be encouraged.

B. Appropriations for administrative costs, which directly condition the size and quality of staffs, should not take the form of a uniform percentage of the total costs of any program but should be variable, depending on the character of the job to be done.

C. In every community there should be a central information office responsible for informing applicants of the availability of community resources, both public and private, and putting them in touch with the administrators of measures appropriate to their needs.

D. The administration of all public-assistance programs operating within a locality should be the responsibility of a single agency, which should be the channel of access to all programs where eligibility is based upon need.

E. Access to all programs offering employment or training should be through public employment offices. The federalization of the employment service should be continued as a permanent policy. The work of the employment service in developing an intimate knowledge of the labor market, mechanisms for interstate exchange of labor, vocational guidance, and counseling, as well as its activities in the administration of unem-

ployment compensation, should be further developed. The activities of the public employment service along these lines in the defense period should be incorporated into the permanent program of the agency. The employment service should be empowered to make advances to workers for the purchase of tools and the payment of fares, to give financial assistance to those incurring heavy costs due to geographical transference, and to pay training allowances to workers undergoing approved training courses.

F. The Federal Security Agency should be given the status of an executive department, and the Administrator should be given the status of a member of the Cabinet. The agency should be vested with primary and continuing responsibility for promoting and safeguarding the general welfare, health, and education of the people. Continuing study should be given to the basis of organization of the agency and to its relationship to other agencies administering related public-aid programs.

G. There should be established a permanent national advisory body charged with the function of studying and advising the President, the Congress, and the country on the over-all operation of public-aid policies and programs.

H. Similar advisory bodies, composed of representatives of public and private agencies and of the public, should be established at the State level, charged with the function of investigating State and local needs for public aid in relation to existing community resources, both public and private.

I. Greater efforts should be made to bridge the gap between administrators and the public by increased efforts on the part of public agencies to inform the public of the purposes, achievements, and limitations of public-aid programs; by citizen participation in policy-making and in appropriate phases of administration; and by more effective use of the co-operation of private welfare agencies which have a necessary part to play in this enlarged conception of public welfare service.

J. All public-aid programs involving Federal participation should include Puerto Rico and the island possessions, except where constitutional provisions forbid.

SECURITY, WORK, AND RELIEF POLICIES

A REPORT BY THE
COMMITTEE ON LONG-RANGE WORK AND RELIEF POLICIES OF THE
NATIONAL RESOURCES PLANNING BOARD

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*In the sense used throughout the Committee's report, "public-aid" programs fall into three general classes. Some of these programs are aimed to give employment to those willing and able to work. They included the Work Projects Administration, Civilian Conservation Corps, National Youth Administration, Public Employment Service, and Rural Rehabilitation loans. Others, such as old age and survivors insurance, railroad retirement insurance, State unemployment compensation systems, railroad unemployment insurance, and workmen's compensation, aimed to provide workers in certain contingencies with assured income free of any requirement to undergo a test of need. A third group of programs provided assistance to persons who could satisfy the authorities that they were in need. Among these were the special public assistance programs developed under the Social Security Act, the farm security grant program, and general relief.

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PSF
Post War Planning

NATIONAL RESOURCES PLANNING BOARD
PAMPHLETS

(For sale by the Superintendent of Documents)

- After Defense—What? 5 cents
After the War—Full Employment. 5 cents
Better Cities. 5 cents
The Consumer Spends His Income. 10 cents
Housing—The Continuing Problem. 10 cents

PSF: Post War Planning ✓

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MEMORANDUM

February 23, 1943

TO: Mr. Harry L. Hopkins
FROM: Oscar Cox
SUBJECT: Post War Planning on the International Front

There appears to be considerable ferment in Congress on post war planning.

A half dozen Congressional committees conducting simultaneous investigations will only succeed in confusing public opinion and will keep important officials occupied jumping from one committee room to another. Such hearings may also be used by some witnesses as a forum for the expression of views which may have an embarrassing effect upon the conduct of the war.

It might be unwise for the Administration to offer a bill at this time to serve as a basis of Congressional hearings. Such a measure, if too specific, will provide a target for hostile critics. If too general, it may lead to discursive, uncoordinated and unhelpful hearings.

The approach should be more flexible.

One possibility is a commission consisting of four members of the Senate, four members of the House and four persons appointed by the President. Such a commission could do most of its work at the beginning in executive session. In this way there could be frank disclosures and discussions of important issues. The commission might be charged with the duty of submitting interim reports to Congress at frequent intervals. These reports would keep Congress informed of what was being done without violating the confidences reposed in the commission. These reports too would be of great value in educating public opinion.

At some later time after the necessary preparatory work was concluded, the commission could hold open hearings on various of the subjects studied by it. I believe that this is the most feasible way of making Congress feel that it is actively participating in the shaping of the post war world. More important, it is

the principal way of giving Congress a vested interest in the international arrangements which are essential to an enduring peace.

The establishment of a commission might be suggested by the President in a full-dress message, personally delivered, in which the tone and scope of the inquiry could be set. This, I believe, would be preferable to sponsoring a specific Administration bill.

Oscar Cox

✓ PSF: Post War Plan
~~Spending~~

MEMORANDUM

POSTAL DEPARTMENT OF WAR BONDS AND STAMPS June 5, 1943

TO: Mr. Harry L. Hopkins

FROM: Oscar Cox

You may be interested in the attached figures from a recent national survey on post-war spending.

If a bold and appealing program for full employment after the war is not gotten out, I should think--if these figures are right--we might be in store for a pretty good depression. Without an emotional feeling that there is going to be full employment, people naturally would be inclined to hold their savings for what they think may be a rainy day. Thus the backlog of savings might not be used to keep the wheels going when the war is ended.

Oscar Cox

Attachment

POSTWAR SPENDING OF WAR BONDS AND STAMPS

Have you bought any war bonds or stamps?

Yes	83%
No	<u>17</u>
	100%

Asked of those who had bought bonds:

As you see things now, do you expect to spend a good part of this money right after the war for things you need, or do you expect to save the money for a while?

Spend right after war	11%
Save for a while	73
Not sure	<u>16</u>
	100%

POST DEFENSE AGENDA

FEDERAL
OPERATING AGENCIES

1. Plans for Demobilization

Liaison - Gulick & Millett

Selective Service System

a. Release of men from the armed forces

- 1) Over what period of time?
- 2) In what order of skill, previous occupation, age, length of service?
- 3) Be returned to place of enrollment or encouraged to go elsewhere?
- 4) Size of dismissal pay, if any?

Employment Trends - Blaisdell & field offices
Employment Stabilization Section
forecasts of peace-time production needs

Reemployment responsibilities under law, Employment committees, plans for progressive demobilization of men. Cost of Living Branch, Bureau of Labor Statistics, studies of 1918-20 experience. Occupational Outlook Branch, Bureau of Labor Statistics analysis of labor demands for post-defense projects. Office of Education make training plans?

- 5) How be absorbed into peace-time employment?

- 6) Desirable arrangements for new training?

b. Release of men from defense employment

- 1) How rapidly should defense contracts be cancelled or terminated?
- 2) Should dismissal wage be larger than present unemployment compensation?

Selective Service System plans for progressive demobilization of defense contracts Bureau of Employment Security plans to increase contributions and enlarge benefits.

- 3) How can defense workers be absorbed into peace-time employment?

Employment Stabilization Section
forecasts of peace-time production needs

Occupational Outlook Branch, Bureau of Labor Statistics analysis of labor demands for post-defense projects.

- 4) What provisions should be made for re-training defense workers?

Office of Education
training plans?

PSF. Postwar Planning

NRPB

FEDERAL
OPERATING AGENCIES

c. Use of defense plant

1) To what extent can defense plant be used to meet peace-time production needs?

Industrial Location Section
analysis of defense plant and relation to peace-time demand

Occupational Outlook Branch,
Bureau of Labor Statistics
Bureau of Foreign & Domestic
Commerce, Department of Commerce
analysis of defense dislocations,
by industry and by area
projection of trends.

2) To what extent can defense machinery be converted to peace-time production?

Industrial Location Section
study of conversion possibilities?

3) What federal assistance, if any, should be given to defense plant conversion?

d. The maintenance of defense economic controls

1) How long should price controls be retained after cessation of hostilities?

2) How long should priorities controls be retained?

3) Should peace-time production receive immediate priority?

4) What other defense controls should be retained and how long?

Office of Price Administration.
No plans, merely exploration
of sentiment.

