

X: 1941

OUR SECOND CHANCE

We of the United States can no more evade shouldering our responsibility than a boy of eighteen can avoid becoming a man by wearing short pants. The word "isolation" means short pants for a grown-up United States.

Today we are not greatly concerned with the past except insofar as it furnishes a lamp to guide our footsteps in the future. The United States now has her second opportunity to make the world safe for democracy. During the First World War and the fifteen years which followed, our intentions were of the highest, but our judgment was not good. From the depths of our hearts we responded to the idealism of Woodrow Wilson. Our boys enlisted to save the democracy of western Europe and the New World from encroachment by the imperialism of a militaristic Prussia. They thought they knew what they were fighting for. That is why they fought so well.

In that war, we fought well, believed profoundly and produced tremendously. Aside from that, our record was not so good. When the peace came, we refused to accept responsibility for the world we had helped to create. We turned our backs on Europe. We said we were isolationists. During the war prices, taxes and wages had doubled. When the war ended, consumers wanted lower prices, employers wanted lower wages, and everybody wanted lower taxes. There was talk about getting back to normalcy. The desire for normalcy and for isolation caused our people to refuse to accept the world responsibility which had been brought to them.

Those who preached isolation and normalcy were skilled in their political insight. They appealed successfully to the blind prejudices of the people who were disillusioned when the war excitement stopped, when taxes went higher and prices fell and unemployment increased. The people were hungry for isolation, high tariffs and normalcy—the very things which would make our problem worse.

Looking backward, we can afford to be charitable toward the isolationists and high-tariff men of the 1920's but we cannot feel so kindly

toward those mistaken men as to encourage others in the future to repeat their mistakes.

The Germans, even under Hitler, have a fanatical devotion to duty. They are passionately eager to put their all at the service of the state. Yet it is certain that in any long-drawn-out conflict the German psychology will crumble. It thrives on success, but it cannot stand up against even temporary failure, because the basic Nazi principles of lies and deceit outrage the fundamental interests of the human soul.

In strengthening our youth against the Nazi lie, we must make their faith glow in the truth, which is that the essence of democracy is belief in the fatherhood of God, the brotherhood of man and the dignity of the individual soul. Democracy so defined is almost identical with religion. Hitler has no concern whatever for the individual soul.

The Nazis drive their people like cattle to the slaughter. The democracies, if they are to survive, must work out some way which, while holding fast to human rights, will at the same time permeate the individual souls with a feeling of responsibility so that the citizens of a democracy will be as willing to give wholehearted, unselfish service as the citizens of a totalitarian power. This we can do if in addition to holding firmly to our Bill of Rights, which this year is exactly 150 years old, we formulate a Bill of Duties. Under the Bill of Rights and Duties, we can have a flexible structure into which each citizen may make his productive contribution to the general welfare. Youth now has a more intense desire to serve. Our governmental and business leaders must make it their first business of the peace to give our youth the opportunities to work and serve under the Bill of Duties, so that they may enjoy the privileges of the Bill of Rights.

Properly equipped with a Bill of Duties, the United States can shoulder her responsibility to the world in the peace that is to come. Without such a Bill of Duties, I fear peace will mean world chaos. With such a bill we can help build a *Pax Democratica* which will bless us and the whole world for a century to come.

Modern civilization, in order to continue, must have order. Under the Nazi scheme of things, order is imposed from above. In a democracy, most of the order must and should come from the individual human heart.

After the victory, what of the peace? The battle of the peace will be more difficult to win than the battle of the war. All Europe will be a mad swirl of chaotic forces. Unless we are prepared to help in the reorganization of a shattered world, these forces will leap from continent to continent and destroy even the United States. Our help must be of such a

nature that neither a madman nor a mad nation will ever again have the opportunity to kill millions of people and destroy tens of billions of dollars of property. The Nazi ideology, with its belief in violence and deceit, its hatred of non-German races, and its denial of the rights of man, must be so crushed that it can never rise. The peace, if it is to be a lasting peace, must also make certain that neither the barbaric philosophy nor the militaristic imperialism of Prussia will ever again have the opportunity to find incarnation in the person of a leader possessed of devils.

