Teachers’ Salaries and PSF:
Speech Material

Lute-amine Success at Stake
Has Started Something

A change in central administration will be desired by the people of New York, President Hoover and Mr. Smith, the new Governor, and the many other people who are in favor of the reorganization of governmental departments.

Mr. Smith has expressed his intention to look into the work of reorganizing the government of this state, but he will not have the opportunity. Mr. Smith had no continuing interest until he suddenly brought about the improvement.

These have been notable in Mr. Hoover's mind, as he will be able to do so without the co-operation of Congress. They will be of particular interest to his successor in some particular function or two. It is essential against these proposals. And he will add that such activities have prevented reorganization of the government for over a quarter of a century. They must be abandoned if the task is to be accomplished.

It has been stated that President-elect Roosevelt intended to take expert advice prior to his inauguration, as to a reorganization plan of his own. If the Hoover plan of reorganization is followed, Mr. Roosevelt should carry on the fight for that reform. It is further ahead than ever before and the people of the country will not permit it to be abandoned with the coming of President Hoover. Mr. Roosevelt has pointed out to President-elect Roosevelt where his flight, and if Roosevelt fails to catch a full burden he will be held accountable for the failure.

But Congress would do well to get that plan organized.

It is high time for Washington to follow the example of our most progressive states and overhaul the antiquated mechanism of government.

Holding Up Sales

The Cadillace Packard Company writes to the Wall Street Journal to say that recently it sold two cars to a client in Japan. This is a fact that he is paid in a letter of credit in a United States bank.

The company paid $5000 out of and in Chihuahua, but will not take any money from the company's money. The company officials are not delivered until they have received a check on New York in payment.

The company writes that it will not deal with any new business until it has received a check in New York in payment.

Rochester's Past

The Futility

FIFTY YEARS AGO TODAY

December 13, 1912

The Futility of Wars

FIFTY YEARS AGO TODAY

December 13, 1912

The Futility of Wars
MEMORANDUM FOR MR. MCINTYRE:

Will you please show this to the President as soon as possible?

H.L.H.
PSF: Speech Material

HARRY L.-hopkins
WASHINGTON

Dear Mr. President:

Here is the material about O'Connor for your press conference tomorrow.

This will also remind you to write Patten in New York — and to ask Mac to tell Steve Hilton and Jim Hey. I think it most important that you talk to Jim by phone today.

Harry
ROPER GIVES LIE TO SEN. TYDINGS IN OLD SHIP DEAL

Backs Lewis' Charge That Senator Lobbyed for Metal Company

By ROBERT A. ALLEN

Staff Correspondent New York Post

WASHINGTON, D.C. - Senator T. P. Lewis yesterday gave the lie to an attack on Senator Millard Tydings that was made by Representative Charles E. Keating of the House Accompaniments, Committee of the House.

Keating declared yesterday that Tydings was responsible for the large, profit realized by the Baltimore company of the ship deal.

The controversy finally was compromised. The Government turned over forty ships to the Baltimore company at the old price, but withheld forty-six others. Tydings was responsible for selling the ships.

Tydings' justification for his effort was that he was not doing the work for the men who were looking for the ships, but the Government had made the contract.

In addition, Tydings was quoted as saying that the Government had taken over the contract.

Tydings' case was built on the fact that the Baltimore company purchased the ships from the Government, and the only problem was the price.

In addition, Tydings also made it clear that he had been working with the Commerce Department to release the ships.
STUDY INSURANCE
FOR ALL EARNERS

Security Board Experts Gather
Data Covering 16,000,000
Now Excluded by Law

10,97,446 ARE ON ROLLS

July Applications for Account
Numbers Reached 83,2,289—
8,228,378 Rise in Year

WASHINGTON, Aug. 21—The Social Security Board is nearing completion of a three-month study of the problem of extending Federal old-age insurance to 18,000,
000 farm hands, hired girl and other wage-earners now excluded from the system. A report to the board's advisory council, June 20, showed that the present statute, passed three
years ago.

Due partly to unexplained problems of administration, the act's old-age life insurance provisions were limited to the main in employee of industrial
and commercial concerns.

For weeks prior to the President's address urging expansion, board
experts had been trying to work out some system of collecting old-age insurance contributions from farm laborers, domestics, servants
and casual workers and their employers. Insurmountable problems arose such as the frequent shifting of workers from one job to another; the high proportion of employees to employers, often a one-to-

WASHINGTON, Aug. 25.—Applications for Federal old-age insurance numbers 40,97,446 on July 21, an increase of 8,228,378 over the
July, 1937, total.

The Social Security Board received last month 533,269 new requests for account numbers, and certified for payment 14,990 old-age insurance claims amounting to

475,962.

Of the claims certified during July, 3,397 were filed by heirs or representatives of the estates of wage-earners, the single cash payments to these claimants averaging
$230.39. The rest came from workers retiring at 65, whose payments averaged
$55.50.

The rolls increased 8,228,378 in year.

Establishment of a stamp system similar to England's has been suggested as one way of administering old-age insurance for farm, casual
and domestic help. Unemployment-stamps are purchased at British post offices each payday and affixed
on the employer's unemployment insurance bond. The money from the
sale of the stamps goes into the government's unemployment fund.

On the basis of 1350 cases figures, the board estimates that there are 5,000,000 agricultural workers, 2,109,000 servants and 20,698,794
self-employed workers. The last group includes farmers and fishermen.

The board's advisory council already has recommended that about
720,000 eligible workers be brought under provisions of the act
which do not now apply to them.

Amendments introduced at the last session of Congress were designed to extend the old-age insurance system to include farmers and employees of certain banking institutions now excluded.

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Senator Tydings Replies.
When President Roosevelt assailed Senator Tydings as one who "betrayed the New Deal in the past and will again" in the words last night of their billing because they were first printed in a newspaper editorial, last evening the Maryland Senator denied this charge.

Unfortunately, indeed, there was something desperate about the language of the Maryland Senator. It emphasized, the seeming indifference of the White House to all the pride of Baltimore, all the devotion of its people, which are such deep-seated instincts in Maryland. If there had to be a Presidential intervention in the Maryland primary, it might have been launched more happily than through the parcelled opinions of a New York newspaper.

So Senator Tydings, after being several days to consider the character of his reply, chose the day of "emphasizing the Maryland Free State" issue. The phrase is only partially sentimental: it has a meaning to the people of Maryland which is none the less real because unaccompanied by those for whom those loyalties and traditions have been the foundation of Maryland and a proudest State. And Senator Tydings knows both his people and his history of three centuries of successful self-government.

It was, therefore, both natural and wise for the Senator to reply to the President by asserting the fundamental and inalienable right of Maryland to choose its representatives in Congress without a semblance of Federal coercion. "If we lose that right,"

Mr. Tydings in his radio speech of Sunday night, "we surrender the sovereign authority of our State; we destroy its traditions; we create a precedent which will weaken other States. We place the representative branch of the government under the control of the Chief Executive."

"This effort to preserve local self-government against the encroachments of centralizing authority has always been a basic tenet of the Democratic Party. And it stresses the fact that Senator Tydings effectively counseled more than the President's assertion that he has "obstructed the New Deal." He also meets the charge of his opponent, Congressman Lewis, that the Senator is "nothing but a Real Demo..."
Charlottesville;  
August 16th, 1938.

Dear Franklin;  

I write to you so rarely that I trust I do not presume on all long gone in believing you do read the thoughts that I am sometimes moved to put on paper for you. My hunches in the past have turned out to be sound. So, here goes:

(1) Enclosed herewith are two short pieces, sent to Charley Michelson more than two weeks ago which have not been acknowledged. That's all right. Maybe they are unworthy of notice. But, don't you think if more people could be convinced of the long, long prevalence of the identical conditions you are trying to adjust "nearer to the heart's desire"; if more people could remember, for example in this instance, that 300 years ago royalists were exploiting their fellow-citizens in the tiny "America" that was then only the Colony along the James River---that such ideas might help them to recognize a Fundamental Deal that is now called "New"?

(2) I'm sending you under another cover an article by my friend, Father Eliot Ross of the local Catholic Church, on consumers cooperatives hoping you may find a little time to glance through it. In this form the article reaches the entire Catholic priesthood and thus will secure a wide and intelligent hearing and be endlessly disseminated.

Listened to Social Security last night. People don't read the dreary, long-winded, ex parte bombast of the subsidized press. But they do listen to you---and I mean PEOPLE, not carnivora or feudal barons or their serfs of the advertising and "news" battalions.

Yours for duration,

George Granville.
TELEGRAM

The White House
Washington, Wx 8-23-38

REPUBLICAN NATIONAL COMMITTEE
CHAIRMAN
JOHN HAMILTON.

VICE CHAIRMEN: 
Ralph E. Williams,
J. Henry Horaback,
Mrs. John E. Hillman,
Mrs. Worthington Scanton,
James W. Arnold,
Treasurer: 
O. B. Goodspeed.
General Counsel:
Henry P. Fletcher.
Athena, Georgia.

August 5, 1938.

Dear Charlie:

I wish that I could see you, because it is hard to put in a letter some things that are almost necessary to be said for many reasons. Therefore, I am going to have to call upon you for some deductions of your own until I can see you in person.

In the first place, it is absolutely necessary in order to save this country that there be a split in the National convention of the Democratic Party in 1940. Because, if the "New Dealers" control that convention there is going to be plenty of hell turned loose in this country. The fate of this split rests upon the shoulders of a few men, most important of which are Senators George, Glass, Pat Harrison, McCarran, et al. It therefore becomes of paramount importance to the country as a whole and especially to the life of our form of government that Walter F. George be re-elected to the Senate from Georgia.

The love for the Constitution of the United States and all that it implies is deeply imbedded in every republican. For this reason, it is most important that every republican in Georgia enter the democrat primary in September and cast his or her vote for Sen. George, and I therefore urge you to join me in this effort and to do what we can to see that every republican in the state goes to the polls on September 14th, and votes for the senator. I want to say to you in this connection, that I have not spoken to Senator George about this and that I am writing letters to republicans at my own expense without reward or the hope thereof, except that reward which comes to men who believe and feel that they have performed a duty.