NRPB

FEDERAL
OPERATING AGENCIES

2. Plans with private enterprise

Liaison (with private groups) - Gulick and Millett

a. Encouragement of private initiative

- 1) What will be the potential volume of industrial production after defense? Stabilization Section -
- 2) What will be the possible and desirable expansion in service activities? projection of consumer expenditures at full income levels
- 3) What will be the capital requirements for private enterprise? projection of capital requirements
- 4) Over what period of time can and will additions to private capital plant be programmed?

Business Advisory Council, Department of Commerce.
Regional Representatives, Bureau of Foreign & Domestic Commerce
Cost of Living Branch, Bureau of Labor Statistics - sample studies of consumer expenditures
Bureau of Home Economics and Bureau of Agricultural Economics
Studies of rural consumption

Bureau of Foreign & Domestic Commerce - studies in relation of physical output to capital requirements
Business Advisory Council and Bureau of Foreign & Domestic Commerce - projected studies in capital budgeting by private enterprise

b. Government Aids and Controls

- 1) Will a long-range government program clearly defined and quantified help business confidence?
- 2) What government actions in tax field, patent law, or elsewhere will encourage private initiative?
- 3) How can a government insure that its programs have desired economic effect of increasing production rather than merely raising prices?
- 4) What new forms of industrial organization and of government subsidy may be required to encourage maximum operation by private enterprise?

Anti-Trust Division, Department of Justice - determination of enforcement policy

NRPE

FEDERAL
OPERATING AGENCIES

- c. Industrial Location
 - 1) Is the existing pattern of industrial location undesirable?
 - 2) Where should future industrial plant be encouraged to locate?
 - 3) Should some existing facilities be moved?
 - 4) What assistance or controls should government exercise in order to improve the industrial location pattern?

Industrial Location Section

- 3. Plans for public activity
 - a. Improvements in physical facilities.
 - 1) Urban Development

Urban Development & Conservation-
Ascher

Federal Housing Administration -
studies of land ownership, costs of
rebuilding, possible impact upon city
finances in selected areas.

- a) How can large areas of urban land be publicly acquired for systematic redevelopment?
- b) How can urban facilities, including streets, terminals, recreational facilities, and public buildings be replanned so as to provide maximum living satisfactions?
- c) How can low income families be adequately housed?
- d) What government controls of and assistance to private housing construction are needed?
- e) What federal government financial assistance to urban redevelopment is desirable?

Census Bureau - data on 1940 housing
conditions
U.S. Housing Authority - estimates of
housing needs.

NRPB

- 2) Rural Works
 - a) What efforts are needed to conserve our soil resource?
 - b) What plans are desirable for reforestation?
 - c) What improvements in public facilities for the rural population are needed - school buildings, hospitals, recreational facilities, etc.?
 - d) How should rural housing conditions be improved?
 - e) What plans are needed to bring electrification to rural areas?
- 3) Conservation & Development of Energy Resources
 - a) What are prospective trends in coal use related to available supply? What plans to regulate use are desirable?
 - b) What are prospective trends in petroleum use related to available supply? What plans to regulate use are desirable?
 - c) What are prospective trends in gas use related to supply? What plans to regulate use are desirable?
 - d) What are prospective trends in use of electric energy related to supply? What plans are desirable to expand electric output?
 - e) What are capital requirements for expansion of energy resources?

FEDERAL
OPERATING AGENCIES

Subcommittee on Rural Works, Department
of Agriculture

Energy Resources Committee

Bureau of Mines, Interior Department
Fuels Division, Office of Price Administration

Petroleum Conservation Division, Interior
Department

Power Division, Office of the Secretary
of the Interior
Federal Power Commission

Securities & Exchange Commission

N&PB

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OPERATING AGENCIES

- f) How can electric energy be most satisfactorily distributed?
- 4) Drainage Basin Development
 - a) What drainage basins are in need of adequate flood control facilities? Extent?
 - b) Where are efforts required to abate stream pollution and improve water supply? Extent?
 - c) Where are river navigation facilities in need of development? Extent?
 - d) What are prospective needs for irrigation?
 - e) What river developments can be used for hydro-electric power?
 - f) What recreational possibilities arise in river development?
- 5) Transportation Development
 - a) What are prospective transportation loads by various modes?
 - b) What improvements will be required in existing and additional facilities?
 - c) How can transportation facilities be integrated?
- 6) Improvements in Land Use

Water Resources Committee

Army Corps of Engineers, Subcommittee on Rural Works

Army Corps of Engineers
Bureau of Reclamation, Interior Department

Inter-Regional Highway Committee
Civil Aeronautics Authority
U.S. Maritime Commission

Land Committee

Department of Agriculture
Department of the Interior

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OPERATING AGENCIES

continued:

- a) What are acreage requirements to provide food of adequate dietary standard?
- b) What are prospective demands for industrial raw materials from the soil?
- d) What is the prospective export demand for soil products?
- d) What are prospective needs for recreational land? Forest land? game refuges?
- e) What shifts in land use are desirable?
- f) What public controls are needed to regulate land use?

7) Programming Public Improvements

Division C - Herring

All Construction & Supervising Agencies
Public Works Reserve

- a) In what order and over what period of time are desired and needed public improvements to be constructed?
- b) What additions to capital plant will be required to do the necessary building?
- c) How should construction organization be improved?

NRPB

FEDERAL
OPERATING AGENCIES

b. Development of Service Activities

Committee on Program Planning, Federal
Security Agency
Interdepartmental Committee - Office of
Defense Health & Welfare Services
Public Health Service

- 1) Health, Nutrition and Medical Care
 - a) What are minimum desirable standards for feeding and preserving the health of the population?
 - b) What extensions and improvements in public service are required to meet these standards?
- 2) Education, including all youth activities
 - a) What improvements are desirable in educational service?
 - b) How can we improve services generally needed by youth?
 - c) How can we improve youth training for productive activity in our society?
- 3) Recreation
 - a) What improvements are needed for the maintenance of an adequate recreational service?
- 4) Library
 - a) What improvements are needed for the maintenance of an adequate library service?
- 5) Cultural Activities
 - a) How should the government actively foster music, painting, and dramatic efforts?
- 6) Research
 - a) What steps are needed to improve research into physical and social aspects of our national activity?

Reeves & Hanna

NRPB

FEDERAL
OPERATING AGENCIES

- 7) Programming of Service Activities
 - a) Over what period of time are various service plans to be put into effect?

ii) Plans for Social Security

Relief Committee, Haber & Burns

Committee on Program Planning, Federal Security Agency
Subcommittee on Rural Welfare, Department of Agriculture

- a) Unemployment
 - 1) What improvements in coverage, compensation, and administration of unemployment insurance are desirable?
- b) Old Age Assistance
 - 1) How can we better provide for adequate security to all over working age?
- c) Family Allowances
 - 1) How should we insure that all families have income sufficient to maintain a tolerable minimum standard of living?
- d) Special Aids
 - 1) What additional services are required for dependent children, mothers, the blind, the physically handicapped?

FEDERAL
OPERATING AGENCIES

NRPB

National Resources Committees
Problems of a Changing Population

Bureau of the Census

- 5) Plans Affecting Labor Force
 - a) Internal Population Trends
 - 1) What will be the aggregate population of the United States over the next thirty years?
 - 2) How will this population be divided by sex and age groups?
 - 3) How will this population be divided into families and single individuals?
 - b) Labor Force
 - 1) How should the populations gainful workers be divided among industrial, service and agricultural occupations?
 - 2) What kinds of vocational training will be required to provide for effective utilization of our available labor force?
 - c) Migration Problems
 - 1) In the light of desirable utilization of labor force, what will be the populations division by urban, rural, non-farm and farm dwellers?
 - 2) What shifts will accordingly be required?
 - 3) Where will new occupational opportunities be located?
 - d) Immigration Problems
 - 1) Should immigration into the United States be encouraged in order to add to our productive resources?

Labor Relations

- 6) Plans for Financing and Fiscal Policy
 - a) The size of financial outlays
 - 1) What will be the prospective volume of investment required to maintain full employment?

Stabilization Section

Board of Governors of the Federal Reserve System

NRFB

FEDERAL
OPERATING AGENCIES

- 2) What will be the prospective capital requirements for private enterprise in peace-time production at full-employment levels?
- 3) What will be the required size of the complementary capital investment by government?

b) Government Revenue

- 1) What proportion of the required government outlay should be met by taxation and what by borrowing?
- 2) What special methods of financing, such as non-interest bearing notes, might be used?
- 3) What changes in the monetary system are desirable
- 4) How should the tax structure be altered to effectuate post-defense objectives?

c) Intergovernmental Fiscal Relations

- 1) Is duplication of tax sources among various levels of government inefficient and uneconomical?
- 2) How can such duplication be eliminated?
- 3) Should the federal government assume greater fiscal responsibility for state and local activities?

