

steps, go forward to meet the challenge of *our* day. For the challenge we all face is the challenge of the new democracy. In the new democracy, there will be a place for everyone—the worker, the farmer, the businessman, the housewife, the doctor, the salesman, the teacher, the student, the store clerk, the taxi driver, the preacher, the engineer—all the millions who make up our modern world. This new democracy will give us freedom such as we have never known, but only if as individuals we perform our duties with willing hearts. It will be an adventure in sharing—sharing of duties and responsibilities, and sharing of the joy that can come from the give-and-take of human contacts and fruitful daily living. Out of it, if we all do our part, there will be new opportunity and new security for the common man—that blend of liberty and unity which is the bright goal of millions who are bravely offering up their lives on the battle fronts of the world. [*Radio address on the occasion of the 86th anniversary of the birthday of Woodrow Wilson, December 28, 1942.*]

## XII: 1943

### BUSINESS MEASURES

BUSINESSMEN REALIZE that the shock of this war's end will probably be at least seven times as great as that which was felt beginning in 1920. Peace unplanned could be a disaster worse than war, wrecking business, labor and agriculture throughout the entire world and producing revolution and misery among the millions.

No businessman can plan for the future with any certainty so long as there is the fear of war on the horizon. It is vital, therefore, that the United Nations' covenant must provide the machinery to assure "freedom from fear"—an international peace law, an international peace court and an international peace force. If any aggressor nations take the first step toward rearmament, they must be served at once with a "cease and desist" order and be warned of the consequences. If economic quarantine does not suffice, the United Nations' peace force must at once bomb the aggressor nation mercilessly.

To guarantee the peace, the United Nations will need additional

powers. We must prevent international cartels of the German type and perhaps substitute for them a United Nations agency to restore stable conditions in raw-material markets, on price terms that assure producers fair incomes and promote expanded consumption.

To prevent worldwide unemployment, there will probably have to be a United Nations investment corporation, under whose direction public and private capital can be put to work for worldwide reconstruction. If unemployment could be prevented without the use of government funds, there would be no need for such a corporation. But the postwar impact resulting from the sudden cessation of tremendous governmental spending everywhere in the world will make it absolutely necessary for governmental investment capital to be used on a very large scale to prevent the sudden and complete destruction of the capitalistic system.

This will not necessarily mean the reduction of private initiative. On the contrary, private initiative probably will be increased.

In launching such an investment program, the establishment of a network of globe-girdling airways ought to be the very first order of business.

After the peace of the world has been made secure, it should be possible to internationalize the large airports. The war has already brought the construction of many new airports, most of them for military purposes. With the coming of peace, and the expansion of commercial air service, many more will be needed. Boldness should be the guiding principle in planning a worldwide airport-construction program. When this war ends we shall be only at the threshold of the coming air age. Freedom of the air means to the world of the future what freedom of the sea meant to the world of the past.

Air travel will have an indirect but far-reaching effect on economic development. As people travel from country to country with greater ease, possibilities for utilizing the world's resources will be seen by men of daring and imagination, and they will lead the way in organizing new industrial projects of all kinds.

Boys and girls of the rising generation are already air-minded to a degree which is not possible for most of their elders who grew up earth-bound. Educational courses in the future might well include airplane trips to one or more foreign countries. It is infinitely more important to make the people of the United Nations space-minded for peace than it was for Germany to make its people space-minded for war.

Rivaling aviation in its effect on future business development will be highway transportation. We in the United States can realize from our own experience what highways mean, for highways have been as essen-

tial as automobiles and motor trucks in the transportation revolution in this country in the last three decades.

One great road project which has been under way for nearly twenty years, and which is now within sight of completion, is the 9330-mile Pan-American Highway, extending from Laredo, Texas, to Buenos Aires, Argentina. This highway, known as the "lifeline of the Americas," is a monument to the co-operative spirit of the Western Hemisphere republics.

There will doubtless be a close relationship between airways and highways which follow the same intercontinental routes. To some extent, airports will be located along the highways, and both the airways and the highways will be fed from the same streams of commerce.

Improved transportation will be the key that will unlock the resources of the vast undeveloped regions of the world. We may expect the history of those regions in the next hundred years to parallel our own history in the last hundred years.

One of the great dramas of American history was the winning of the West. Following the War between the States, the railroads crossed the prairies at the rate of a mile a day. Farmers, ranchers, miners, cities, churches and schools followed.

A similar drama, unsung as yet, has been taking place in the Old World, as Russia has been winning her East. Most of Siberia, at the time of the fall of the Czars, was little more than wasteland occupied by Eskimos, herdsmen and political exiles. Less than sixteen million people occupied a land area twice as great as the United States. Today over forty million people live in the same area, with its new Siberian Pittsburghs, Bostons, Detroites. Great power dams, great mines and great factories are operated in a giant new industrial system. On the farms are tractors by the tens of thousands.

What the United States has done and what Russia is doing give a clue to what is possible in such regions as China, Alaska and Latin America.

China has coal, iron and other resources essential for industrial progress, but first must come improvement of agricultural production and transportation. More capital is one of China's primary needs, but even more she is in want of technical skill and guidance to utilize her resources effectively. It is in providing such guidance that the United States and the other United Nations can perhaps be of the most help.

Another region rich with new possibilities of industrial and agricultural development is the great Northwest—including Alaska, western Canada, and the northwestern portion of the United States. To such previously existing industries as fishing, lumbering and mining, the war has added shipbuilding, aluminum production and airplane manufacture. When

peace returns, the Alcan Highway and other new transportation routes will lay the basis for further progress, and, with plenty of water power available, there will be the opportunity for great expansion in all the industries utilizing the mineral and forest resources which abound in the region.

Perhaps most challenging to the imagination of the modern businessman is the vast land of Latin America to the south.

An important point is the degree to which the projects can be made completely self-liquidating. Of course, in a broad sense, a loan to a government may be considered to be self-liquidating if it is used to build up the productive power of the country and results in an increased capacity for repayment. But many of the projects I have in mind would be self-liquidating even in the narrower sense.

The experience of our own Tennessee Valley Authority throws some light on what may be achieved through careful planning and skillful engineering. This experiment in regional planning, begun nearly ten years ago, has been a striking success.

There are practical people in the United States who believe that we have the "know-how" to help many of the poverty-stricken peoples to set their feet on the path of education, manual dexterity and economic literacy. If American missionaries of a new type, equipped with this "know-how," can work in co-operation with a United Nations investment corporation to develop flood-control works, irrigation projects, soil reclamation, rural electrification and the like, it will make possible an expansion in half the area of the world reminiscent of that which was stirring in our own land during its rapid growth from 1870 to 1910.

The new missionaries, if they are to make their dreams come true in a really big way, must be able to grasp the enormous possibilities of combining governmental credit and organization with the drive of private initiative. The possibilities are all there—all just as practical and feasible as the growth of the United States.

To shift successfully from ninety billion dollars a year war production to ordinary peacetime activity will require the greatest resourcefulness and determination, the greatest outpouring of industrial energy, and the finest co-operative spirit among businessmen, farmers, workers, professional people and government officials that this country has ever seen.

Labor must go beyond hours, rates of pay and working conditions and, through the appropriate agency of government, co-operate vigorously with business in programs for full employment.

Agriculture must, through the appropriate agency of government, see that the parity principle now written into law operates justly under

changing conditions of production and is effectively applied to feed the largest number of consumers at a reasonable price.

Businessmen must, in their governmental relationships, go much deeper than the customary consideration of taxes, economy, and disdain for bureaucrats. They must work actively with appropriate agencies of government in the administration of policies which will best increase productive power, balanced by an ever-increasing consumptive power flowing from a prosperous agriculture and from labor fully and productively employed.

The war, with all its hardship and its pain, has brought one blessing—it is providing a job for everybody who wants a job. We should resolve now that victory will not rob us of this blessing.

Much of the task of shifting to peacetime activity will have to rest upon the shoulders of the businessmen. In their task they will have the inspiration of the great progress of technology, accelerated by the war and the nationwide research programs organized by men in the armed services.

If the businessmen are engaged in home construction, they will have many new materials and devices to work with. If they are in automobile manufacturing, they will be able, through the use of aluminum and plastics, to produce cars that are lighter, more efficient, more comfortable and cheaper to operate.

If they are merchants, they will find a host of new products on the market, as the wartime accomplishments in making plastics are translated into peacetime goods. If they are in the food business, they will have the thrill of offering the public many new types of dehydrated and compressed foods, developed by the Army for the convenience of soldiers but adaptable to peacetime use. If they are in aviation, they can look forward to the introduction of the helicopter and the great changes and opportunities this type of plane will bring.

In nearly every country of the world one of the most feasible projects will be construction of low-cost houses on a scale never before contemplated. Few people realize the multitude of construction devices and gadgets of all kinds which are available to make houses livable at lower cost. Here in the United States the possibilities are enormous. The field for new and better rural housing has scarcely been touched. In cities, the problem goes far beyond the matter of slum clearance and rehabilitation of blighted areas. It involves the construction of houses for individual ownership and of houses for rent by those people whose work forces them to shift their residence frequently.

If each of the United Nations will do its duty for its own people on the housing front, a considerable part of the postwar unemployment problem

can be solved. But no matter how far the respective United Nations go with regard to housing projects and the expansion of normal consumption goods industries, there will be wide-scale unemployment unless some united agency is prepared to plan and finance on a self-liquidating basis international airports and similar projects of the greatest significance to the peace and prosperity of the entire world.

With all the initiative and daring of the businessmen, it is doubtful if, in the short time they will have, they can make the ninety-billion-dollar shift by their own efforts alone. They will need the help of government in various ways—the cushioning effect of “dismissal wages” for workers leaving war jobs, of “discharge bonuses” for men leaving the Army and the Navy, of plans for an orderly cancellation of war contracts, of provisions that will encourage the smaller companies to buy the war production plants from the government.

They will need the help of financial and tax policies which favor the maximum of individual incentive, but which do not shut out the rapid flow of government funds when these may be necessary for full employment. They will need the protection of government insurance of business transactions, as so successfully worked out in the guarantee of bank deposits and in the insurance of home mortgages under the Federal Housing Administration.

They will need the protection of the social-security system, broadened and strengthened. Social security is a splendid method of easing the individual worker and the business community over the rough spots. But we should recognize that the United States does not yet have a mature economy, and we should not look to a social-security program as a substitute for dynamic, creative business energy and initiative.

In the situation that will face the United States and the world after the war, one might like to follow this course or that, according to his own personal inclinations. But, as is so often the case in the life of the individual, the decision comes down to a choice between very definite alternatives. On the one hand, the people of our country and of the world will have an opportunity to act boldly and imaginatively to organize the greatest utilization of the world's resources that history has ever seen. On the other hand, we confront the alternative prospect of suffering from a disillusionment like that which began in 1930—a disillusionment which will end inevitably in World War III, if not in a collapse sooner in the form of an epidemic of insurrections and revolutions, or the loss of democracy and the sinking into a state infinitely more static and regimented than the life of the Middle Ages.

