

I: America Tomorrow

THE SPEECHES and articles in this book date, explicitly, from March 10, 1933 to May 15, 1944. It seems best to open the collection with three of the most recent. "A sort of Lincoln-Douglas progression, with Wallace doing all the debating," one Washington observer has characterized the series. Actually, his description would be better suited to the addresses and articles in the two sections to follow, wherein Wallace, a green new Secretary of Agriculture, in 1933 and 1934, was publicly weighing the hazards of nationalism on the one hand against the hazards of world trade on the other, and announcing as his one fixed conclusion: "America Must Choose."

The three linked speeches that follow were delivered successively at Los Angeles on Friday, February 4; at San Francisco on Monday, February 7; and at Seattle on Wednesday, February 9, 1944.

WHAT AMERICA WANTS

On this trip to the West Coast, I propose to talk about America Tomorrow. Today I shall speak about what America wants. Later on at San Francisco and Seattle I shall discuss what America can have and how America can get it. We want many different things and some of these are in conflict with others. But let me point out right at the start that the sum total of what we Americans can have is immense. Only a few years ago, when the President said we wanted fifty thousand warplanes a year, some people thought he was being visionary. Today we know that the production of a hundred thousand warplanes a year is a hard reality. So I tell you we can have twice as much for civilian living after the war as we ever had before the war, and you know that is no dream. There are limits, but they are much higher than most people even yet realize.

But we cannot have all these things unless we use good sense and good management. If we try to grab too much, all we shall get is another boom and another collapse. That is why we should think clearly about what each of us wants, and then about how our desires can be made to fit into a practical total, and finally how to get that total. This is the practical way of planning, creating and enjoying the common welfare.

The first and most important need has to do with the desires of plain

folks who have to work for a living in the factories and the stores, in the schoolhouses and the government offices. More than fifty million of these people with their wives and children have just one basic interest in life—the assurance of a steady job. They would like the assurance of an annual salary or, at any rate, the guarantee of two thousand hours of work a year.

Of course labor wants more than a job, wants more than decent wages; it wants to be appreciated, to feel that it is contributing toward making this world a better place in which to live.

The workers of the United States want assurance that they can have jobs when the seven million service men and the ten million war workers, who by their supreme efforts are saving us during this mighty conflict, find it necessary to get back into peacetime work. They want a plan that will solve the problem when there are more workers than jobs. Nowhere is this situation so acute as right here on the West Coast. When men begin to hunt for jobs, the bargaining power of labor begins to weaken and union funds begin to melt away. Workers everywhere know this and therefore are beginning to think in larger terms than merely bargaining for higher wages, shorter hours and better working conditions. They want to have a part in making those decisions which will determine the future prosperity of the nation. They want to influence government and industry to bring about full use of manpower, full use of resources and full use of technological know-how.

With the United States producing in peace as it has been producing in war, the workers know that they can have opportunities for leisure and culture, and above everything else possibilities for the real education of their children.

Workers want better insurance against sickness, unemployment and old age. They want the Wagner Act, not as a substitute for full employment, but as insurance against the accidents to which all of us are subject. When, in the postwar period, contracts are cancelled, American labor wants work, not a dole. The Wagner Act can never be a substitute for jobs, but combined with jobs it is admirable.

Organized labor has come of age. It has taken its place as a responsible partner of management in the operation of industry and trade. It has accepted responsibility in war for maintaining an increase in production. It has the right to ask for fair and honest treatment from the public.

As a responsible partner, labor wants an opportunity to make creative contributions to industry and to benefit therefrom. During the war, hundreds of thousands of workers have submitted ideas for increasing efficiency, enlarging output, saving time and costs, and improving the quality

of the product. Labor during the war has enjoyed cooperating with management in doing a real production job, and we must never again let such a rich source of national wealth go untapped.

The farmer has more wants than the worker because he himself is not only a worker but also a manager, a capitalist, a trader and a debtor. The farmer is exposed both to weather and markets beyond his control. A farmer's first desire, therefore, is to remove the extraordinary hazards of his business. His first want is the assurance of decent markets, low freight rates and reasonable marketing costs. The farmers want low interest rates, a chance to buy farm machinery and fertilizer at low prices. As a purchaser, the farmer knows that he has long been victimized by monopolies both when he sells and when he buys. Farmers want good roads, good schools and rural electrification at low cost. Farmers love the soil and want to be able to handle it so as to leave it to their children better than they found it. Above all, farmers want to produce abundantly, to see the fruits of their labor raise the living standards of mankind.

In recent years farmers have become more and more interested in getting legislation which would give them bargaining power equivalent to that enjoyed by labor and industry. Thousands of farmers have become skilled Washington lobbyists. Having learned the Washington lobby game, they intend to use federal power to hold up farm prices after the war. Some false farm leaders use the farm lobbying power to help business against labor, just as some false union leaders use their lobbying power to help business against the consumer. But the best farm leaders realize that farm prices can be maintained in the postwar period only if labor is fully employed at high wages, just as the best labor leaders realize that good wages and full employment cannot be long enjoyed unless the farmers are prosperous. All farmers, like all workers, want stability and a rising standard of living.

Some, but not all, big businessmen want that type of control which will produce big profits. They want to put Wall Street first and the nation second. They want to put property rights first and human rights second. They will fight with unrelenting hatred through press, radio, demagogue and lobbyist every national and state government which puts human rights above property rights.

To its own conscience this selfish, narrow-visioned branch of big business puts its desires in mild-sounding phrases somewhat as follows: "We must have an economically sound government and a balanced budget. Government spending must be cut down. We must get rid of that 'so and so' in the White House. Then with government out of business and with Wall Street running the country again, we can have what we want—free

enterprise. Yes, the free enterprise of old-fashioned America is what we really want."