Department of Treasury, Board of Governors of the Federal Reserve System

Department of Treasury

Unity Administration

7) Plans for Regional, State and Local Participation

Regional Offices, Drainage Basin Committees, State and Local Planning Agencies

9 Regional Planning Committees, Department of Agriculture
12 Regional Representatives, Department of Commerce
Public Work Reserve

- a) Inventories of Regional and Area Resources and Liabilities.
- b) Consideration of Regional and Area Needs.
- c) Preparation of Regional and Area Plans.
- d) Application of National Plans to Regions and Areas.

FEDERAL
OPERATING AGENCIES

Department of State
Economic Defense Board

- 8) Plans for International Collaboration
- a) The role of the United States in promoting better world-wide utilization of resources and world advancement in living standards.
 - b) The repercussions of the United States trade, currency, lending, commodity stabilization, and other foreign policies upon domestic production and employment.
 - c) The influence of United States domestic programs for full employment upon world relations.

PSF: Post War Plans

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

October 10, 1943

MEMORANDUM FOR
THE HONORABLE STEPHEN EARLY,
FROM BRECKINRIDGE LONG.

My dear Steve:

The attached is self-explanatory. It consists of a letter to me from Judge Ewing Cockrell with the request that I forward the underlying to the President.

A copy was also enclosed and it is being sent to the Post-War Studies Committee in the Department.

B. Long



NATIONAL COUNCIL AND DIRECTORS

SANFORD BATES, Executive Director Boys Clubs of America; former Director U. S. Bureau of Prisons, President American Prison Association; Commissioner to International Prison Congresses
E. W. BURGESS, Professor Sociology University of Chicago; former President American Sociological Society
ARTHUR CAPPER, U. S. Senator; former Governor of Kansas
EWING COCKRELL (President); former prosecutor and judge circuit court of Missouri
JOHN W. DAVIS, former state and federal legislator, Solicitor General, President American Bar Association and Ambassador to Great Britain

JOHN DEWEY, Professor of Philosophy, Columbia University; former President American Psychological Society and American Philosophical Society
OSCAR HALLAM, former Justice Minnesota Supreme Court and Chairman Minnesota Crime Commission
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HOMER G. POWELL, Chief Justice Cleveland Court of Common Pleas; former prosecutor
AUGUST VOLLMER, Professor of Criminology, University of California, former President International Association of Chiefs of Police
MARY E. WOOLLEY, Chairman International Justice Commission of Churches of Christ; former President Mount Holyoke College; officer of schools in six countries

(Council and Directorate being enlarged)

UNITED STATES FEDERATION OF JUSTICE

(Incorporated as an educational body in the District of Columbia, 1928)

TO PROMOTE THE SUCCESSES OF LAW ADMINISTRATION

New York Office: 41 Park Row

Hotel Van Cortlandt,
142 West 49th Street,
October 6, 1943.

Honorable Breckinridge Long,
State Department;

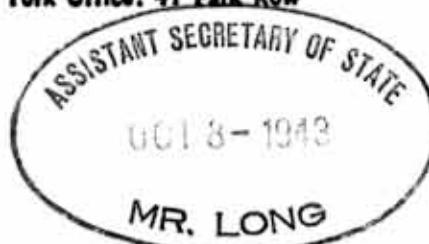
Dear Mr. Long:

I think enclosures may be such important matter that I am sending you copies for yourself and the originals which I trust you will get to the President. (Or if you think preferable, tell me how to send them so they will reach him). I hope to be in Washington soon and to have the opportunity to consult you about various steps involved in the enclosures.

With best wishes,

Yours sincerely,

Ewing Cockrell



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Telephone
Bryant 9-6410

TO PROMOTE THE SUCCESSES OF LAW ADMINISTRATION

New York Office: 41 Park Row

Hotel Van Cortlandt
142 West 49th Street,
October 6, 1943.

President Franklin D. Roosevelt,
The White House;

My dear Mr. President:

1. Enclosed compilation shows a support of immense value, never yet made public, for the basic peace measures or foundations of yourself and Secretary Hull. You will note specially (a) the unexpected and decisive support of them all by Senator Taft (I have his full speech sent me from his office), and (b) the fact that if carried out they should more than satisfy Russia's aims for a strong peace.

2. Enclosed tentative program for a first international force for peace does carry them out under conditions that apparently would be fully approved by the Senate and all United Nations governments. And it can be inaugurated by sole executive action.

Both these are to carry out the urgent wish in Secretary Hull's last year's address endorsed by you (July 23d) for "the development of an informed public opinion" on "fundamental postwar policies". They and a tentative program for general welfare organization are to be publicized as fully as possible and submitted to 1,000 American leaders for criticisms and suggestions and full reports thereof sent you and Secretary Hull and Congress.

In view of the coming conference at Moscow, I send these advance copies now to you and Secretary Hull and Assistant Secretary Long in the hope they may be of present service.

From the standpoint of intrinsic effectiveness for peace everything you are doing is working out admirably.

With good wishes,

Yours sincerely,

Ewing Cockrell

You may recall that I worked with Louis Howe in your pre-Convention campaign in Missouri in 1931-32, visited and reported on Senator Reed and Governors Woodring and Bryan of Kansas and Nebraska and sent you varied campaign material directly and through Frank Walsh.

①

AMERICAN LEADERS' TEN FOUNDATIONS FOR PEACE

1. Disarmament of Axis or aggressor nations
2. Police or force under international control to prevent war or aggression
3. Fair treatment of Axis peoples
4. A body or procedures to secure peaceful settlement of any international dispute
5. Victorious Allies to hold armaments and decrease them as they feel secured.
6. The peace to help bring more freedom to peoples
7. Mutual aid between nations, especially to the weak
8. International cooperation for betterment in all fields of human life
9. International organization on a wide and voluntary basis
10. Special postwar cooperation by the United States, Britain, Russia and China

Each of these is approved by from five to ten of the following leaders:

SENATOR AUSTIN, Assistant Senate Republican Leader	PRESIDENT ROOSEVELT
EX-PRESIDENT HOOVER, and	EX-GOVERNOR STASSEN
EX-AMBASSADOR GIBSON	SENATOR TAFT
SECRETARY HULL	VICE-PRESIDENT WALLACE
SUPREME COURT JUSTICE OWEN J. ROBERTS	WENDELL WILLKIE

They are approved (one or more) by these authorities:

Thirty-two United Nations	Ambassador Halifax
American people (Gallup poll)	President Carl J. Hambro, Norway Parliament
British people (Gallup poll)	Foreign Minister Trygve Lie, Norway
American Legion	Ex-Governor Alfred M. Landon
American Institute of Judaism	Ex-Governor Herbert H. Lehman
Senator Bell	Senator Lucas
Assistant Secretary of State Berle	Senator Maybank
President Benes, Czechoslovakia	Senator McClelland
Senator Burton	Vice-Premier Jan Mazaryk
British Federation of Industry	Minister of Home Security Herbert Morrison
British Labour Party	Supreme Court Justice Murphy
British Liberal Party	Ex-Senator Norris
Governor John W. Bricker, Ohio	Presbyterian General Assembly
Senator Bulow	Minister Walter Nash, New Zealand
Senator Byrd	Republican Postwar Advisory Council
Dr. Nicholas Murray Butler	Republican Postwar Policy Association
Archbishop of Canterbury	Premier Stalin
Catholic Association for International Peace - Committee Report	Foreign Minister T. V. Soong, China
Prime Minister Churchill	Sir Arthur Salter
Senator Connally	Earl Selborne, Minister of Economic Warfare
Sir Stafford Cripps, Lord Privy Seal	Viscount Simon, Lord Chancellor
Viscount Cranborne, Secretary of State for Dominion Affairs	Premier Jan Smuts, South Africa
Generalissimo Chiang Kai-shek	Prime Minister Sikorski, Poland
Governor Darden, Virginia	Maximilian Steenberge, Chairman of the Mission from the Netherlands
Governor Dewey, New York	Marian Seyda, Polish Minister of State
General De Gaulle	Senator Thomas, Utah
Foreign Secretary Eden	Senator Truman
Senator Hatch	Governor Warren, California
Senator Hill	Under-Secretary Welles
Supreme Court Justice Jackson	Queen Wilhelmina
Judge John C. Knox	Dr. Wang Chung Hui, Secretary General Chinese Supreme National Defense Council

① *Confidential*

Page 1.