The American businessman will rise to the challenge of the air age, to

the challenge of the new frontier, to the infinite possibilities for development not only in our own country, but in the tropics and in Asia. Just as he has co-operated with government in time of war to build planes for the saving of civilization, so will he co-operate with government to make air power the preserver of civilization.

More and more, everyone will recognize that business, labor, agriculture, and government have just one job in their four-way partnership: to lead the common man to full employment, a higher standard of living, and a peace which will be permeated by the exciting spirit of new frontiers. The creative businessman of the future will recognize that, while government will play a large part in opening up these new frontiers, the government activity will be such as not to reduce but to increase the field for private initiative. Better government organization and more individual drive will go hand in hand.

The peace to come will be just as worthy of a supreme effort as the war is now. The men in the armed services are too intelligent to permit a dull, dead, dragging peace which will let the world drift into the maelstrom.

Airplanes and air power have eliminated the old significance of national boundaries. International airports and extensive international air travel will cause the American businessman to think in international terms as never before. The narrow selfishness of the past will more and more seem foolish and harmful. The seas will no longer separate the continents in the way they once did. Information and goods will flow with ever-increasing freedom.

Modern technology, the wings of the air, and the waves of the air mean that the common man will demand and get a better education and a higher standard of living. In serving the common man, the business leader will have opportunities for initiative such as he never dreamed of before.

[*Article in American Magazine, March, 1943.*]

## THE NEW ISOLATIONISM

Today, with the national and world demand for food greater than ever before, we can rejoice at the wonderful organization that the seven million farmers of the United States have built up over the years. We can be thankful for the leadership of more than one hundred thousand farmer committeemen, elected by their neighbors to handle the local administration of the farm production program.

We can be thankful also for the extra fertility stored up in our soil

through the conservation program and for the ever-normal granary. We can be glad that in the years of surplus we piled up seven hundred million bushels of corn and six hundred million bushels of wheat over and above the amount needed for current consumption. Much of this stockpile was sealed in cribs and bins on the farms of the United States. It is this reserve stock of wheat which today gives assurance that we shall have plenty of bread. These reserve stocks of wheat and corn assure us of hundreds of millions of pounds more of meat, milk and eggs than would otherwise be possible. As a result of our large feed stocks, we shall be able in 1943 to produce nearly fifty percent more than the normal number of hogs.

In spite of the unavoidable wartime shortage of farm labor and farm machinery, we can, with the aid of our farmer organization and these reserves of fertility and grain piled up in the past, provide the food that is indispensable to the winning of the war. We can feed our soldiers and sailors, with their big appetites; we can provide at least the necessary minimum of food for our hard-working civilians; and, barring serious drought, we can send to our allies overseas the food that is essential to keep them in the fight. We can be proud that food from American farms helped the Russians win the battles of Stalingrad and Kharkov and helped the British drive Rommel across North Africa.

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After this war is over, it is quite possible that we shall have the same experience as after the First World War. This time, after we have met the problems of the immediate transition from war to peace, we may enjoy a period of good business which may last anywhere from one to five years. There will be at least ten billion dollars in the hands of businessmen, which they can use to replace worn-out equipment and depleted inventories. There will be another ten billion dollars of consumer credit which can be tapped, since the old installment debts will have been paid off and the field will be clear for people to buy on credit again. There will be at least ten billion dollars of purchasing power in individual war savings. Automobiles, tires, furnishings, clothing, homes, all will be worn-out or run-down and needing replacement or repair. The combination of this pent-up demand for goods and the thirty billion dollars or more of unusual purchasing power may produce full activity, or even a runaway boom if preventive measures are not taken. But, while such a period of good business and full employment might possibly last for several years, it still might prove to be temporary, because it would be based on a combination of war-caused factors that are only short-lived.

Unless we take definite steps to insure that sufficient buying power will



be kept up, there will be a decline in both foreign and domestic demand for farm products within a few years after the war ends. If that should happen, farmers will desperately need the kind of help that only the Triple-A machinery can give. That is one reason why it is so important for the farmers to be on guard now, so as not to let their fair-weather friends destroy the Triple-A machinery or public sympathy for the farmer's cause.

If such a period of business decline should set in, not only will farmers desperately need a farm program, but businessmen and laboring men will desperately need a program to restore industrial employment and production.

Thus, on the economic side, the postwar planning that all of us are hearing so much about will probably have to cover three successive phases here in the United States. First will be the shock of transition from war to peace when some form of "separation pay" may be needed for soldiers and war-industry workers until they find jobs. Second will be the period of postwar prosperity, when restraining measures will be needed to prevent uncontrolled inflation and a runaway boom in stocks and land. Third will be the period of threatened decline, when strong action in advance both by private business and by public agencies may be needed to prevent a repetition of 1932 in this country and the rise of another Hitler abroad.

It happens that the Board of Economic Warfare, with which I am connected, is not engaged in postwar planning. That is the function of Congress, the National Resources Planning Board and the State Department. I as an individual, however, have my own ideas, and I believe that national security is our Number One business when we talk about postwar planning.

I am convinced that we cannot have national security if we follow an isolationist or excessively nationalist policy. With our country fighting for her life against aggressor powers on the other side of both oceans, hardly anyone in this country is now willing to admit openly that he is an isolationist. Nevertheless, the country is being flooded with propaganda for new, subtle and therefore dangerous forms of isolationism which, if adopted, would lead straight to World War III.

Here are some of the ways in which the old doctrine is taking new forms:

*First:* People are being told that a world war every generation is inevitable and that we can have national security only by maintaining the biggest army, the biggest navy and the biggest air force in the world. Even if we could indefinitely stand the expense and the privation of such a program, it would not necessarily protect us. For though we might have the

best and biggest army, navy and air force, other countries might and probably would combine against us. If they formed a combination stronger than our own, they would defeat us.

My view, and I am convinced that it is the majority view of the American people, is that rather than remain an armed camp, waiting for the inevitable World War III, it is more practical for us as a nation to throw the weight of our influence behind worldwide efforts to prevent such a war.

*Second:* People are being told that anything which is done after this war to improve the standard of living of other countries will lower the standard of living at home.

Of course, while the war is on, the people of this country are making sacrifices, and making them cheerfully, to help our allies Britain and Russia keep on fighting. Doubtless our people will gladly continue these sacrifices for a short period after Germany is defeated, in order to prevent widespread famine in Europe.

But, for the long pull, the most effective assistance we can give is the kind which helps other countries to develop their agriculture and industry, and which at the same time increases our own prosperity. Those who really want to improve the standard of living of the American people know that the United States is now so much a part of the whole world that we can best help Americans by helping the peoples of all the world to help themselves.

The favorite device of the distortionists is to repeat over and over the canard that this government wants to give a quart of milk a day to everyone in the world—evidently on the theory that by frequent repetition this myth will come to be accepted as fact. Among those who spread this myth the most enthusiastically are some isolationist leaders of yesteryear, who for a time were silenced by events, but who now hope to drive the United States back into her old isolationist cave.

I am not urging Ohio farmers or any other farmers to give a bottle of milk a day to Hottentots. This weird and manifestly impossible idea has been peddled up and down the land—why, I will leave it to you to guess.

People of other countries can enjoy higher standards of living when they learn to use their soils and their resources more effectively to produce the things they need. We in the United States can help them learn how to do those things, and also can help build the factories they need to get started. Our technical experts and industrial equipment can aid them to raise their own standards of production and of consumption—and so, along with other good things, have plenty of milk for themselves, producing it from their own pastures through their own efforts.

*Third:* Another step in what appears to be a campaign of fear is the assertion that our government is preparing to take control of education everywhere in the world. This is nonsense. But all sensible people know that the United Nations in some way must prevent Germany from teaching the Nazi philosophy in the future as a preliminary to launching another German war for world conquest.

*Fourth:* A movement is already under way to abandon the same tariff policy represented by our reciprocal-trade-agreement program, and go back to the Smoot-Hawley days of building a high-tariff wall around the United States. Economic warfare of the Smoot-Hawley type is the initial step toward military warfare. It leads first to totalitarian control of trade, then to shooting. To win the peace, we must follow through to establish the right kind of international trade relations. We cannot hope to maintain peace by force unless the peace we are maintaining is a just peace.

*Fifth:* It is urged that, after the war, American aviators ought to be permitted to fly everywhere in the world, but that not a single foreign plane should ever fly over any part of the United States. This astonishing idea seems to be first cousin to the fallacy that we can sell our goods everywhere in the world at the same time that we keep foreigners from selling to us. Many problems are bound up in the question of our postwar relationships with other countries in the field of aviation. We shall never solve them in a constructive way—and in a way that will promote peace instead of war—if we base our approach on such absurd and fuzzy thinking.

Recently I expressed the view that neither political party would want to be opposed to freedom of the seas or freedom of the air after the war. But I find that on January 5, 1943, an opposition leader set the tempo for orthodox opposition thinking with regard to American postwar imperialism when he said: "America must rule the air, and to do this it is necessary for the Congress to plan intelligently for this air supremacy following the war."

This visions an imperialistic fight for air supremacy among at least three great nations in the world—a fight which can end finally only in World War III, or American domination of a type which will eventually make the United States worse hated in the world than the Nazis ever have been. Americans want peace, not war. Americans want sensible world cooperation—not isolationism or imperialism. By common-sense world co-operation the people of the United States will have infinitely more prosperity than in a senseless race for air power.

On this tenth anniversary of the founding of the Triple-A, farmers may well wonder what the next ten years will hold. Will farmers and city

workers both be taken for a joyride on the roller coaster of boomtime prosperity, only to end up in the ditch of a worse depression than before? As soon as the war is won, will shortsighted policy-makers again shut us off from the rest of the world? Will our country fail to grasp this second opportunity to help build a world of peace and co-operation? Will our leaders engage instead in a mad nationalistic race for supremacy on land and water and in the air? Will our country be surrounded with another sky-high tariff wall, as if the world outside did not exist? Will our leaders foolishly and selfishly deny that hunger and want and suffering in the rest of the world are of any concern to us? Will a spineless policy of drift once more lead us straight for the falls?

Even in the midst of war, and the nerve-racking job of producing the necessary food and munitions to win it, these are questions which must be faced. The choices we make, both now and later, will go far to determine what the next ten years, and perhaps the next hundred years, will bring. [*To farmers and representatives of civic organizations, on the Tenth Anniversary of the National Farm Program, Columbus, Ohio, March 8, 1943.*]

## THREE PHILOSOPHIES

There are three great philosophies in the world today. The first, based on the supremacy of might over right, says that war between nations is inevitable until such time as a single master race dominates the entire world and everyone is assigned his daily task by an arrogant, self-appointed *Führer*. The second—the Marxian philosophy—says that class warfare is inevitable until such time as the proletariat comes out on top, everywhere in the world, and can start building a society without classes. The third—which we in this country know as the democratic Christian philosophy—denies that man was made for war, whether it be war between nations or war between classes, and asserts boldly that ultimate peace is inevitable, that all men are brothers, and that God is their Father.