By free enterprise this type of big business means freedom for freebooters. By free enterprise this type of big business means the privilege of charging monopoly prices without interference by the government; the privilege of putting competitors out of business by unfair methods of competition; the privilege of buying up patents and keeping them out of use; the privilege of setting up Pittsburgh plus price-fixing schemes; the privilege of unloading stocks and bonds on the public through insiders who know their way in and out, up and down, backwards and sideways.

Fortunately, not all big businessmen ask for these privileges or define free enterprise in the way I have just mentioned. Some of them are as deeply concerned with the problem of full employment as labor itself. They are anxious to see such modification in taxation laws as will place the maximum incentive on that type of business activity which will give full employment. Some of these larger businessmen have marvelous new inventions which they would like to put into volume production at the earliest possible moment. Such men are oftentimes more interested in increasing production, and thereby serving humanity, than in making money for money's sake, but they know that even from the standpoint of serving humanity, it is necessary to make a reasonable profit if this private enterprise economy of ours is to survive. Therefore they want the assurance of large and expanding markets.

The small businessman is just as interested in free enterprise as the big businessman, but he means something quite different in his use of the word. Free enterprise to the little businessman means the opportunity to compete without fear of monopoly controls of any kind. The small manufacturer wants free access to markets and the assurance that he will not suddenly find himself crushed by some hostile financial power.

The small businessman in his way is just as much a typical American as the small farmer. Some of his relatives may be workers, some may be farmers or one of them may actually be a big businessman. The small businessman is the source of a large part of the initiative of the United States. The small businessman is humble, ambitious, confused and uncertain. He is not very happy because, in war and in peace, the rate of economic casualties among small businesses is so high.

Moreover, the small businessman is not sure that the situation will be any better for him when peace comes than it is right now. The small businessman wants a fair chance to compete in a growing market with fair access to raw materials, capital and technical research. These desires

are not unreasonable but they will require some protection by the government.

Some of the businessmen who most want to serve the world in the postwar period are among those who have rather recently graduated from the ranks of the small businessmen into handling large affairs in the war effort. Because of his unusual capacity, this kind of man has made large sums of money during the war, but has paid nearly all of his profits to the government. He will come out of the war with large plant facilities. He wants to know how to reconvert as fast as possible. His success has often depended largely upon his fine relationship with labor. Appreciating the loyalty of labor, he wants to give his workers jobs in the postwar period, not so much from the standpoint of making money as from the standpoint of doing things both for his workers and for the country. Such men are in some ways the hope of America and of the world. I hope the postwar slump will not be so big when it finally comes as to make it possible for the large static corporations with huge cash reserves to take over the establishments which these energetic men have built so skilfully with the cooperation of loyal labor. Big businessmen must not have such control of Congress and the executive branch of government as to make it easy for them to write the rules of the postwar game in a way which will shut out the men who have made such a magnificent contribution to the productive power of America during the war. We need them to furnish the jobs which are so important both to labor and to agriculture.

The Big Three—Big Business, Big Labor and Big Agriculture—if they struggle to grab federal power for monopolistic purposes are certain to come into serious conflict unless they recognize the superior claims of the general welfare of the common man. Such recognition of the general welfare must be genuine, must be more than polite mouthing of high-sounding phrases. Each of the Big Three has unprecedented power at the present time. Each is faced with serious postwar worries. Each will be tempted to try to profit at the expense of the other two when the postwar boom breaks. Each can save itself only if it learns to work with the other two and with government in terms of the general welfare. To work together without slipping into an American fascism will be the central problem of postwar democracy.

Let us consider for a moment what the Far West wants. It is prodigiously rich in natural resources which promise a greater future development for this region than for any other in the country. To accomplish this development expeditiously, the West will require investment capital, additional transportation facilities and more workers. It will require lower and non-discriminatory freight rates and access to technologies. It will

need development of its hydro-power resources and great increases in irrigation to take care of the food requirements of a growing West and a wealthier country generally. The West looks forward to a future in which the trade of the Pacific will rival that of the Atlantic. The West wants and is entitled to more influence in Washington, D. C.

In the broader interests of the nation, it is apparent that what is wanted is a balanced development of all the economic resources of *all* regions, for whatever raises the economic level of one region creates new markets for other regions.

As citizens, the most urgent want is to be accurately and intelligently informed on all the issues which confront us. There must cease to be secrecy in public affairs, except where military necessity requires. In a democracy public officials must trust the people. The greatest responsibility, however, rests on the press and the other agencies of public information, a responsibility which the workers who gather and prepare the news will enjoy discharging if they are given the opportunity. The press, the radio and the other agencies of public information must take the lead and carry the major responsibility for our greatest assignment in mass education—the education of our people for political and economic democracy.

As citizens of a democracy, we must all be vitally concerned with the adequacy of the education available. Many adults want opportunities to complete their educations, to prepare for better jobs, or to develop new interests. The training of our citizen army has demonstrated the potentialities of adult education to millions; when demobilized, they will demand comparable opportunities in peace.

The wants of the returning service men mean more to us right now than the wants of anyone else. In this year 1944 a grateful nation is determined not to let the service men down. These men are entitled to job priorities and mustering-out pay. They will want the same things as workers and farmers but they will want more. During the war millions of them have learned to walk with death, pain and severe physical hardship. They have learned to love their country with a fierce patriotism. They forgot about money. Big profits, higher wages and higher prices for farm products meant nothing to them. Therefore they learned to hate pressure group warfare. They may return to private life and become a pressure group for the general welfare. Their disgust with pressure group politics, wrongly channeled, could lead to a new kind of fascism, but rightly directed it may result in a true general welfare democracy for the first time in history. These young men will run the country fifteen years hence.