You realize, that we have no way of making a campaign of this kind except by word of mouth and by writing a letter. I do not know every republican in this state and therefore, am compelled to depend upon those in whom I have the utmost confidence to assist me in their respective counties to carry on this work. I hope that you will join me and do this and do
The White House
Washington

whatever it is possible for you to do in your country, and
section to induce the republicans to put their shoulders to
the wheel and get out every republican vote. This is a wonderful
opportunity for the republicans of this state to do their
"bit" in fact, it is in my honest opinion, that it is the
greatest opportunity that we have ever had to render to our
own political party and the principles for which it stands a
great service.

There is only one issue in this campaign, and that is
this: Whether or not the people of Georgia who believe in the
Constitution of the United States the Supreme Court, the
Independence of the individual citizen from regimentation by
the National Government, are now willing to stand back of
Senator George who in my opinion was the key man in the fight
and who in the face of every odd against him defied all efforts
of the New Deal crowd to pass legislation that would have abolished
all of these things and all that they imply. We are at the
cross roads of a great national crisis, if we are to survive
as independent and free Americans all former partisan politics
will have to be forgotten. We must fight either on one side
or the other of this main issue.

I hope that you can let me hear from you right away and
tell me just exactly what you think, both as to my position
and also as to the relative standing of the candidates in
your section.

With my best wishes, I am,
Sincerely your friend,
(signed) James W. Arnold.

(This Sent up by
David Miles, that MFM knows
about it).

1230pm DST.
The President indicated that he wanted this file returned to him.
My dear President Byrd:

I want to thank you for your very cordial message.

As you know, I have no definite plans as yet for a Maryland visit, but if I do go hope much you can be there to welcome me.

I was glad to have a frank expression of your views and feel that you voice the opinion of most Marylanders.

Hope to see you in the very near future.

Very sincerely yours,

Doctor E. C. Byrd,
President,
University of Maryland,
College Park,
Maryland.
THE WHITE HOUSE
Washington

MEMORANDUM

H. C. (Harry Clifton) Byrd, president of the University of Maryland was known as "Curly" Byrd when he was director of athletics at that institution and you still address him "Dear Curly".

M. C. L.

[Signature]

(Return of July 26, 1938)
If Chicago papers quote Senator Tydings' speech correctly, please let me advise you that in my opinion the inference therefrom that you have no moral right to visit Maryland to present to our people your views is an inference to which the majority of Marylanders do not subscribe. You are trying to do more for the common people of this country than any other president in history and a great majority of the people in Maryland are sympathetic with your efforts to help them. Further, the majority of those that do not agree with you would gladly yield you the right of defending before them your philosophy of government. Further any attempt to picture a visit to Maryland by you as a carpetbagging procedure is unfair to you and cannot be sustained by my premise. Millard Tydings has been my close friend for many years but I cannot go along with him on such an issue and I will be one of the great many who will extend to you a welcome wherever you visit us.

W. C. Byrd.
MEMORANDUM FOR THE PRESIDENT

Clow's proposition is that you should make a speech before Hitler replies on Friday. This is based on four propositions:

1. Ninety-five percent of America wants to stay out of war;
2. Ninety percent of America sympathizes with the British and French;
3. A majority of the United States would be willing to supply material to the British and French (measures short of war);
4. America needs to be reminded that there can be no agreements, secret or otherwise; that these have to be ratified by the Senate, and that the Congress has to declare war.

He thinks the dramatic time for a political ten strike is to say this before Hitler replies -- that is, while the crisis is still on. This is obviously impossible.

I agreed with Clow's estimate as to the politics of this. His draft speech would be a political ten strike.
strike. But it would undoubtedly be interpreted in Europe that the President was forced by American public opinion to declare himself out of the European situation, and second, it would give the axis powers the certainty which they do not now have as to our attitude in the event of war.

Naturally the proposed speech would have to be revised considerably to take care of the pending debate on the neutrality act, and to take into account the Asiatic situation.

The great difficulty is that the speech would have another element into a European situation already in very delicate balance.

I think:

A speech might be made shortly after Hitler's reply on the 28th, depending on what Hitler says.

I believe this speech could be used to state our own fervent desire and intent not to get into war. I further believe that this could be coupled with certain observations in connection with the European situation based on Hitler's answer which might be useful in moving towards a liquidation. In other words, I think both the internal political objective and the long-term diplomatic objective could be combined. It would take some fast work Friday and Saturday; but I believe the thing could be done.

Naturally
-3-

Naturally the substance would have to be cleaned up to take into account Asia, the South American countries, the debate on the neutrality act, and the like.

Americans want two inconsistent things at once: to stay out of war, and to damn the side they disagree with.

Mr. Farley's letter is attached.

Enclosure.

A. A. Berle, Jr.
Dear Mr. President:

I have lately received correspondence from Bill Claw (William E. Claw, Jr.), who is president of the firm of James B. Claw & Sons, of Chicago, manufacturers. You will probably recall he was very active in the 1932 campaign.

He has been a very strong supporter of the Administration from the outset. He wrote me a long letter on April fifth, and he has an idea you should make a speech at this time. I quote:

"...there is one thing that won't wait for anything and that is for Mr. Roosevelt in a nation-wide broadcast to convince the people of this country that he has no intention of entangling us in a war with Europe. This is vital and it won't wait, because it must be done while affairs are critical in Europe and they may cease to be critical or actual war may break out almost any time (I don't believe war will break out but there is a chance of things ceasing to be critical and this may happen any day) and if things should cease to be critical Mr. Roosevelt will be left in the minds of the country as having threatened by his actions and speeches to get us into a war over European matters. One of the high-lights of Green's campaign was this danger we were running of being embroiled in war through the words and actions of the President and the opposition press have played it up.

"Just remember this—one of the great strengths of the administration was a huge block of voters of our country who believed definitely that Mr. Roosevelt was an apostle of peace. This belief has been rudely shattered and the opposition is making the most of it. The only way to correct it is to have Mr. Roosevelt make a very strong pronouncement to settle the matter definitely in the minds of the voters. I cannot too strongly emphasize that this should be done. And it must be done while conditions over there are still critical, or it will lose all of its effect."

He has made some suggestions for such a speech, and I enclose copy of them. I am passing them on to you for whatever consideration you feel they merit.

He is also desirous, if possible, of coming down to Washington and having a chat with you to offer some ideas and some views he has which he thinks will be helpful. At his request, I am passing this all on to you for your consideration.

Sincerely yours,

Honorable Franklin D. Roosevelt,
The White House.
1- That the situation abroad is so critical that the position in which America finds itself should be so clearly defined that there can be no chance for misunderstanding, and that this position of America must be so clearly defined that no comment by the opposition or by the opposition press can possibly confuse the minds of the American people as to the true intent of the administration and position of America. This point No. 1 is important so as to get over to the voters that any idea they may have obtained that the President was heading us for war was gained from a hostile press, etc., and was not in line with the President's real intent.

2- The next point to be made is that under no circumstances is it the Administration's desire or the desire of the Congress to enroll this country in any foreign war. That as far as the President was concerned and he was sure it was also the attitude of the Congress, we would not engage in any war for any reason except to repel invaders from our shores, and that he, the President, would oppose with all of the power at his command our engaging in any war to settle matters of dispute in Europe, unless such conditions should arise threatening the ultimate safety of the United States, so that practically all of the people of the entire Congress felt that America's safety required our going into such a war, and then the President should fervently add, "and I devoutly pray that such circumstances will never arise." The whole point of this paragraph is to convey in unmistakable terms to the people that the President is absolutely and irrevocably opposed to America getting into any war except to repel invaders from our shores, and that he would not acquiesce in any declaration of war unless a set of circumstances should arise so that our joining in a war abroad was the overwhelming desire of our people and the Congress, and then, as I said, he should devoutly pray that no such set of circumstances should ever arise.

3- He should then make the point that even through this country was irrevocably opposed to joining in any European war, that nevertheless this definite position of our country did not relieve us of the obligation of lending our moral support to those who were resisting aggression, etc. He could bring out the point that the United States is a great force and power in the world and that this force and power should be used for the good of the world, and that we would be lacking in our duty if we did not use this power for good and show definitely that such moral force as the United States possessed was opposed to aggression and the oppression of the smaller peoples. Making this point will justify and make understandable the previous actions and speeches of the President which the opposition are making so much capital of. The President could further make the point that with the United States' great position of responsibility and importance in the world it would be cowardly for us to keep silent regardless of the actions of any aggressor nations — that for what it may be worth it is our duty to express our opinion, but that expressing our opinion has nothing to do with our actually getting into war. If it is deemed politic to do so, he can use as an example the utterances of the last Pope, who certainly did not contemplate getting into war with anybody but who yet was not cowardly enough to keep silent in the face
of acts of aggression and oppression. The elaboration of the theme in this paragraph 3 will appeal to the average voter and will put the opposition press, etc., in a bad light. After all, we have the right of free speech in this country and a man—unless he is a coward—has the right to express his opinion for what good it may be on any subject, but that doesn't mean he has to fight about it.

4—And, finally, the President should make the point that while this country has absolutely no intention of going to war except to repel an invader, nevertheless our position in the world and the threatening circumstances existing in the world necessitate a policy recommended by common prudence—namely, to see that we have adequate and sufficient defense and defense armament, airplanes, etc., to repel any possible invaders from our shores.
A further matter which is probably in the minds of all Americans would be what position the United States should take in case of actual warfare in Europe. Naturally any answer to this question is in the nature of presumption, because no policy could be determined until the facts are known. The President could state it was his opinion that if the war were started by aggressor nations, etc., that very possibly the sympathies of the people of the United States would be against the aggressors and in favor of those contestants who had done their best to preserve peace until attacked. That if this were the case, there might possibly be a certain amount of individual and private assistance to the non-aggressor nations even to the extent – as occurred in the last great war – of certain American citizens voluntarily going over and enlisting for service with the non-aggressor nations. All this, of course, is pure presumption and only has to do with acts of private individuals.

That when it came to official action by the United States it was his belief and hope that strict neutrality would be maintained and that all contestants would be treated alike; that he could foresee the possibility of the United States furnishing food and supplies to any of the contestants who were able to pay for the food and supplies and call at our shores with their own ships and take them away.

But other than furnishing supplies to those who could finance then and take them away, he could not foresee the United States joining in any European conflict, confining our policy to one of defense of our own shores only, unless of course circumstances might in the future arise which appeared so hostile to the final welfare of the country that the overwhelming opinion of the mass of our people might affect the Congress to the extent of our eventually being drawn in, and then he can devoutly pray again that such a set of circumstances would never arise.
April 24, 1939

Memorandum For: Honorable Adolf A. Berle, Jr.
Assistant Secretary of State

Dear Mr. Secretary:

This is the original letter on which Jim Farley got the appointment with the President for Mr. William L. Gloe, Jr. today. I thought this would give you a better background than anything else.