This democratic philosophy pervades the hearts and minds not only of those who live by the Christian religion, both Protestant and Catholic, but of those who draw their inspiration from Mohammedanism, Judaism, Hinduism, Confucianism and other faiths. When we look beneath the outer forms, we find that all these faiths, in one way or another, preach the doctrine of the dignity of each individual human soul, the doctrine

that God intended man to be a good neighbor to his fellow man, and the doctrine of the essential unity of the entire world.

Those who think most about individualism preach freedom. Those who think most about unity, whether it be the unity of a nation or of the entire world, preach the sacred obligation of duty. There is a seeming conflict between freedom and duty, and it takes the spirit of democracy to resolve it. Only through religion and education can the freedom-loving individual realize that his greatest private pleasure comes from serving the highest unity, the general welfare of all. This truth, the essence of democracy, must capture the hearts of men over the entire world if human civilization is not to be torn to pieces in a series of wars and revolutions far more terrible than anything that has yet been endured. Democracy is the hope of civilization.

To understand the significance of these three philosophies dominant in the world today, let us look at each one in turn. During the last eighty years, the outstanding exponent of the sacredness and inevitability of war has been Prussia. By nature the common people of Prussia are simple and hard-working, and make excellent citizens except where they have become infected by the Prussian doctrine that might makes right. The Prussian philosophy causes its adherents to practice many of the highest virtues, but these virtues are all ultimately placed at the disposal of supreme evil. Hitler, seizing the Prussian militaristic tradition as a powerful instrument in his hands and putting it to use with his own religious frenzy, has become the anti-Christ of this generation—perhaps the most complete anti-Christ who has ever lived. It is not enough to bring about the downfall of Hitler. We must understand the origin and growth of the Prussian spirit, and do something to counteract that spirit, if we wish to bring permanent peace.

The Prussian attitude toward war and supremacy has strong roots. Whether it reaches back to the days of Caesar or whether it first took form under the guidance of the Teutonic Knights in the Middle Ages, we are certain of this: by the time of Frederick the Great, the Prussians consciously adopted the doctrine of total war and the total state as the chief end of man. Bismarck and Kaiser Wilhelm II modernized and made completely deceitful and ruthless that which Frederick the Great had founded.

Shortly after Kaiser Wilhelm II rose to power, a generation before the First World War, one of the more tender-hearted of the German generals said in addressing his troops: "Our civilization must build its temple on mountains of corpses, an ocean of tears, and the groans of innumerable dying men."

We know now, to our sorrow, that those were not just idle words. But God grant they will not be true much longer.

Bernhardi and Treitschke, through the printed page and through the classroom, preached the glory of war and the necessity of Germany picking a quarrel with England or France. Frederick the Great, Moltke and Bismarck were proclaimed as being superior to Goethe, Schiller, Bach and Beethoven. Hegel laid broad and deep the philosophy of the totalitarian state. Other philosophers, and especially Nietzsche, seized on the Darwinian doctrines of natural selection and survival of the fittest to erect a seemingly scientific but false materialism to justify their ruthless acts.

In saying all of this, I do not mean to indicate that Prussia was the only wicked state in the world. England, France, Russia, Spain and the United States were not always perfect. But Prussia and Japan were the only countries which systematically devoted the highest virtues of their citizenry, generation after generation, to the glorification of the state and to the ruthlessness of war.

In the years since 1848 the liberal culture of the old Germany has been completely submerged by the worship of strength and power. In this period of less than a century, under Bismarck, Kaiser Wilhelm II and Hitler, Germany has launched five aggressive wars.

The result has been that, over the last thirty years, the spirit of Prussianism has cost the lives of at least twenty million men, has crippled at least ten million others, and has caused the nations of the world to squander hundreds of billions of dollars on death, destruction and hate. How different things would have been if this money had been spent instead on peace, prosperity and understanding.

Germans by blood are neither better nor worse than Englishmen, Americans, Swedes, Poles or Russians. But the Prussian tradition of the last century, and especially the Nazi education of the last ten years, have created a psychic entity so monstrous and so dangerous to the entire world that it is absolutely vital to exercise some control over German education when the war comes to an end. Prussian schoolmasters have been of greater importance to the German army than Prussian captains, and Prussian textbooks have had greater value than ammunition. It is the disciplined will to power and the worship of war as the method of power that have made the German army such a terrible instrument of force.

Just as Hitler took the Prussian military tradition and organized it into gangsterism, so he took the Prussian educational system and streamlined it to marshal the millions of German boys and girls behind his evil conspiracy of world conquest. Hitler's children have been trained to believe

implicitly that the state is more important than the individual, and that the individual must be willing and ready to sacrifice himself for the German nation and for the *Führer*. Starting with the young mothers and fathers, married or unmarried, and taking the children through the day nurseries and a series of schools for different ages, Hitler has indoctrinated the German children with what he calls his "leadership principle"—that among men as in nature there is an eternal struggle between the weak and the strong, and that the "decadent" democracies are destined to crumble before the superior might of the Nazi elite. German boys have been systematically trained in brutality. German girls have been systematically trained to believe that their supreme duty is to be mothers, married or unmarried, of children dedicated to the service of the Fatherland and the *Führer*. Through the use of mystic ceremonies—pagan dances, bonfires, sun festivals on mountaintops and many other types of rituals—both boys and girls have been trained to look upon Hitler as divine and they pray to him as God.

The evil influence of this systematic degradation of millions of German boys and girls cannot be counteracted in a short time. Even Hitler's death will not end it, because many of Hitler's children, conditioned as they are, will believe that he is still their leader, in the spirit if not in the flesh. Hitler dead may be almost as dangerous as Hitler alive.

This, then, is the vastly difficult problem with which the United Nations will have to cope if the victory which now is coming closer is to bring more than just a short breathing spell before another Prussian attack is launched upon the world.

It is not up to the United Nations to say just what the German schools of the future should teach; and we do not want to be guilty of a Hitler-like orgy of book burning. But it is vital to the peace of the world to make sure that neither Prussianism, Hitlerism nor any modification of them is taught. There are many cultured German scholars with an excellent attitude toward the world who should be put to work on the job of rewriting the German textbooks in their own way. I believe these men would glorify peace and international honesty, re-establishment of the German culture of Beethoven, Schubert, Schiller, and Goethe, and the gradual preparation of the German spirit for an appreciation of the fact that a Bill of Rights for the individual is as vital as a Bill of Duties toward the state.

Doubtless thousands of German boys will come home from the war bitterly disillusioned of Prussianism and Hitlerism. Thousands of both young and old at home will feel the same way. They will honestly want to help build up a new democratic Germany, and we, without yielding

at all to the old warlike spirit of Prussia, should encourage them to try. We shall need the help of all Germans who give convincing evidence that they do not subscribe to the "master race" myth and are genuinely opposed to the doctrine that might makes right. The re-education we insist upon should not crush out any sincere desire to practice democracy and live at peace among the world family of nations.

It will not be necessary for Americans to teach in the German schools. The all-important thing is to see that the cult of war and international deceit is no longer preached as a virtue in those schools. We cannot countenance the soft, lazy forgetfulness which characterized England and France in their treatment of Germany in the thirties. The cost of such shortsighted appeasement is too great in men and money. We must not go down that mistaken, tragic road again.

All of my discussion thus far has been concerned with Prussianism. Now I want to talk about Marxianism. This philosophy in some ways is the child of Prussianism, because Marx, its high priest, was molded in his thinking by Hegel, the great philosopher of the Prussian state. Marxianism has used the Cheka, just as Prussianism has used the Gestapo, but it has never preached international war as an instrument of national policy. It does not believe one race is superior to another. Many of the Marxian activities of the last ten years which people of the West have most condemned have been inspired by fear of Germany. The Russian people, who are the chief believers in Marxianism, are fundamentally more religious than the Prussians. The great mass of the Russian people is still hungry for spiritual food. The Russians have a better opportunity to find that spiritual food than have the Prussians under their regime, which glorifies the violence of the old Teutonic gods.

This question of religious freedom in Russia has been getting attention from the Church of England and from the Roman Catholic Church in this country. In a recent issue of the magazine *Commonweal*, which surely cannot be said to have Marxian leanings, the managing editor discussed two books by exiled Russians on the status of religion in Russia. Quoting from both books, one written under the auspices of the Church of England, and the other by a professor at Fordham University, the editor came to the conclusion that the position of the Christian Church in Russia has definitely improved.

The future well-being of the world depends upon the extent to which Marxianism, as it is being progressively modified in Russia, and democracy, as we are adapting it to twentieth-century conditions, can live together in peace. Old-line Marxianism has held that democracy is mere words, that it serves the cause of the common man with platitudes rather



than with jobs, and that belief in it results in a weak governmental organization. And we who believe in democracy must admit that modern science, invention and technology have provided us with new bottles into many of which we have not yet poured the wine of the democratic spirit.

In some respects both the Prussians and the Russians have perceived the signs of the times better than we—and I hope that reactionary politicians will not quote this sentence out of its context, in an effort to prove that I have come out for dictatorship. The fact is that the Prussians have done an effective job of making their bureaucrats efficient in co-ordinating the social forces in the service of the state. The Russians have put great emphasis on serving and gaining the enthusiastic adherence of the common man. It is my belief that democracy is the only true expression of Christianity, but if it is not to let Christianity down, democracy must be tremendously more efficient than it has been in the service of the common man and in resistance to selfish pressure groups.

After this war is over, the democratic capitalistic nations will need to prove that they are supremely interested in full employment and full utilization of natural resources. They will need to demonstrate that the consuming power of their people can be made to equal their productive power. The right to work at a regular job and for a decent wage is essential to the true dignity of man.

If the Western democracies furnish full employment and an expanding production, they need have no fear of a revival of old-line communistic propaganda from within. If they do not furnish full employment, communistic propaganda of this kind is inevitable and there is nothing which the Russian government or our government or any other government can do to stop it. In the event of long-continued unemployment, the only question will be as to whether the Prussian or Marxian doctrine will take us over first.

I believe in the democratic doctrine—the religion based on the social message of the prophets, the heart insight of Christ, and the wisdom of the men who drew up the Constitution of the United States and adopted the Bill of Rights. By tradition and by structure we believe that it is possible to reconcile the freedom and rights of the individual with the duties required of us by the general welfare. We believe in religious tolerance and the separation of church and state, but we need to light again the old spirit to meet the challenge of new facts.

We shall decide some time in 1943 or 1944 whether to plant the seeds for World War III. That war will be certain if we allow Prussia to rearm either materially or psychologically. That war will be probable in case we double-cross Russia. That war will be probable if we fail to demonstrate

that we can furnish full employment after this war comes to an end and if fascist interests motivated largely by anti-Russian bias get control of our government. Unless the Western democracies and Russia come to a satisfactory understanding before the war ends, I very much fear that World War III will be inevitable. Without a close and trusting understanding between Russia and the United States, there is grave probability after this war is over of Russia and Germany sooner or later making common cause.