But the battle of the peace is far more than protecting the fine people of Germany from their heritage of deceitful Prussian statecraft. There must be worked out an international order sufficiently strong to prevent the rise of aggressor nations. We must not let the next peace be such as to force the defeated nations to engage in economic warfare by the use of controlled currency, impossibly high tariffs, and bilateral trade agreements. The victor nations must also refrain from economic warfare. We must remember that we cannot compel a defeated nation to pay an impossibly high indemnity and at the same time, by means of high tariffs employed by the victors, forbid such nation to export. The next peace must take into account the facts of economics; otherwise, it will serve as the seedbed for aggression. The next peace must give the defeated aggressor nations the opportunity to buy raw materials and sell manufactured goods without discrimination as long as they do not produce offensive weapons, engage in economic and psychological warfare or treat their labor unfairly.

Labor and agriculture in the United States will demand jobs and security from the next peace. They can have jobs and security, provided the peace is such a real one that private initiative feels safe to move again as it did from 1860 to 1910. Here is Latin America to the south of us, ready during the next fifty years to go through what the United States went through from 1860 to 1910. Opportunities will not be lacking.

Here in the United States we have tremendous reserves of unused capital, technical understanding and trained labor eager to co-operate with our brothers to the south in the development of a hemisphere. It is vital to the welfare of both Latin America and the United States that the industrial expansion south of the Rio Grande should not only be rapid, but that it should avoid the mistakes we in the United States made.

A real peace will unleash such an expansion as the world has never seen. But such an expansion will require the most understanding co-operation between private and governmental capital in planning to take care of what otherwise will be a most serious unemployment problem. Peace will bring worldwide chaos unless the United States furnishes positive leadership.

Before we have the right to talk very definitely about the foundations of a just and democratic peace, we must put our backs under the job of defeating the forces of evil. These forces are immensely stronger than most of us realize. Jesus, recognizing the devilish efficiency of the dark forces, said, "The children of this world are in their generation wiser than the children of light." At the moment, most of us in the United States are overconfident. We are not working hard enough. We do not realize that our very lives are at stake and that speed now may make the difference of millions of lives in this hemisphere. I myself am confident of the final outcome. In the long run, that which is good will triumph over that which is evil. Democracy has a tremendous reserve of material and spiritual strength. We have the labor, capital, resources and brains to do the job.

God grant that we may now have the wisdom to write democracy's New Testament in a Bill of Duties, a Testament which in no way will deny the Old Testament with its Declaration of Independence, its Constitution, its Bill of Rights and its Gettysburg speech. The New Testament of democracy will fulfill, not deny, the Old. But to fulfill, there must be a sense of interdependence as well as independence—a sense of duties as well as rights—a feeling of responsibility commensurate with our power.

[*Before the Foreign Policy Association, New York City, April 8, 1941.*]

Wallace became, for a while, the first Vice-President in American history to hold by appointment of the President an additional post. On July 30, 1941, after return from a special diplomatic mission to Mexico, he was made Chairman of a Board of Economic Warfare, created by executive order of the President on that date. Milo Perkins, one of Wallace's chief aides as Secretary of Agriculture and his closest friend in Washington, was named Executive Director of the new Board. Wallace added another phone, a private line to Perkins' office, to the array on his desk at the Senate Office Building, and directed the job from there. Even as in time of peace he had planned for war, he now engaged in war strategies of great reach and magnitude, and talked and thought and wrote of "the shock of peace." For this he was criticized. *The Atlantic Monthly* asked him to defend his position. He had just finished writing his article, "Foundations of the Peace," when the Japanese struck at Pearl Harbor and war was declared.