AMERICAN LEADERSHIP FOR WORLD PEACE.

(Compilation by Ewing Cockrell.)

This is a compilation of ten foundations for postwar peace that are substantially approved by foremost American public leaders. They are taken from over six hundred statements of specific postwar peace measures made since the war began by over one hundred fifty United Nations governments and public and private leaders. These are distinctive features:

1. The American leaders differ among themselves in the whole range of foreign policy - from "internationalism" to "isolationism."
2. The ten foundations are also approved by many United Nations governments and leaders.
3. They constitute the greatest unity of American leadership on postwar peace in the past one hundred years of our history and its three wars.
4. These agreements are on more solid, practical foundations for peace than they were ever before in the world's history approved by governments and leaders of nations with such power to carry them out.
5. All these ten foundations have been successfully followed for one hundred fifty years by the American people.

They constitute a real peace policy, as distinguished from a total foreign policy. They do not attempt to cover trade, boundaries, colonies, governments, and all the other things on which nations may have dealings with each other. Thus limited to peace alone, these diverse leaders and all peoples, can agree on them.

6. By all these agreements we are actually winning the peace today - taking the first steps which must be taken and most of which were never before taken in world relations.

The ten peace foundations are:

Disarmament of Axis or aggressor nations;
Police or force under international control to prevent war or aggression;
Fair treatment of Axis peoples.
A body or procedures to secure peaceful settlement of international disputes.
Victorious Allies to hold armaments and decrease them as they feel secured;
The peace to help bring freedom to peoples;
Mutual aid between nations, especially to the weak (with gain to all);
International cooperation to promote betterments in all fields of human life;
International organization on a wide and voluntary basis;
Special postwar cooperation by the United States, Britain, Russia and China.

DISARMAMENT OF AXIS OR AGGRESSOR NATIONS.

1. VICE PRESIDENT WALLACE:
"Obviously the United Nations must first have machinery which can disarm and keep disarmed those parts of the world which would break the peace". (Washington Post, Dec. 29, 1942.)
2. EX-PRESIDENT HOOVER and former AMBASSADOR GIBSON:
"The first cure for militarism is to break up the military class or caste in Germany, Italy and Japan. Its descent and traditions must be interrupted and destroyed. And the only way to achieve this is by complete disarmament." (Collier's, June 19, 1943.)
3. SENATOR TAFT:
"During the transition period the world will be dominated by the United Nations. The Axis nations will be completely disarmed and subjected to every penalty which seems wise and effective." (Speech at Grove City College, May 22, 1943.)
4. SENATE REPUBLICAN ASSISTANT LEADER AUSTIN:
"We intend that the Germans, Italians and Japanese shall be liquidated by disbandment and be prevented from reviving by the annihilation of the facilities for the production of weapons of war." (Congressional Record 1943, page 5497.)
5. PRESIDENT ROOSEVELT:
For "the disarmament of "nations which threaten, or may threaten, aggression outside of their frontiers." (In the Atlantic Charter).
6. GOVERNOR STASSEN:
"To these temporary governments, under United Nations' supervision, would fall the task of disarming the Axis nations, maintaining order within them and seeing to it that their criminal leaders were brought to punishment." (Saturday Evening Post, May 22, 1943.)

APPROVED IN SUBSTANCE ALSO BY:

Governments of 31 United Nations
Under Secretary Welles
Secretary Knox
Senator George W. Norris
Senator Lucas
Senator Ball
Senator Elbert D. Thomas (Utah)
Ex-Governor Alfred M. Landon
Prime Minister Churchill
Foreign Secretary Eden
President Eduard Benes, Czecho-Slovakia
Premier Sikorski, Poland
American Institute of Judaism
Herbert Morrison, Minister of Home
Security

Viscount Cranborne, Secretary of
State for Dominion Affairs
Earl Selborne, Minister of Economic
Warfare
Lord Van Sittart, former Under
Secretary of Foreign Affairs
Prof. Friedrich W. Foerster, former
German Minister to Switzerland
Albert C. Crzesinski, former Prussian
Minister of the Interior
American Legion
Republican Postwar Advisory Council
Republican Postwar Policy
Association

POLICE OR FORCE UNDER INTERNATIONAL CONTROL TO PREVENT WAR OR AGGRESSION.

SENATOR TAFT:

"Undoubtedly the Axis nations must be policed, and they must be policed either by the national armies, or perhaps by a special police force representing all the United Nations." (Speech at Grove City College, May 22, 1943.)

PRESIDENT ROOSEVELT:

"A security commission made up of Russia, Britain and the United States might well police the peace of Europe during the transition period until the political reorganization of the Continent is completed. A similar commission including China could do the same for Asia."

(As reported by Forrest Davis, Saturday Evening Post, April 10, 1943.)

EX-PRESIDENT HOOVER and former AMBASSADOR GIBSON:

"A comparatively small air force in the hands of the Trustees of Peace with appropriate bases could in a disarmed world preserve order and prevent aggression."

(Colliers, June 19, 1943.)

VICE PRESIDENT WALLACE:

"Obviously the United Nations must have machinery which can disarm and keep disarmed those parts of the world which would break the peace."

(Washington Post, Dec. 29, 1942.)

SECRETARY HULL:

"...the United Nations must exercise surveillance over aggressor nations until such time as the latter demonstrate their willingness and ability to live at peace with other nations." (N.Y. Times, July 24, 1942.)

GOVERNOR STASSEN:

"To be effective, a United Nations police will consist of modern air, naval and land units. It can be manned by volunteers on a quota basis from the members of the United Nations." (Saturday Evening Post, May 22, 1943.)

WENDELL WILLKIE:

For "the Malayan Peninsula and the islands of the Southwest Pacific", to "be wards of the United Nations, their basic commodities made freely available to the world, their safety protected by an international police force;"

(New York Herald-Tribune, Nov. 22, 1942)

SENATOR AUSTIN:

Favors separate military forces but employed by the international "council" of the United Nations.

For "supreme military power in the United Nations...such employment of separate forces as the United Nations now use jointly."

(Congressional Record, June 7, 1943, p.5496-7)

OTHER SUPPORTING AUTHORITIES AND LEADERS.

The most striking support was the vote in the Congress of the United States. It passed a Resolution signed by President Taft June 14, 1910, appointing a Commission --

"to consider constituting the combined navies of the world an international force for the preservation of universal peace."

This was passed by unanimous vote, not a Democrat or Republican voting against it. (It was submitted to the nations but opposed by Germany.)

Recent expressions have been assembled from the following:

American People (Gallup Poll)	Republican Post-War Policy Assn.
British People (Gallup Poll)	Prime Minister Churchill
Senator Ball	British Labour Party
Senator Burton	Federation of British Industries
Senator Connally	British Liberal Party
Senator Hatch	Foreign Secretary Anthony Eden
Senator Hill	Sir Stafford Cripps
Senator Guffey	Viscount Cranborne, Secretary of
Senator Lucas	State for Dominion Affairs
Senator Maybank	Premier Sikorski, Poland
Senator McClelland	Foreign Minister T. V. Soong
Senator Thomas (Utah)	Carl J. Hambro, President Norwegian
Senator Truman	Parliament
Under-Secretary Welles	Marian Seyda, Polish Minister of State
Ex-Gov. Alfred M. Landon	Ex-Spanish Minister Salvador de
Judge John C. Knox, Senior Judge	Madariaga
U.S. District Court in New York City	Andre Istel, former advisor to Reynaud
Ambassador John G. Winant	Ministry
Governor Darden of Virginia	American Legion
Governor Dewey	Governor Earl Warren

FAIR TREATMENT OF AXIS PEOPLES.

PRESIDENT ROOSEVELT:

For "the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity." (Atlantic Charter.)

SENATOR TAFT:

"We must assure to each one of these nations (European) and groups of nations the raw materials which they require to feed their people and develop their industrial life. We must secure to each an outlet for sufficient PRODUCTS at least to pay for those raw materials." (Speech at Grove City College, May 22, 1943.)

EX-PRESIDENT HOOVER and former AMBASSADOR GIBSON:

"Proposals forcibly to dismember Germany are a folly that would add only to the economic and political balkanizing of Europe.