Of course, the ground for World War III can be laid by actions of the other powers, even though we in the United States follow the most constructive course. For example, such a war would be inevitable if Russia should again embrace the Trotskyist idea of fomenting worldwide revolution, or if British interests should again be sympathetic to anti-Russian activity in Germany and other countries.

Another possible cause of World War III might rise out of our own willingness to repeat the mistakes we made after World War I. When a creditor nation raises its tariffs and asks foreign nations to pay up, and at the same time refuses to let them pay in goods, the result is irritation of a sort that sooner or later leads first to trade war and then to bloodshed.

The gospel of Christ was to feed the hungry, clothe the naked, comfort the sick and visit those who were in hard luck. He said that treating your neighbor decently was the way to show that you loved God. The neighborhood in Christ's day was a few miles in diameter. Today the airplane has made the whole world a neighborhood. The Good Neighbor policy, whether at home or abroad, is a Christian policy. Those who preach isolationism and hate of other nations are preaching a modified form of Prussian Nazism, and the only outcome of such preaching will be war.

If we want peace, we must treat other nations in the spirit of democratic Christianity. We must make our religion practical. In our relations with China, for example, we must act in such a way as to enhance the material as well as the spiritual well-being of her people. So doing will not only be of spiritual advantage to ourselves, will not only do much to prevent war, but will give us more material prosperity than we can otherwise enjoy. And in saying this, I do not speak of the missionary spirit as a forerunner of a new imperialism.

Nearly half the people of the world live in eastern Asia. Seven-eighths of them do not know how to read and write, but many of them listen to the radio and they know that the world is on the move and they are determined to move with it. We can at their request help them to move in knowledge toward a higher standard of living rather than in ignorance toward confusion and anarchy.

Throughout history, every big nation has been given an opportunity to help itself by helping the world. If such an opportunity is seized with a broad and generous spirit, an infinitude of practical possibilities opens up. Thousands of businessmen in the United States have seen this kind of thing happen on a smaller scale in their own businesses, as their broad and enlightened policies have increased their prosperity and given jobs to their neighbors. Christianity is not star-gazing or foolish idealism. Applied on a worldwide scale, it is intensely practical. Bread cast upon the waters does return. National friendships are remembered. Help to starving people is not soon forgotten. We of the United States, who now have the greatest opportunity that ever came to any people, do not wish to impose on any other race or to thrust our money or technical experts or ways of thought on those who do not desire them. But we do believe that if we measure up to the responsibility which Providence has placed on our shoulders, we shall be called on for help by many peoples who admire us. When we respond to this cry for help, we shall be manifesting not only a Christian spirit, but also obeying a fundamental law of life.

We of the Western democracies must demonstrate the practicality of our religion. We must extend a helping hand to China and India; we must be firm and just with Prussia; we must deal honestly and fairly with Russia and be tolerant and even helpful as she works out her economic problems in her own way; we must prove that we ourselves can give an example, in our American democratic way, of full employment and full production for the benefit of the common man.

By collaborating with the rest of the world to put productive resources fully to work, we shall raise our own standard of living and help to raise the standard of living of others. It is not that we shall be taking the bread out of the mouths of our own children to feed the children of others, but that we shall co-operate with everyone to call forth the energies of everyone, to put God's earth more completely at the service of all mankind. [*To a Conference on Christian Bases of World Order, at Ohio Wesleyan University, Delaware, Ohio, March 8, 1943.*]

In March the Vice-President flew to South America as the President's representative on a good-will tour. It was a forty-day trip of 11,833 miles, with twenty-four landings and take-offs. He visited the presidents of eight Latin American countries; and the reception accorded him by the people was extraordinarily ardent. Two things especially endeared him, it seems, to the Latin Americans: his ability to speak to them adequately in their own language and his eager interest in their agricultural problems and achievements, particularly as to corn. One does not ordinarily think of Wallace as apt in the pretty flatteries of diplomatic usage; but when he speaks in Spanish something

that is at once sincere and gracious comes naturally into his style, and his respect and affection for Latin American character and qualities are real. Press comment, even in countries where the populace inclines to be of two minds about North Americans, was almost embarrassingly admiring. He was compared to both Jesus Christ and Lincoln.

He traveled with Hector Lazo, of the Board of Economic Warfare, and Larry Duggan of the State Department. Leaving Miami on March 16, they flew to Santiago, Chile, with stops at Costa Rica, Panama, Colombia and Peru en route. At Costa Rica the Vice-President dedicated an Institute of Tropical Agriculture which he had helped to establish as Secretary of Agriculture, and spoke at some length on experiments to develop disease-resistant rubber plants there. From there on, he confined himself to short addresses, all delivered in Spanish; and of these he would deliver as many as four or five a day. No record was made of many of his South American speeches; but from those which were recorded Mr. Lazo provides the following excerpts, translated from Spanish:

## THE LATIN AMERICANS

*To the Costa Rican Congress*—These moments in which we live today require brevity. I shall therefore not try to analyze the Four Freedoms proclaimed in President Roosevelt's speech of January 6, 1941, but shall speak only of the one which in my estimation offers in itself a basis for the reconstruction of the world.

Freedom from want does not represent solely an emotional impulse. In order to attain freedom from want we must follow the dictates of reason. Only well-defined economic laws proven and established through the centuries, justly and sensibly applied, can liberate the world from want.

In order to attain freedom from want, the theory of sustained yield and of the free interchange of products between nations must be accepted and followed without artificial bounds. This does not mean that we desire an economy based upon a single product. The success of interchange will of necessity bring about industrialization, ability to import, and the establishment of a system of savings for the people whose savings constitute natural wherewithal for increased production. In such an economic system health, strength and happiness have a common denominator in adequate diet. A knowledge of adequate diets must be taught by all governments to all their peoples.

After the war there will be a tremendous productive capacity both in materials and services. This capacity must be used in an orderly fashion for the purpose of interchanging the greatest quantities of goods among

the largest number of people in the world. This immense worldwide productive capacity must not be looked upon as an evil; as a matter of fact, it will be the greatest blessing of mankind. Only by means of this productive capacity will we be able to attain a lasting peace and a Christian democracy. A large interchange of products must be obtained without exploiting the small peoples or foreign territories. The exploitation of any people or any land makes freedom from want impossible for that people or that land.

With the passage of time the world will become more and more interdependent. Nations are not different from individuals, and thus when an individual must depend upon his neighbor he in turn is bound to his neighbor for the necessities of life. This mutual and reciprocal service is bound to result in peaceful relationship.

The needs of our neighbors are quite apparent. The need for a friendly understanding towards each other can be converted into a custom and habit; the worldwide need for clean and fair play is imperative; in short, the Good Neighbor Policy. Automatically, good neighbors will try to understand each other's customs, each other's language, each other's hopes, each other's fears. All the neighbors of the world will try to augment respect for each other, will fight against illiteracy, will work together to protect and improve the economic position of their neighbors because in such a way those neighbors will not only produce more for the world but they will also be able to buy more of the products of the world. We have now all the elements for a good mutual understanding: the radio allows us free interchange of thought and on a worldwide scale; the airplane makes personal contact swift, easy and economical.

We in this blessed hemisphere who have a common past of love of liberty can and must help the rest of the world to attain the realization of the Christian principles of justice and well-being for all. We must remain united in this great world crusade and we must hold our heads high. We of this hemisphere must make freedom from want a reality on earth.

*In Chile*—I have always been interested in the political evolution of Chile and have admired the extraordinary political maturity of the Chilean people.

You derive from a splendid past a great capacity, a collective capacity for judging and meeting the tragic realities of these modern times—perhaps the gravest that the Christian world has ever known. We are of the New World, we North and South Americans. The responsibilities that rest upon us are tremendous. We are the repositories of the worth of Western civilization.

This load of responsibility must be borne proportionately by each one

of the countries of the Western world. In my own country this feeling of historic responsibility has penetrated the consciousness of each citizen. Only thus can we explain that in one short year which has passed since we were attacked, a great nation dedicated exclusively to the task of peace has transformed itself today into a united and prepared people dedicated to the eradication from the world of the plague of Nazi-Fascism. To this internal unification of the United States we can now add the unity of the continent of Americas, and together we must march forward.

*At the Cornerstone of a Monument to George Washington in Barranquilla, Colombia*—It is proper that George Washington should be deeply appreciated in a country where Bolívar recruited more soldiers for his army than in any other nation in South America.

In order that there may be progress, the world will always need revolutionaries but it will also need men of stable character who may be able to direct the national will, not only during days of conflict but also in the trying days of postwar reconstruction, when the flames of national patriotism too often die down; and when private interests so often run riot to produce anarchy and despair.

As President of the Constitutional Convention in 1787, Washington was able through patience to maintain unity and to control the various forces which might otherwise have given too great an importance to individual liberty at the expense of unity of a nation. He created a nation out of anarchy, a nation that stayed united not for one year, not for ten years, but for the centuries to come.

We need the prophetic visions and the genius of Bolívar, but we also need the calm and resolute determination which characterized Washington in the solution of the problems of peace.

In these terrible days of war and in the days of peace to come, may the genius of Washington and of Bolívar light up the path that our great leaders may follow so that our united Americas may in fact be able to point the way to world service and world peace.

*At the Tomb of Eloy Alfaro, in Ecuador*—This year in which I have the great fortune to visit the Republic of Ecuador we have also celebrated the first century of the birth of Eloy Alfaro, great hero of the continent. I know and admire the memory of Eloy Alfaro. His personal integrity, his stubborn defense of the principles of truth, of justice and of friendship among the nations made of him a true citizen of the Americas. Eloy Alfaro was a rebel and a conspirator—his conspiracy and his rebellions were dedicated to the defeat of hatred, of injustice, of disunity and of tyranny.

At the very moment when life seemed to smile upon him he had the

necessary courage to abandon his fortune in Panama and to return to Ecuador to suffer privation that he might liberate his country. His battles at Esmeraldas and Jaramijo gave him triumph, but that victory was followed by labor of thirty years of constant devotion to the cause of social progress of his country. His liberation of the Indians and his proclamation of equality of the rights of women proved his great vision. The great work of Eloy Alfaro can be summarized in his words so full of self-negation: "Men who are indifferent to the fate of their nation, although they may be privately and individually honorable, are the unconscious aids of the misfortunes and corruptions of the peoples of the world."

The Ecuador of Eloy Alfaro lives today, thanks largely to the harmonizing current of his labors as a great leader and to the very nature of the needs of his country. But perhaps in his foreign policy do we see most clearly the great vision of Eloy Alfaro. His desire to convoke in 1896 an inter-American congress for the purpose of establishing ways and means for the improvement of the standard of living, both material and moral, of the peoples of the continent unfortunately failed of acceptance, but it undoubtedly constitutes one of the strongest links in Pan-Americanism of today.

*Response to Welcome: Lima, Peru*—I am deeply moved by the cordial welcome that you have extended to me and I am reminded of the words of welcome of the ancient and generous peoples of Peru:

"You have come to your own land, you have come to your own home. You can rest here, for you shall lack nothing."