FOUNDATIONS OF THE PEACE

In these days of world crisis, there are many who say, "Let us have no talk of peace until the war is won." There are others who have said, "Let us not think of helping to win the war until the details of the peace are

completely settled." I believe the sensible and constructive course to take is this: Do everything we can to speed our drive for victory, because unless Hitler and his Italian and Japanese partners are defeated there will be only the cold, bleak hopelessness of a new Dark Age. At the same time, think hard and often about the future peace, because unless we and the other democracies have confidence in that peace our resistance to our enemies may not be strong enough to beat them.

Thinking of the future peace, in other words, is not searching for an escape from the stern realities of the present, not taking refuge in airy castles of our minds. From the practical standpoint of putting first things first, at a time when there are not enough hours in a day and every minute counts, planning for the future peace must of necessity be a part of our all-out war program. More than that, the daily actions being taken now by both Britain and ourselves are determining to a large extent the kind of postwar world we can have later on.

It seems almost certain that sometime within the next few years another peace will be written. If it should be a Hitler peace, no one but Hitler and his henchmen would be allowed any part in writing it. But if, with this country's determined participation and support, the Allies are successful, the world will have a second chance to organize its affairs on a basis of human decency and mutual welfare.

Again, as in 1919, there will be the question of what to do about the world's armies, the question of machinery to prevent new aggression, the question of what to do about national boundaries. And again, as in 1919, at the roots of all these knotty questions will be the fundamental problem of restoring the world's trade and of expanding economic activity so as to improve living standards everywhere.

We are now aware, after our experience of the last twenty-five years, that the most careful delineation of national boundaries is not in itself enough to prevent the world from suffering a repetition of the catastrophe of general war. Nor can this be prevented simply by the establishment of an international league. We know now that the modern world must be recognized for what it is—an economic unit—and that wise arrangements must be made so that trade will be encouraged. The foundations of democracy can be rendered safe only when people everywhere have an opportunity to work and buy and sell with a reasonable assurance that they will be able to enjoy the fruits of their work.

Actually, the seeds of the present world upheaval were sown in the faulty economic decisions that followed the war of a generation ago. The vast sums of reparations imposed on Germany, however justified they may have been on moral grounds, were an indigestible lump in Europe's

financial stomach. The war debts owed to the United States by the Allies were equally a handicap to trade. All over the world, the old international gold standard had broken down, and nothing effective was done to replace or restore it. Europe was left cut up into many small national units, and each of these units was left free to erect tariff and trade barriers as it pleased. Many nations, including our own, tried to buy as little as possible from the rest of the world and to sell as much as possible. European countries that normally bought wheat and meat from overseas shifted their production policies with a view to becoming self-sufficient in food. This not only lowered their own standard of living, but upset the economies of the exporting countries. The United States, newly become a creditor nation, adopted tariff policies which only a debtor nation could hope to live with, and in so doing helped make it certain that the world would go through hell.

The dislocations brought by that First World War and by the unwise management of the peace were especially hard on the raw-material producers of the world. Prices of raw materials are extremely sensitive to changes in demand or supply. Therefore, various groups of raw-material producers, including the farmers, found themselves in serious trouble when their supplies were greater than demand. The fall in raw-material prices and the resulting lack of purchasing power of the raw-material producers became a serious threat to the well-being of countries everywhere.

For ten years after the First World War, the deadly economic malady afflicting the world was covered up by the billions in private loans floated by foreign borrowers in the United States. These loans were usually floated at high rates of interest and used for purposes which, for the most part, did not increase the borrowing countries' ability to pay either the interest or the principal. Thus they produced a temporary, though basically unsound, prosperity. When the stream of loans suddenly dried up, the flimsiness of this prosperity of gaudy tinsel was revealed, and the whole thing came crashing down.

In very truth this nation, during those early postwar years, was sowing the wind by its policies of isolation, high tariffs, unwise foreign loans, and high-pressure sales abroad. It could not avoid reaping the whirlwind.