Will you kindly return it with your memorandums tomorrow morning?

Very sincerely,

[Signature]

ADMIN R. RAYMOND
T. C. & brother
Wright's S.A.
What we can do more
Section 1

My Friends:

This is going to be a talk in plain words - in words so plain and simple that no one can fail to understand them.

Conditions in Europe - which from time to time I have previously felt it necessary to call to your attention - have now become so critical that I feel it my duty, as your President, to inform all of our citizens of what I conceive to be America's exact situation with respect to Europe's problems - and also to inform you of my own views and intentions as your spokesman among the other Nations of the world. And I intend to present these matters to you in words so crystal clear that no one can fail to understand; and no partisan press, moved by politics rather than by patriotism, can possibly deceive you as to the real intent and the real purposes of your President. I shall have more to say later about the attitude of some of our newspapers who have been inclined not hesitated to place politics ahead of patriotism, but I first want to talk to you about the really important facts and problems which I know are close to your hearts.

Section 2

First and foremost - America does not want war. America - always the good neighbor - certainly wants no war with any nation or nations on earth. Also, America - always kind-hearted - wants to see no war with all its horrors, between any other nations on earth. America will always do its utmost to prevent war, and will always urge the settling of inter-national problems and disputes around the conference table instead of on the battle-field.

Knowing that in the few words I have just spoken that I have voiced the feelings and desires of all good Americans, I will now tell
you, with all the emphasis at my command, that as long as I am your President, insofar as it is in my power to prevent it, America will never go to war except when necessary to repel invaders from our shores. I will use all the power of my high office to prevent America from engaging in any war which would require sending our Army and Navy to Europe or to any other place in the world. I will never consent to America's engaging in any war except to repel invaders from our shores, unless a set of circumstances should arise which would cause the overwhelming majority of our people and of the Congress to feel that we must go to war to preserve our liberty and our future safety. I devoutly hope and pray that such a set of circumstances will never arise, and I shall continue to do all in my power to prevent their arising.

And, lest there be any possible misunderstanding, let me make it clear that when I said "overwhelming majority" just a few moments ago, that I meant exactly what I said. If I could have found a stronger word than "overwhelming" I would have used it.

While I have given you only my own views, I am sure that I am also speaking for the Congress, and I hope I have made my meaning so clear that not even the most bitter of the opposition press can any longer deceive any of our citizens as to my real intent and purposes.

America desires peace - peace for herself - and peace for the world. It has been and will be my constant aim to further this desire.

Section 3

But, my friends, the fact that America is so definitely committed to peace and so definitely opposed to war - does not and cannot mean that America is committed to a policy of complete isolation from the problems and the troubles of the rest of the world. Even if we desired such
complete isolation it would be impossible to achieve it. The welfare of the rest of the world is too intimately connected with our own welfare. Speaking from the purely commercial angle alone, America suffers when the rest of the world suffers. This should be so self evident that it needs no further explanation here. No one who thinks rationally can possibly honestly believe that the rest of the world can be sunk in chaos without America being adversely affected.

Section 4

And there is another and a great moral responsibility which America cannot avoid. America - with her great strength and resources - is a tremendous force and power in the world today, and the moral strength of that force and power must ever be used for the good of mankind and in defense of the right. America would be lacking in her duty to herself and in her duty to the world if she did not at all times raise her voice against aggression and the use of brutal force instead of peaceful methods to settle disputes. America would be lacking in her duty to the world if she did not at all times lend her moral support to those who are also striving for peace and opposing the oppression of smaller peoples. No American worthy of the name would want America to be a craven coward and keep silent regardless of the actions of any aggressor, and no true American would want America to hold her tongue and by cowardly silence create the impression amongst the nations of the world that America condones aggression and the oppression of smaller peoples.

I repeat that America is a great power and force in the world, and the expression of America's high ideals cannot fail to be a great power for good, but nevertheless the expression of these opinions has nothing to do with our actually getting into any war.
That much honored and much loved man - the late Pope Pius XI - certainly did not contemplate getting into war with anybody, but he was not cowardly enough to keep silent in the face of acts of oppression and aggression.

And so America must ever speak and let it be known to the world that America does not fear to announce to the world what America believes to be right - and condemn to the world what America believes to be wrong.

Section 5

I devoutly hope - and I know that all Americans join with me - that the troubled nations of Europe will settle their difficulties without going to war. I have done all in my power and will continue to do all in my power to bring about this happy result. Nevertheless, the question naturally arises and probably is uppermost in your minds tonight as to what would be the actual position of America in case war should eventually break out in Europe. Naturally no definite and final answer can be made to this question, because we are now dealing with future uncertainties. Therefore, what I am about to say to you is purely my own personal opinion.

Should war break out in Europe, it is my belief and hope that officially the government of the United States would adopt a policy of strict neutrality and that all combatants would be treated exactly alike. I can foresee in carrying out this policy of strict neutrality that the United States would probably furnish food and other supplies to any of the combatants who were able to purchase the food and supplies and call at our own shores - with their own ships - and carry them away. This I believe would be the proper attitude for America to take, and this is the policy which I would recommend to the Congress.
But although America abhors war and is irrevocably opposed to war unless necessary to defend her own shores, there are certain facts which are nevertheless there are certain facts which are inevitably peace-loving Americans must face. Although America abhors war and is irrevocably opposed to war unless necessary to defend her own shores, nevertheless war in Europe might eventually present the set of circumstances to which I have previously referred, a set of circumstances that might cause the overwhelming majority of our people and of the Congress to feel that America must fight to protect her future liberties and safety. It will be my constant prayer that such a set of circumstances will never arise. But, my friends, there are certain facts which we must face. Americans are sympathetic, sportsmanlike, warm-hearted and generous, but they are also inclined to alienate themselves unless there is some cause for partisan. In proof of this, just recall to your own mind your own partisan feeling for your favorite in the World's Series or for your favorite football team. We must, therefore, realize that a great and prolonged war in Europe might result in Americans gradually becoming partisans of the side with which they sympathized, and should a series of events—now unforeseen—cause this partisan feeling to run high, and should some unfortunate incident take place, it might eventually fan the flame of this partisanship to such an extent that the feelings of the American people themselves might force America into war—in spite of the fact that we are all so opposed to any thought of war at the present time. Let any one who is old enough to remember, recall the accidental sinking of the Battleship Maine in Havana Harbor, and let him also recall how the battlecry "Remember the Maine" swept over the country."

(NOTE: If the sinking of the Battleship Maine in Havana Harbor was "accidental", then by all means the word should be used; if not, it can be omitted.)
And it is because I realize these things, and because I understand where possible partisan feelings might lead us, that I feel it necessary to present to your sober judgment tonight, the thought that war in Europe might result in possible future danger for America.

And it is because I realize and understand these things, that I consider it one of my first duties to America to do all in my power and to use all of America's influence to prevent war in Europe, because to my way of thinking this is one of the surest ways to secure lasting peace for America and the blessings of peace for the world.

And let me further say, with all the emphasis at my command, that as long as I am your President I will strive and use all of my influence to keep America out of war, and that any present or future decision as to whether America joins in any European war will be made by the people of the United States - and by the Congress of the United States - and not by the President of the United States.

Section 6

As I have repeatedly emphasized - America has no intention of going to war unless it should become necessary to repel an invader. Nevertheless, the position of America in a troubled world necessitates a policy recommended by common prudence - namely, to see that we have adequate and sufficient defense and defense armament to repel any possible invaders from our shores.

(NOTE: From here in it is not my purpose to write Section 6. Section 6 is designed to present to Americans the good sense of thoroughly adequate national defense and to defend the President's armament program. I do not know just how much the President would want to expand on this theme, nor do I know the exact and proper way of expressing the manner in
which the armament program has been carried out. I presume the President
would say, following the opening remarks which I have written, words to
the effect that "for this reason I have recommended to the Congress, etc.,"
and then go on with whatever he wants to say to justify the armament
program. The only thing I care about in Section 6 - beyond its main
purpose of defending the armament program - is to have Section 6 again re-
emphasize that America will never fight except to defend its own shores.
I consider the reiteration of this theme as the most powerful part of
the entire speech.)

Section 7

And now, my friends, I have something more to say to you. We, in
America, believe in free speech and in a free press, and I would be the
first to oppose any attempt to rob us of these fundamental liberties.
As long as speech and press are free - Democracy in America is safe.
Because among a free people - nothing that is not approved by the majority
can prevail against the pitiless publicity of a free press or against the
condemnation of a citizenry free to speak its own mind. May we forever
retain these sacred privileges!

During the past six years as your President, I, most certainly have
had plenty of opportunity to observe that our press was free. I have
never objected - in fact, I have gotten many a good laugh out of the
freedom which certain sections of our press have used in their columns
and cartoons - and of which freedom I was the subject. It was their right
to use this freedom - a right which I would be the first to defend. But,
in recent months, certain of our newspapers, who I fear have been moved
far more by their partisan politics than by their patriotism, have in
their columns and cartoons carried on a campaign of willful deceit and de-
ception intended to make our citizens believe that their President was deliberately planning to involve America in a European war. How far this is from the truth, I have made definitely clear tonight.

These newspapers have even spoken of or hinted at secret treaties and secret alliances - when they know full well that the law of our land does not permit the President to make such treaties or alliances. And these newspapers also know full well that foreign governments understand this wise law of ours, and consequently would consider no such treaty or alliance of any value to them unless such treaty or alliance was approved by the Congress of the United States.

Previously in this speech I have referred to the tendency of the American people to become extremely partisan and sometimes to allow their partisanship to get the best of their better judgment and their actions. Surely the attitude of some of our newspapers proves this point.

Section 8

So let me give you this warning for the future. I have talked to you from my heart tonight. I have told you definitely of my determination to keep America out of war. I have told you how America must always stand on the side of peace for all and justice to all, and of America's duty to raise her voice against aggression and oppression. I have told you how America must arm for defense only, but in sufficient strength to effectively repel all possible invaders from our shores. I have told you what I believe America should do in case war should break out in Europe. And I have told you how I feel that America's desire for peace can be best fulfilled by doing all in our power to promote peace in Europe and throughout the world. Remember these things I have said - keep the copy of this speech, which your newspaper will print, by your side - and if in the future a partisan newspaper should alarm you, or
attempt to deceive you on this subject of war, remember that this speech tells the true intent and purposes of your President.

