

April 26, 1942

Good Morning, Friends:

Though committees of both the House and the Senate have been at work during the week, little action of importance has been accomplished. Perhaps in normal peace time, actions taken during the week would have assumed a greater importance, but, now, every action must depend for its importance upon its relationship to the war. Unless a measure is calculated to aid our war program or is in some direct manner connected with the war program, it is not considered by either Washington or the American people as being very important.

The two most important developments of the week in Washington were the <sup>(1)</sup> President's statement to his press conference of extremely good progress in producing the tools of war and the President's <sup>(2)</sup> decision to make a determined effort to prevent inflation which will be outlined in a message to Congress tomorrow,

Now there are ample grounds for the President's optimism about our war production. We are now producing planes at the rate of 40,000 per year.

*And* Production ~~of planes~~ is increasing weekly. For instance, Henry Ford's plant is just beginning to come into production. It is one of the greatest industrial units in the world. The plant covers 60 acres. Think of 60 acres being under one roof. Stupendous it is. And when the production line starts rolling there, our output will be greatly augmented. All over the country, plane production is on the upgrade. In connection with the statement that we are now producing at the rate of 40,000 per year, let it be remembered that the President's

goal for this year was 60,000 planes. The sceptics and defeatists said this was impossible. But despite their discouragement, the goal is now clearly in view. Indeed, the prospects are that in the good year 1942 we will produce more than 60,000 planes; and in the production harvest year of 1943, the output will be doubled, thereby amply reaching the President's goal of 120,000 planes next year.

Guns, tanks, powder, T.N.T., clothing, trucks, tents, and a long category of the materiels of war are being produced on schedule. Perhaps the schedule is not large enough. Certainly it would be better if we had more planes on hand today than our enemies. Certainly it would be better if their head-start was already ~~up~~ overtaken. But we must realize that Hitler has been preparing for this war since he came to power in 1933, and that these detestible Japs have been getting ready to battle the United States for a longer period than that. We have been at war since December 7. Of course, our production began earlier than that, though not in an earnest fashion. To go a little further back, we find that while Japan was building up her navy, we were voluntarily sinking ours; that while our army camps were rotting down, Germany and Japan and Italy were training millions of men for aggressive warfare. We were in love with peace, and rightly we should have been. *- not yet 5 mo.* *- only we were mistaken as to the best means of preserving it.* Peace is the ideal of this nation. We wanted no war. But since it has come upon us, this Nation has



already performed the most remarkable industrial feat in ~~the~~ history of man-  
~~kind~~. <sup>The</sup> Conversion of a peace-time industrial <sup>machine</sup> ~~mach/nation~~ to that of war  
production has indeed been <sup>extra ordinary</sup> ~~remarkable~~ and phenominal. We can not expect,  
however, remarkable though it has been, that in a few brief months we could  
make as many planes, tanks, guns, and other instruments of war as our enemies  
already <sup>have</sup> ~~had~~ on hand. We are now making them about as fast, and according to  
some authorities, faster than our enemies. The bright spot is that, though  
we do not have as much on hand as they <sup>now</sup> ~~have~~, our production is only getting  
under way, and ere many more months, ~~have passed~~, we will overtake their head-  
start and will be well on our way to mastery in the field of production.

There is a dark spot, however, in our production effort. And that is  
in ships. We are producing ships at the rate of something over one a day.  
That is <sup>notable</sup> ~~remarkable~~ ship production, to be sure. But our enemies <sup>have been</sup> ~~are~~ sinking  
~~just as~~ ~~our~~ ships ~~just~~ as fast as we <sup>are</sup> ~~produce~~ <sup>ing</sup> them. Already, men, materials,  
and supplies, ~~are~~ ready to be transported <sup>to</sup> ~~across~~ the water destinations, ~~must~~  
~~Both men and materials must~~ await ships. The transportation problem in  
this war is a stupendous one indeed. We must supply practically all of the  
~~gasoline for~~ gasoline for Great Britain, much of her food and a large portion  
of her military supplies. <sup>We are trying to send enormous quantities to Russia. Then, there are our own planes over sea.</sup> For every man we have on the fighting front, we  
must transport 2,000 pounds of supplies per month. Think of that! Think  
what a great problem it becomes if we place four million men on a foreign

shore. In order for this country to win, we must crush the military might of our enemies. To do that, we must transport our forces to a properly selected point where our forces can <sup>make</sup> contact with the enemy at vital places. In order for Germany and Japan to win, they have but to hold what they have taken. So, with all of the President's optimism about production, and it is fine, we must not fail to see the dark spot. Certainly President Roosevelt made no attempt to conceal the dark spot. He frankly said that ship construction was lagging. We must not only increase ~~that~~ <sup>the</sup> production of ships, but our navy must find a way to check the disastrous sinkings along our Atlantic seaboard. ↑ Ships, ships, and more ships are necessary to bring ~~off~~ our might to bear against the enemy. A tank idling on the ship docks in New York will not help Russia stem the Nazi tide this spring.

