

Radio Talk, April 20, 1941

Good Morning Friends:

Our government has finished a week of feverish activity punctuated with important decisions and acts. On Thursday, both Democratic and Republican leaders of the House and Senate were called into conference with Secretary of the Treasury, Henry Morgenthau. After a conference of an hour and a half, Secretary Morgenthau announced that it had been unanimously agreed that the Government should and would try to collect an additional three and one-half billion dollars in taxes next year. This would represent an approximate 33 per cent increase in the tax burden.

No one who is acquainted with the enormous resources and resourcefulness of this Nation and ~~the American people~~ ^{our people} has seriously doubted our ability to pay for our National defense program, but there has been grave apprehension that because of the political unpopularity of taxes, the government might take the path of least resistance by resorting to ^{dangerously excessive} borrowing for the bulk of the National defense expenditures. We have been putting our excesses on the cuff for several years. Our debt is now forty-eight billion dollars. It is estimated that we will spend nineteen billion next year. The tax conference agreed that we should raise two-thirds of this amount. Even if this is done, it will be, according to estimates, six to seven billion dollars short of estimated expenditures for next year. It is reported that this bill will be introduced within the next few days, and from comments already heard on the floors of both the House and the Senate, in the corridors and in the cloakrooms, it will ~~meet only nominal~~ ^{pass, but, as is} ~~usually the case with tax bills, there will be a tug of war to shift the burden from one group to another. Before this thing is over all groups will be called upon to make sacrifices.~~ ^{opposition.} A member of Congress shouldn't vote to appropriate money unless

he is willing to assume his share of the responsibility for raising the money, or, at least, to currently raise as much of it as can be safely imposed upon the country's economy, just as a man should not incur a debt unless he intends to pay it. That's common sense, and you ^{cannot} ~~can't~~ legislate common sense out of ~~good~~ government. ^{and still} ~~have good government.~~ It's been tried but it doesn't work.

One of the most important and far-reaching steps of the year was the creation of the office of price control and the appointment as administrator thereof of Mr. Leon Henderson, who has been more or less in and out of important political assignments within the New Deal since General Hugh Johnson brought him from obscurity into the Old Blue Eagle NRA. Whether or not by executive order the President could confer upon Mr. Henderson sufficient powers to exercise the announced purposes of his office is a question of considerable doubt and division of opinion among members of Congress and Executive Department officials. ~~Mr. Henderson has been an ardent New Dealer, though somewhat more practical than the Cochrans and the Cohens. He seems to be generally regarded around the Capitol as an able and courageous man.~~ If he or his office does not have authority to prevent unreasonable spiraling of prices, then the Congress should consider legislation bestowing that authority. It probably should any way because Government by law more nearly conforms with the American democratic ideal than does government by executive order. Mr. Henderson moved in on big steel first. This action came very soon after the steel industry had granted a wage increase for its employees. Mr. Henderson intimated that it was the plan of the steel

industry to pass this increase on to the consumer, which undoubtedly was true, as it is in practically every other case. The government is now the biggest buyer of steel and an increase in its price would increase defense costs. If the price of steel is raised, prices of other commodities will follow, steel being such a basic product. When other commodity prices rise, then others would rise accordingly, thus setting into motion an inflationary spiral which would cause the prices of commodities for which there is not a surplus to go higher and higher. Unfortunately for the American farmer, most of his products come in the surplus category. This forecast sounds like a recitation of our economic history during the last war and for the years immediately following the war until 1929, when the synthetic balloon burst. The government is moving and rightly so to forestall a repetition of this unfortunate history. If profits of industry greatly increase, then labor will demand a bigger share of this profit. If the cost of living rises considerably, labor will demand higher wages. This might be the cause for further labor trouble and the government *wants to forestall any ~~any~~ development which* ~~certainly does not want to allow a situation to arise which~~ would precipitate further ~~and more wide spread~~ labor trouble.