Because occasions may arise when I shall again find it necessary to raise my voice - as I know America would want me to do - in the interest of peace and in defense of justice and the rights and liberties of mankind. For while America wants no war - and will fight only to defend her own shores - nevertheless America is no craven coward afraid to speak her mind. America is no craven coward afraid to raise her voice against aggressors and against the oppression of smaller peoples. America is no craven coward ashamed of her own desire for peace or ashamed to voice her faith in the principles of the Prince of Peace.

And, therefore, so long as I am your President I shall continue whenever necessary to fearlessly raise my voice in defense of those ideals which America holds dear - and I shall continue to proclaim among the nations of the world - the high aims - the lofty purposes - and the peaceful desires - of the United States of America.
Exploitation by the Royalists, Economic or Political, is as old as the History of the United States.

In a letter written at Jamestown and dated July 13th, 1676 (same day of the month as Jefferson's birthday and almost exactly 100 years before the Declaration of Independence) Governor William Berkeley wrote to Lord Arlington, Secretary of State, and their Lordships of the "Privy Council" in London as follows:

"... we have made and Decreed a yeare of Cessation from planting tobacco" (almost no punctuation and a whimsical use of capitals as I transcribe directly from a photo-stat copy in the Rare Manuscripts Division of the Alderman Library) "But my Lord that we may not arrogate untruly to much to ourselves in this particular we will Confesse this truth that an absolute necessity puts us on this Provident wisdome and the quantities of our tobacco are great and the price of it too small that we were not able to live by it For the Merchants knowing both our necessities and the unconsumable quantities of tobacco wee had by us gave us not the twentieth part of what they sold it For in England." (italics are mine)

In the same letter Berkeley continues:

"* * * and wee can truely avowe that wee have now
made and growing more than in humane probability will be carried home in three years ensuing. This I say with our Desire to make ourselves esteemed for being the Authors of richer and more warrentable Commodities" (in other words the necessity and far-sighted wisdom of diversification of crops as in the cotton South today) "enuced and enforced us to make a Cessation for the preservation of the People which otherwise are in great Danger and wee Doe most humbly beseech your Lordships that wee on the Place Sworne to promote the service of his Ma'tie may be so believed before any private interests who understand us not and that this is the sense of the Counrey these Gent: that now assist me in the greatest affairs of his Ma'tie I have desired to attest this and to subscribe as I doe

Virginia July 13

Your Lordships most humble and obedient Serv'ts

William Berkeley
Thos. Ludwell
Robt. Smith
R. I. Bennett
Thomas Stegge
Henry Corbin
Theo. Skandie

(The Signatories were members of the Colonial Council and Skandie, who signs last, judged by characteristically clear style of handwriting, was the pen-man of the letter)

To show the colonists were in dead earnest in this matter of crop control in the public interest and facing agricultural depression of a serious nature, Berkeley, backed by the
Council and Assembly (House of Burgesses) meeting 10 years before Bacon's Rebellion which was brought on by these very hardships, appointed 9 commissioners to treat with adjoining, tobacco-growing colonies of Maryland and Carolina to make a total cessation of planting for one year. Thomas Ludwell was the main guy of this commission which agreed to the one year embargo but, later on, the Maryland producers or traders broke the agreement. (As tobacco growers break agreements today to their own and the community's hurt)

To make matters still worse for the colonists the Royalists of Charles II's time clapped on Navigation Acts prohibiting the growers from finding other lucrative open markets in Holland and the New England Colonies. And all the time the price to the consumer in London did not come down. (In similar ways, and from identical greed motives, the economic royalists of today oppose yours and Secretary Hull's Reciprocal Treaties.)

Some old short-sighted, chamber-of-commerce, greedy and pitiless attitude that confronts you today confronted American colonists 300 years ago.

Of course we must remember that Berkeley himself was an ardent royalist, believing implicitly in the Divine Right of Kings not only to reign but to gouge their subjects. This makes the point all the stronger. Undoubtedly Berkeley, as a royalist, was partly actuated by self-interest because he profited from the customs duties on tobacco. But, as he shows, tobacco was the richest source of colonial
(Profit to the crown in one year given at £100,000 sterling) revenue, corresponding on a smaller scale to gold in the Spanish colonies of even date, and in enforcing harsh, unintelligent measures, the London royalists were killing the geese that laid the golden revenue.

If capitalism is to survive with democracy, we have got to reorganize the whole structure from a producers economy, which has failed to stand recurrent strains, to a Consumers Economy built solidly from the ground up.

With best wishes always,

Yours for duration,

George [Signature]
Judge Marvin Jones,
U. S. Court of Claims,
Washington, D. C.

Dear Mr. Jones:

If my son was six year older than he is today and had given his services to his country for the duration of the period of emergency -- and I think he would -- he'd be following the course his father took almost a quarter of a century ago. And if I could feel the same responsibility I feel now, I think his father would take the same attitude my father took in the last world war.

I would go silently about my every day work trying to do my little bit and at the same time keep from thinking with my heart, the things that I could not keep from thinking with my head. I would tell my son that it could not be as easy for him to give himself to his country as it was for his dad. His dad was a country boy like most of the other boys back there twenty-five years ago.

There were few cars and no radios. Picture shows were for the city folks, and our news travelled slowly. Propaganda was more difficult to spread in those days. Schools were not as educational as they are now and boys then were not so sophisticated as my boy and other boys are today. I know I would have to be very careful not to see two sides to this present world conflict, lest my son try to figure it out too. My dad read one newspaper and it was for whipping hell out of the Kaiser. That paper was for fighting a war to stop all wars. Our president thought that these good old United States should have the freedom of the seas, so did the newspaper that dad read -- and so did dad.

If that was propaganda, then it was the only propaganda my dad read and naturally it was easier for him to give his son to his country than it would be for me to give mine to this debated emergency.
My son would get those things from me that came out of the heart. I would not confuse him with the things that I think with the head. And to help me with my heart I would go back—way back in the attic and find some of those old, dusty letters written by my dad to his son during the last war.

I know now my dad knew his son was wondering how the folks back home could really know what a soldier had to go through to make his country safe for democracy when my dad wrote me: "There are no young men in the country except those physically unfit for active service in the army. The rejected and the young ladies are all in school or working at such jobs as they can fill, so there is little social activity anywhere. In fact, we are all busy helping to whip the Hun, and slackers in any line are so unpopular as to become awfully seldom. There will be no more pleasure riding until the war is won. Business comes before pleasure and right now every human in the United States of America has business on hand. Every loyal American boy in the service is, to us at home, a hero who offered his services and if need be his life for the freedom of the world.

When I read this paragraph now, I wonder if we dads will say the same things to our sons before the present world conflict is over. Or can it be that we have grown wiser and more indifferent? I think I had rather write this paragraph to my son that to involve him in all the controversial opinions and doubt that exist today.

In another letter my dad expressed the feeling of most all the people of the day, when he mentioned that a friend of the family: "was here awhile ago, just left—and he and I were comparing notes as to the value of our farm products this year. He is a patriot in his own way and he figures how much good he can do the cause by staying at home and farming, instead of going in and doing a lot of active work in the army. But I notice he grows most enthusiastic over the money he is going to make out of his crop. In the first draft he was put in class one, but appealed and got back into
class four. Then he got married. In the re-classification he was placed back in one and again appealed and was given until December to gather his crop. And he will try to get by again. He is a good farmer and really would do more good here than in the trenches."

My dad was thinking with his heart when he threw in the last sentence of that paragraph. I don't think I could explain to my son now why we still have people that insist on growing secure from the blood of some other man's son. But I do know that I could tell my son why he would not want to be one of those people. I would wish for public sentiment to gain the power it had when my dad wrote me so that I too would have its assistance in explaining to my son why he should want to fight for his country.

If my son was a soldier today, I think I would say to him right now: "Should you have to fight -- and I am sure you will -- remember you will not be fighting to destroy any country's people, nor will you be fighting just to save good old England, or to save the people you love -- least of all will you be fighting for honor alone. I would beg of my son to have the courage to fight -- fight like no other man's son has ever fought -- for a principle and a philosophy of living that not only is important to his dad and his dad's dad, but to all the dads of a civilized world, and still more important to all the sons to come.

Then I would ask God to give me the courage to give my son to that fight.

Geo. Leuty
7/16/41
July 29, 1941

Dear Marvin:

That kind expression in your note is appreciated much more than I can tell you. Also, the letter you enclosed from George Autry is just what you say it is — and I enjoyed reading it. Thanks ever so much for sending it along to me.

Always sincerely,

Enrollment of Letter to Judge Jones from George Autry, 4215 West 15th, Amarillo, Tex., 7/16/41 commenting in such a human way, on his son going in the present draft, and comparing it with his father's thoughts when he, himself, willingly went into the last world war)
Dear Mr. President-

The enclosed letter from a World War veteran is one of the most human I have received.

Since he asks for nothing, if you have any leisure time, which I doubt, I thought you might enjoy reading it. I think you are doing a whole of a good job-

Best wishes

Marvin Jones
MEMORANDUM FOR THE PRESIDENT:

August 21, 1941

Harry Doorly, Publisher and President of the Omaha World-Herald, writes me from Canada. Harry recently has renewed his old friendship with me after I caused him out about an article, and we are again chums. This, as you know, is the only paper in Omaha. I quote from his letter:

"I wonder if you would be interested in my 'middle-western' reaction to the war question. As we see it, Hitler must be stopped, and no one but the U.S.A. can do it. The Gallup polls on 'should we go in' reflect the obvious sub-conscious replies of most people who don't think the problem through. Everybody is normally against war, but the American people, while they hope they can keep out of it, know they can't, and Gallup's analysis, while correct, is merely wishful thinking. When the President tells the people that America has got to stop Hitler and why, he will have America behind him fully, despite the 'keep-out-of-it' element. However, Knox, Ike and Stimson will never put it across -- they don't carry the weight and talk too much anyhow. If Mr. R. says forcefully he had hoped (as we all did) that we'd never have to get in, but that circumstances have forced him to change, and he has to tell the U.S.A. it is necessary to fight, the sentiment throughout the country will be right with him, tho' regretfully, as is natural. This is the attitude our paper has taken 2 or 3 times recently, and curiously, we have had no reaction against this theory."