Spokesmen for the isolationist point of view did not support President Roosevelt in his stand for a peace built around freedom of speech and expression, freedom of worship, freedom from want and freedom from fear. They were quick to condemn the President for having joined with Winston Churchill in subscribing to the Atlantic Charter. They saw dangerous foreign entanglements in such simple words of the President as these:

"The co-operation which we seek is the co-operation of free countries, working together in a friendly civilized society."

We may wonder whether the long and bitter fight put up by the isolationists in the decade of the twenties to keep the United States from behaving as if it were part of the world is to be renewed when the time comes for building a new peace. What they do will have an important bearing on political alignments in the United States. The injection of such an issue into politics would ordinarily be nothing of which to complain, for surely the people have a right to choose the policies they want the nation to pursue. But the really serious aspect of the matter is that the whole future not only of this country but of human civilization itself may depend on the ability and willingness of the American people to take the broad view.

For my part, I believe that the American people have profited from their experiences of the last twenty-five years. I believe that they will perceive, with increasingly clear vision, the place of leadership in the world which the United States can scarcely avoid occupying; and that they will support policies and arrangements for sensible co-operation with other countries.

One evidence of the more enlightened point of view is found in the wide understanding of the great practical difficulties in the way of this country's trying to receive billions of dollars in goods and services when the war ends, in exchange for the weapons and food now being shipped abroad under the Lend-lease Act. There seems some merit in the often-heard suggestion that the United States will be well repaid if Britain and the other recipients of lend-lease materials enter genuinely, intelligently and wholeheartedly into co-operative relationships to ensure the world's economic and social stability after the war.

The peace aims which Roosevelt and Churchill have enumerated are splendid statements of principle. They open up big fields for exploration. The job now is to work out, as definitely as we can while the war is still in progress, practical ways and means for realizing them.

Preliminary studies of some of the expected postwar problems already are being made by the Economic Defense Board and the Cabinet departments whose chiefs are members of that board. This is being done in accordance with the Executive Order of July 30, 1941, which directed the Board to "make investigation and advise the President on the relationship of economic defense . . . measures to postwar economic reconstruction and on the steps to be taken to protect the trade position of the United States and to expedite the establishment of sound, peacetime international economic relationships."

Now, what must be considered in establishing such "sound relationships" in peacetime? There are certain basic facts which cannot be ignored. One of these is the universal necessity of access to raw materials and the need for an economic arrangement to protect the raw-material producers of the world from such violent fluctuation in income as took place after World War I. Another is the indispensability of markets for goods produced. A third is the present existence in all countries of tariffs and other barriers to imports. A fourth is the use of gold as a base for national currencies and as a means of settling international trade balances. A fifth is the place of credit in stimulating international trade. A sixth is the close relationship between stable national currencies and the exchange of goods and services. A seventh, and most important of all, is the essential role of adequate purchasing power within the various countries that are trading with each other—for full employment within nations makes broad trade possible with other nations. All these facts and factors are of prime importance in determining the state of the world's health, and they will naturally form some of the main ingredients of postwar economic planning, if it is to be done on a comprehensive scale.

Each of these aspects of world trade is a vast subject in itself, and I do not have space here to discuss them all. However, I do wish to point out that basic to any sensible ordering of the world's economic life is the stabilizing of the production and prices of raw materials.

During the twenties and thirties, when the raw-material producers were in such frequent trouble, various methods were developed to help them adjust themselves to the painful realities of diminishing demand. There were the Stevenson rubber plan, the Chadbourne sugar arrangement, the beginning of an international wheat agreement, and in the United States an ever-normal granary program. The plight of the producers was so difficult that in most of these remedies very little effort was made to think about the consumer. More than any of the other plans, the ever-normal granary in this country recognized consumer needs by setting up huge stockpiles of wheat, cotton, and corn. The stated objective was to carry over the surplus from the fat years to the lean years, thus benefiting the producer in the years of overproduction and very low prices and helping the consumer in years when the supplies otherwise would be short and the prices high. As things turned out, our ever-normal granary stocks of corn made possible our quick and heavy shipments of pork and dairy products to Great Britain during this last year. Those of us who formulated the ever-normal granary program had in mind that supplies might eventually be very helpful in case of war. But none of us at that time visualized also how important these supplies might be to the war-stricken

territories during the years immediately following the declaration of peace.

