

Radio Talk, September 20, 1941

Good Morning, Friends:

Last winter, Congress appropriated seven billion dollars of Lend-Lease funds. During the <sup>past</sup> week, President Roosevelt sent a request to Congress for an appropriation of six billion additional dollars of Lend-Lease funds. This would make a total of thirteen billion dollars to be contributed by the people of this country to the enemies of Adolph Hitler. This staggering sum, incidentally, is just equal to the total tax collections anticipated by our Treasury from the unprecedently high tax bill which received final Congressional action on last Wednesday and only awaits the signature of the President to become law.

Somebody has described the art of taxation as "picking a goose without making her squawk." The American people will pay these high taxes without squawking if they feel that for each dollar they are getting a dollars worth of protection against the spreading wave of tyranny and oppression which Hitler has unloosed upon the world. The new tax bill drills both upward and downward into individual and corporate incomes. It broadens the base of the Federal income tax by lowering exemptions from \$2,000 to \$1500 for married persons and from \$800 to \$750 for single persons. This means that hundreds of thousands of people who have never paid a Federal income tax will now be required to do so. Even this bill is not sufficient, and it is expected that the Administration will ask for another tax bill before the snow falls. [ There certainly should be more taxes on the inordinate profits being made out of the defense program. The bill contains an excess profits tax, but it is only a feeble effort to recapture a portion of the excess profits. There should be no excess profits allowed from the defense program.

For twenty years, the American Legion has resolved to take the profit out of war. Congress has passed resolutions on it.

More than a million young men have been drafted into the nation's armed services, taken from their homes, jobs, and futures, and given \$21, \$30, or \$40 a month. Recently, Congress and the President decided that the safety of our country required these youths to stay in service eighteen additional months.

It is patently unfair to ask such sacrifices while other portions of our society are permitted to accumulate exaggerated profits. America, which has refused to take one foot of territory for its own war profit, should prevent its citizens from making inordinate profits from war. We must not have a crop of defense millionaires to parallel the 1918 war millionaires. ] This matter is now being studied by the House Banking and Currency Committee which has under consideration the Administration's Price Control Bill. Mr. Bernard M. Baruch, Director of the World War Industries Board, came out of retirement to appear before this Committee on last Friday and bring to it his wealth of experience and knowledge. The Price Control Bill is one of the most far-reaching and controversial proposals which has been before Congress in many a day. Much more will be heard about this in the future on these Sunday morning talks.

Before asking for the additional six billion dollar Lend-Lease appropriation, President Roosevelt gave the Congress a report on the operations of the Lend-Lease Act to date. His report shows that the stream of our aid to Great Britain and other nations fighting against the spread of Hitlerism is yet a trickle - that the promised aid from our arsenal of the democracies is still largely on order.



Only about one-hundredth part of the money appropriated has been exported in the form of military and naval material. And remember that it is with machines, not money, that the men in the front lines have to fight. You <sup>cannot</sup> stop seventy-ton tanks by throwing at them these huge sums which the Congress <sup>has</sup> ~~is~~ <sup>ed.</sup> appropriating. Military men are expecting machines to win the war. They believe that if Russia had sufficient planes and tanks, equipped with the necessary guns and ammunition, the end of Hitlerism would now be in sight. Instead, Russia is losing ground and machines. Washington today awaits each new development from the Russian front with gloomy anxiety. The Nazis have surrounded Leningrad, Kiev, and <sup>Odessa</sup>. They are now overrunning the Ukraine with its fertile plains and valleys. Some 15% of Russia's industrial production came from Leningrad. In the Ukraine and in Crimea lie her principal resources of oil, wheat, iron, and manufacturing plants. Indeed, about 40% of her production has already been impaired. Russia's plight is desperate. When Germany first invaded Russia, our military experts here in Washington estimated that it would require 90 days for Hitler's army to crush the Russian forces. Russia has exceeded these expectations. For more than a hundred days, she has held off the German onslaught, but all reports indicate that she is now being severely pressed. The whole front seems to be in a state of flux, and it is impossible, from the meager reports immediately available, to forecast what may happen. Perhaps the situation is not as ~~bad~~ as the reports would indicate. Perhaps Russia can <sup>be</sup> put forth a display of the brilliancy which she has on occasion <sup>shown</sup> ~~shown~~ <sup>a portion of</sup> of holding her army intact and continue resistance. Russia still has plenty of men, but if Russia's millions of