[Signature]

R. M. W.
Dear Mr.,

I am certainly greatly indebted to you for expediting their visa—they had almost reached the hysterical stage in concluding they had to leave the child to come home by herself, but your cutting of the red tape was a great relief. She got away on Saturday morning with her kids, because the deserting, and in a station wagon with [illegible] suit case &c. It was most kind of you & thank you very much—

Margaret & have been alone now, & it is remarkable, quiet after the sudden grief! However—the situation about [illegible] away is still of great effect—there is plenty of company when we need it.

I wonder if you could be interested in any «middle western» reaction to the war question—At the War, should be stopped,
The Fallacy Fails on "There's no way in hell the average man can do it. The Fallacy Fails on "There's no way in hell the average man can do it. Everybody is naturally against war. But the average man, while he hopes they can keep out of it, knows they can't. It's not in our nature, while certain, is usually careful thinking. When the President tells the people that America has got to stop Hitler today, he will have America behind him fully, though the "you'll find out" is "you'll do it". However, their optimism will wear out if enough men and women feel that they have a stake in the game, and carry the weight of both too small a stake. If he does forcefully, he will be able to tell the world he has to tell the world that the President has forced him to change, and he has to tell the world. It is necessary for him to fight, the sentiment throughout the country will be right with him - he is resolutely, as it is rational. This is the attitude our papers have taken over and over again, sincerely, we have had no reaction against this theory.

Again, Mr., thank you for your help.

With kind regard to you & yours,

Very cordially,

[Signature]
This telegram must be closely paraphrased before being communicated to anyone. (SC)

Secretary of State,
Washington.

1709, November 1, 2 p.m.

FROM MR. TITTMAN
My 65.

Polish Ambassador to Holy See is in possession of a copy of document in question and has given one to my British colleague. I am told that when asked whether he thought it was genuine, Polish Ambassador replied that he did not know but that the language was certainly in best Nazi jargon. He added that all he could say regarding origin of document was that it had been obtained from a bishop who in turn had received it from another bishop and that he was endeavoring to trace it to its ultimate source.

I myself have not discussed document with anyone except in confidence with my British colleague but it is not unlikely that Polish Ambassador
-2-  #1709, November 1, 2 p.m. from Rome.

Ambassador will distribute copies to his friends in the Vatican and that its existence will thus become generally known there. Does Department prefer that it should not be known that I possess a copy or may I make discreet use thereof should occasion arise?

WADSWORTH

WGB
Take the children what is happening in the world—a battle between good and evil—the same battle that has been going on from the beginning of the world—that is going on in little back individuals, and between people and nations.

"Democracy" is the material side of it. Stress the more spiritual side of "Democracy," which is Christianity. See a letter shop window on 17th St. It is a handmade sign on a piece of cardboard. "There has never been a Christmas in the history of the world when a message of good will has been so much needed." Good will, the hate exceptivist. The children, are a part of what we should consider a Crusade.
Is it nothing to you that one of the most bloody battles of all times is being waged across the surging waters of the Atlantic? Do you intend to sit back and let other nations shoulder the fight for democracy, for your democracy? That last word has been used so much recently that perhaps we forget what real meaning lies behind it. Yet if that democracy were taken away from the world, there would be nothing left to hope for or to work for.

There have been countless men who worked for it, and many gave up their lives so that democracy would rise yet more triumphant through the years to come. They risked their all, willingly, because they had a clear insight into the real meaning that lay behind the word. Is it nothing to you, that the work that these past heroes have so gloriously carried out, is to be shelved into the background and overcome by the forces of lust and hate and cruelty?

Democracy means the right to live decently and in security, the right of free speech and individual opinions, and the right to a life that will be filled with peace and happiness until it has run its varied course. We sit so smugly in our fool's paradise, little realizing that our way of life may be wrenched away from us only too soon. We read the newspapers -- of the atrocities that are carried out in the name of law and order -- yes, we do that, but we don't really picture the suffering and agony that comes when a
free people are no longer free.

Washington and Lincoln knew that democracy was the way to live, the only way to live that was right. Roosevelt, and Willkie, too, are carrying on in their footsteps, for they also know how much there is wrapped up in that nine letter word, and they mean it to survive and to win out over the combined evils of Nazism and Fascism.

When you see pictures of houses lying in blazing ruins, do you ever think that your homes may one day be like that? The sight of a desolate mother, searching wildly and hopelessly among the debris of wrecked buildings for her baby -- does it ever occur to you that one day you might be doing the very same thing? And when you see a little child, once as carefree and merry as the children you can hear playing in the orchard, uttering shrill squeals of laughter every other minute -- now an orphan of the war, her parents lying dead under a pile of stones, her home gone, her friends no longer with her, do you ever imagine that it might be one of those children amusing themselves so gaily outside the window?

War is horrible, there are pathos and tragedy and inhuman acts at every turn, but sometimes it is better to have that than to lose sight of democracy, for when that is gone life has lost every value it ever possessed, and it is better to be dead than to live in a world where sin and evil reign unchecked.
There are three nations struggling to keep democracy alive, and two of those nations are not so very big and not so very strong. And yet they are doing everything in their power, and they are willing to sacrifice their homes and their children, so that the candle of freedom and liberty will never be snuffed out. They are not counting the costs, great though they be, they are going ahead, with the memory of those past heroes who won free governments for a free people, and they are supremely confident in the outcome. Whatever befalls them, they know that they were doing right and they keep their heads high and their hearts fixed on that one steadfast purpose — freedom, for now and always. This battle of democracy, this struggle to keep decency in the world, and to preserve for future generations the right to live freely — does it mean nothing to you?
Tell the children what is happening in the world — a battle between good and evil — the same battle that has been going on from the beginning of the world — that is going on inside each individual, and between people and nations.

"Democracy" is the material side of it. Stress the more spiritual side of "Democracy", which is Christianity. In a little shop window on 17th is a handmade sign on a piece of cardboard: "There has never been a Christmas in the history of the world when a message of good will has been so much needed". Good will, No hate, except of evil.

The children are a part of what we should consider a crusade.
My dear Mr. President:

On receipt of the enclosed memorandum, which I am returning herewith, I immediately got in touch with Harold Smith and he furnished us with a draft of a part of your budget message.

All of us in the Treasury have put our heads together and have consulted with Mr. Goldenweiser of the Federal Reserve staff, Mr. Richard Gilbert of Leon Henderson's staff, and Mr. Lauchlin Currie of your own office. I hope you will like what I am sending you.

In view of the tremendous importance of this budget message, I would appreciate very much having an opportunity to go over your message with you.

I have asked Harold Smith to go over this draft with me, and I am sure that he and I can get together.

Yours sincerely,

The President,

The White House.
THE WHITE HOUSE
WASHINGTON

December 19, 1941.

MEMORANDUM FOR
THE SECRETARY OF THE TREASURY

I enclose memorandum from
Harold Smith and have asked him
to cooperate with you in letting
me have a general outline of the
tax policy or program for in-
clusion in my Budget Message.

F. D. R.
FINANCING THE WAR

Victory in this war will demand expenditures on a scale for which there is no precedent in our history. Victory will call for sacrifices — real and stern sacrifices — on the part of every American, irrespective of occupation or income. If we are to furnish the weapons to the men who are doing the fighting, we shall have to exert all our strength, and we shall have to mobilize every possible dollar of our income.

The resources we need for victory will be supplied, whether guns or dollars. The task is huge, but it is within our powers.

Until this job is done, we will not talk of burdens — of tax burdens or debt burdens. Instead we will talk of opportunity — the opportunity to have a real part in the fight to preserve our freedom.

This is the spirit in which the American people will want to approach the problem of financing the war.
Let me state briefly the basic objectives which I think should guide us in the formulation of a fiscal program for the war.

1. The revenue of the Government must be greatly increased to meet war expenditures. The maximum possible portion of the war cost must be met from taxation.

2. Inflation must be curbed.

3. The financial cost must be equitably distributed.

4. During wartime the Government must absorb all undue profits.

5. More flexibility should be introduced into our fiscal measures during the emergency.

6. Our fiscal policy must be directed toward the achievement of the utmost war production.

TAXES

1. The Need for Additional Taxes

In the past 15 months this Nation, while building up its defenses, laid the foundation for a mighty structure of arms production.
In the fiscal year 1941 defense expenditures amounted to $6.3 billion. We expect to spend upon our war efforts $22 billion in the fiscal year 1942 and $50 billion in the fiscal year 1943.

In the fiscal year 1941 Federal net receipts were $7.6 billion. If there are no changes in our tax structure, such receipts are expected to be $11.9 billion in the fiscal year 1942 and $16.5 billion in the fiscal year 1943.

Thus it is estimated that, if no new taxes are enacted, the net deficit will be $16 billion for the current fiscal year, and $30 billion for the fiscal year 1943.

In these estimates allowance is made for only a moderate rise in prices. Any considerable rise in the level of prices would greatly increase the deficit.

Such disparity between estimated revenue and estimated expenditure is far too great. We must have additional taxes.

2. The Menace of Inflation

Additional taxes are needed to combat inflation.

As we approach full utilization of our productive resources any considerable rise in prices would be an unqualified evil. Inflation is a source of grave social
injustice. It undermines morale and impedes war production. The hardships of inflation strike at random without consideration of equity or ability. Once it has acquired momentum, inflation is extremely difficult to control, and it will leave a heritage of post-war difficulties that will haunt us for decades. Every consideration of national welfare calls for its prevention.

The way to prevent inflation is to prevent people from engaging in the futile effort to buy more goods than can be produced. This requires a comprehensive and integrated program of anti-inflationary measures, in which increased taxes and increased savings are essential parts. Another part of such a program might be expansion of the social security system, which at a later date I intend to recommend for other and more basic reasons. Price control, allocations, rationing, and the regulation of consumer credit are other parts of such an integrated program.

All these controls are interrelated. The devices of price control, allocation, and rationing will be more effective if taxes and savings are increased. Similarly, the effectiveness of the fiscal devices in
preventing inflation will be greater if price control and controls over the quantity of goods available for sale are used.

3. Equitable Distribution of Taxes

With far heavier taxes the need for equity in the tax system becomes more urgent.

In this war it will be necessary to tax more heavily all sections of the population who are above the subsistence level. All able to do so will have to contribute. But the fact that large additional taxes have to be imposed makes it more imperative than ever to follow the principle of taxing according to ability to pay.