Throughout the passage of time America has many times turned its eyes to the Peru of the Incas in search of inspiration. At long last I have been able to see with my own eyes the original Andean agricultural terraces, upon which are based the most modern systems of irrigation and of conservation of the soil. Although the actual granaries built by the Incas with such great vision have disappeared, the idea has lived on and has served the government of the United States at the time of one of its gravest economic crises. The Inca granaries were the basis for the ever-normal granary which is destined to have its effects upon the entire economic system of the world.

We have today also as a precious legacy from the Incas, the potato and corn, the "holy plant of the New World." Potatoes and corn form the basis of food of entire nations and they came from you.

But what is even more important, the spiritual contribution of the Inca civilization motivates the world today: I refer to the law of solidarity, to the law of brotherhood of man. This law does not permit any citizen to lack minimum subsistence; this law guarantees the right to obtain help for

all those who can no longer work; this law favors the harmonious development of peoples as such and of the well-being of the individual.

Peru is therefore a living fountain of inspiration, especially in times like these in which we are struggling to establish democracy with equality of economic opportunity and with equality for cultural opportunity for all the peoples of all nations the world over.

*At a Military Luncheon, Lima, Peru*—It seems to me significant that we are gathered here today almost on the very day of the bicentenary of Thomas Jefferson, author of the Declaration of Independence. Not because he was the author of that famous declaration; nor, as he had hoped, because he had gained fame as the founder of the University of Virginia, do I refer to him today. I want to quote one single sentence that he wrote in the year 1775. Referring to the Revolutionary War he said:

“We are not seeking glory and we are not seeking conquest; we seek today only liberty.”

The armies of the United Nations fighting today on the bloody battlefields in all parts of the world are also seeking only liberty. Just as the United States of North America in 1775, and Peru in 1821, these armies must be and will be triumphant, because the Creator has never failed a sincere and honest people in its march toward human freedom. [*April 14, 1943.*]

As chairman of the Board of Economic Warfare, Wallace had been very close to Milo Perkins and his son, George, who had enlisted as a marine flier in his eighteenth year and had died on May 21, 1943, in a power dive crash in Florida. This accounts for the intimate nature of the following address which Wallace gave at Connecticut College for Women on the occasion of the graduation of his daughter, Jean:

## GEORGE

As I meet with you here in the midst of life, where there is so much of joy and confidence, I am thinking of a boy. He was such a fine boy, that boy who is now gone. He was a close friend of mine for eight years. Two years ago when he graduated from high school, he came to tell me how much opposed he was to the United States getting into the war. He was a pacifist, almost of the Quaker type, and the dignity of the individual, regardless of race, creed or color, meant everything to him. But he was strong physically, an excellent football player, and a good wrestler, and he had a complete disdain for physical fear. We talked. He said that we



Americans were suckers to get into World War I, that it was not our obligation to get involved twice in a European mess.

I told him I disagreed with him, and why. After sketching out for him Germany's five wars of aggression during the past eighty years, I told him that before we could start to work on the kind of world he wanted, it would be necessary to use force to destroy the power of the aggressor nations—to destroy their power so completely as to make it impossible for them to break the peace again.

George remained a pacifist in his heart, but he became a convert to the necessity of using physical force to fight this particular evil. He was in his second year at a Quaker college when the Japanese attacked at Pearl Harbor. He at once determined to put his strong body and alert mind at the disposition of his government in one of the most dangerous services possible. He wanted to become a dive bomber in the Marines. A month ago he had a day off in Washington. He had just won his wings and the Marines had accepted him for dive bombing duty. I talked with him and his fiancée. They desperately wanted to get married. He still hated war with an ardent hatred. He spoke of the technical difficulties of dive bombing, of how difficult it was to get close enough to hit the mark and yet pull out of the dive fast enough to avoid destruction of the plane. He was leaving that night for Florida to take his last six weeks of training preparatory to getting into active fighting.

Two weeks ago there came from Florida the telegram announcing his death. He and another boy were on a routine "oxygen hop," diving from twenty-thousand-foot altitude; just what happened is not clear, but in any event they never pulled out of the dive.

Two weeks ago today I was with George's parents and with the girl he was to have married. She had received a letter from him written on Wednesday of that week, telling about the flight which he was to take on Thursday and how confident he was of a successful result. The father reminded me that two years previously I had given the boy my photograph with the inscription, "For George, with hope for the future."

Then I remembered that when I convinced the boy of the necessity of eliminating Nazism as a preliminary to building a world of peace, he had been pessimistic about the ability and willingness of the older generation in the United States to measure up to its responsibility.

He never doubted that he and his comrades would defeat the Nazis and the Japs. He had no reservations whatsoever about doing first things first. He was utterly resolved to give his all to make sure of the first part of the program. But with regard to winning the peace, he was less optimistic. The last week he was home he said: "It's all baloney to talk about

this younger generation winning the peace. We won't come to power for twenty years. The same generation that got us into this mess has got to get us out of it. What really matters is not what new thoughts we kids are thinking but what new thoughts you older guys are thinking. You'll be writing the ticket."

George is one of the millions of fine young men who have been killed as a result of this war. Many of you have your George. He may be a son, a brother, a sweetheart or husband, or a boy from the neighborhood. He may be living, he may be dead. The chances are he hates war just as my George did. He hates the necessity of hating in order to do his part toward winning for himself and the world the privilege of life and love.

George had supreme confidence in his generation, but less in my generation. He looked on many of the public men of our time as incipient appeasers. He considered them smallminded and shortsighted. He argued that they were easily frightened by pressure groups, that they were lost in the trees of the political forest, and that they were unlikely to rise to the challenge of the fundamental verities when brought face to face with the job of rebuilding a shattered world. In a letter written shortly before he was killed, George said: "It's after the war that the real fights will start. Plenty of people who couldn't change fast enough to prevent this war still sit in the seats of the mighty. Never forget that they'll be a lot stronger when this is over than they are now. That's the time when we who are doing the fighting will need some real leadership. This war is our job and we are going to win it on the battle fronts, come hell or high water. The really tough job is going to begin after the war when the same forces that got us into this one will be pitted against the men who've got the guts to fight for a world in which everybody can have a chance to do useful work. We kids are depending on you older men not to let this thing happen again. What we're fighting for now must not die in an armistice."

Through George's meteoric life and symbolic death, I was forced into a more complete appreciation of the meaning of the death of Christ to his disciples. Something bright and shining and full of hope had passed from the world. It just couldn't be. Death couldn't end all. Christ must live. He must live in the world forever. Somewhere there must be a perpetual song of resurrection, ringing forth continuously the message of peace and good will. And now I conclude this vivid personal experience by saying: May it so be that my George, your George, and all those who have sacrificed their lives will so inspire us to effective action that they will not have died in vain. May many Georges live to hold my generation to account in building the peace, and to build upon that peace in such a

way that the Georges of thirty years hence will treat, with reverence and love, the sacred values bought for them by death. May your children and my grandchildren be there greeting each new day in joy, confidence and creative endeavor.

George was right when he said that my generation will have the immediate responsibility for building the right kind of peace. But, as the years go on, that responsibility will pass to those who are young people now, to those who are in the armed services, to those who are graduating from college this year. No matter how wise the patterns of the peace set by the older generation, action within this framework will be the increasing responsibility of the younger generation. Day-to-day and month-to-month modifications will be necessary to make the peace a live and dynamic contribution to human welfare.

The individual graduate of this particular college sitting before me on this June morning has perhaps a hundred thousand graduating companions in the United States this spring. It has cost not merely many thousands of dollars, but an infinitude of loving care to bring you to this stage of life. Only one out of twelve of our American boys and girls is given the privilege of graduating from college. Much will be expected from those to whom much has been given. In an astonishingly short time many of you will begin to have influence in your respective communities. On you will fall the heavy burden of the day-to-day job of maintaining a just peace, ten or twenty years from now when the memories of this vile war have faded and new and difficult economic problems have arisen.

Maintaining a peace is like keeping a garden in good order. You have to work at it day in and day out, otherwise the rains wash away the soil, and the weeds get so deeply rooted that it is impossible to pull them out without destroying many good plants as well.

If we are not to break faith with the boys who have died, we must invent better machinery for weeding the world garden. First, and above everything else, we must have an intense desire to make this machinery succeed. We can then work out the details of disarming aggressor nations, of preventing the exploitation of small, weak nations, and of seeing to it in the future that no aggressor nation can again start on the path which leads to breaking the peace of the world.

We must appeal to the Axis youth, especially German youth, and if possible get their co-operation. The task of all the peace-loving peoples will be to build into the next generation the knowledge and character required to maintain a just and lasting peace.

The present false attitude of the German people toward war finds its

roots in the Prussian school system and especially in the type of militaristic education which became more prevalent as a reaction to defeat by Napoleon. The Danish educator Grundtvig, writing in 1838, predicted that German education would finally kill the Germans. He pointed out that following the Napoleonic wars the German schools, which he called schools of death, had been teaching the youth to believe that the Germans were better than anyone else, that the rest of the world existed to serve them and be dominated by them, and that their will should be imposed on the rest of the world by force.

When the education of youth goes wrong, sooner or later all goes wrong. There had existed in Germany a fine, liberal tradition. There had lived men like Luther with his emphasis on freedom, Kant with his message on peace, Goethe with his belief in international understanding and co-operation, and Beethoven, who early in the Napoleonic wars thought a new day of liberty was being born. Out of the culture fostered by these men, and many others like them, came Carl Schurz and the other German liberals of that era who contributed so vitally to the building of many progressive communities in the Middle West of the United States. Not all the liberal Germans left Germany, but those who remained—they, their children and their grandchildren—were subject to the increasing tyrannies of Bismarck and Hitler.

I believe that in the prevention of World War III—in keeping faith with the boys who have given their lives—much will depend on just how we handle the German youth immediately following this war. I think of the experience of a man who today is a professor in one of our American universities but who in World War I, as a boy of seventeen, had spent just a few months in the German army when peace came. With thousands of other German boys, he immediately set out to finish his education. He described to me a few days ago how most of the German students, in the winter of 1918-1919 and the years that followed, felt liberated from the terror of war and from the routine of army life. They were hungry for spiritual food. Living on the poorest quality of black bread, eating in soup kitchens, and studying at night in cold rooms, they were bound together by hardship but buoyed up by the faith that they would rebuild themselves through books toward spiritual understanding and a new order—a democratic order. They knew that Germans had lost in the external world, but they dreamed of creating a rich internal world to replace the loss. They eagerly hoped for a lasting peace. They demonstrated this at Munich in 1921, when they gave a tumultuous welcome to the Indian poet, Rabindranath Tagore.

But, according to my German professor friend, the Allied powers had

no interest in the glorious hopes among the German university youth of that day. The Allies provided no incentive for education in democratic traditions. And so the German youth fell into the hands of retired army generals, monarchist professors and politicians. Thus the way was prepared for Hitler and Goebbels to return German education to the teaching of racial superiority, war and death.