As part of the effort to win the peace, I am hoping that what might be called the "ever-normal granary principle" can be established for a number of commodities on a world-wide scale. It will be remembered that the fourth point of the eight points agreed upon by Roosevelt and Churchill in the Atlantic Charter mentioned the enjoying by all the states, great or small, victor or vanquished, of access on equal terms to the raw materials of the world. To give this lofty ideal a more definite substance should be one of our chief objectives in the months that lie immediately ahead. The people of all Europe should feel that there are available, in the United States, in Latin America, and in the British Dominions, tremendous quantities of raw materials which can be used for food, clothing, and shelter within a short time after the war comes to an end.

Thus far, there have been no definite arrangements between the United States and the British Empire or between the United States and Latin America with regard to handling the raw-material problems of the world in such a way as to make for a just peace. A beginning has been made along this line with the international wheat-agreement meeting which was held in Washington last July. Nothing has yet been signed, but it is apparent that the United States, Argentina, Canada, and Australia, as well as Great Britain, are moving in the direction of a "world ever-normal granary," with export quotas and with prices stabilized at a point to be fair to producers and consumers.

The world cotton problem is similar in some ways to the world wheat problem, but less progress has been made toward orderly marketing arrangements for cotton than for wheat.

Huge surpluses of both cotton and wheat are piled up in the exporting countries, waiting to be used whenever the stricken countries are able once more to handle them. Of cotton, there is stored in the United States a supply sufficient to take care of the normal needs of all Europe for at least a year. Of wheat, the United States last July 1 had a carryover about four times the normal of the twenties, and it is evident that next July 1 the carryover will be nearly seven times the normal of the twenties. In Canada the situation is somewhat similar, while in Argentina and Australia large surpluses loom for the near future. Four great wheat-exporting nations of the world now have a billion more bushels on hand than they did during the first half of the twenties. This is approximately twice as much wheat as moved in world trade in the years preceding the outbreak of the war. It is enough wheat to feed the entire population of continental Europe for

a large part of a year, or to cover the Continent's import requirements for nearly three years.

When the curse of the Nazi mailed fist is at last removed from the stricken countries overseas, the first and most pressing need will be action to bring food to the starving and the undernourished. For this purpose the accumulated surplus stocks of wheat and the increased production of other foods for which farmers are now pushing will be enormously helpful. The pity is that there is no practical way to get this food to these people now without helping the Nazis and thus postponing the day of real liberation of these people from the Nazi yoke.

Besides food, the devastated regions will have urgent need of other materials and equipment to assist in their reconstruction. Homes, factories, office buildings, schools, churches, highways, railroads, bridges, have been destroyed in large numbers. In the tremendous job of rebuilding which must be undertaken, the United States and the other countries of the Western Hemisphere can play a vital part. Meanwhile, both strategy and humanity will be served if we take every opportunity to let the people of the occupied countries know that we intend to stand behind them in their efforts to get back on their feet. That will give them something to which to cling during their months or years of misery and will speed the day of a Nazi collapse and the emancipation of the world.

The democratic countries are in splendid position to organize themselves for rapid relief work as soon as peace comes. I am confident that we can do this job and do it well. But we must be looking ahead to the longer future and laying plans on more than just a temporary basis.

It is now clear that by the end of the war the non-Axis nations will have a greater production of raw materials, a greater output of manufactured products, and a greater number of skilled workers than ever before. Nearly half of their production may be going to the British and American governments by the time Hitler is overthrown. If two such customers were to drop out of the market abruptly, it would break everyone. Businessmen know this.