"We cannot have both revenge and peace. We must make such a setting as will give the decent elements in Axis peoples a chance to lead their comrades on to the paths of peace." (Colliers, June 19, 1943.)

VICE PRESIDENT WALLACE:

"The next peace must give the defeated aggressor nations the opportunity to buy raw materials and sell manufactured goods without discrimination as long as they do not produce offensive weapons and engage in economic and psychological warfare or treat their labor unfairly." (N. Y. Times, April 9, 1941.)

JUSTICE ROBERTS:

Approves, "The combination for the Axis peoples of both force, when needed, and friendship." (Written statement, April 7, 1943.)

GOVERNOR STASSEN:

"Certainly the prospects for less anarchy and more orderly progress after this war depend, in some considerable measure, upon the treatment meted out to our defeated enemies.... There is and there will be hate. But it is not too soon to make it plain that hate is not the answer to our problems; that by using it we can neither destroy anarchy nor build a better order." (Saturday Evening Post, May 22, 1943.)

ALSO APPROVED IN SUBSTANCE BY:

Governments of 31 United Nations (Atlantic Charter)

Senator Norris

Under Secretary Welles

Prime Minister Churchill

Premier Stalin

Queen Wilhelmina

Vice Premier Jan Masaryk

British Labour Party

Ambassador Halifax

Baron Van Sittart

Archbishop of Canterbury

Lord Nathan

Halvdan Koht, former Foreign
Minister of Norway

Judge Knox

Justice Murphy

VICTORIOUS ALLIES TO HOLD ARMAMENTS AND DECREASE THEM AS THEY FEEL SECURED.

SENATOR TAFT:

"Our people will not agree to disband their Army and Navy, or reduce them to impotency. I feel equally confident that England has no such intention and that Stalin has no such intention." (Speech at Grove City College, May 22, 1943.)

WENDELL WILLKIE:

For "our country" ... to "retain adequate military, aeronautical and naval strength to implement and, if necessary, protect and enforce, its foreign policy." (N. Y. Times, August 13, 1943.)

GOVERNOR STASSEN:

"It is beyond argument that for many, many years, the individual United Nations, including the United States of America, must and will maintain strong armaments of their own. They will serve a double purpose - to back up the United Nations legions, if necessary, and to serve as a safeguard against a breakdown or perversion of the government of the United Nations of the World." (Saturday Evening Post, May 22, 1943.)

EX-PRESIDENT HOOVER and former AMBASSADOR GIBSON:

"...if the realistic experience of former world wars is any criterion, even without definite organizations, the victorious powers will with military means dominate the world for so long as their interests do not clash. They will need to do so at least during a period of political and economic recuperation." ("The Problems of Lasting Peace", p. 263.)

JUSTICE ROBERTS:

Approves, "No requirement that Britain, Russia, United States or China disarm until each feels satisfied it is protected against future aggression." (Written statement, April 7, 1943.)

ALSO APPROVED IN SUBSTANCE BY:

Justice Jackson

Prime Minister Churchill

Secretary Jesse H. Jones

Lord Halifax

Senator Norris

Republican Postwar Advisory Council

Senator Ball

American Legion

Judge John C. Knox

A BODY OR PROCEDURES TO SECURE PEACEFUL SETTLEMENT OF ANY INTERNATIONAL DISPUTES.

JUSTICE ROBERTS:

Approves "An international tribunal to prescribe, when needed, such peaceful procedures for the settlement of disputes as will prevent war or aggression." (Written statement, April 7, 1943.)

SENATOR TAFT:

Goes beyond the dispute and approves specific use of force by the United States after an international body has decided there is aggression resulting from a dispute. Thus:

"...I believe that within carefully-defined limits we should be willing to take an active part in maintaining peace. Insofar as Europe is concerned, I believe that obligation should be a secondary obligation after the Council of Europe has made every possible effort and failed. In America and the Far East we might assume a much more direct interest, and prompt American action in those areas, when the proposed League of Nations has found some nation to be an aggressor, may well prevent the development of a world war." "I see no less of sovereignty in a treaty binding us to send our armed forces abroad, on the finding of an international body." (Speech at Grove City College, May 22, 1943.)

PRESIDENT ROOSEVELT:

"A sort of master commission, with each region represented, might sit permanently as an executive council on problems of friction between nations that might lead to war." (As reported by Forrest Davis, Saturday Evening Post, April 10, 1943.)

SECRETARY HULL:

"It is plain that one of the institutions which must be established and be given vitality is an international court of justice." (N. Y. Times, July 24, 1942.)

EX-PRESIDENT HOOVER and former AMBASSADOR GIBSON:

"It (a 'world institution') should be authorized to take cognizance of controversies and seek to bring about the peaceful settlement of them."

"It might well be considered that there should be one agency solely to apply pacific means to controversies and to have no powers of force. Upon the failure of pacific settlement, there might be a second agency to step in and apply the force." (Colliers, June 26, 1943.)

GOVERNOR STASSEN:

"Finally, a world code of justice is essential in an orderly world. A United Nations court should be established to administer this code, its members named by the supreme courts of the various nations." (Saturday Evening Post, May 22, 1943.)

VICE PRESIDENT WALLACE:

"Probably there will have to be an international court to make decisions in case of dispute." (Washington Post, Dec. 29, 1942.)

SENATOR AUSTIN:

"...there must be international organization for strategic security comprising council, court and military power."

"...judgments involving peace should be referred to the council in whom the power is vested to order out the military."

(Congressional Record, June 7, 1943, pp.5496-97.)

APPROVED IN SUBSTANCE ALSO BY:

Justice Jackson	Secretary Welles
Senator Ball	Judge Knox
Senator Burton	Prime Minister Churchill
Senator Hatch	Viscount Simon, Lord Chancellor
Senator Hill	Republican Post-War Policy Association
Senator Guffey	British Liberal Party
Senator Maybank	Dr. Wang Chung-hui, former judge of Permanent Court of Inter- national Justice
Senator McClelland	
Senator Truman	
Senator Thomas	

THE PEACE TO HELP BRING MORE FREEDOM TO PEOPLES.

SENATOR TAFT:

"If we prevail in the war, it is undoubtedly true that the principles FOR WHICH WE STAND WILL BE STRONGER THROUGHOUT THE WORLD. The world will have to be made over in any event and we can certainly establish a system of which liberty is the cornerstone in every country where we have the power to do it and the people appear to want it."

(Speech at Grove City College, May 22, 1943.)

SECRETARY HULL:

For "the full measure of our influence to support attainment of freedom by all peoples who by their acts show themselves worthy of it and ready for it."

(New York Times, July 24, 1942.)

VICE PRESIDENT WALLACE:

"The people are on the march toward even fuller freedom than the most fortunate peoples of the earth have hitherto enjoyed." (Congressional Record, May 11, 1941, P. 1823.)

PRESIDENT ROOSEVELT:

..."respect(s) the right of all peoples to choose the form of government under which they will live." (Atlantic Charter)

WENDELL WILLKIE:

Declared in Chungking that "he expected to dedicate his life to urging a postwar world, "where all men can be free and with governments of their own choosing." (Associated Press account, Washington Evening Star, Oct. 7, 1942.)

EX-PRESIDENT HOOVER and former AMBASSADOR GIBSON:

Favor freedom for India, Burma, Indo-China, Malay States and Dutch Indies. ("The Problems of Lasting Peace", p. 229.)

APPROVED IN SUBSTANCE ALSO BY:

Governments of 31 United Nations
(Atlantic Charter)

Under Secretary Welles

Senate Majority Leader Barkley

Governor Lehman

Senator Burton

Governor Dewey

Justice Murphy

Senator Thomas of Utah

MUTUAL AID BETWEEN NATIONS, ESPECIALLY TO THE WEAK.

PRESIDENT ROOSEVELT:

In the Atlantic Charter: "They desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic advancement and social security."

SENATOR TAFT:

"We can help a people to help itself, and we ought to do so by reasonable trade arrangements and by assisting countries which wish to improve their industry, commerce and agriculture."

(Speech at Grove City College, May 22, 1943.)

GOVERNOR STASSEN:

"Neither is it right that we play Santa Claus to other nations. But it is sound that we help other nations to help themselves."

(Saturday Evening Post, May 22, 1943.)

VICE PRESIDENT WALLACE:

"Older nations will have the privilege to help younger nations get started on the path to industrialization, but there must be neither military nor economic imperialism."

(Congressional Record, May 11, 1941, p. A1824.)