We must not repeat the mistakes made by the Allies after World War I. This time we must see that the defeat of Germany is complete. The Germans themselves will probably wreak vengeance on their Nazi overlords. In any event, we must see that the guilty are dealt with as they deserve. And we must not again fail the German young people who, in the depth of their material hunger and misery, will have a great philosophic and spiritual hunger. That these strong and despairing emotions may be guided toward a good end is a matter of supreme importance for the world.

The German postwar youth of World War II need not be forced to embrace any specified form of government, whether communism, or a new type of totalitarianism, or even the particular type of democracy which we have. We shall not need to send schoolteachers from the United States into the German schools, but we can make sure that the liberal element in Germany has an opportunity to replace the Nazi school books and the Nazi methods of teaching.

I am a great believer in the Danish folk high school and the Scandinavian systems of co-operation. I believe they are well adapted to the German situation, once militarism and totalitarianism are stamped out. A considerable segment of the German people has long admired the emphasis placed on peace, co-operation and fruitful work by the various Scandinavian countries. The German youth must be encouraged to develop a peaceful, worth-while purpose in life. I believe there are Germans who are steeped in the German liberal tradition and the ideals of Scandinavian co-operation, to whom this job can safely be entrusted.

Not only in Germany, but in our own and other countries the type of education which prevails may well determine whether we succeed in building a world of law and order and productive work. Our own educational system has many splendid achievements to its credit, and it can be even more fully adapted to the needs of modern, highly-integrated society.

Working for peace and the general welfare is the essence of all true education and all true religion. It is the Sermon on the Mount in action.

All the schools in the world will have to be reborn after this great conflict, if the boys who have died are not to have died in vain. In the years to come it will be even more important for the schools to teach character than to teach facts. In the teaching of character, the essential thing will be the ability of the teacher to kindle enthusiasm—enthusiasm for knowledge, but especially enthusiasm for the greater good. There is something about the spoken word of the person who is deeply moved inside which carries great conviction. Neither the book nor the radio can ever take the place of the face-to-face contact with the living teacher. May the emphasis on system never stamp out of our schools the personal equation—the communication, by friendship and the power of the spoken word, of a boundless enthusiasm for all the facts of nature and human life which lead to peace and vital living. May the vision of a new and finer and more orderly world animate the teachers of every country. In their hands is the hope of the future.

And in the hands of everyone who is going out into the work of the world—whatever it may be—is the responsibility for keeping faith with those who have died. This is the true commencement, which has come for you here, this June Sabbath day. Commencement time will come to the world when the armies stop marching, when the men return to the factories and fields, and when the statesmen get down to planning in real earnest. Commencement time is a sudden break with the past. It is a new opportunity. There may be disillusionment or fulfillment.

After the First World War many boys came home from overseas, looking for the better conditions that would justify the lives that had been spent. Instead, they found prices skyrocketing and a national fever for making money. There was a sad lack of planning on the part of the statesmen of both parties. Neither domestic nor foreign policies were well thought out. Thousands of these boys were lured into the speculative excitement and were ruined. All of our people have paid a bitter price in the suffering that has followed.

As a nation we decided we were not ready to take on adult responsibilities after World War I. We weren't ready even to graduate from high school, and some of us wanted to go back to the eighth grade. Now, whether we like it or not, we must get out into the world and work. The easy days of sheltered isolation are over. We have grown up. We must live day after day with the family of nations, furnishing our share of leadership, even though we are reluctant to do it. Our feeling of responsibility must match our economic power, or the very magnitude of that economic power will rot us inside and make us a prey either to internal revolutionary forces or external aggression.

Yes, commencement time is here. Responsibility has begun. Life has come upon us. The joys of opportunity and service lie ahead. No generation has ever had such an opportunity. The world has never had such an opportunity. We must make the dead live. We must make them live in the world's commencement of abiding peace based on justice and charity.

[June 6, 1943.]

After the Wallace-Jones incident and the President's rebuke to both, Wallace was scheduled to speak on July 25 before a great labor meeting in Detroit. The speech, which had cleared the White House, contained a somewhat conventional tribute to the President—"the-man-who" sort of thing. Excited friends brought the manuscript to him as it was about to go up for mimeographing, and asked him if he still intended to say *that*. "I don't see why not," he answered. "Though He slay me, yet will I trust in Him," they mocked. Wallace laughed. "Well, I'll tell you what; I'll take that out and do a new first paragraph," he said; and did.

The liberal and radical papers started to make of him a hero and martyr. The conservative papers started to write him off as completely dead timber politically. He seemed more relaxed and tranquil than he had been for years. His Detroit speech, with the new opening paragraph, was the first of a series of pronouncements which within a year made him, while still a loyal lieutenant of the President, the fighting spearhead of the Democratic liberals who do not believe that the New Deal has ended.

## AMERICA TOMORROW

Three months ago in South America I found that the lowliest peon looked on President Roosevelt as the symbol of his dearest aspirations in the peace to come. So it is also in China and occupied Europe. I have known the President intimately for ten years and in the final showdown he has always put human rights first. There are powerful groups who hope to take advantage of the President's concentration on the war effort to destroy everything he has accomplished on the domestic front over the last ten years. Some people call these powerful groups "isolationists," others call them "reactionaries" and still others, seeing them following in European footsteps, call them "American fascists." Sooner or later the machinations of these small but powerful groups which put money and power first and people last will inevitably be exposed to the public eye.

My purpose today is to talk about the America of tomorrow. There are some who want to stick to what they would have us believe are the realities of the present. Their quick comeback to any question on our peace objectives is, "We must not discuss anything except the war." There are others who want to stick to what they hold are the realities of the past. They have a stock reply when asked about the peace: "Let us wait and see what England and Russia do before we make our plans."

Both opinions are fighting delaying actions against our destiny in the peace—a destiny that calls us to world leadership. When we as victors lay down our arms in this struggle against the enslavement of the mind and soul of the human family, we take up arms immediately in the great war against starvation, unemployment and the rigging of the markets of the world.

We seek a peace that is more than just a breathing space between the death of an old tyranny and the birth of a new one. We will not be satisfied with a peace which will merely lead us from the concentration camps and mass murder of Fascism into an international jungle of gangster governments operated behind the scenes by power-crazed, money-mad imperialists. Starvation has no Bill of Rights nor slavery a Magna Carta. Wherever the hopes of the human family are throttled, there we find the makings of revolt.

The world was waiting for us to take the initiative in leading the way to a people's peace after World War I, but we decided to live apart and work our own way. Hunger and unemployment spawned the criminal free-booters of Fascism. Their only remedy for insecurity was war. Their only answer to poverty and the denial of opportunity became the First Commandment of the Nazis: "Loot Thy Neighbor."

Much of our propaganda after the First World War proclaimed the ingratitude of our Allies. We had given of our best blood and our separate fortunes only to be labeled the land of Uncle Shylock. We changed it to Uncle Sap and said, "Never again." How many of us after this *second* worldwide scourge of suffering and death will say, "Never again"? Shall it be "Never again" to joining in seeking world peace? Shall it be "Never again" to living alone on an island of false security? Shall it be our *second* retreat from our responsibility in world co-operation?

Ours must be a generation that will distill the stamina and provide the skills to create a warproof world. We must not bequeath a second blood-bath to our children.

World leadership must be more concerned with welfare politics and less with power politics, more attentive to equalizing the use of raw materials of nations than condoning the policies of grab and barter that freeze in-



ternational markets, more interested in opening channels of commerce than closing them by prohibitive tariffs, more mindful of the need for a stable currency among all countries than in high interest rates on loans. World leadership must be more occupied with preventing the political house burners from setting off the fires of revolt than stopping them after they start.

But world co-operation cannot enforce such standards of international justice and security by paper diplomacy and remote control. Our choice is not between a Hitler slave world and an out-of-date holiday of "normalcy." The defeatists who talk about going back to the good old days of Americanism mean the time when there was plenty for the few and scarcity for the many.

Nor is our choice between an Americanized Fascism and the restoration of prewar scarcity and unemployment. *Too many millions of our people have come out of the dark cellars and squalor of unemployment ever to go back.*

Our choice is between democracy for everybody or for the few—between the spreading of social safeguards and economic opportunity to all the people—or the concentration of our abundant resources in the hands of selfishness and greed. The American people have brought a brave and clear conscience to this crisis of all mankind. Every family, every community, feeling the denials and restraints of war, has been forced to search for a bed-rock of faith. And in that tomorrow when peace comes, education for tolerance will be just as important as the production of television. The creation of a decent diet for every family will take as much planning as the building of new cars and refrigerators and washing machines.

Along with Britain, Russia and China our nation will exert a tremendous economic and moral persuasion in the peace. But many of our most patriotic and forward-looking citizens are asking, "Why not start now practicing these Four Freedoms in our own backyard?"

*They are right!* A fuller democracy for all is the lasting preventive of war. A lesser or part-time democracy breeds the dissension and class conflicts that seek their solution in guns and slaughter.

We cannot fight to crush Nazi brutality abroad and condone race riots at home. Those who fan the fires of racial clashes for the purpose of making political capital here at home are taking the first step toward Nazism.

We cannot plead for equality of opportunity for peoples everywhere and overlook the denial of the right to vote for millions of our own people. Every citizen of the United States without regard to color or creed, whether he resides where he was born or whether he has moved to a great defense center or to a fighting front, is entitled to cast his vote.

We cannot offer the blueprints and the skills to rebuild the bombed-out cities of other lands and stymie the rebuilding of our own cities. Slums have no place in America.

We cannot assist in binding the wounds of a war-stricken world and fail to safeguard the health of our own people. We cannot hope to raise the literacy of other nations and fail to roll back the ignorance that clouds many communities in many sectors of our own nation. Democracy can work successfully for that future which is its predestined heritage only when all people have the opportunity for the fullest education. *The world is a neighborhood*. We have learned that starvation in China affects our own security—that the jobless in India are related to the unemployed here. The Post War Problems Committee of the National Association of Manufacturers (businessmen all) has wisely declared that increased production in other countries will not reduce living standards in the United States. Those twisters of fact who shriek that your Vice-President is a wild-eyed dreamer trying to set up T.V.A.'s on the Danube and deliver a bottle of milk to every Hottentot every morning should read that report. No business prospers without prosperous customers. That is plain common sense.

The average American may not be an expert on all phases of our economic and political life. He may not understand completely the complexities of money and markets. He may never feel completely at home in the intricacies of world trade as they are affected by tariffs and cartels. He may not know too much about parity farm prices and subsidies. But the average American *does* know what happens when inflation comes—when prices rise faster than wages, and he knows that the worst lie of all is that the way to make money is to produce scarcity. The common man in America, and every American soldier overseas, wants free enterprise and full employment. He wants to see the great new war plants converted into plants producing peacetime goods. He knows that he and others have acquired new skills and they should be put to use. The average man of America knows that we can make and consume all goods which make for a higher standard of living. He wants and he must have a job, enough to eat and wear, decent shelter, his own home and automobile, and a chance to educate his children.