During the week, the House Naval Affairs Committee reported favorably upon a bill by Representative Carl Vinson of Georgia designed to prevent strikes in defense industries. The bill, if it becomes law, would require a cooling off period before strikes could be called. It would require the employer and employees to try to settle their differences around the conference table, and if that failed the employer or the employees could call upon the

National Defense Mediation Board for assistance. The Board would then be required by law to study the controversy and make a public report within twenty days. It will be recalled that our present Mediation Board was appointed by executive order and really has no power under the law. And it can not even take jurisdiction of a strike unless Secretary Perkins certifies same to it. A case in point is the present coal strike. Mr. John L. Lewis says that he will not take his united mine workers' cause before the Mediation Board, and, incidentally, in effect he says that the country can ^{not} mine its coal which is necessary to keep the defense industry going until his demands are satisfied. Congressman Smith ^{of Virginia} calls that ^{is} "home-grown dictatorship." The Southern operators say, whether rightly or wrongly, that they can not possibly operate under the terms of his demand and they are asking Mrs. Perkins to certify the dispute to the Mediation Board. ^{Sec} ~~Mr.~~ Perkins has thus far, ~~as usual~~, done nothing about it, ^{which is her usual gait.} Meanwhile, the government in order to guarantee that the strikers suffer no want has begun to send car loads of food into the mining areas.

The Vinson Bill will very probably be acted upon within the next week or ten days by the House. It would compel a status quo of closed or open shop conditions in defense industries. The term "closed shop," generally speaking, means that the shop is closed to workers who do not belong to the union, and the "open shop," generally speaking, means that the employer retains the right to employ and does employ some workers who do not belong to the Union. Many strikes have been called by the Unions because they demanded that the employer agree not to employ any worker who is not a member or does not join the Union. The Vinson Bill

attempts to remove this as a source of strike trouble by simply saying that where a closed shop exists, it should continue, but where union and non-union employees now work together the continuance of such condition should not be deemed a grievance for which a strike could be called. The terms of the bill would permit a union to organize a new plant but it would forbid a closed shop in such new plants. It would also forbid any defense contractor to employ any person whom he has reasonable cause to believe is a communist or a member of any other organization ^{which} ~~who~~ advocates overthrow of the government. The bill further provides a five thousand dollar fine or one year's imprisonment or both for any worker who violates the provision of the Act. When the bill reaches the floor, you will hear much more about it. You will hear of many amendments. One amendment which is almost certain to be adopted will be one to require that the government hold a secret election among the workers to determine whether or not they want to strike. We all recall that the very harmful Allis-Chalmers strike was actually called by a fraudulent election conducted by a radical union leader who allegedly is not in sympathy with the defense program.

The President indicated to his press conference that the administration would ask that the draft age be lowered to 18. The next day the Military Affairs Committee, to which such legislation would be referred, emphatically indicated that it would not consider lowering the draft age at this time. The Washington papers for the last few days have been full of news about Senator Cotton Ed Smith's efforts to get his son who is a committee clerk exempted from the draft because

he was a necessary man. Senator Smith has had little if any sympathy among Congressmen. They feel that Senator Smith's son is no more a necessary defense worker than any other clerk and further that he is no better to go than any other boy.

Though Washington has been busy with many things,

It has been a blue week in the Capitol. Yugo-Slavia gave us a thrill and a hope by daring to stand against Hitler, but look at poor Yugo-Slavia now. She was crushed in a week. She is no more. Things are going badly for our friends in Greece. There is an even worse threat in Africa. Pitiless terror and destruction rain upon Europe's proud cities and helpless people. Hate sits enthroned. One must search ^{indeed,} to find something encouraging. ^{how abroad,} ~~Repress~~

Representative Sol Bloom, Chairman of the House Foreign Affairs Committee, touched a chord of hope one day during the week. One of his colleagues stopped him in the aisle and said; "Look here, this war situation looks dark. How are the democracies ever going to win?"

Congressman Bloom replied with a quotation from the poet Browning. He said; "God's in his Heaven and all's right with the world."

Other conquerors have tried to rule the world. Other great forces have tried to crush freedom and drive out religion, but somehow, some way, they have met their end. When the freedom of man is at stake, when ^{there is in the balance} the right to live the christianity upon which men's lives and civilization must be based ^{itself} else it perish ~~is at issue~~, We who have the faith can not believe that the Almighty will finally let Hitler win. Human beings, weak and disturbed, must

take faith from their bewilderment. Out of the darkness surely there will come a light shining.

A power higher and mightier than man guided the pebble from the sling of David to the temple of Goliath. When the Syrians surrounded the Israelites, Elishia prayed that the enemy be stricken with blindness, "and he smote them with blindness according to the word of Elisha." When in 1588, the Spanish Armada sailed against England a mighty storm arose upon the sea and helped destroy the enemy.

"God moves in a mysterious way

His wonders to perform

He plants his footsteps in the sea

And rides upon the storm."