SECRETARY HULL:

For "machinery through which capital may - for the development of the world's resources and for the stabilization of economic activity - move on equitable terms from financially stronger to financially weaker countries."

(New York Times, July 24, 1942.)

JUSTICE ROBERTS:

Favors "mutual aid between the members of the (international postwar) organization."

(Written statement, April 7, 1943.)

APPROVED IN SUBSTANCE ALSO BY:

Thirty One United Nations Governments
(Atlantic Charter)

Arthur Greenwood, Labour Leader

Senate Majority Leader Barkley

Sir Stafford Cripps

Secretary Knox

Prime Minister Smuts

Asst. Secretary of State A. A. Berle, Jr.

General De Gaulle

Justice Murphy

Julius Deutsch, former Austrian
War Minister

Judge John C Knox

Governor Dewey

Premier Stalin

Republican Post-War Policy
Association

Foreign Secretary Eden

INTERNATIONAL COOPERATION TO PROMOTE BETTERMENTS IN ALL FIELDS OF HUMAN LIFE.

PRESIDENT ROOSEVELT:

"With victory assured, our foreign policy must be focused upon finding the most effective means of enriching our lives - spiritually, morally and materially - through all the ways in which international relationships contribute to this end."
(N. Y. Times, Oct. 4, 1942.)

SENATOR TAFT, speaking about the Four Freedoms, particularly from fear and want:

"I don't believe that we went to war in order to assure these freedoms to every nation in the world, but certainly if they can be established as a result of the war, we wish to attain them."
(Grove City College Address, May 22, 1943.)

SECRETARY HULL: looks forward to a peace after which

"The nations of the world will then be able to go forward in the manner of their own choosing in all avenues of human betterment more completely than they have ever been able to do in the past."
(N. Y. Times, July 24, 1942.)

SENATOR AUSTIN:

"I believe we have reason for the hope that is in us that beyond this horizon there may extend a broader vision illumined by more enobling causes for harmonious joint progress with endless possibilities."
(Congressional Record, June 7, 1943, p. 5496.)

JUSTICE ROBERTS:

Approves "international organization to promote advances in all fields of human life."
(Written statement, April 7, 1943.)

WENDELL WILLKIE:

"We seek to break down the economic barriers of the world so that the peoples of the world may live richer lives." (N. Y. Times, July 30, 1942.)

VICE PRESIDENT WALLACE:

"International organization can build permanent peace only by serving continually the needs of the common man everywhere for jobs, opportunity, health and security."
(N. Y. Times, September 12, 1943.)

APPROVED IN SUBSTANCE ALSO BY:

Thirty One governments of the United Nations
(In Atlantic Charter)

Jan Van Den Tempel, Netherlands
Minister of Social Affairs

Senate Majority Leader Barkley

Paul Leon Steenberge, Chairman
of the Mission from The
Netherlands

Gov. John W. Bricker, Ohio

Ambassador Halifax

Wang Chung Hui, Secretary
General Supreme National
Defense Council of China

Lord Privy Seal, Sir Stafford Cripps

Walter Nash, Minister from New Zealand

INTERNATIONAL COOPERATION ON A WIDE AND VOLUNTARY BASIS:

SENATOR TAFT:

"I supported the League of Nations in 1920....."

"In my opinion, international cooperation must be worked out along the same general lines suggested in the League of Nations."

(Grove City address, May 22, 1943.)

(Note: The League was open to every nation and action in it was by the voluntary vote of every nation.)

EX-PRESIDENT HOOVER and former AMBASSADOR GIBSON:

"Our belief is that.... the method of representation will approximate that of the League."
(Colliers, June 23, 1943.)

SECRETARY HULL:

"There must be international cooperative action to set up the mechanisms which can thus insure peace.".....

"Participation by all nations in such measures would be for each its CONTRIBUTION toward its own future security and safety from outside attack."
(N. Y. Times July 24, 1942.)

PRESIDENT ROOSEVELT:

"He hopes that the war time alliance known as the United Nations may be developed into a society of free states, less ambitious and constraining than the League of Nations, but organic and capable of growth."

"... the President looks with favor on the model furnished by the inter-American system; flexible, representing no blanket surrender of sovereignty (As reported by Forrest Davis, Saturday Evening Post, April 14, 1943.)

SENATOR AUSTIN:

Approves an organization "open to all willing to collaborate to the development of a code of world conduct." (Congressional Record, June 7, 1943, p. 5496)

JUSTICE ROBERTS:

Approves "wide voluntary basis of international cooperation for economic and other activities." (Written statement, April 7, 1943.)

APPROVED IN SUBSTANCE ALSO BY:

Viscount Simon

Foreign Minister Trygvie Lie,
Norway

Ambassador Halifax

British Commonwealth and nine
European Governments

Marshal Stalin

Judge John C. Knox

Generalissimo Chiang Kai-shek

Prime Minister Sikorski

Gov. Earl Warren

SPECIAL POSTWAR COOPERATION BY UNITED STATES, BRITAIN, RUSSIA AND CHINA.

SENATOR AUSTIN:

"China, Russia, Britain and the United States ought to lead off" for "a more perfect union of the United Nations".

(Congressional Record, June 7, 1943, p 5496)

SENATOR TAFT:

"..the maintenance of peace in any event depends upon the continued cooperation of the great powers. ... We must under any plan rely on the continued desire of these nations to maintain peace by carrying out the covenants into which they have solemnly entered."

(Grove City College speech, May 22, 1943.)

PRESIDENT ROOSEVELT:

"A security commission made up of Russia, Britain and the United States might well police the peace of Europe during the transition period.... A similar commission including China could do the same for Asia." (S.E.Post, April 10, 1943; as reported by Forrest Davis.)

EX-PRESIDENT HOOVER and AMBASSADOR GIBSON:

Favor "a few of the leading United Nations" "be constituted Trustees of Peace". This will be an "obligation" to them and "a right by virtue of their major sacrifice and their strength to maintain peace."

(Colliers, June 12, 1943.)

WENDELL WILLKIE:

Says, "we are beginning to work with the British.... But we must learn equally well to work with the Russians and Chinese."

(N. Y. Herald Tribune, Nov. 22, 1942.)

VICE PRESIDENT WALLACE:

"Along with Britain, Russia and China our nation will exert a tremendous economic and moral persuasion in the peace". (N. Y. Times July 26, 1943)

"..the United States and Russia must be in accord as to the fundamentals of an enduring peace".

(N. Y. Times Nov. 9, 1942.)

APPROVED IN SUBSTANCE ALSO BY:

Senator Burton
Senator Bulow
Senator Byrd
Senator Connally
Prime Minister Churchill
Secretary Eden
Ambassador Halifax
Sir Stafford Cripps
Senator Hatch
Vice Premier Jan Masaryk
Minister of Home Security Herbert Morrison

Ex-Senator James Pope
Earl of Selborne, Minister of
Economic Warfare
Premier Stalin
Dr. Wang Chung-hui, Secretary General
Supreme National Chinese Defense
Council
Joseph E. Davies, former Ambassador
to Russia
Republican Post-War Policy Association

What the ten foundations can lead to, if efficiently carried out.

Complete disarmament of the Axis nations, maintained by a police force under control of the United Nations, with the four big powers specially cooperating and retaining arms as each desires.

No more fear of Germany. No need for protection against her of particular boundaries or federations or any other alliances. No need for armies to keep her at peace. Or for her dismemberment or repression. The military in all these countries utterly abolished. Prussia and the Junkers and all other groups helpless ever to make war. All this by a force under the control of the four special cooperators and others.

If this force is kept within each enemy country it could quickly catch and punish the individual officials or others who broke peace terms. No army need ever march in. There could be wiped out the age-old tragedy of millions of innocent people killed in unwanted wars brought on by their rulers.

No economic sanctions ever necessary - hurting both sides and especially the innocent and the poor.

With all their enemies permanently disarmed, all the present subjugated and neutral nations of Europe could profitably put their forces into the international police and rely on it for protection. This could encourage the four special states and all others to disarm more and more till the world came to be as the United States and Canada.

Fair treatment of enemy peoples.

No great armaments for them to build, no armies to support, no loss by millions of men of years spent in military training.

Allowed to buy all the things they need as cheaply as their conquerors. Yet, they could rightly be made to repay as fully as possible the damage they have done.

More freedom; mutual aid and gains therefrom; betterments in all human life.

These are deliberate aims to profit by the war. To gain more good for both body and soul than ever before. To compulsion on the aggressors to keep the peace, they add encouragement to them and all peoples to keep it voluntarily.