He knows that high tariff protection for our markets leads only to retaliation and boycotts by other countries. He knows that no coalition of nations can weather the innumerable impacts of money and trade monopolies. He witnessed the collapse of sanctions under the League of Nations and the growth of dictatorships that appealed to their peoples by promising to free them from economic slavery. He is convinced that na-

tions must be organized by something more than trade pacts and non-aggression treaties. The peace-makers must have more daring and vision than the war-makers.

A year ago I cited the four duties of the people's revolution as I saw them. They were:

1. The duty to produce to the limit.
2. The duty to transport as rapidly as possible to the field of battle.
3. The duty to fight with all that is in us.
4. The duty to build a peace—just, charitable and enduring.

Millions of our people from offices and factories, from farms, mines, oil fields and timber lands, have accepted those duties with typical American courage and fortitude. They are making heroic sacrifices to speed the victory. But if war has its duties, peace has its responsibilities. Three outstanding peacetime responsibilities as I see them today are these:

1. The responsibility for enlightenment of the people.
2. The responsibility for mobilizing peacetime production for full employment.
3. The responsibility for planning world co-operation.

The American press, radio, school and church, free from domination by either government or corporate interest, can hold up to our people the vision of the freedom and abundance of the America that is to be. These great agencies of enlightenment can educate us with regard to the fundamental decencies and understandings which are essential if our power is to be a blessing to the world and not a curse.

Labor is beginning to do its part in enlightening the public. It is beginning to make crystal clear that 97 percent of labor has co-operated 100 percent with our government in the war effort. More and more in the future labor will demonstrate that it can co-operate with both employers and with agriculture in those measures which lead to increased employment, increased production and a higher standard of living. The people of America know that the second step toward Nazism is the destruction of labor unions. There are midget Hitlers here who continually attack labor. There are other demagogues, blind to the errors of every other group, who shout, "We love labor, but . . ." Both the midget Hitlers and the demagogues are enemies of America. Both would destroy labor unions if they could. Labor should be fully aware of its friends and of its enemies.

The second responsibility, that of mobilizing the peace for full production and full employment, will challenge the best brains and imagination

of our industries large and small, our trade associations, our labor unions and our financial institutions.

When the guns stop, America will find itself with the following assets:

1. Manpower by the million; skilled workers from war industries, military manpower and young people coming of working age.
2. The largest industrial plant capacity in the world.
3. The greatest resources both natural and artificial to make peacetime products—and thousands of new inventions waiting to be converted to peacetime use.
4. The largest scientific farm plant in the world.
5. The biggest backlog of requirements for housing, transportation, communications and living comforts.
6. The greatest reserve of accumulated savings by individuals that any nation has ever known.

With such wealth, who says this nation is now bankrupt?

If industrial management can bring the same wisdom in producing for peace that it has shown on many production fronts in the supply program for war, the horizons we face are bright. We have witnessed many evidences of industrial statesmanship, of co-operation with labor to increase production and cut costs. In hundreds of industries the war has demonstrated that management and labor can be friends in the service of the nation.

Our industries, trade associations and lending institutions will open wider the gates of labor's participation. They have the choice of approaching the new world of greatly expanded production with new energies and foresight—or they can hold back and fearfully await the stimulus of their government to expand production and consumption.

Whichever choice they consciously or unconsciously make, I believe they want to do their part in keeping this nation on solid ground when peace comes.

If we are to mobilize peace production in the service of all the people we must completely turn away from scarcity economics. Too many corporations have made money by holding inventions out of use, by holding up prices and by cutting down production.

I believe in our democratic, capitalistic system, but it must be a capitalism of abundance and full employment. If we return to a capitalism of scarcity such as that which produced both 1929 and 1932, we must anticipate that the returning soldiers and displaced war workers will speak in no uncertain terms.

The third responsibility—that of planning world co-operation—will

stem from the open and full partnership between the people and their government.

We will face combustible realities when this struggle has passed. Even now there are millions in Europe and Asia who have only one thought, one question: "When do we eat?" Peace does not come where starvation stays. Peace is a mockery where millions of homeless and diseased are given only the freedom to die. America will have to fill many bread-baskets, help to restore homes and provide medical care here and in other lands before our own peace will be secure.

We know that a combination of countries seeking to limit our air commerce could shut off our international skyways. We know that a gang-ing-up by a group of international cartels at odds with us could wipe out our markets and sow the seeds of war. We know that we cannot close the doors on other nations and not expect them to close their doors on us. We know that imperialistic freebooters using the United States as a base can make another war inevitable.

In that knowledge we can create co-operation or conflict; unity of purpose or under-the-table dealing.

We must continue our teamwork with the British. We must become better acquainted with our new friends, the Russians. We can live peacefully in the same world with the Russians if we demonstrate to ourselves and the world after the war that we have gone in for all-out peace production and total consumer use of our products to bring about the maximum of human welfare.

Shouldering our responsibilities for enlightenment, abundant production and world co-operation, we can begin now our apprenticeship to world peace. There will be heartbreaking delays—there will be prejudices creeping in, and the fainthearted will spread their whispers of doubt. Some blueprints and many programs will be tested and found unworkable. Some men with selfish motives will use the propaganda of protest and the sabotage of delay to promote disunity in peace as they have in war.

But the day of victory for humanity will come just as this night of terror and desolation will pass. Nothing will prevail against the common man's peace in a common man's world as he fights both for free enterprise and full employment. The world is one family with one future—a future which will bind our brotherhood with heart and mind and not with chains, which will save and share the culture past and now aborning, which will work out the peace on a level of high and open co-operation, which will make democracy work for mankind by giving everyone a chance to build his own stake in it.

The challenge and the opportunity to win the battle of the peace has joined mankind. Victory demands our best thought, our best energies and our everlasting faith.

## TRANSPORTATION

The history of transportation has been a continuing battle against monopoly controls. From the Granger laws of the 1870's to the present time, the people of the South and the West have fought in State and Federal legislatures and in the courts to harness the railroads to serve the public interests. The battle has been without permanent victory: financial interests, through court appeals, legislative rules of rate-making, corporate manipulations and conspiracies, have continued to exact their tolls. The early victories of the Sherman Antitrust Act have not been vigorously followed up, and new restraints have appeared with the outlawing of the old.

Public transport is again being brought under monopoly control. Competition has already been effectively eliminated in the making of transportation rates. The evil consequences are everywhere apparent:

1. Excessive transportation rates burden agriculture and industry and trade.
2. Non-competitive rates deprive agriculture and industry of the benefits of more efficient and cheaper forms of transportation.
3. Discriminatory rates are keeping the South and the West in a colonial status.
4. Newer forms of transportation are being brought under monopoly control.
5. Monopolistic conditions already present in transportation are fostering monopolies in industry.

These are serious charges. Let us examine them in the light of the known facts.

The people, not only of Texas but of the entire South and West, have experienced the effects of excessive transportation charges—the high cost of the necessities of life and the inability to market the products of their labor. You recall years of plenty when it was impossible to move crops to market because the prices would not bear the cost of transportation. Your grapefruit has rotted on the ground, as have peaches in Colorado and Utah, potatoes in Minnesota and Wisconsin, and other farm products elsewhere. All other elements which affect the farmers' costs go up

and down with changing conditions, but the high-rate barrier remains the same.

The empire of the West and the South which has produced so much of the wealth of the nation has been drained dry by the tolls of monopolies, the most important of which is transportation. Consider what happened to the consumer's dollar spent for representative agricultural products in a typical year. Of every dollar paid by consumers for Texas onions, twenty-eight cents went for transportation and twelve cents went to the farmers. In like manner, out of every dollar spent for Texas cabbage, thirty-six cents went for transportation charges and fourteen cents were paid to the farmers. The growers of Georgia and Carolina peaches received only thirty-one cents in each dollar paid by purchasers; the railroads and other transportation companies received twenty-two cents. These disproportionate and high rates have limited consumption and have penalized the farmer for producing abundantly.

Who makes these excessive rates? There is a widespread misconception that the government or, more particularly, the Interstate Commerce Commission prescribes each and every rate for public transportation. This is not the fact. In reality, the actual transportation charges, with few exceptions, are made by private rate bureaus and conferences of the carriers. In no year during the past ten years did the Interstate Commerce Commission review as many as one percent of the tariffs filed with it; that is, more than ninety-nine percent of the tariffs filed became effective without action by the Commission.

The private rate-making machinery of the railroads is highly organized along geographic lines into three principal territories—Eastern, Southern, and Western. Approximately fifteen railroad associations and conferences determine the freight rates of the country. This private rate-making machinery, which surpasses in size and complexity that of the Interstate Commerce Commission, has arrogated to itself that control over rates which Congress sought to vest in a public agency. With few exceptions, these private rate bureaus determine what transportation rates shall be filed with the Commission, and successfully block at their inception virtually all rate reductions that threaten carrier profits. Although competition in rate-making is the national legislative policy, it is in fact as dead as the dodo.

The second charge is that the elimination of competition between competing forms of transportation has deprived the nation of the benefits of newer and cheaper forms of transport. In an attempt to develop cheaper transportation, the farmers and the businessmen have joined forces in promoting a national system of highways and waterways, and

under the vigorous leadership of President Roosevelt, we have completed a vast network of highways and waterways. More recently public funds have been directed to the development of airways and airports. Public patronage has been responsive to the inherent advantages of these newer forms of transport, particularly to the low-cost appeal of highways and waterways. But the early promise of cheap transportation by highway and by waterway has been largely nullified. Under the slogan of "Equality of Regulation," Congress was persuaded to adopt legislation which placed waterways and highways under the jurisdiction of the Interstate Commerce Commission. The consequences of this legislation were foreseen. Private rate bureaus were developed by motor and water carriers; indeed, these private rate bureaus have been encouraged both by the requirement that carriers publish tariffs and by the minimum rate orders of the Interstate Commerce Commission. Once competing forms of transportation were organized into private rate conferences, agreements and conspiracies were easily promoted. Through conspiracies between motor and rail carrier conferences, motor-carrier rates have been raised to the level of the rail rates. The activities of water-carrier rate conferences have resulted in relating water-carrier to rail rates. In thus eliminating all competition in rates, the public is deprived of the savings from cheap highway and water transport.

Not satisfied with eliminating competition in surface transportation, the railroads have even extended their control to the airways to prevent any competition from the carriage of air cargo. Through an exclusive contract between Railway Express Agency (which is owned by the railroads of the country) and the domestic airlines, air express rates have been maintained far above the competitive level, and the movement of cargo by air has been effectively retarded. Despite the assertion of aviation authorities that cargo planes can be operated at eight to ten cents per ton mile, air express rates are artificially held at eighty cents per ton mile. This rate is five to seven times the rail express rates.

The third charge is that discriminatory rates have helped keep the South and the West in a colonial status.