As citizens we want competent and honest government all the way

from the local community to Washington. We want a government that uses its powers openly, intelligently and courageously to preserve equality of opportunity, freedom of enterprise and the maximum of initiative for all the people. We want a government which will recognize those things which it can best provide in the interests of all—security of persons and property, freedom of religion, of speech and of thought, education, public health, social insurance, minimum labor standards and fair standards of competition—and then effectively discharge its responsibilities.

As consumers, our wants merge into the general welfare. Our dominant want is for an efficiently functioning economy—full employment of labor, capital and technologies, a balanced development of all regions, the preservation of genuine free enterprise and competition to assure progress and a rising standard of living, the avoidance of business ups and downs, and no exploitation of labor, capital or agriculture.

We all want jobs, health, security, freedom, business opportunity, good education and peace. We can sum this all up in one word and say that what America wants is pursuit of happiness. Each individual American before he dies wants to express all that is in him. He wants to work hard. He wants to play hard. He wants the pleasures of a good home with education for his children. He wants to travel and on occasion to rest and enjoy the finer things of life. The common man thinks he is entitled to the opportunity of earning these things. He wants all the physical resources of the nation transformed by human energy and human knowledge into the good things of life, the sum total of which spells peace and happiness. He knows he cannot have such peace and happiness if the means of earning peace and happiness are denied to any man on the basis of race or creed.

The common man means to get what he is entitled to. Any failure to utilize our resources to the full will cause him to throw over any system which he thinks stands in his way. The impulse of humanity toward full use and full expression is now so intense as to be identical with life itself. We who love democracy must make it politically and economically a capable servant of the irresistible instincts of man and nature.

All of us want to be needed and appreciated. We want to feel that the world would be a poorer place if we died. We want to enjoy the world, contribute to the world and be appreciated by the world each in his own little way.

The bitterness of the depression was that so many millions were cut off by unemployment. That is the bitterness we do not want to see again, when the war is over and the boys come home. We want reasonably full

employment so that every American can feel himself a member of his country.

We have the materials to work with. We have the science and technical skills to direct our work. We have innumerable desires for goods and services that we are able to supply. All we need is good management and harmony, less grabbing for ourselves, and more cooperation for the general welfare. Legitimate self-interest can be realized in no other way. By working together for victory in war we have made a resounding success. By working together for the common good in peace we can get results beyond what most Americans have dared to hope.

WHAT AMERICA CAN HAVE

At Los Angeles I sketched briefly what America wants. Here at San Francisco I propose to describe what we can get if we really want it badly enough to plan and work for it.

Let me first do what I can to kill the myth that the gigantic war debt will stand in our way. We can pay the interest on this debt and have a standard of living at least fifty percent higher than in the decade of the thirties. With reasonably full employment we can have a national yearly income of more than 130 billion dollars. We can produce 170 billion dollars of goods and services annually. This is no dream, for in 1943 we produced more than 190 billion dollars of goods and services. With such an income we can carry the interest on our war debt and still have a whole lot more left over than we had at the top of the boom in 1929. The interest charge on all debts, private and government, in 1944 will represent only seven percent of our national income or no more than in the decade of the twenties.

But if we allow the thought of the national debt to scare us, it will hang as a millstone around our necks and we shall all be sunk in a sea of unimaginable difficulties. There is just one way to treat the war debt, and that is to remember that it can be carried easily if all of us are able to work hard and to use our natural resources and human skills to the maximum. The goods produced when we work hard and are fully employed will find a market if we raise our standard of living by forty percent. We can enjoy the things we have always wanted and thereby create such prosperity that we can carry the national debt easily; or we can pinch and save and bring on a depression, and let the national debt crush us. Farmers, workers and businessmen can all prosper, provided they are all

willing to cooperate with each other and with government in furnishing the American people the things they ought to have, and then in buying and using the things that are offered for sale.

The important point now is to tell the American people about the things they can have two or three years after this war is over. We mustn't take "no" for an answer. The more we insist on getting the right kind of goods, the greater a market there will be for all of us. There is just one proviso. We can't afford to demand things that will hurt the welfare of the American consumers as a whole. Farmers, workers and businessmen can't afford to cut each other's throats.

Now let us talk about these things we can have, things over and above a new car and new radio, things that it is our duty to have if this American civilization is to grow and go forward. First, there is health. The people of the United States would be at least thirty percent more efficient if they were in maximum good health. They would then be effective to a ripe old age, instead of often half effective only to middle life. Two generations ago in the United States every city dweller had to boil drinking water or run the risk of dysentery and typhoid. We cut down the death rate enormously when we made it possible for the people in the cities to get safe drinking water at a modest cost. At even less cost than for clean drinking water, we can see that liberal dosages of vitamins are added to flour and cornmeal, thus wiping out at one stroke the vitamin deficiencies which undermine the health and vigor of so many millions of our citizens, especially those who are past forty years of age. At a cost of two dollars per year per person, it would be possible to wipe out all vitamin deficiency diseases, extend the working life of the average individual ten years, and, of course, increase the vigor of at least half of our population. Any intelligent person operating the United States for profit would undoubtedly spend at least 250 million dollars a year for vitamins. By so doing he could get his money back in increased output ten times over the very first year.