I have frequently pointed out that there are numerous loopholes in the present tax structure which ought to be closed. Because some taxpayers use these to avoid taxes, other taxpayers must pay more than they should. We can no longer tolerate these loopholes.

Our tax laws contain a number of unintentional technical inequities and unfair discriminations. These are always objectionable, but with taxes at necessary wartime levels, it is urgent that the Government should, to the greatest extent possible, provide relief from them.
4. Prevention of Undue Profits

It is not necessary to allow unreasonable profits in order to secure maximum production with economical business management. Under conditions of a wartime economy, the country cannot tolerate undue profits. Wherever these occur, they should be recaptured.

5. Flexibility in the Tax System

The rate of war expenditure, the size of the national income, the course of prices, and the extent and effectiveness of allocations and other controls cannot be accurately estimated far in advance. It is therefore impossible to determine now precisely how much additional taxes should be collected during the next 18 months. This is true even though there can be no dispute that the needs will be great. It is, accordingly, important that the Congress realize the unusually tentative character of all estimates here presented, and that it give consideration to the desirability of introducing into its tax legislation provisions which will make possible quick adjustments in the timing of tax rates and collections during a period when rapid changes in the fiscal and economic situation are occurring.
6. Relation of Production and Victory

In wartime when the life of the Nation is at stake sound fiscal policies are those which will help win the war. Sound war taxation not only must contribute to defraying the cost of weapons, but it should facilitate their production in every possible way.

In a war economy, labor, materials, and facilities must be shifted from the production of civilian articles to the production of weapons and war supplies. Taxes can aid in speeding these shifts by cutting non-essential civilian spending. The differing effects of various taxes, not only upon the demand for goods but also upon the production process itself, should be carefully considered when tax legislation is drafted.

BORROWING

The expenditure program set out in this budget will make necessary not only substantially increased taxes but also greatly increased borrowings. These borrowings will be facilitated by the voluntary purchase of defense savings bonds on the part of a multitude of patriotic men and women who will cheerfully set aside some of their current income for their country. These borrowings will be facilitated also by
The circumstances which are necessarily associated with a change from a peace to a war economy.

The achievement of the all-out war production program will require drastic curtailment by allocations and other controls of new investment in non-defense plant and equipment; it will require deferment of replacements and even maintenance in these lines; it will require still further curtailment of production and consumption of many consumers goods. These measures will cut non-defense expenditures — both public and private — by many billions of dollars. This drastic curtailment of non-defense expenditures will add correspondingly to the private funds available for investment in Government securities.

With adequate funds available for investment in Government securities and with the effective operation of a program of allocations and rationing, we can finance our war effort without danger of disruptive inflation and without departing from our low interest rate policy.
October 20, 1944

My dear Miss Tully:

I am enclosing herewith a letter I addressed today to the President containing a copy of a memorandum covering an Ohio Insurance Company, together with a copy of a letter I have addressed to Judge Robert S. Marx of Cincinnati. Will you be good enough to arrange for the President to see them.

With kind personal regards to you and your mother and hoping this finds you both well, I remain

Sincerely yours,

Miss Grace G. Tully,
Personal Secretary to the President,
The White House,
Washington, D. C.

Enclosures: 2
October 20, 1944

Dear Mr. President:

I am enclosing herewith a copy of a letter to Judge Marx of Cincinnati, together with a copy of a memorandum on the Union Central Life Insurance Company, in which I thought you might be interested.

Of course I would not object if you could help influence both the Governor and the Judge.

Sincerely yours,

The President,
Washington, D. C.

Enclosures: 2
October 20, 1944

My dear Judge Marx:

I am enclosing herewith a memorandum which was handed me recently covering the Union Central Life Insurance Company of your state.

If the allegations contained therein are anywhere near correct they would undoubtedly, if made public, consume a lot of Brecker's time explaining them.

It occurred to me you might be able to persuade Governor Cox, whose name is mentioned as one of the large policyholders of this company, or some other policyholder to start a civil action, as suggested in the attached memorandum. This would naturally bring the whole matter to public attention between now and election day. Of course, in my opinion, if there is the slightest basis of fact contained in this memorandum such a suit would be devastating, regardless of the final results.

How have you been? I hope you and Judge Wood have both been well. Won't you give him my very kindest regards. I should love to hear from you and hope the enclosed may be a means of effecting a communication from you.

With kindest personal regards, I

remain

Sincerely yours,

(Signed) Steve

Hon. Robert S. Marx,
601 Wood, Marx & Ginter,
300 Traction Building,
Cincinnati, Ohio

Enclosure
The Union Central Life Insurance Company, which has assets of approximately $500,000,000.00 and insurance in force of $1,159,000,000.00, was organized in 1867 with a paid-in capital of $100,000.00. Over the years the capital has been increased by stock dividends of $2,400,000.00. The company has paid, in addition to the stock dividends, cash dividends to stockholders in the amount of $4,450,000.00.

Since the death of the original founders, one of whom was former Governor of Ohio, John M. Patterson, the stock in the organization has become more or less widely distributed among the various heirs so that now no single person owns a substantial block of stock.

Hon. John W. Bricker, the present candidate for Vice President of the United States on the Republican ticket, was elected Governor of Ohio in 1938 and took office January 1, 1939. About this time an inside group of officers and directors of the Union Central Life Insurance Company decided that it would be ideal to secure control of this company and eliminate the stockholders. In 1939, with the help of Gov. Bricker's Superintendent of Insurance, they induced or compelled the stockholders to sign a voting trust agreement under which the affairs of the company were placed in the hands of a small group of voting trustees.

This small group of outsiders decided to mutualize the company, and accordingly a law was put through the Ohio legislature early in 1941 for the express purpose of accomplishing this project. The bill was sponsored by Governor Bricker's Superintendent of Insurance and upon its passage was immediately signed by Gov. Bricker. Action was started under the provisions of the bill to effect the mutualization and the amount of money to be paid the stockholders was fixed at approximately $6,500,000.00, which was to be taken from the assets of the company.

The company having previously been in financial difficulties because of poor investments, and having had to borrow $17,000,000.00 from the F.D.I.C., was subjected to Court action by certain policyholders, attempting to prevent payment to stockholders and also to prevent the inside group from getting control of the assets. The plan having been approved under the new mutualization law by a Board consisting of Governor Bricker, his Superintendent of Insurance John A. Lloyd, and the then Attorney General, Tom Herbert, was defended by this group in cooperation with the company officials.

The foregoing and other facts relating to the proposed mutualization were not passed on by the court in these cases, the only question involved being the constitutionality of the new mutualization law. The validity of this act, procured by the insiders with the help of the Bricker administration, was upheld by the Ohio Supreme Court.

To further help the mutualization project and to protect the interests of its promoters and others involved, Mr. Lloyd resigned as Gov. Bricker's Superintendent of Insurance early in 1943 and was elected Vice President of the Company and it has been rumored
that upon the completion of Gov. Bricker’s term of office he is to be retained as counsel for the company at a substantial annual retainer.

Embarrassment at the possible exposure of this matter may have prompted Gov. Bricker’s speech endorsing state supervision of insurance, made shortly before the Republican National Convention, and the further joint Dewey-Bricker statements at Albany, N. Y., early in August.

Former Gov. James H. Cox of Ohio, a large policyholder in the Union Central Life Insurance Company, holding approximately $450,000.00 of ordinary life insurance, has been greatly incensed by all these actions. On several occasions he has expressed his disapproval to Gov. Bricker, but has not received any satisfaction. Further inquiry from him would produce some interesting developments and a suit by him would expose this whole affair.

Charles Sawyer, former Democratic National Committeeman from Ohio, is retained by the company to look after the interests of this group and to prevent any Democratic interference. Governor Cox is aware of this, and Sawyer’s position in the matter is chiefly responsible for his (Cox’s) feeling against Sawyer. It is also one of the principle reasons for Sawyer’s loss of prestige and following in Democratic politics in Ohio.
SUGGEST THAT IT MIGHT BE WISE ON ELECTION NIGHT AFTER DEWEY'S ADMISSION OF DEFEAT WHICH WILL NO DOUBT BE NIGGARDLY THAT YOU GO ON RADIO OVER OWI WHICH WILL BE BROADCAST THROUGHOUT ENTIRE WORLD IN MANY LANGUAGES. PURPOSE OF YOUR GOING ON AIR PROMPTLY IS TO INDICATE THAT THE SHOW IS OVER IN THE UNITED STATES AND THAT WE ARE ALL BACK AT WORK AND IN EFFECT THAT THE PEOPLE OF THE WORLD NEED NOT BE DISTURBED BY THE DEWEY MISSTATEMENTS BEAR IN MIND THAT ELECTION NIGHT OWI HANDLES ELECTION NEWS AND STATEMENT BY YOU LATER WOULD HAVE TO FILTER THROUGH INNUMERABLE PRIVATE AGENCIES. IN ADDITION, WOULD IT BE POSSIBLE FOR ME TO BRING UP TO HYDE PARK ELECTION NIGHT LATE, IF ONLY FOR A FEW MINUTES, DOROTHY THOMPSON WHO IS THE WILLIAM ALLEN WHITE OF THE DEMOCRATIC FORCES IN SO FAR AS SHE ALWAYS VOTES FOR YOU BUT GRUMBLES IN BETWEEN ELECTIONS. MAYBE WE CAN STRAIGHTEN HER OUT SO THAT SHE WILL BE USEFUL BETWEEN ELECTIONS. HER SPEECHES RECEIVED AS YOU KNOW THE GREATEST AMOUNT OF APPROVAL OUTSIDE OF YOURS. GOD BLESS.

MORRIS L ERNST.
DEPARTMENT OF STATE
WASHINGTON

December 28, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: Statement on Foreign Policy Section of State of the Union Message.

The attached memorandum contains some suggestions on foreign affairs which have been prepared in the Department for inclusion in your State of the Union message to Congress.

I hope I may have an opportunity to discuss this with you soon after your return as we feel a clarification of certain of these issues is of great importance at the present moment.