The White House and the Office of Price Administration has been burning midnight oil throughout the week in preparation for the over-all price control which the President has decided to proclaim. It has been announced that on tomorrow nite, after his message to Congress, the President will address the people of the Nation. The piece-meal price control plan of Mr. Henderson and the President has failed - failed to halt rising prices, ~~and~~ failed to halt the rising cost of living, <sup>failed to save us from an incalculably great cost of the war.</sup> Perhaps the President will speak to ~~the~~ <sup>us</sup> people on some of the evils of inflation. Except for the maiming and the slaughter of human beings and all of the sorrows that go with that, inflation and deflation are the most destructive consequences of war. In normal times,



we depend upon the workings of the law of supply and demand to regulate our economy, but in wartime this is thrown completely ~~out of balance~~ <sup>as here</sup>. Instead of continuing to make all of the washing machines which the people would buy, our factories must make fewer washing machines and more war machines. 7

In order that our aluminum may be used to make fighting planes, there will be less aluminum for pots and pans. When pots and pans become scarce~~d~~ and more people want them, they <sup>sell</sup> higher and higher. They go so high that poor people can't buy them. That's how supply and demand operates in time of war.

The person with the biggest pocket book can get the few pots and pans or washing machines, and the poor people just have to do without. Now, that is not right. If we must make out with fewer goods, <sup>and we certainly must,</sup> they should go to the person who needs them <sup>most</sup> ~~worse~~, rather than to the person who has the most money in

his pocket. The people who are lucky enough to have a war contract or to get a job on a war project at high wages can fare pretty well with rising

prices, but think of the millions of people whose income is not very materially increased. Without some price control and rationing, they would just be left

out in the cold. There is some prospect of a scarcity in coal before next winter is over. <sup>It may not materialize, but some people expect it.</sup> What are we to do? Shall we just let coal prices go sky-high

and let only those with money enough to pay those sky-high prices be warm?

And remember that if we allowed the coal prices to go sky ~~high~~ high, many a man would be fleecing his pockets with profits at the expense of the people

who <sup>must</sup> ~~had to~~ have coal. Some people say this would not be war profits. But why

isn't it? ~~No coal shortage may appear. Some people think a shortage will~~

~~appear, but it may not. This example is just being used to illustrate the~~

~~point.~~ If a shortage of coal does appear, it will be because of two things:

1. Because our war industries are using coal in such tremendous quantities; and

2. <sup>Because</sup> The shortage of fuel oil in the East will cause many people who have been heating their homes with oil burning furnaces to convert them to coal.

Then, why would not the higher coal prices be a result of the war? This question of war profits can not be confined to profits from war contracts.

To be sure, ~~from the~~ some of the largest and most outrageous war profits are not made out of war goods at all, but from ordinary civilian goods which have become scarce. Some smart profiteer and hoarder will sense the shortage and buy up the supply and hold it for people who will pay exorbitant prices.

It has been said in the last few days that wool can hardly be bought on the market. But it is known that there is a large supply of wool. Somebody has just cornered it and is holding it for the purpose of "shaking down" the public. Is that ~~war~~ war profit? Of course it is. It is worse than war profit. It is stinking profiteering and it should not be allowed.

Last fall, the President's advisers convinced him, or at least persuaded him, not to support an over-all control of prices, wages, rents, salaries, etc. *They persuaded him wrongly.* Since then, salary increases of corporation executives have been scandalous,

large bonus payments outrageous; prices have continued to rise; cost of living has continued to go up; labor has demanded increased wages because of increased cost of living - and if the cost of living is going to continue to rise, we can not expect wage earners not to ask for more, and they will get more. But what of the mass of the people whose earnings will not be greatly increased. Poorer shelter, fewer clothes, and less wholesome food must be their unhappy lot.