Second to good and plentiful food, I would put good and plentiful hospitals. With more hospitals adequately equipped and staffed, combined with a commonsense public health program, we can stamp out tuberculosis, syphilis and possibly malaria. Everyone in the United States ought to have an annual physical checkup and have the privilege of going to a hospital if a competent doctor thinks it necessary. If it is wasteful to let a soldier go without proper medical service, it is just as wasteful to let any American be sick for lack of proper medical attention. We ought to be spending four times as much on hospitals and doctors and nurses as we

are now spending and we should be getting at least ten times as much good out of the medical profession as we now get.

After good health, and closely allied to it, I would put good housing. Most of the houses of the United States are out of date and seriously run down, especially on the farms. Governmental housing authorities, both in England and the United States, have learned a lot about cheap, good housing during the past five years. With money available at low rates and with various types of monopoly rackets eliminated, both government and private industry can build good houses at amazingly low cost. Prefabrication will play its part in bringing the cost down. As soon as we have settled down after the war, we should build at least a million houses a year until such time as we have completely modernized ourselves. Ten years from now we shall find that struggling along with an old house is like tinkering with an old car which every few weeks runs up an expensive garage bill. When the house of the future is perfected as it can be, it will be possible for the housewife to do her cooking, cleaning and marketing with one-third the labor which she now expends.

Next after housing I would list rural electrification. We can furnish electricity to every house in the United States except in those exceptional areas where the population is thin and the distances between farms are too great. With electricity practically everywhere, three-fourths of the housewives should have not merely electric refrigerators but also quick-freeze or deep-freeze machines to carry garden stuff and meat over from the time of seasonal plenty to the time of scarcity. Electricity widely spread, combined with good roads, cheap automobiles and special types of machines for small farms, will result during the next ten or twenty years in millions of families relocating on small acreages within driving distance of the factory or business where the man of the house works. Fifty years ago the slogan "Ten acres and liberty" was a trap which made fools out of most of those who fell for it. But today, with all the conveniences which rural electrification and good roads make possible, five or ten acres can furnish an enjoyable and profitable outlet for the energies of a growing family. Sunshine and fresh air, combined with good milk and eggs and the vegetables and fruits which can be preserved the year around, will make the small farm a joy forever to all of those who have any instinct for the soil and the living plants and animals which grow upon it. Rural electrification, and the inventions which naturally go with it, will hasten the march of the common man back to the country and nature. It will restore to the family much of the significance which it had a hundred years ago. A small farmer who works most of the time in town can, with the help of his family, produce more than half of the food which

he eats. He can also have a little in the way of vegetables, eggs and milk to sell. Small, part-time farming near a city can become so important by the year 1975 as to be one of the significant balance wheels of the nation.

So far as farmers generally are concerned, there are great things ahead, provided we can avoid a serious slump by having full employment in the nation at large. The future farm economy can easily feed the fifty million undernourished people better, provided they are well employed. Heretofore these people, except during a time of war, have never had enough to eat for the simple reason that they couldn't earn enough to pay for it. The biggest single marketing problem in American agriculture is to make sure that these people earn enough so that they can afford to buy the right kind of food. When the unusual European demand stops, as it probably will within a few years after the war comes to an end, it is important that these undernourished people come into the market with greater demands and more money to pay for what they want.

Technologically, the farmers will benefit from many new devices. In the West there must be more and more land brought under irrigation until all of the surplus water is utilized. Maximum water storage, both for irrigation and for power, will be needed if the Far West is to support the vast population which her manifest destiny so clearly foretells. Nothing must stand in the way of this destiny because it is the destiny of the United States itself to look as much toward the Far East as it now looks toward Europe. I well remember in 1909 sitting in Sacramento with W. A. Beard, the California member of Theodore Roosevelt's Country Life Commission, speculating as to what would have happened if the Pilgrim Fathers had landed at Golden Gate instead of at Plymouth. A New Zealander was saying to me the other day that some day San Francisco will contain as many people as New York City. I can hear the tramp of the coming millions as they move in to fulfill the destiny of the West.

Perfect types of tractors and ground-tillers are certain to come into use after this war. New fertilizers, new varieties of crops, new methods of feeding and better methods of soil conservation will be perfected. The revolution in agriculture which started with improved farm machinery three or four generations ago and with the discoveries of the Experiment Stations will proceed with accelerated pace. The ability of one farm family in the United States to feed itself and four families in town is the strength of our great nation both in war and in peace. This efficiency must and will be further improved. The only thing which can stand in the way of it is unemployment long continued in the cities, for the two indispensable halves of prosperity are growing efficiency matched by growing markets.

Next after improved health, universal electrification and improved

agriculture, I would list as a sound business proposition better schools, especially in rural America. Our children can grow up to improve and enrich this nation only if they have good food, good schools and good direction. We need more and better schools, more and better teachers. We need and can have federal aid for those sections of the country where because of poverty the school system is lagging. The poor, agricultural regions are rich in children whereas the rich, city wards are poor in children. Therefore the children and the grandchildren of the poor have a significance far greater even than their own ancestors would have dared hope. The prevention of youth erosion is more important than the prevention of soil erosion. It is even better business to stop youth waste than to stop soil waste. Educational opportunities for young people must come first; but as the Scandinavians discovered, improved adult education is a tremendous additional asset for any nation.

The ten million families at the bottom of the pile in the United States have demonstrated during the past two years that they can do good work, provided they have enough to eat and the opportunity to get good training. The salvation or damnation of the United States depends in considerable measure on how efficiently we can keep these people at work. If they are kept at work at good wages, they can furnish an annual market for at least fifteen billion dollars' worth of goods and services. If these people are at work they will buy something like a million cars a year from the automobile market. The women of these families, if they have the money, will buy nearly two billion dollars' worth of clothing and household furnishings. If they can be assured of steady jobs, these ten million poorest families will furnish a market for at least a hundred thousand new homes every year. Also we shall have, instead of human waste and misery and burdensome charity, ten million busy, hopeful families.