Fair, peaceful settlement of all disputes.

This one foundation alone, together with the force to back up the settlement, could maintain peace. For every war, even by every aggressor, is based on some claim, good or bad, which is resisted.

International Cooperation wide and voluntary.

All these things to be done by all nations that want to do them and by none that does not. Leads to whatever kind of international organization they want, and to do whatever they want. Includes a world union if each nation in it so agreed. Or only the feeblest cooperation. Apparently the only foundation for an international organization that the leading nations would approve.

2

TENTATIVE PROGRAM
for
A FIRST INTERNATIONAL FORCE FOR PEACE.

This outlines a tentative program for a first international organization to supply force to maintain peace.

It is not a new invention. It applies to future peace measures each of which has been of proved success, if and when used. But were never all used at once in world relations. It seems to meet the many objections to such a force.

Organization Features.

It appears to have these preliminary features. They can be verified by comparisons with the outline that follows.

Is based on peace measures that are already approved by leading United Nations governments and leaders and by American leaders of all political parties and groups.

Requires no world or regional government, league, confederation or alliances to carry it out. Yet fits in with any of these.

Does not dominate the United States nor compel any action by it.

Creates no legal obligations on the United States to other nations and involves us in no disputes with other nations.

Collects its own revenues. No expense to the United States unless we want to assume it.

OUTLINE OF ORGANIZATION AND PROGRAM.

1. A compact Council to be formed by the United States, Britain, Russia and China as special supporting States and by other friendly cooperating nations.

2. Each member of it to have special ability and determination to maintain peace against all conflicting interests. To be approved for such qualities by all the Cooperators.

3. With the approval of the Cooperators, the Council to control and recruit from them ample police forces, ships and planes to maintain disarmament and peace in the Axis countries and associates.

4. The Council to maintain peace by a strong friendly police force permanently within such country and by abundant reserves.

5. For any attempt at rearmament, other war preparation or peace violation of any kind this force promptly punishes the individual officials or others who are guilty - never innocent people.

6. The same force also aids the people by all relief, economic and social measures possible .

7. It enlists and rewards full cooperation of peace loving natives in all its activities. The Council may well be called an International Peace Council and its force in each country a "Peace Force" named for the country; e.g., the "German Peace Force".

8. The four supporting States to retain armaments as each deems best or as they agree, and decrease them as they feel their security is assured by the Council or any other international organization or cooperation.

9. The Council and any Cooperators that so wish to favor other States putting their armed forces in those of the Council and joining in their control through approved Council members. States that do this to receive from the Council and all its forces full protection against war or aggression. The Council is similarly

to protect the Axis and associate States against any States that do not this disarm.

10. The Council to collect fund for its operation in the countries where it maintains Peace Forces or which depend on it for protection.

11. The four supporting States and others to make agreements or any organization they approve to promote peace and general welfare among themselves. In these agreements or organization the Council may act as the peace enforcing agency if the supporting States and other Cooperators so agree.

12. Additional. The Cooperators to establish a very able and impartial bodyar procedures to secure peaceful settlement of any dispute about maintenance of peace by the Council. The Council also to enforce the decisions of that body in any other dispute where the Cooperators have agreed for it to do so.

The decisive features above are the combination of:

1. An organization that is only a first international force for peace. It does not attempt to police the world but only the enemy nations and others that desire its protection.
2. Permanent disarmament of enemy nations.
3. Quick punishment of individual violators of peace terms .
4. An international Force both powerful and friendly to maintain peace.
5. That Force under a Peace Council selected by the victorious nations.
6. Victors meanwhile remaining armed, as they see fit.
7. Strong inducements to other(European)nations to disarm.

Some results from this combination seem clear. As follows:

Requires a police force far smaller than that of any one of the four supporting States and yet overwhelmingly big enough to maintain peace where it is most needed.

Instead of taking away powers from the United States and other three supporting nations it adds to them. The Peace Council and their armies make a double force for peace.

Concentrates on peace and secures it independently of questions of boundaries, minorities, trade, colonies and forms of government. Yet promotes settlement of all such questions. These are for separate agreements between the nations. The Peace Council enforces the peace that enables these agreements to be carried out.

Does not try to force the United States, Britain, Russia and China to keep the peace between themselves. Nor the Americas. But helps to make it easy for them to do so safely and profitably.

It can be started any time by any of the Allies without any treaties or "peace conference". Can begin at once as a part of the Allied military occupying forces in any enemy country. (And has already so begun.)

CHARACTERISTIC FEATURES AS A POLICE FORCE.

Comparisons show the correspondence to a real police force all the way through, - with some of its common-sense advantages.

The Peace Council selected by the cooperating nations is like a City Board of Police Commissioners elected by the people or appointed by an elected mayor.

In only enforcing peace terms, not making them, it is like police not trying to act as a legislature or city council to make the laws it enforces.

In policing the enemy nations first it is like a city police force which concentrates on the known worst criminals and their district. It is an international cop on the world's worst beat.

Complete disarmament of the enemy does away with all "limited armaments" to international criminals. Police don't let gangsters have a limited number of tommy guns.

Punishment of individual peace breakers is like police arresting a criminal but not his innocent wife and children.

The Peace Force within a country is like a police force in a city. They don't have a camp outside or stay at the state capitol and march in to arrest criminals.

Enlisting natives is like the many churches, social and civic organizations and great body of citizens who oppose crime and criminals.

The friendly services of a Peace Force are like those of police who do everything from rescuing an imprisoned alley cat to furnishing Christmas celebrations and hundreds of gifts to poor children.

The four separate States retaining arms are like States having a National Guard in reserve if the police fail or need more forces.

The Council collecting its need revenues is like Uncle Sam doing so to pay the F.B. I. Not forty eight States quarreling over their payments for it.

6

ITS AMERICAN SUCCESSES REMEDY LEAGUE OF NATIONS' FAILURES.

Basic measures for peace in this Program were never in the League or other world organization. Yet the American people have used them successfully under their Constitution for a hundred fifty years. Here are some of them:

1. Peace Council members strong, able peace enforcers. They must be approved as such by every cooperating nation. Overcomes the League defect where trading diplomats broke their agreements and let the Japanese take Manchuria, Mussolini take ^{Ethiopia} and Hitler the demilitarized Rhineland. And let this war follow.

The United States has its peace forces of courts and police specially picked for their jobs. Not involved like diplomats in bargaining on tariffs, boundaries, concessions, debt collections and everything else.

2. The Peace Council with its own armed forces. The League had none. Its members had ample. But before they could use them collectively they first had to act separately to do so. And they failed collectively and separately.

The United States has its own federal army that protects the States against each other and against all other nations.

3. The Peace Council largely self-sustaining. (Entirely so, if desired.)

Under the League and under our Articles of Confederation before the Constitution, federal revenues came only from the States acting separately. In both organizations many States were behind in their payments.

Under the Constitution the United States collects its needed expenses directly. The Peace Council would do the same but only in the States where its services were most needed or helpful.

4. Punishment of individual peace violators. The League had no way to ^{members} stop the Japanese, Hitler and Mussolini except by invasion or economic sanctions. Invasion was war itself and they shrank from it. Until too late. Economic sanctions were finally used against Italy, but too little and too late.

This is all remedied by the internal Peace Force in each enemy (or other) country that seizes the guilty individual international criminal as easily as a domestic one.

In the United States, if a man breaks a federal law, the U.S.Army doesn't invade his State or arrest its Governor. Nor blockade the State and starve its people. The proper federal police get the criminal and him only.

The German Peace Force, with its constant nation-wide inspection, could quickly catch a Hitlerite who concealed arms or made new ones or drilled in secret or said or wrote anything advocating these things.

This individual punishment can start literally a new era in the world's history- the abolition of the age-old tragedy of millions of innocents killed in unwanted wars brought on by their rulers.

5. Friendship for Axis peoples instead of repression. . After the last war the Allies treatment of the Germans began with social arrogance to their envoys at Versailles and extended to economic repression of the whole nation. All to become poisons used by Hitler on his people. Rightly managed, the Council and its forces could become a favor to the Axis States and friends to their peoples. Thus:

(a) The Peace Forces would become more and more made up of trusted, peace-loving natives (yet always under control of the Council or other international body) and the people will come to see it as their police force not an alien one.

(b) They will realize its protection against other nations.

(c) The men will be relieved of all military service and its losses to them and their families.