The people of the West and South have long fought against discriminatory freight rates. They have watched with deep concern the loss of local industries. They have been profoundly discouraged by the futility of their attempts to attract industrial capital. They have watched the continuing drift of the younger generation to regions promising greater opportunities. They have witnessed a reduction of their purchasing power and the loss of their homes and their farms. Despite the abundance with which Providence had blessed the land, they could not produce sufficient



income to cover their costs. They have witnessed a deterioration in the services supplied by the state and local governments, the closing of schools, the neglect of public health and housing, and the delay of sanitation projects. They have become increasingly dependent upon Federal funds for carrying on essential government services. During the war, many of these communities are witnessing what local industry can mean in terms of larger incomes and higher living standards for the whole community, but they are aware that with the coming of peace the old trend of industry to seek productive centers with favorable freight rates will deprive them of this temporary prosperity.

The fourth charge is that the railroads plot to seize control of the newer forms of transportation.

Those who guide the destinies of the railroads and seek to preserve their financial position are not content with the cartel controls which they now exercise over all domestic transportation. They propose to solidify and make permanent their empire through the enactment of legislation designed to permit the creation of a permanent monopoly of public transportation under the control of the railroads. The plot has been sugar-coated to deceive the people. In the name of efficiency and economy, and under the slogan "Preserve the Enterprise System," it is proposed that Congress permit the creation of "integrated transportation systems," each of which would control and operate all rail, motor, water and air transportation facilities throughout large geographic areas. If the railroads are able to establish such regional monopolies controlling air, water and highway rates they will be in position to hand out favors or penalties to every community in the United States. They can determine the location of industry and population. Under such a system they could freeze ancient injustices and stifle new opportunities.

In the light of these facts the people of the West and South are asking insistently—what are we going to do about it? The day of accounting has come. Destructive practices in transportation and suppressive governmental policies under which monopoly thrives must now yield to the needs of the common man. The double talk in legislation which has permitted these conditions to exist must give way to clear and understandable provisions which protect the public. Private rate bureaus and rate-making conferences through which railroad bankers and railroad managers have been able to exact from the people unconscionable rates for rendering an indispensable service must be stripped of their power and their activities confined to legitimate practices in the public interests. A clean-cut declaration of legislative policy must insure to the newer forms of transportation an opportunity to develop without suppression. Com-

petition must be restored. Our greatest need is to recast our transportation laws to insure the utmost development of each form of transportation. Thereby present and prospective monopolistic controls will be broken; regional rate discriminations will disappear; and transportation will then truly serve the public interest. [*To a meeting sponsored by civic and labor groups, Dallas, Texas, Oct. 20, 1943.*]

## WE MUST SAVE FREE ENTERPRISE

Conversion of industry to all-out war was the dominant necessity in December of 1941. In the peace to come, reconversion to all-out production of peacetime goods will be our crying need. The way in which we handle the reconversion will determine whether we go the route of government control, monopoly control or free private enterprise. Granting that there is a place for a certain amount of governmental control and even supervised monopoly, I propose in this article to back the thesis that for full employment we must encourage the little man with a big idea.

The little man, bursting with initiative, has certain fears concerning war, peace, government, monopoly, debt and taxes. He looks at the war debt and sees it moving at a daily rate of \$200,000,000 toward a total of \$200,000,000,000 in 1944. Somebody will have to pay for this, and he fears the taxation will be so heavy that he dare not take a risk.

He fears that the large government plants may be taken over by monopoly groups or operated by the government itself. In the reconversion of his plants to peacetime pursuits, he fears the dead hand of priority and the allocation of materials. This problem is particularly perplexing, for his future economic well-being may depend upon the formula which will distribute materials essential to his operations during the transitional period of scarcity which will accompany demobilization.

The small businessman especially fears that, in the stampede for raw materials, he will be elbowed and choked out of the market as he was elbowed and choked out of the major branches of war production. Let it not be forgotten that the Smaller War Plants Corporation came into the picture two years too late, and that a broad section of American small business died, unnecessarily. The small businessman has witnessed and felt the impact of war more keenly than any other section of the American economy.

It must be our resolve that small business shall not be the No. 1 economic casualty of this war.

The national debt, however, need not be an enervating mortgage on our future. In thinking about the national debt, we must rid ourselves of the customary preconceptions. Even though the Federal debt is rising to \$200,000,000,000, the burden of annual interest will be light or heavy, depending on how well we maintain all-out production. It can be simply shown that, if our national income is kept going at a rate only 90 per cent of the present level, it will require only 7 per cent of our annual income to pay interest on both public and private debt. Such a percentage would be no greater than that devoted to the same purpose in 1929. The real problem, therefore, is to maintain full employment and balanced production on the necessary scale. If we succeed, it will be possible to carry this national debt without additional and unnecessary taxation.

The President has already indicated a program for the demobilization of the armed forces and outlined the machinery for an orderly transition. The time has come now when we should think in equally clear terms about demobilizing our war production.

In the critical period of demobilization, there are certain positive policies which may be invoked and certain basic evils which should be avoided. It will probably be necessary to have some public-works projects to provide employment in this period. Primarily, the task of re-employment is the responsibility of businessmen. It is a responsibility which they can meet only if enterprise is free to develop and extend the new lines of industry as well as the presently existing enormous plant capacity.

To aid business in carrying out this responsibility, the existing plants constructed by the government for the war effort should not fall into disuse. Neither should they become part of the philosophy of planned scarcity which is implicit in monopoly control. So far as practical, they should be turned over to private business and become part of our free private-enterprise system. Why not, for instance, lend-lease these plants to those American businessmen who are free of monopoly association and willing to engage in full production? Such men are entitled to encouragement and should be given every incentive to produce.

Among these incentives should be a reorganized tax program to expand production and create new industry. We must avoid the pitfalls of a tax program which gives incentive to speculation in securities rather than investment in productive enterprises and plant expansion. Our whole tax structure, including individual income, capital gains and corporate taxes, will need revamping to stimulate maximum production and employment.

We must reorganize the flow of credit in our economy so that the little businessman is not subject to the will of the private-monopoly groups who control credit. He must not be crushed by a system of private taxa-

tion. It should be made possible for the average businessman to obtain credit on fair and just terms.

Free private business must accept the responsibilities inherent in free private enterprise. It must give full employment and it must spur the full utilization of our productive resources. The alternative to the acceptance and the fulfillment by business of its responsibilities in a free private-enterprise economy is the increasing use of governmental agencies to assume this task. Government will have to do so if free private enterprise fails.

Capitalism throughout the world, and even in our own country, has often been the object of derision. Not its inherent faults but its misuse has been the underlying reason for this attitude. Considered in its essentials, however, capitalism can be the most efficient system of organizing production and distribution on principles of freedom and equal opportunity yet devised by man. It should not, as many radical reformers have suggested, be uprooted. It should be modernized and made to work. Indeed, it must be made to work if we are to maintain the foundations of those things which we believe to be the essentials of American society. The chief trouble with capitalism has been the perversion of its instruments and their misdirection by small, powerful, privileged groups for purposes they were never intended to achieve.

In recent years, numerous attacks have been made upon capitalism without distinguishing between capitalist institutions and their abuses. Among the principal economic devices of capitalism most frequently assailed are the corporation and the patent system. Too often, attempts to remedy evils which have sprung up in corporate practices or to correct improper uses of patents have been translated into attacks on patents and corporations in general. If criticism is to be constructive, it must recognize that there are other ways to cure a headache than by decapitation.

Like all institutions brought into being to serve men's needs, both the corporation and the patent system carried with them the possibilities of abuse by a privileged few. The multiplication of corporations which resulted from charter mongering by states led to practices which made it possible for the corporation to be used as a means of cheating the public. Corporation laws which promoted the concentration of economic power in the hands of small closed groups became barriers to free enterprise. The development of huge, unwieldy and cumbersome interests unwilling to take risks, and fearful of competition from the smaller, more flexible, more resourceful businessmen, resulted in the stifling of new investment and a slowing down of the whole productive process.

Similarly, abuses crept into the patent system. Gigantic vested interests, posing as independent inventors and little businessmen, accumulated pat-

ent structures which not only blanketed whole areas of industry, but, in effect, channeled research and development as bulwarks for their own dominating position. Little inventors were crushed. Small businessmen could not compete with these vast aggregations of patents and capital. Small businessmen and inventors attempting to develop new processes and products found little protection in the patent when pitted against the power assembled in overgrown combinations.

This concentration of power has become one of the most serious conditions businessmen have ever faced. Cartels—industrial combinations which are not only national but international in scope—have acquired a degree and range of arbitrary power which threatens the very existence of small business and stifles the creative energy of our people. This is a far cry from the original goal set for patents by our Constitution: "To promote the progress of science and useful arts."

Among the steps which are worth considering toward correcting the abuses of the past is the enactment of a Federal incorporation law. Such a law would replace an evil which has become identified with the state of Delaware.

The patent system must be made to square with its original purpose as propounded by the Founding Fathers. It must give incentive and protection to the small and creative, and not be used as a weapon of oppression by large aggregates of wealth.

The age of enterprise, the era of adventure which began with the discovery of the New World, is yet young. The annals of progress have not been closed. In the truest meaning of the term, the United States today faces its greatest hour of opportunity and its greatest challenge to the aims and purposes which moved the founders of our nation to build in freedom an enduring society.

Because geographical frontiers are fast disappearing, it does not follow that the age of enterprise is over.

The exploration of our world by science, the mastery of natural forces and the creation of new material wealth offer unending possibilities to the daring imagination and the zest for activity which have so long guided the outlook of America.

We know that the world stands at the beginning of a new era in human development. We know also that all beginnings are difficult. If we have the courage and the will to grasp the abundant means which are now at hand, there is every assurance that we shall be able to approach something of the supreme objectives for which this war is fought. In simple terms, it is said that we fight for freedom. Yet the economic content of this freedom hinges upon the full employment of our natural

wealth and the full employment of our manpower, for purposes of peace no less than for purposes of war.

The dominant objectives before American industry today are the maintenance of a volume of production which the war has shown can be achieved, and the development of new avenues of activity for capital and labor alike. We must, in other words, find the way to create an expanding economy. We must protect the individual from oppression by the state or by vast aggregations of wealth. We must give to the businessman an incentive for production and the promise of profit for work well done.

In this task there are many things that government can do to stimulate free enterprise by positive action while safeguarding our heritage of natural resources. The conservation of our forests, our farm lands and our finite mineral reserves is properly within the sphere of government. At the same time there are many ways in which government can and should make possible the development of new industries by business. For example, in the development of power projects such as the TVA, a foundation is created on which free private enterprise can build. These are tasks which are public responsibilities. By serving the general welfare in this manner, government is not denying free private enterprise. Rather it is providing a stronger and surer support for economic progress and an expanding economy. [*Article in THE SATURDAY EVENING POST, Oct. 23, 1943.*]

## XIII: 1944

### JACKSON DAY

WE AS INDIVIDUALS are here tonight because the people, suffering from the Hoover-Mellon-Wall Street collapse, demanded a New Deal. The people believed in Roosevelt, the Democratic party and the New Deal in 1932 because they felt that the New Deal stood for human rights first and prosperity rights second. The people confirmed their faith in Roosevelt and the New Deal in 1936 and 1940.

The New Deal is not dead. If it were dead the Democratic party would be dead, and well dead. But the Democratic party is not dead and the New Deal has yet to attain its full strength. The New Deal is as old