People talk about acres of diamonds or gold mines in the backyard. The real gold mine in our national backyard is the ten million poorest families who before the war bought only about five billion dollars worth of stuff a year, but who can easily furnish a market for fifteen billion if they are given opportunities in the postwar period.

When I talk at Seattle the day after tomorrow, I shall have something to say about how these people can be put to work. Tonight I am only saying that they can and must be given jobs. Their productivity, the size of the market which they can contribute to our businessmen and the health and education of their children mean too much to the rest of us to be neglected.

We can and must give our poorer people a chance to work productively if we are as serious about total peace as we have been about total war.

Most of the new goods and services we want after the war can be supplied by private enterprise. But some of the services and some of the employment will have to come from public works, which too are a source of employment.

Every township, every county and every city in the United States should list both the private enterprise and the public works projects which it would like some day to have. Provided these schemes have fundamental merit, we can have eventually all the things that make for a high standard of living—good roads, airfields, flood control, parks, recreational projects, conservation and planting of forests, conservation of wildlife, conservation of soil, regional T.V.A.s and all that vast multitude of things which the government can do and which no individual can. All of these activities are self-liquidating from a long-run national point of view. They should be carried on in all years except when there is danger of inflation or shortage of labor.

The greatest economic sin is waste of human labor. In the decade of the thirties waste of human labor deprived this country of 200 billion dollars of goods we might have had, or more than the war has cost us to date.

The greatest threat to a balanced budget is unemployment. Unemployment is the one thing that can break all of us. A would-be statesman who in the name of budget-balancing costs a million people their jobs will cost the national income two billion dollars a year. That is a lot to pay for a few wrong ideas. The problem of budget-balancing is first of all one of keeping people fully employed producing efficiently the things we want. We have the people and the resources and the technical "know-how" to produce more than we ever dreamed we could. But we must have also the management "know-how" at the statesmen's level to keep these sources of wealth fully employed. Without that "know-how," our economy will be as helpless as the Army and Navy would be without a General Staff. Then the budget can be balanced and the national debt can be kept under control. No such results can be hoped for if we drift into a kind of unemployment by default. You can't beat something with nothing; we can't beat unemployment with anything but positive programs aimed at full employment.

There will be one great test of statesmanship after the war, and that is: our ability to maintain the maximum useful employment over a long period of years and at the same time preserve our democratic liberties. I say to the people of America that we will win the peace only if we keep the people of our country at work—in freedom, in the increased production of goods that promote the public welfare and give us an opportunity to enjoy life and educate our children. We have proved that in war, when

our will is roused to a great purpose, we can put forth efforts and rise to levels of national prosperity beyond anything in our history. We have found the leaders in government, in business, in agriculture and labor who, together with the millions in every walk of life, have revealed our great productive power. In peace, when we are free of the terrific waste of warfare, we can devote our will and our efforts to improving our country and we can attain results beyond anything we ever had previously hoped.

We can, if we will all co-operate, produce more peacetime goods in 1954 than we did of total goods in the war peak year of 1944. The Nazis say that only war can call forth a supreme effort. I say that the challenge of peace is even greater than that of war and that we can and must measure up to it in terms of increased productivity and vital living.

AMERICA CAN GET IT

There once was a man by the name of Job. Job had a lot of hard luck, and worst of all had to listen to the false consolations of three so-called friends. After it was all over, the Lord was pleased with Job and gave him twice what he had had before.

The United States in some ways is like Job. We are now going through great adversity, but after it is all over we can have nearly twice what we had before. The problem with us, as with Job, will be largely a spiritual one. Once we get our minds clear and our hearts pure with regard to certain fundamentals, we shall make extraordinary progress. I am not talking about human perfection; I am talking about a little more vision in our own long-range self-interest. Heretofore we have never been permitted to use to the limit our reserve of natural resources, manpower and technological skill. Now we have no choice. There is no halfway point. It is "Pike's Peak or bust." Curiously enough, the full utilization of our resources, manpower and skill is the formula both for our necessity and our blessing. Its application will require a great spiritual strength, and in the process of developing that strength in a practical way we shall bless ourselves and the world. The problem of full utilization of all resources is first economic and second political.

The economic explanation of how civilized nations drifted into practices of scarcity goes back to the rise of factory mass production, the great corporation, vast investment and banker control in behalf of investment security. Modern factory civilization has become highly geared and there

is always danger of tremendous over-production unless mass purchasing power is geared to match it. This fear can vanish only if as much imagination is put into the art of distribution as into the science of production. Many who have tried to finance a business in Wall Street have found that scarcity economics is the very heart of the system. The Wall Street financing house will demand control of the most important type of stock issue, and then will want to make sure that a loan to the new concern will not imperil, because of competition and new methods, the loans to older concerns. Wall Street calls this system "businesslike." I deny that it is businesslike, and say that it is the dead hand of the past trying to make a profit by blocking the progress of business. The day has now come when we must release the business system to act through increased production for the benefit of all the people. Many businessmen now understand this as they couldn't have understood it in 1929.

I have asked several friends who have visited Russia during the past eighteen months what we could learn from Russia to make our system work better. Invariably the answer has come back, "Give our workers more incentive, more free enterprise, more initiative. Hold the profit motive out to them in the same way as the Russians." Donald Nelson tells me that he visited a number of towns in eastern Russia and western Siberia which three years ago contained less than 200 thousand people but which today number from 600 thousand to a million. There he saw steel furnaces as large and well-equipped as any we have in the United States. There he saw production goals scientifically set for different groups of workers. There he saw large cash prizes given to the men who went furthest beyond their quotas. The Russians can't understand how we can get along in the United States without giving our workers incentives of this kind. Nearly everyone in Russia feels he is directly working for the welfare of the whole nation. He has no fear whatever that he is being exploited for the sole profit of the management or stockholders.