We in the democracies must begin to realize, therefore, that if we can afford tremendous sums of money to win the war, we can afford to invest whatever amount it takes to win the peace. If that necessity were accepted today, both here and in England, we could be writing a very important part of the peace now. Both nations could be making contracts with producers of raw materials throughout the world for delivery of their goods during the war and for several years beyond the armistice at reasonable prices and not at inflated prices. That would sharply reduce the

cost of winning the war and give more assurance than any other single action that business is not going to be allowed to collapse after the fighting is over. There would be no better use to which this country's gold could be put than in making such purchases. Many of the goods bought in this manner for postwar delivery would have to be sold on credit by the British and ourselves for reconstruction within the devastated nations.

Just as individuals here and in England are being encouraged to build up future purchasing power for themselves through defense bonds and other devices, so raw-material-producing countries would by means of such a plan as this be accumulating purchasing power in the form of gold. This gold could be used in the future for buying the finished goods of Europe and America.

Not only would the gold which these countries would thereby obtain make it possible for them to buy finished goods of Europe and America, but it could also be used in part to provide much needed strength for their currency and banking systems, and make it possible for them progressively to relax the stringent exchange controls, import quotas, and clearing arrangements which serve so effectively to restrict the flow of goods from country to country. Without adequate gold reserve and without the ability to obtain the kind of credit which can be utilized to pay for imports, a country is greatly handicapped in its conduct of foreign trade, and, in order to prevent its currency from depreciating in the foreign-exchange market and its credit from deteriorating, finds itself forced to adopt illiberal trade policies and severe restrictions on its imports. With increased gold holdings countries will be able to pursue more effectively a policy of stable foreign exchange and liberal trade practices.

If we get the right kind of peace, we are sure to see the whole world within a few years operating on a much higher level of production than ever before and this would of course mean a greater world market for raw materials.

Given the right kind of peace, this prospect of greater world trade is certain to materialize, for it rests on the sure prospect of continued industrialization everywhere. The process of industrialization is the way to attain higher standards of living. Everywhere there are communities that must increase their proportion of people engaged in industry and reduce the number of people engaged in the production of farm products. Even in the United States there are many areas where we want to see as soon as possible a shift in the degree of industrialization. Communities that are now only forty percent industrial could, in the course of the next ten years, become perhaps fifty percent industrial. Similarly, there are many communities in southern Europe, Latin America, and the Pacific countries

where that kind of shift would be of tremendous value from the standpoint of raising living standards. For every unit of gain in per capita living standards that a shift to a higher proportion of industrialization would mean in the United States, it would mean proportionately a much greater gain in the countries where industrialization is just begun. One of the difficult problems which we have to face is the need for helping numerous countries shift to increased industrialization without encouraging them to resort to high tariff schedules to accomplish that end.

Fortunately, in many cases the low level of industrialization is not a result of circumstances for which there is no remedy, but a consequence of the scarcity of capital and lack of proper technicians. It should be possible with intelligent effort to help those countries get both. Such growth in industrialization will assure the raw-material countries, which will be exchanging present production for gold, a continued market for their raw materials far into the future.

Some such program as here suggested might be worked out in collaboration with the British, and the democracies of Europe and Latin America, and put into effect boldly long before we come to an armistice. Probably the English-speaking peoples of the world will have to take the lead in underwriting world prosperity for a generation to come. They must begin now to prove by their actions that they are as interested in winning the peace as they are in winning the war. If this long-term, businesslike purchase of raw materials were working within six months, it would be worth a thousand blueprints at the peace conference. It is one of the ways in which we can build up morale for the struggle ahead. It is one of the ways in which we can build an economic future solid enough to be worth fighting for.

The overthrow of Hitler is only half the battle; we must build a world in which our human and material resources are used to the utmost if we are to win a complete victory. This principle should be fundamental as the world moves to reorganize its affairs. Ways must be found by which the potential abundance of the world can be translated into real wealth and a higher standard of living. Certain minimum standards of food, clothing, and shelter ought to be established, and arrangements ought to be made to guarantee that no one should fall below those standards.