Enclosure
December 26, 1944

S. Mr. Secretary:

These suggestions for the President's Message on the State of the Union are made on the following assumptions:

1. that recent developments in liberated areas in Europe, and particularly in Greece, have had an adverse influence on world opinion, including opinion in the United States, which may affect not only the negotiation of the peace, but the successful conduct of the war;

2. that conflicts, military and political, between those who fought fascism under Axis occupation, in these areas and personnel of certain of the United Nations, have created confusion and doubt as to the aims of the United Nations in the war, and therefore as to the reasons for waging the war, and therefore as to the necessity for the sacrifices which the war entails;

3. that this confusion and these doubts may well have serious consequences in the United States as the casualty lists lengthen;

4. that only
4. that only a clean-cut and positive reaffirmation of our policy for the war and for the peace can dispel the present confusion and silence the voices of those who hope to turn confusion and doubt to their own purposes;

5. that, important as it is to retain the good will of the governments of the allied powers, it is equally important to satisfy the legitimate questions of the people of this country since, unless the people of this country and the peoples of the world understand and believe in our purposes in the war, the good will of the allied governments will be of limited effectiveness. 1/

Suggested

1/ NOTE: The references to the general military situation with which these suggestions begin, are based on General Marshall's remarks before the Business Advisory Council at Hot Springs and on a conversation with General Marshall on the afternoon of Saturday, December 23.

DECLASSIFIED
State Dept. letter, 1-11-72

By Date APR 13 1972
Suggested Paragraphs for Inclusion in the President's Message

The essential fact about the war today is this: we have come to grips with our enemies. Everything that went before was preparation for this moment. The tremendous effort of the first years of the war was an effort directed toward the concentration of men and supplies in the various theatres of action at the points where they could hurt our enemies most. It was an effort, in the language of the military men, of deployment of our forces. Many and essential battles were fought, many and vital victories were won, in the course of these years of preparation, but these battles and these victories were fought and won to prepare for the decisive actions on beyond. It was our purpose throughout this period to bring the armies of our enemies to battle on the fronts where they could be destroyed. We have now brought them to battle. They will be destroyed.

You know the history, all of you, of that vast manoeuvre of deployment across the greatest oceans of the earth and in every climate and at points as far apart as the Pacific.
the Pacific Islands and the continent of Europe. You know with what skill it was conducted by General Marshall and Admiral King and their associates of this, and of the other allied nations. You remember the long months of the training of men, of the building of the fleet, of the construction of the planes, of the manufacture of munitions and supplies, of the transport over the oceans east and west. You remember the battles of the Arctic islands, of the tropic archipelagoes, of the African deserts. You recall the names of distant beaches, mountain passes, jungles, towns—names in tongues as remote and unfamiliar as the places—which are now an unforgettable part of the proud American heritage of battle names.

That period of preparation is now reaching its climax. The deployment of our forces is approximately completed. The battle is joined. It must be waged—it is being waged—with the greatest and most persistent intensity. Everything we are and have is at stake. Everything we are and have will be given. American boys, fighting far from home, in cruel and unfamiliar climates, against enemies whose homes are at their backs, whose native stubbornness is reinforced by desperation—American boys have already won
won victories which the world will not forget. We at home, humbled by their sacrifices, determined as they are determined that this struggle for decision shall be won, conscious of the terrible gravity of this moment of our future and ourselves,—we at home will support them with every sacrifice, with every effort.

We have no question of the ultimate victory. We have no question either of the cost. Our losses will be heavy. Our hearts will be wrung. Our determination will be tried. But no power on earth can now prevent the ultimate triumph of our arms. If we and our comrades in arms of Great Britain and of Russia and of China and of France and of the many nations fighting at our side, will stand together, nothing our enemies can do by force or treachery or subterfuge or falsehood can save them from defeat.

And we will stand together.

Comrades in arms over three years of changing fortunes and of hope deferred, we will be more than ever comrades in arms now that the moment of decision is upon us.

We propose to stand together, not for the war alone but for the
victory for which the war is fought. It is not only a common danger which unites us but a common hope. Our is an association not of governments but of peoples and the peoples' hope is peace. Here as in England; in England as in Russia; in Russia as in China; in France, and through the continent of Europe, and throughout the world; wherever men love freedom, the hope and purpose of the people is for peace - a true peace, just and formidable to the enemies of peace, enduring and secure.

It will not be easy to create this peoples' peace. We delude ourselves if we believe that the surrender of the armies of our enemies will make the peace we long for. The unconditional surrender of the armies of our enemies is the first and necessary step but the first step only. We have seen already, in areas liberated from the Nazi and the Fascist tyranny, what problems peace will bring. This war is not alone a military war against the military forces of Germany and Japan. It is also, and over considerable areas of the earth, a civil war dividing those on one side who love freedom and have fought for freedom even in the prison of the occupation, and those, upon the other, whom the slave's philosophy and the inhuman teachings of the Nazis and the Fascists have deceived.

The difficult problems of such a civil war can never be resolved by the imposition of solutions from without.
It is for the people of each country, who must live together in the future as a people and a nation, to determine their relation to each other. And there is no easy formula for settlement. We ourselves, like all peoples who have gone through the difficult processes of liberation and adjustment, know of our own experience, how great the difficulties can be. We know that they are not difficulties peculiar to any continent or any nation. Our own Revolutionary War left behind it, in the words of one American historian, an "eddy of lawlessness and disregard of human life". There were separatist movements of one kind or another in Vermont, Pennsylvania, Virginia, Tennessee, Kentucky and Maine. There were insurrections, open or threatened, in Massachusetts and New Hampshire. These difficulties we worked out for ourselves as the peoples of the liberated areas of Europe, faced with far greater problems of adjustment, will work out their difficulties for themselves.

Aside from the duty to preserve order in military operations, it is not our intention, I do not believe it is the intention of any Allied power, to impose solutions on the peoples they have liberated from fascist tyranny. On the contrary the Allied powers have declared their purpose

purpose to respect the right of all peoples to choose the form of government under which they will live, and to see sovereign rights and self-government restored to those who have been forcibly deprived of them. We will attempt, in conversations with our allies, to resolve the external difficulties, economic as well as political, which stand in the way of the exercise of these acknowledged rights by the peoples of the liberated areas and to promote the establishment of the representative governments, truly expressive of the peoples' will, which all nations united in the prosecution of this war for freedom and for peace desire.

Our own policy as regards these questions of the people's peace is not in doubt. In the United States, as in any other self-governing nation, it is the national character which constitutes the national policy and the national history which gives that policy book and chapter. It is what the people are that dictates their beliefs and it is what they believe that determines the policies which express their will. We have believed, since the declaration of our independence as a nation, that governments draw their just powers from the consent of the governed. It is, in consequence, our national policy to aid and assist the freedom-loving men and women who have suffered under Nazi and Fascist tyranny to establish governments in the liberated countries which will
will represent the people.

Again, we have believed, since the adoption of our constitution and the formation of our federal union, in the possibilities of inter-governmental association for peace and mutual advantage. This belief, deeply ingrained in the American character, has been strengthened in recent years by our experience of the relationship of mutual respect and common responsibility established between our people and the peoples of the American republics. It has been further strengthened by our experience of the comradeship of the United Nations in the war. We are convinced that the relationship of the American republics and the association of the war can be made the basis of a broader association for the peace, and it is our national purpose, and therefore our national policy, to move toward that broader association now. We do not look upon the construction of the peace as a "post-war" problem to be deferred until the war is won. Many of the problems of the peace are upon us even now while the conclusion of the war is still before us. The atmosphere of friendship and mutual understanding which informed the conversations at Dumbarton Oaks gives us reason to hope that future discussions will succeed in developing the democratic and fully integrated world security system toward which these preparatory conversations were directed.
There are other experiences in the American past which have fixed in our minds national beliefs which express themselves in international policies. For one thing, we have put our faith, from the beginning of our history, in the people. We believe that the people are capable of understanding and deciding for themselves. We believe that if the people are truly and well informed they will decide well and truly. We believe that this is true not only within this nation but between all nations. It is therefore our national policy to promote the freest possible exchange of information between the peoples of the world in the conviction that, if the peoples of the world know the facts about each other they will understand each other, and if they understand each other the hope for peace will be enhanced.

In the same way and for much the same reason we support the maximum freedom of development of international transport including transport by air. We believe that the extraordinary advance in the means of intercommunication between peoples over the past generation offers a practical method of advancing the mutual understanding upon which peace must rest, and it is our policy and purpose to turn these great technological achievements common to the common advantage of the world.

So too we support the greatest possible freedom of trade.
trade and commerce. We have always believed, as Americans, in freedom of opportunity, and equality of opportunity remains one of the principal objectives of our national life. What we believe in for individuals we believe in also for nations. We are opposed to every form of restriction whether by public act or private arrangement which limits commerce, transit and trade. We have house-cleaning of our own to do in this regard. But it is our hope, not only in the interest of our own prosperity but in the interest of the prosperity of the world, that trade and commerce and access to materials and markets may be freer after this war than ever before in the history of the world.

- End -
Office of the Attorney General
Washington, D.C. 25
January 1, 1946
MEMORANDUM FOR THE PRESIDENT

Judge Rosenman has shown me a proposed paragraph for your Message to the Congress recommending legislation which would make the orders of the War Labor Board legally enforceable whenever the Board finds that compliance with its orders is necessary to prevent the impairment of peaceful relations between management and labor, the remedy of enforcement to be in addition to seizure.

The argument in the Montgomery Ward case, which is set for January 8th, deals with the President's power to seize plants and facilities not producing implements of war when the management has consistently refused to comply with the orders of the Board and its actions threaten to interfere with the war effort. I feel that any recommendation to Congress on new legislation made before the decision of the District Court would prejudice our position. We must convince the Judge that it was necessary to seize Montgomery Ward at once to prevent serious interference with the war effort. We are asking the court to adopt a broad interpretation of the Smith-Connally bill. I am afraid that if the Judge knows that the Administration is seeking new legislation to broaden the act he may attempt to interpret it narrowly and let Congress adopt a broader interpretation if it sees fit. He might think that the Administration recognizes that this was a problem for Congress and not for the Court.

I, therefore, suggest that you do not make a recommendation on this point until after the decision by the District Court, which should be prompt.

Respectfully yours,

[Signature]
Attorney General
MEMO FOR THE PRESIDENT:

Mr. Chester Bowles left this memo with me which I hope you will just glance at. It happens that his observations in travelling through the country coincide with mine.

I have asked to see Mr. Byrnes and I shall talk about it. I also see that Congress is agitated about some definite plans. I think a group of economist under Mr. Byrnes, since it is his obligation, should work these plans out and present them to Congress and then you should tell the people about it because it would do more to keep people on the jobs than anything else in the world if they knew, when the war is over, it would be possible to get a job with
THE WHITE HOUSE
WASHINGTON

only a short period of idleness
which would be compensated for
under unemployment insurance.