Another friend, a Latin American who is living in Russia at the present time, wrote me under the date of last November, "What you in the United States preach on Sunday the Russians do here every day."

That the Russians could go so far in the past twenty years and evoke such an extraordinary response from the people in time of stress is the greatest indictment I know of the scarcity economics as practiced by those who believe that profit and free enterprise are only for the few.

We are not going to use the Russian political and economic system here in the United States. It was made for Russia and not for us. But the system of rewarding men for inventing improvements in their own jobs is already well established in some progressive American industries. Once

the management and the workers learn to trust each other and to work together, it is proved that they can get a spectacular increase of output. Both Russia and America are showing the advantages of good engineering. Under free competition we may hope that the less progressive companies in America will be obliged to catch up to the best practice. The problem is whether we can modernize the backward areas in our present system so as to make it stand from top to bottom for full use of resources, full use of skills, full use of inventions, without the bottlenecks created by cartels, unfair banking control, unwise labor restrictions, or unenlightened farm leadership. As we face the future, the leaders of the great pressure groups must ask themselves continually, "Is my pressure group in its demands helping the general good? Is my corporation in its program doing what it can to bring about full employment? Or are we just trying to get a rake-off by obstructing full activity? Are we fighting for the biggest piece of the pie as it is, or are we also trying to increase the present size of the whole pie?"

One aspect of modern scarcity economics is the belief that men will work only when they are hungry and that they will stop work when they have enough money to keep their bellies full for three or four days. This cynical attitude of exploitation of the many for the benefit of the few has no place in modern civilization. The moment the many are taught to read and write, to build better homes, to eat better food, to see an occasional movie, to listen to the radio, desire is created and markets are enlarged. People want more and are willing to work to get what they want. This increased longing of the people for light and abundance is going on at an increased tempo all over the world.

The modern Russians, as well as enlightened employers everywhere, have never believed in the "Keep them hungry—keep them in darkness" system of economics. When they evacuated workers by the hundreds of thousands from Leningrad, Kiev, Kharkov and Stalingrad, to escape the advance of Hitler's armies, they evacuated the artists along with the workers. As a result you find today the finest Russian drama and concerts in towns with names which not one of us in a hundred in the United States can pronounce or locate on the map. The Russian art is for the people, not merely for those who can afford to pay five dollars. The Russians know, and we know, that man cannot live by bread alone. We have been accustomed to think that it was the United States that was prepared to give all men food, education and an opportunity to work and live in freedom. Let us live up to our own national ideal. Once all of us wholeheartedly adopt the doctrine of economic abundance instead of economic scarcity, we can have nearly twice as many of the good things of life as

we had before. Incidentally, it's the only way in which those who have can hang on to what they've got. We must pull together for a glorious future. We must not pull at cross purposes until a time of dark despair is upon us and archangels rather than ordinary men will be needed to get us out of our mess.

One serious danger of unemployment, for example, is in those industries producing machine tools and machinery for big construction jobs. These industries did a marvelous job preparing us for a magnificent war effort. Their services will be needed all over the world—in China, Russia, India, all Latin America and Africa, and in the United States, building flood control, irrigation and power projects, building roads and equipping factories. At the end of the war we shall have a tremendous surplus of these goods and services. The whole world has a great hunger for them. The question is to discover some sound method by which the world can pay for them. Our young men shall open undreamed-of frontiers which will unleash tremendous purchasing power to keep the world economy revolving for a half century. But these dreams will not come true unless the world can discover some practical method of paying the United States. The basic method of payment is of course through goods. If we keep our people fully employed, we shall require fully twice as much in the way of imports in 1949 as in 1929 in order to keep our factories running. Furthermore, from the standpoint of national security we must purchase certain strategic materials. The United States must build up large permanent stockpiles of those materials of which this country has been proved to be short in time of war and which can be preserved without loss.

Russia wants machine tools. All right, let Russia pay in terms of manganese and platinum, of which she has a surplus. China wants an irrigation system. She has more tungsten than she needs for her own use. Let her pay in terms of tungsten. Persia wants a power project. She can pay in terms of oil, which we can store in underground reservoirs. Chile wants to build some airports. Let her send us copper and nitrates. There are at least twenty strategic materials of which we are seriously short in the United States as a result of our tremendous war effort. One of the best ways to make sure that there will not be another war is to build up in all the peaceful countries of the world such large supplies of the materials of which each is short that no friendly nation anywhere in the world will ever be caught helpless by sudden attack. The manganese, the copper, tungsten, platinum, oil, etc., will be of great value to us in terms of security and real wealth. The export of these machine tools, equipment and construction services will greatly increase the wealth and production power of friendly nations all over the world. If this is properly

done the result in fifteen years will be to draw the world together by highway and airway so that every man in truth will be the brother of every other man. We shall appreciate economic interdependence as we never have before. We shall know that a prosperous Asia helps to make America prosperous. We shall know that the prosperity of the poorest is of great significance to the most well-to-do. It has to be that way in an economy of abundance. It is only in an economy of scarcity that the few can sit on top and scorn the misery of those below.

