

Good Morning, Friends:

Here on the home front, ^{Congress} the government has been wrestling for the last week with four subjects with which it has been wrestling for many weeks; namely, taxes, International relations, the farm question, and the wage question. I will ^{briefly} report to you first the developments on the tax question. ^{for the last few days} The Speaker of the House of Representatives has taken the lead in trying to bring about a compromise between the Republicans and the Democrats on the question of pay-as-you-earn tax collections. It is hard to say just what will happen, but, at least, tempers have been smoothed down and conferences are being held in an effort to bring about an agreement. The Republican leader, Representative Joseph Martin from Massachusetts, is threatening to lay a discharge ^{petition} on the speaker's table in an effort to bring ~~about~~ ^{could} the out the Rumel plan again. Such a petition would require the signature of a majority of the membership and it is doubtful that he ~~can~~ ^{could} get that many because the bill was defeated by a majority of 17 votes when it was before the House. Out of these conferences may come a compromise which the House would accept. Should this be the case, the question would then be in the lap of the Senate and doubtless it would cause high blood pressure in that body.

On the question of international relations, there have been developments both on the economic ~~score~~ and ~~on~~ the political side of the question. Secretary of State Cordell Hull came before a committee of Congress last Monday and made an eloquent plea for a continuation of his Reciprocal Trade Agreements program.

The principles of this program have been written into the Lend-Lease agreements which the United States has signed with her Allies. In these Lend-Lease agreements, there is no requirement that a dollar balance be set and that after the war Great Britain will pay back to us so many billion dollars, or that China will owe us so much money which she must pay in gold, or that Russia must return dollar for dollar for all of the tanks and planes and food ~~which~~ ^{to} we have furnished her with which to fight a common foe. Instead, it has been agreed in the Lend-Lease Agreements that in the post-war settlement, the agreement shall include provisions open to participation by all other countries ^{who desire to participate} ~~of like mind~~ and that these provisions shall be directed to the expansion of production, of employment, for the exchange of goods, and to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers.

The question which is now before Congress is whether or not it will approve, ^{also} during the war, the very principles which we have promised to the world as ^{our} ~~a~~ peace aim; And the world is looking to the ^U Congressional battle on Trade Agreements as an indication of how seriously or lightly the United States regards these promises and agreements. The decision which Congress makes will be looked upon by the world as a barometer of America's will and capacity for international cooperation and leadership. To be perfectly frank ~~and~~ ^{and}

with ourselves, there is some tendency in the world to take ^{with a grain of salt} what the United States says about cooperating with the world ^{after the war} in ^{establishing} maintaining ^{world peace} their ~~poss~~ prosperity ~~with a grain of salt~~. Why? Because the world remembers how ^{the U.S.} ~~we~~ ran out on the League of Nations after the other World War when it had actually been proposed by the great American President, Woodrow Wilson. This attitude on the part of some of our friends and certain neutrals only increases the urgency of the need for Congress to approve the Reciprocal Trade Agreements Program ^{now}. Repudiation of that principle at this critical time would undermine world confidence in the nobility of our war aims. Indeed, it would notify the world that the United States was back on an isolationist tact. It would demonstrate that the United States did not have, and apparently could not have, because of shifting party politics, a sustained foreign policy.

Secretary Hull made an earnest plea for the extension of the program. It would certainly be fine if politics could be forgotten long enough to pass this bill without controversy. Of course, it is but to hope in vain to hope that politics will be forgotten. The two parties are closely divided, and ~~leadership~~ ^{leadership} of both are straining for political advantage, looking toward the ^{election} ~~campaign~~ next year. That is a ^{regrettable} situation which bodes ~~no good~~, but one which appears wholly unavoidable in the present circumstances. There will be a Presidential election next year, and ^{in that election} ~~each~~ party will attempt to gain control of the country. We may as well recognize that

fact and interpret political developments in that light.

The Senate Foreign Affairs Committee has been giving quite ^{careful} consideration to a resolution which would place the Senate on record as favoring the participation of the United States in a post-war international effort to establish and preserve world peace. This is a touchy question which deserves the quiet, careful, and dispassionate consideration which the Senate Committee appears to be giving it.

(Farm here)
In conformity with the President's "hold-the-line" order placing rigid ceilings on wages and prices, the War Labor Board, which passes upon applications for wage increases, issued orders during the week denying the application of ten thousand employers ~~who had made applications~~ *It affected over 500,000 wage earners.* to increase the wages of their employees. *new* That must seem pretty hard to wage earners. Here is their employer who is willing and anxious to raise their wages. *But* The government steps in and says "No." *But it's* certainly no harder on the wage earner, *though,* than it is upon the farmer. This question of the employer wanting to raise their wages is not as simple as it might appear at first glance, because a large number of the country's employers now have war contracts and any raise in wages would merely add to the cost of their contracts with the government. Therefore, it would follow that this order of the War Labor Board denying application of the employers to give general wage increases

~~RECEIVED THE EX-111 GOVERNMENT~~

has saved the government many millions of dollars in war cost. There are indications that some labor unions are bristling for a fight against the President's policy, but the President seems now to have his neck bowed and ^{seems} ~~is~~ determined to hold down the cost of this war, ~~is~~ determined to protect the millions of people whose incomes have not been materially increased, and ~~is~~ determined to protect the stability of the nation's economy so that its strength can more fully be cast into the war, ^{do it} ~~and~~ will not be sapped by continual fighting ^{between} ~~by the~~ economic factions at home.

FARM On the farm question, the House has been considering the annual agriculture appropriation bill. The House Appropriations Committee brought in the bill recommending the severest cuts ever made in any major appropriation bill in the history of the Congress. For one thing, the committee bill omits entirely any appropriation for parity payments on this year's crops. As you will recall, there has been a long fight over the question of whether the Administration should consider parity payments as a part of the farmer's income in fixing price ceilings. The Bankhead Bill, which brought this question to the forefront, was vetoed. So the House Appropriations Committee has recommended a settling of the question by just not making any parity payments and then it is certain that they can not be computed in the price ceilings which would be put on farm commodities. The bill would do other things. It would destroy the Farm Security Administration. For many long hours, the complicated questions about the nation's agriculture program have been debated pro and con.

The President calls his fight a "fight to hold down the cost of living." It means more than that, but the President knows that to term it in this way, it will have more meaning to more people. There are other things which the government could do to hold down the cost of living. For one thing, it could ring some of the water out of our distribution system. The middle men have too great a take. As an illustration, we had chicken two nights ago for supper. It wasn't a big Plymouth Rock hen, but just a small chicken, only large enough for a meal for Mrs. Gore, our little girl, and me. Now, what do you suppose the chicken cost? I was astounded when Mrs. Gore said it cost \$2.50. I don't know how much the farmer received for this chicken. But I'll wager that it was only a fractional part of the \$2.50. There is entirely too much spread between the producer and the consumer.