In this country we have already made a start in this direction. Through the food-stamp plan, the cotton-stamp plan, the school-lunch program, the low-cost-milk program, and the homemade-mattress program, the abundance of the farms is being put to use instead of being allowed to go to waste. Similar programs are in effect in greater or less degree in a number

of South American countries, notably Argentina, Uruguay, Brazil, and Chile. In England, the government is subsidizing consumption of certain foods so as to make sure that the population is as well nourished as possible during the time of stress, and to keep the prices as near as possible to the prewar level. Among the kinds of food subsidized are flour, bread, meat, tea, oatmeal, milk, and orange juice.

Is it not time to recognize that minimum standards of nutrition are as important for growing children as minimum standards of education? Is it not just as important that children should have sound and healthy bodies as that they should have trained minds? If we can afford \$100 a year to educate a child, can't we afford \$15 or \$20 a year to keep that child physically fit for study?

If there is general recognition of this principle, then vast new markets for the world's production can be opened up. Perhaps the various countries can do still more than they have already done with relief distribution programs based primarily on their own domestic products. In certain instances these could be supplemented with foreign-grown products. For example, we could exchange our pork and lard and flour for South America's tropical fruits and cocoa. In terms of the residual balance, the cost of such a program may be less than the financial loss coming from demoralized raw-material markets, needy producers and hungry consumers.

In the field of food, minimum standards would mean that vastly increased quantities of dairy products, poultry products, meat, fruits, and vegetables would have to be produced. This would mean a shift from the production of staples such as wheat.

Perhaps the heavily populated countries of Europe can reorganize their own agriculture along those lines. This would mean a higher standard of living for their own people, and would restore to producing countries elsewhere the job of producing the wheat that is needed.

I do not mean to imply that I consider such mechanism as the food-and-cotton-stamp plans the final answer to the problem of assuring an economy of abundance. In that part of the world where democracy and capitalism prevail, the permanent answer lies in finding ways to make our system of production and exchange work more effectively and more consistently. That can be done by removing trade barriers, and enlarging markets; by stimulating and guiding investments where they can be productive; by reducing—through appropriate fiscal policy and social-security program—the inequalities in incomes, so that a higher and more stable demand for consumers' goods will be attained; by applying advanced techniques and skills to the development of undeveloped areas; by re-

equipping our own industrial and transportation system; and by providing to those people in greatest need better housing, schooling, and recreation.

Most people do not want charity. They want paying jobs. They will be able to have paying jobs, with few interruptions, if prices, production, and purchasing power can be held in balance with one another, and the economic machine can be kept running steadily and smoothly. This is the challenge to the leaders of industry, agriculture, labor, and government. It is a challenge to the highest statesmanship of our own and other nations. Of course there are difficulties and obstacles. Only by recognizing and studying obstacles can they be surmounted.

A "new order" is truly waiting to be created—not the "new order" which the Nazis talk about and which would cloak the new form of slavery they would impose, but a new order of democracy where security, stability, efficiency, and widely distributed abundance would prevail.

Many persons in the United States are deeply disturbed over the heavy government borrowing and the drastic shifts in our economy made necessary by the defense program. They fear an end of the war almost as much as the war itself, because they believe the return of peace would bring another bad depression. But one of the hopeful signs for the future is the very fact that the possibility of depression is so widely recognized. This increases the chance that action will be taken in time to prevent it or at least to cushion the shock. The basis for such action can best be laid now, while the war is still in progress. It must be laid, at least in part, in the plans for expanding and regularizing world trade, world production, world consumption. This is the new frontier, which Americans in the middle of the twentieth century find beckoning them on.

XI: 1942

TO MEN AT ARMS

I HAVE LEARNED something about you during recent months because from time to time on Sundays my son Bob has brought some of you to spend a few hours with us in our home. You have worked hard during the past