After the last war several groups of hardheaded businessmen decided that they would make profits for themselves without regard to harmonizing their individual activities with the needs of our foreign economic policy. One group did its best to expand its sales of goods and services to the world. It made money. Another group loaned money to foreigners and sold bonds to the Americans. It made money. The bonds sold by the second group furnished the money which paid for the goods sold by the first group. Europe got the goods and the services without paying us what she should have paid, for the simple reason that we made it impossible for Europe to pay in the only way she could pay. Because Europe couldn't pay, the unsuspecting investor in the United States got bonds that often turned out to be worthless. The hardheaded businessmen made their profit but they helped destroy the general welfare not only of the United States but of the entire world.

The same type of so-called hardheaded businessmen will exist after this world war as after the First World War. Some of them will have the same kind of unsound finance to sell. We must not let them lead the world astray again. We must not let such men lead us headlong toward another worldwide depression and World War III. The best brake on such men will come from other businessmen who see the world picture more clearly. Such men will help this country to rise to abundant prosperity and in that way will give other countries a greater chance to sell their goods to us. The trading of the United States' goods and services for huge stockpiles which can be unlocked in times of national emergency is one way of making sure that we get paid for our exports. Another way is to encourage tourist travel.

The furnishing of our goods, services and engineers for the building of great construction jobs all over the world is only a small part of our task of making full employment here in the United States. The big job is to supply to the 135 million people in the United States a standard of living which is at least forty percent higher than it ever was prior to the war. That's the greatest single contribution we can make to greater foreign trade. We must have no business booms, no business busts.

We want efficient planning but without regimentation. Our chief need is the green and red light kind of regulation. We want carefully designed rules of the road which will not block traffic but release it.

In order to get full employment, together with the maximum of free enterprise and profits for the many instead of the few, it will be necessary after the war to use our taxation system for economic objectives much more skilfully than we have in the past. There is just one basis for judgment of our taxation in the postwar period and that is, "Will this system of taxation over a period of years give us the full employment of people producing the kinds of things which the people of the United States most need and want?"

Undoubtedly we shall have to continue with heavy, steeply graduated taxes on personal incomes after the war. But in the case of corporations it would seem to be wise policy to tax in such a way as to force corporate reserves either into the building of plant and equipment or into distribution as dividends. Huge corporate reserves, beyond legitimate business needs, which are held out of use are subtracted from the purchasing power of the nation. In a time of unemployment each billion dollars stored up as savings means at least half a million men unemployed for a year. Unemployed men mean less goods produced and a smaller market. By our taxation system we must encourage the small and rapidly growing enterprise because such enterprises are the seedbed of the employment of the future. But corporations which have lived far beyond the life of the founding father, and which have huge corporate reserves and which no longer expand, represent the dead hand of the past. They should be prodded awake by the right kind of taxation system so that they will find incentive for putting their money to work instead of letting it lie idle.

To get full utilization of all resources for the benefit of all the people, the most important single economic readjustment is to do away with internal trade barriers. I am referring to those monopolistic practices on the part of some manufacturers, bankers, labor unions, doctors and farm organizations which serve their own welfare without regard to the welfare of the unorganized. I don't say that each member of each of these groups deliberately practices scarcity economics. But enough of them do it so that there is continually sand in the bearings of the economic machine. There is enough sand so that ten million families are continually living in poor houses with inadequate clothing, without enough to eat. Except in time of war, ten million families, whether living on the land or in the city, are given an opportunity to produce only about one-tenth as much as their more fortunate fellows. The war has demonstrated what these families can do for themselves, and for the entire nation, provided

they are given an opportunity to work without the continuous imposition of bottlenecking controls.

It is not necessary to break up the big organizations which have deliberately produced bottlenecks. But it is necessary that in time of peace there be created a moral climate, backed up by a big stick in the Department of Justice, to convince every monopoly group that in the future its welfare can be served only by that all-out production which serves the welfare of all.

Everyone must recognize that it is sound government policy, even in terms of the large monopolistic groups themselves, for government to stimulate the economic activity of the weak on behalf of abundance economics while restraining the economic freedom of the strong to practice scarcity for temporary self-profit. There is a growing and vigorous support of this position within industry itself.

The experience of Russia during the past ten years and in the United States during the past two years has demonstrated what a tremendous job of production can be done once the monopolistic bottlenecks are effectively broken. In the investment of money, in determining volume of output, in setting prices, in bargaining for wages and hours of labor, the decision made must be the one which best promotes full employment, full production and full consumption.

The leaders of the respective groups must become experts in determining how the activities of any particular group are affected by the public good and how they affect the public good. When the respective pressure groups are led by men who know that the size of the whole pie is more important than the size of the slice they want for themselves, our fear of bread lines and soup kitchens will be over. Then every worker in the United States will have the creative satisfaction of doing his part in helping the common cause.

In many parts of the world there is a small land-owning military clique, composing one percent of the population, sitting on top of the pile exploiting the rest of the population, part of whom are workers and part farmers. The task of the century of the common man is to bring these oppressed people into the market. As their productivity and consumptive power are gradually increased, they will within a few years create for the postwar world new frontiers of unimagined richness—new frontiers of peaceful abundance. It is up to us in the United States to demonstrate by our own example the tremendous productivity and happiness of a general-welfare economy. Latin America will follow our example faster than we think, and as she follows it her economy will benefit ours and our economy will benefit hers. Speaking here in Seattle, I may say the same

applies to our relations with China and Siberia. Here at the port which is the closest of all American ports to the Far East, it is important to mention that general-welfare economics and modern technology will make the Far East a market of such vast proportions that eventually there will be as much trade across the Pacific Ocean as there is now across the Atlantic. Private enterprise is dependent upon these broadening markets for its very survival.