E.R.
November 8, 1944

The Honorable
James F. Byrnes
Director
Office of War Mobilization and Reconversion
Washington, D.C.

Dear Jimmy:

The subject of this letter is what seems to me the need for an overall postwar economic program, designed to stimulate the morale of our war workers and members of the armed forces, and to carry out our campaign commitments of full employment and full production.

I have hesitated to write for two reasons. First, because the Administration's plans as a whole are none of my own immediate business, and second, because you may be already thinking along the same general lines which I am suggesting below.

Nevertheless, this program seems to me to be of such vital importance that I have decided to send my ideas along to you with the suggestion that we sit down and discuss it as soon as you can find the opportunity.

I think we will agree that a very tough period lies ahead of us. The task of unravelling the war economy will be difficult at best. But, on top of that, we must plan for full production and full employment once reconstruction is complete. This is something we have never before achieved in peacetime. We cannot expect it to happen by itself. To get full employment we must find markets for 60 percent more output than we were able to sell in 1940, itself the best year in a decade. That will take a lot of doing.

During the campaign, both the President and the opposition set a goal of high productive levels after the war. The President at Chicago restated the Economic Bill of Rights as a minimum achievement in the period after the war. He stated that we should and must provide 60,000,000 jobs.

In my own travels around the country, I have been impressed with the overwhelming agreement on the part of all groups, with surprisingly few exceptions, that full production and full employment must be
achieved. It is hard to exaggerate the determination of all groups on this subject.

As you know, the men in the armed services feel particularly strongly that we cannot go back to partial employment and scarcity production levels. At this time with months of bitter struggle ahead it would be most reassuring to them to hear that we here at home had developed specific plans to guarantee national prosperity and full employment when the fighting is over.

In the war plants, fear of post-war unemployment is creating uneasiness among our workers, and contributing dangerously to absenteeism. The development of an understandable program for our post-war economy would be of inestimable value in boosting morale in our factories. It would give our workers tangible assurance that good peacetime jobs would be available to them when their war jobs are over.

I am convinced that the country as a whole and a substantial majority in Congress will be entirely sympathetic at this time to the development of an integrated economic program. In fact, I believe that if such a program is developed and skillfully presented to the country, it will capture the imagination and support of all groups.

If we fail to outline a tangible economic program I am afraid we will find ourselves in serious difficulties on the domestic front. Everyone agrees on our full production and full employment objectives.

But there are relatively few who understand the kind of overall program which will be required to achieve these objectives. Such understanding will not come over night.

Under the most favorable conditions, our task will be staggering. Without cooperation and understanding from Congress and all segments of our economy it may readily become impossible.

I assume that legislation of various kinds will be introduced during the coming session on housing, public works, social security, taxation and related subjects touching our domestic economy. Unless all the moves that are made by the Administration are tied together into a broad, understandable, convincing program designed to provide and maintain full production, I am afraid that we will find ourselves fighting a number of isolated battles for specific pieces of legislation with the strong possibility that many of these battles will be lost. This danger would be significantly diminished if the individual elements of the program were presented as parts of a master plan, and if we began at once to prepare the ground for acceptance of this plan by the general public.
If you agree in general with my proposal I suggest that you set up task committees to bring you their recommendations on what needs to be done in various parts of our economy. As you know, an immense amount of work has already been done in the various agencies. To a major extent this work needs only to be reviewed, modified here and there and properly integrated by you to provide a sound and workable program. The following task committees suggest themselves:

1. Fiscal Policy

I guess we'll all agree that we badly need a revision of our tax structure. Our present tax structure is geared primarily to war requirements. For this reason alone it will need very substantial revision once the war is over. More than that, the system itself was developed piecemeal over the years. The role of fiscal policy in achieving full employment is critical, and this role must be understood both by Congress and the people.

2. Wage and Price Policies

Our current wage and price policies were developed to prevent inflation during wartime, with the government spending one hundred billion dollars per annum and taking almost 50 per cent of the national output. After the war is over and government expenditures return to peacetime levels, the problem will be to find markets to replace those now provided by the government. This will obviously require very different wage and price policies than those now in effect.

3. Farm Policy

In the Stabilization Act we have made a commitment to support farm prices for a period of two years after the cessation of hostilities. While the farmer has been guaranteed against postwar collapse, this falls short of a reconversion and postwar farm program.

Some means must be found, it seems to me, to dispose of farm surpluses during the period of the commitment, and a permanent farm program to carry on after that period is over must be worked out. Such a program would be immensely reassuring to our farmers, and to the men in the armed services who plan to take up farming after the war.

4. Export Policy

After the war we shall have to find in foreign trade a substantial contribution toward the expansion of our markets, which must
be achieved if full employment is to be attained. This means, I believe, important modifications in our trade policy, designed to open our doors to foreign goods. It means also a broad development of our role as a creditor nation. Machinery for the extension of credit on a basis much broader than that which prevailed before the war will probably have to be set up.

5. Housing Policy

Housing provides one of our richest opportunities in the post-war period, yet there is hardly any field in which the obstacles which stand in the way of opportunity are greater. These obstacles go back a long way and are deeply embedded in the structure of the industry. They account for the fact that during the Thirties we failed even to maintain our housing plans, let alone to increase and improve it.

Before the war a beginning was made through the Federal Housing Administration and the U. S. Housing Authority to remove the most important of these obstacles. After the war, these programs need to be not merely resumed, but expanded, improved upon, and supplemented.

6. Public Works Policy

During the war we have accumulated a backlog of almost ten billion dollars of public works, yet it is my understanding that under present laws we have been able to develop only the skeletal of machinery to translate this backlog into operations. It seems to me urgent that our program in this field should cover long-term needs as well as to prepare for the immediate requirements during the reconversion period.

7. Regional Development Policy

Flood control, reclamation, irrigation and power development provide immense opportunities both for jobs, for markets, and for the development of higher living standards. To avail ourselves of these opportunities, however, a broad national policy must be developed, and the sharp differences in viewpoint which now prevail must be reconciled.

8. Social Security Policy

It was generally agreed during the campaign that our social security program stands in need of both development and revision. It must be broadened to cover all citizens and extended to include health, hospitalization, and medical care as well as old-age insurance and unemployment compensation. Its financing must be revised so that it makes a positive contribution toward full employment.
As things now stand, the programs withdraw from circulation more money than they pay out. They therefore operate as a drag upon markets rather than a stimulus to them. That’s proper, of course, under present inflationary conditions. But in the months following V-E Day conditions will begin to change.

* * * *

In addition to task committees covering these specific policy assignments, it might be wise to establish a steering committee to tie the various recommendations together for your final consideration. I believe a program along these lines could be prepared by capable, well-organized groups in sixty days.

While this work is going forward, I believe preparations should be made under the direct supervision of the steering committee, perhaps by a special subcommittee, for a campaign of public education, making the widest possible use of chart and graphic presentations. We have had considerable success with these chart presentations before Congressional committees. It would be a simple matter, through the Office of War Information, to develop presentations of a national economic program for full employment which almost anyone could understand.

These presentations could be sent to every newspaper editor in the country, to businessmen, labor groups, and all members of Congress. They could be supplemented by effective material to be presented regularly over the radio. We have had unusual success with this medium in explaining our own program. In my judgment it accounts in large part for the public’s acceptance and support of price control.

It will be said by some that any talk of post-war at this time will encourage the already dangerous movement of workers out of the war industries. Let me repeat my earnest belief that the very opposite would be true.

There is no present financial advantage to these workers in leaving the war industries for civilian employment. What they are seeking in protection against the unemployment they fear will follow the end of the war. Their motivation is fear. A program which allays these fears by making clear to them that the Government is preparing plans which will provide opportunity and security would, in my judgment, significantly diminish rather than accelerate the flight from the war industries.

A broad post-war economic program, presented in understandable terms would, I believe, be welcomed with equal enthusiasm by our farmers, our shopkeepers, and business men. It would give to our farmers, our workers and our business men a sense of security about the future
of their families and particularly their boys in the armed services.

I have heard that the publication of the Beveridge post-war economic plan and later Lord Woolton's program had an amazingly beneficial effect on the morale of workers, farmers, and soldiers in England.

It will also be said by some that we had better postpone the development of even a general program until the problems are clearer. Again this reasoning seems to me mistaken. The post-war economic problems which we will face are overwhelming. We cannot hope to find the right answers suddenly on an emergency basis. Moreover, if the problem and the necessary solutions are not understood in advance of the emergency by Congress and the public, we will face dangerous bickering and disunity at a time when speed and cooperation will be essential.

There would be general objections to any plan, of course, from some people who feel that we can, in some mysterious manner, turn back the economic clock. But I believe that this criticism, if it comes at all, will be insignificant.

The business men with whom I talk today are deeply worried about their future. Most of them have some basic understanding of the need for bold and vigorous thinking if we are to make our free enterprise system work. More and more, they are coming to realize that unless we make it work without too many hitches or too much hesitation, we will be at the mercy of the speculators who will be crowding the microphones with their own private opinions.

As I see it, it is not only a question of providing a plan from which will flow the necessary legislation, but of letting the whole country, and in fact the whole world, know that we have a plan and that we are headed toward a sustained high level of post-war prosperity.

I am sure we will all agree that unless this country is prosperous, with all its people employed, in the days after the war, it will become difficult or even impossible for us to carry out our objectives abroad. A post-war America which is struggling with unemploy- ment, insecurity and disunity at home will not carry the full potential weight in the councils of world peace.

I believe that it is not too much to say that our success in building a prosperous and united nation here at home will determine to a large degree the success of the President's efforts to bring a lasting peace throughout the world. This thought has been expressed to me on many occasions by Englishmen, Australians, and Canadians with whose I have discussed our economy.
I am sending you this suggestion for the development of an integrated overall economic program only after considerable hesitation. I have stepped into a field of broad Administration policy which is not my own. I have done so only because I feel the urgent need for the kind of action which I have so roughly outlined, I shall be glad to discuss the idea further with you at your convenience.

My best personal regards.

Sincerely,

Chester Bowles
Administrator
HAVE A NEEDED CONSIDERATION IN THE FIELD OF RELIGION.

SUMMARY OF PROPOSED LEGISLATION FOR FEDERAL NURSES.

YES! YOU WILL THEN.

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