men are to continue to keep the Nazi forces engaged, thus giving the United States precious time in which to organize her great industrial might for mass production of implements of warfare, they must have machines and equipment from Britain and the United States. On Friday, Secretary of State, Cordell Hull, said that this country was determined to speed aid to Russia. During the week, Secretary of Commerce, Jesse Jones, announced a loan to Russia of several million dollars. The British could help the Russians by intensive bombing attacks on Berlin and other German industrial cities. Yet, for this long-range bombing, the British must rely chiefly on the heavy four-motored American bombers. The British lost nine of these in one night, and we only produced twelve of them in June and fourteen in July. The Russians have stopped the Nazis temporarily several times with tanks. They are reported to have had ten's of thousand's of these mammoth vehicles of modern warfare. America has produced only a few more than one thousand light tanks which are of little use against heavy tanks. We are producing only one hundred medium-sized tanks a month, and we have not yet made <sup>one</sup> ~~any~~ of the large heavy tanks. This must sound gloomy. The truth is that we are yet woefully unprepared in every way except our navy which is the greatest in the world. Lest we become unduly impatient, it must be recalled once again that it takes time to tool up for mass production, that it takes time to convert a peace-time industry into a war industry. Heavy ordnance and other complicated war material can not be turned out over night. The amount which has actually been turned out presents a more gloomy picture than is actually the case. When tanks or planes or guns first begin to roll off of the assembly line in a new plant, though even



a meager amount it may be, it means that the money has been appropriated by Congress, that the contract has been let, that the factory has been built, that the tools with which to make the delicate instruments have been prepared, that men have been trained, and that the plant is on the verge of turning them out more and more and more. Though hampered by strikes and other unnecessary delays, out industrial might is being converted <sup>swiftly</sup> from civilian production to a military and war preparation economy. The President reported that nearly all of the seven billion dollar Lend-Lease fund, which was appropriated last winter, has already been allocated; and, in terms of production, <sup>months hence</sup> next spring, let us say, it gives a more promising picture of what American industry can do, once it gets rolling. It is hoped that the prospect justifies the President's assurance, that the flow of planes, tanks, guns, and ships will increast until the stream becomes a river, and the river a torrent engulfing this totalitarian tyranny.

Some critics ask why this additional six billion dollars is requested when such a small fractional part of the seven billion dollar appropriation has actually been expended. Perhaps there is something in the contention that the army has an insatiable desire to get all it can while the getting is good. In fairness to the President, it must be remembered that it takes time to convert appropriations into contracts, into allocations, into factories, and finally into materials of war. As <sup>swiftly</sup> as our present manufacturing facilities are tooled up for production of machines of war, contracts should be ready to use our machine tool industries for the tooling up of additional factories. True, this is an enormous sum but if it will vouchsafe the freedom of mankind, it is cheap. It is a certainty

that American machines will not win the war this year. We just do not have enough of them. The truth is that if Russia had <sup>every tank,</sup> every anti-aircraft gun, every <sup>gun</sup> anti-aircraft tank, <sup>that</sup> we have that would be insufficient to combat the mechanized might of Germany in <sup>any</sup> of the several major salients along the Russian front. There is reason to believe, however, that if Russia does not collapse, our industrial mobilization may be decisive in 1942 or 43. Once ~~American~~ industry has been mobilized in all its potency and terrible military might, America can be the dominating influence in war and for a permanent peace. <sup>after</sup> In writing of the other World War, the great German Field Marshal Von Hindenberg said: "America's brilliant, if pitiless, war industry had entered the service of patriotism and had not failed it, they understood <sup>what</sup> more."

Yes, my friends, <sup>T</sup>he best hope for a permanent peace lies upon the American production front. Our economy is being tested as never, never before. Can we measure up to the test? Upon the answer to this question may depend the course of civilization.