The political aspect of getting full utilization of all our powers is more important in some ways even than the economic. By politics I mean the mechanism whereby the people, themselves, thinking in terms of the needs and the welfare of all of the people, make clear their will to the state legislatures and to Congress so that the lawmakers will serve the people more than they do the high-pressure groups which are continually selling the people down the river. The people, standing for just one thing, namely "the maximum use of all our resources in the service of the general welfare," must guide Congress to stand for that objective at all times and to resist all pressure groups except the one big pressure group—the general-welfare pressure group. In action this means that constituents will have the good sense to re-elect Congressmen more for their national statesmanship than for their service to their local groups which are a minority even in the particular Congressional district.

The general-welfare pressure group must believe in democratic planning and must engage in it at the precinct level, the county level, the state level, the regional level. Wall Street and the Wall Street stooges say that such planning is un-American. I say that it is only by such planning that we can preserve and further develop the American way of life. It is only by such planning that we can prevent American fascists from taking us over. When I refer to American fascists I mean those who believe that Wall Street comes first and the country second and who are willing to go to any length through press, radio and demagogue to keep Wall Street safely sitting on top of the country. American fascists at this very moment are desperately striving to control the delegates to the county conventions so that they may in turn control the delegates to the state and national conventions of both parties.

Operating on the precinct level, the people, thoroughly aroused, can at any time they wish throw the American fascists out of control. They can put the man above the dollar and march straight up from the precinct to the county, to the state and to the national convention. They can see that the right men are nominated for Congress and the Senate. They can see that the Congressmen and Senators after they reach Washington are kept informed and eager to respond to Main Street instead of to Wall

Street. Dollar principles are all right insofar as they serve human principles, but when they fail in such service they have no meaning except to American fascists.

The issue is very simple. The question is whether the people, keeping themselves fully informed, can operate through democratic government to keep the national interest above the interest of Wall Street. Or will the old-line politicians, financed from Wall Street, again succeed in making Washington the servant of Wall Street. What we need in this country is a new partnership in which Main Street and Wall Street, as well as Washington, will put nothing ahead of all-out production in our America of tomorrow.

The people can come out on top provided they remain continually awake and really believe they can have a higher standard of security and a higher standard of living, and if they will not let up in their fight until they get what they want and must have. They must hold their Congressman responsible for getting that higher standard of living. They must make him feel responsible at all times to the general welfare and above everything to the principle of complete utilization of all resources, all manpower, all skills, in the service of the common man in his search for jobs. In this fight of the people it is quite possible for those who control the big corporations to gum up our system so that it cannot work. It is possible for an incipient American fascism to precipitate a depression which will defeat all the desires of labor and government and most of business. Personally, I think the big corporations are too enlightened today to do a thing of that kind. Statements by the Presidents of the United States Chamber of Commerce and the National Association of Manufacturers indicate that they realize there has been a great change in the moral as well as the business climate. Thousands of businessmen subscribe wholeheartedly to the principle of full utilization. And so I am sure that the managers controlling our great corporations will not deliberately produce a situation where there are twenty million men unemployed. Nevertheless, the people will smash their system unless they are willing to furnish such active leadership in wholehearted co-operation with labor and government as will prevent serious unemployment.

We are in for a profound revolution, partly as a result of the aftermath of two great wars and partly as a result of 150 years of modern technology and democratic thinking about the rights and duties of man. Those of us who realize the inevitability of revolution are anxious that it be gradual and bloodless instead of sudden and bloody. We believe it can be gradual and bloodless if the makers of public opinion, if the politicians, if the pressure-group leaders will only influence their millions of followers on behalf

of the public good instead of regional and class prejudices. It would be simple if light could come down from heaven, but we all know that God helps those who help themselves. The people themselves will have to educate their leaders on behalf of the general welfare, measuring every article in the press, every statement over the radio, every act of Congress by the one yardstick: "Does this help use all our resources, employ all our men, develop all our skills?" If the people everywhere hold these judgments up as a measure, we shall gradually find this principle of "goodness" permeating our national life like a leaven. In no other climate can there be profits for our private-enterprise economy. We must fight with all our might to do this thing. Otherwise we shall have a bloody revolution and slavery. Time is pressing. Victory will bring problems on us so thick and fast that we must be prepared to make instant and correct decisions.

Today we can take the necessary steps. Tomorrow will be too late. We have the resources, both material and human. We have the machines, the tools, and the skills. We have a hundred billion dollars of savings. All we need to do is press forward in confidence, believing in the complete use of all our resources. That confidence must come first; once we have it, the many specific actions on many specific fronts will all add up to a total picture that makes sense.

But if we do not press forward toward total peace in the same complete spirit as we have pressed toward total war, the 100 billion dollars will melt like snow in April and the machines and skills will become a mockery. I can't over-emphasize the time factor. We must have the full-employment, total-use peacetime system ready to begin its march the moment the wartime system slackens. Halfway measures will produce chaos, and a democracy which is afflicted with pressure-group sickness does not have the vitality to stand that chaos. There is one yardstick by which we can judge those who would lead us in the future. Are they or are they not in favor of using our resources to the utmost? When they oppose this or that specific program, are they ready with a concrete alternative to achieve the same end? It is the job of the common man to ask these questions again and again in the years ahead.

Job, before he could enter into his period of abundance when he was to be twice as rich, had to go through his time of misery and then have a change of heart toward God. We are not yet through our misery, but I have faith that we will have sufficient change of heart in all sections of the country and among all groups of our people to correct our pressure-group sickness. We are eager to save ourselves. It was never easier, and it was never more urgent. If all groups know how vitally important is a complete, full-use peace system, if we put the same energy into the peace