(d) All citizens will be relieved of armament taxes, except their small share for the Peace Force.

(e) In its relief and other reconstruction and social work the

Peace Force can become personal friends to many - who most need friends.

In all these friendly activities the Peace Force would be following American ideals and American practices. (Just as they are being followed now by Americans in Sicily and Italy.)

6. Provisions for peaceful settlement of any international dispute.

What these provisions shall be make another subject, but they are essential.

The "World Court" created by the League members has power to hear only "legal" disputes that both parties voluntarily bring to it. No judicial body yet created is authorized to decide the "political" and other disputes that led to the last war or this one.

The United States has a Supreme Court which fully and successfully settles peacefully every dispute of every nature between different States or their citizens. While such a fixed international court with such power may not now be practicable or best, it does appear to be feasible to establish a body or procedures which, in varying ways approved by each nation, will follow this basic practice of settling every kind of dispute. (The "Bryan" treaties are already a first and long step to that end.)

SOLUTIONS OF POLITICAL AND ECONOMIC PROBLEMS.

The Program avoids need for any particular boundaries for future defense by Russia, Poland, Czechoslovakia, France, the Low Countries or any other State. Or for regional alliances. Or for prohibition of them. Europe could gradually become as the United States and Canada and Mexico with thousands of miles of unfortified borders between them.

There will be no need for forcible dismemberment of Germany. Or her economic repression. She has been a wild horse wrecking Europe where she ran. Instead of putting her in a stockade and starving her, she can be harnessed and put to work to rebuild the ruins she has wrought. And do this at any works the Allies think best for themselves or the world.

STEPS TOWARDS MORE DISARMAMENT.

The Program capitalizes on the situation at the end of the war that never before existed in Europe's modern history. That is that all Europe will be disarmed except the few neutral nations with their small forces and Britain and Russia. The following are parts of the Program that tend to maintain this disarmament and increase it- instead of going back to the old ways of arms and war.

1. Keeping the Axis disarmed means protecting their peace-loving peoples from future governments getting them into war. Encourages other peace-loving peoples to disarm and receive the same protection from the Peace Council.

2. The Allies and Council would hardly, in any event, leave the disarmed Axis peoples helpless against armed neighbors. They could readily protect them by keeping on hand troops, planes and ships strategically located and overwhelmingly stronger than those of the neighbors. Instead of standing in the path of such a war juggernaut a subjugated or neutral State in Europe would find it safer and cheaper if it also joined in disarmament and joint protection through the Council and all its forces. This inducement would be additional to any others from the Allies.

The above means less chances of war involving either the little or big nations of Europe, more safety from war to all other nations, more disarmament by them and more disarmament by the four supporting States.

11

THE PROGRAM ALREADY STARTED.

Possibly the most significant thing about this program is that it is already being put into effect. This in Sicily and Italy. The following are some of its features.

1. The Allied Military Government there includes a police force. The head of it is the equivalent of a chief of a Peace Force under this program.
2. Its members are international - Americans, British and others.
3. They are now doing substantially everything Peace Forces would do. Their first day in Salerno they or their associates caught and tried counterfeiters of American money and looters, unloaded a shipload of wheat and started mills to grind it into flour, got a drug store opened and an Italian English newspaper started. These only samples of ^{a day's} policing and befriending the City's people.
4. They enlisted peace-loving native forces of all kinds, including Italian police, the Carabinieri.
5. The United States and Britain have already become two of the four special cooperating States. Churchill reported at the Quebec meeting that they had a Combined Chiefs of Staff Committee which worked as a unit. Which for these two nations is like the Peace Council in its higher control of Peace Forces.
6. London reports there is now the Allied or Italian "Armistice Commission" which the French have been invited to join - more international police. They carry out the Armistice terms.
7. Russia has become one of the three special cooperating States in Europe. This now for the Mediterranean area. She joined in the terms of the Italian armistice- which, it is reported, was signed in her behalf by General Eisenhower.

12

APPROVAL OF PROGRAM PROVISIONS BY UNITED NATIONS GOVERNMENTS AND LEADERS.

Over 600 statements on specific peace provisions have been collected from over 150 United Nations governments and their public and private leaders. Their strongest approval is given to a few measures with relatively little contradiction. The following are some of these measures or policies in this Program.

Six basic measures substantially approved by American public leaders who range in the public eye from extreme "internationalism" to "isolationism".

These measures are:

1. Disarmament of Axis or aggressor nations;
2. Police or force under international control;
3. Victors retain arms as they deem best;
4. Fair treatment of enemy peoples;
5. Body or procedures to secure peaceful settlement of disputes;
6. Special postwar cooperation by United States, Britain, Russia and China.

All six of these have been approved in expressions by Senator Taft and Ex-President Hoover and Ambassador Gibson, three to five of them by Vice President Wallace, Governor Stassen, President Roosevelt, Secretary Hull, Justice Roberts and Senate Assistant Republican Leader Austin.

Disarmament and fair treatment of Axis nations approved by the thirty two United Nations governments (besides President Roosevelt) and an international police force by the American and British peoples in Gallup polls.

In addition to the same leaders above, the following (and many others) have approved in varying numbers these same six measures and also the three provisions in the

program for ⁽¹⁾strong men to maintain peace, ⁽²⁾they to punish ^{individual}only/guilty peace breakers and ⁽³⁾be largely self-sustaining: Wendell Willkie, Governor Dewey, Ex-Governor Landon, numbers of Senators, ex-Senator Norris, Dr. Nicholas Murray Butler; also Churchill, Stalin and government leaders of China, Czecho-Slovakia, Poland, Norway, Netherlands, and former government leaders of Germany, Austria and Italy; also American and foreign private leaders and organizations in education, law, religion, labor, industry and women's affairs.

Mr. Reuther

filed personal copy *PSF; Post war folder 4-44*
Planning.
Most important step now is to create "tooling pool", with necessary man-power pool, so that tools and men can be used on emergency war jobs. War needs changing all the time. This would enable industry to continue on war production without fear of competition. Otherwise as peace time production becomes possible, they will all want to produce peace-time goods and only use "left-hand" to produce war goods.

POST WAR

The things that Mr. Baruch wants done must be implemented.

There must be mobilization of economy in terms of facilities and human aspirations.

Preparation must be made in advance to minimize dislocation of employment when production changes from war to peace time production and the time element must be telescoped.

Big corporations could get into production of peace time goods at pre-war level in three months, some in less time and some in about six months. Government will have to build a bridge over this gap between war time and peace time production by a program of public works (Flood control, St. Lawrence Waterway, regional TVAs, etc.) Industry can not do it.

If these public works are not planned for now and blue prints made, employment could not start for months.

The steel industry will be the first major industry

to have its war work terminated. The excessive capacity developed will create unemployment soon. The same is true of shipyards.

Tons of steel will be needed for the St. Lawrence Waterway, for instance. Engineers could begin to work up blue prints and steel plants could produce the steel components as soon as war production slows up. Shipyards could begin to make up these steel components in advance as war needs taper off. This would absorb a mass of workers until plants can remobilize in peace time production.

Plants now making generators for war needs could be planned ~~as~~ to make generators for TVAs, etc. as soon as war needs taper off.

There should be an inventory available to the public of materials and plants throughout the country so workers will know whether to stay where they are in hopes of having employment. Maury Maverick has this information but is not allowed to give it out. The public paid for these plants and have a right to know.

The aircraft plants will probably have to lay off 300,000 workers within three months. This industry has had the greatest expansion - employs one and a half million people directly and many more indirectly. One bomber plant and one fighter plant can make all the planes needed in peace time.

Housing can be greatest peace-time activity. Houses can be built on assembly line just as tanks have been built and aircraft plants lend themselves to making prefabricated houses. A commission should be set up to study the whole question, beginning with housing.

Backward industries can be streamlined. The railroads, for instance, are forty years behind the times in technical development. Aluminum cars can be made in aircraft plants. If our natural resources are threatened with depletion and we need raw materials from China, South America, etc., old railroad equipment can be sold to them or given on lend-lease basis. Lighter equipment in this country would lower transportation and freight rates and save the public thousands of dollars.

Any plants belonging to the government, if the management provides ^{the goods in conditions for labor} employment for making civilian goods, ~~it~~ (should have first option.)

We need men in government with vision to put through a post-war plan.

Mr. Fortés in Interior is good man
Chester Bowles has vision, intelligence and integrity
Mr. Maverick should be used.
Mr. Byrnes needs to be sold.
Mr. Baruch needs to be worked on.