

ing demanded of them. There is nothing equivocal about the way they are making these sacrifices. These men do not want equivocation from those upon whom the responsibility for the Nation's future policy will rest.

There are in our fighting forces today men who fought in the bloody conflict that came to an end in 1918, "the war to end wars." These men remember the pattern of evasion, double talk, and political chicanery resorted to after the last war by the opponents of international cooperation. There are also in the present conflict sons of those men to whom the wedding of caution and evasion was a revolting spectacle. These younger men witnessed the birth of the offspring of that wedding, umbrella diplomacy, appeasement, Munichism. They saw the misbegotten brat grow and become strong on a diet of indecision and vacillation, and finally they saw the monster strut forth and plunge the world into the holocaust in which they are now giving their lives.

These men do not want to see a repetition of such fatal mistakes. They will recognize for what they really are hesitation, equivocation, lack of frankness in framing foreign policy. They are the seeds of new wars planted in the torn earth of the present conflict.

There are also long memories among our allies. Well do they remember our desertion of the cause of peace after the last World War. It is only natural, perhaps, that among them there should still be doubts concerning the extent to which we are prepared to go to maintain peace after this war is won. Recent evidences of our desire and intention to cooperate fully have done much to dispel such doubts. If we should back track, change our policy, or modify it so as to restrict with qualifications and reservations our collaboration, these doubts would again assert themselves. In that case those nations would have no other choice than again to seek such means of national and world security as they think they can achieve without our participation.

It is not only our allies who will be watching with deep concern the forthcoming debates and discussions in Congress, in convention halls, and on the stump regarding our foreign policies. We can rest assured that the rulers of Germany and Japan and their satellites will also be keenly interested.

Our enemies now realize that their dreams of present conquest are not going to materialize out of the present struggle. The war machines which they turned loose upon the world and which overran a large part of two continents have at last been stopped dead and are now being hurled back along every front on which they are engaged. It is only a question of time before they will go down in utter defeat before the combined might of the United Nations' forces. Hitler and Hirohito know this, and the predatory groups they serve know it, too. But they are shrewd men, and the fact that there is no chance of victory for them now does not necessarily mean that all their hopes are shattered. Let them have the kind of peace that followed the last war and the kind of disunity that wrecked the League of Nations, and eventually they or their successors will again embark upon a third attempt to subjugate the world. Yes—the ears of Berlin and Tokio will be listening very carefully to what our leaders and our people say during the next year about international collaboration.

I have been interested to note how some writers, especially newspaper columnists, and some speakers, especially radio commentators, draw a definite line of distinction between American foreign policies and American domestic policies. It seems to me that they are closely related, and that the alignment of forces on both foreign and domestic policies shows a striking similarity. For example,

those who oppose effective collaboration with our allies in international affairs through some association of nations, usually oppose also effective collaboration between the States of the Union in domestic affairs through the Congress. In both cases they advocate isolationism.

Everyone agrees that it will be highly desirable for us as a Nation to maintain our present high levels of employment and production after the war. Unless we achieve something like success in this we must look for another depression and all of its miserable consequences. If we succeed in keeping people on the job we shall experience a level of prosperity beyond anything even dreamed of by previous generations. To do this, however, will require national planning and some national financing. An all-out economic effort—which is what will be required—can no more be carried on without centralized planning and credit than can an all-out military effort.

Yet the exponents of isolationism between States will have none of this. They prefer to have each State find its own way out of the economic tangle which will be left as soon as war production ceases. Although they place great store by States' rights, they have little to say about human rights. They set up a straw man called Federal encroachment, and claim that it is destroying State autonomy and undermining the moral fiber of the people by such insidious devices as grants-in-aid to States for needed public works, for health services, and for aid to dependent children, the aged, and the blind.

This economic tangle faces all the States of the Union and all the nations of the world. It is largely the product of the machine age. The war has temporarily sidetracked the question, but after the war it will be back with us again. The question of what we are going to do with the men no longer needed because of the development of the machine will be no longer merely an academic one to be discussed in the classroom by college professors. It will be a practical one put to us every day by hungry men and women out of work and out of money and whose hope of relief is almost dead. If that hope should die, how tragic would be its funeral. Millions of poverty-stricken in this the richest country in the world, millions of economic slaves in this the land of the free, millions of hopeless in this the promised land would file by in the funeral procession. No tradition of the past, no appeal to moderation or to reason might hold in check an attack on our social and economic system or even on our form of government. Men crying for bread for themselves or their families do not stop to discuss economic systems and forms of government. They take what they can get, destroying everything which stands in their way.

Machinery made possible much greater production with less human labor and in less time. This meant great savings in the cost of production and consequently greater profits. By far the greater share of these profits was taken by the capitalists who furnished this investment. A moderate share was given the consumer in the form of reduced prices and a very small share was paid over to those who furnished the labor or skill.

Whatever the exact figures may be, no one can deny that there has been a very great increase in wealth and also in the disparity between the very rich and the very poor. Almost all our attention has been given to the production of wealth and very little to its fair distribution. The great capitalists have overreached themselves in their efforts. They have not only by the application of economic laws but also by the manipulation of man-made laws added to their colossal fortunes. No one begrudges them their wealth except to the extent that it was accumulated at the expense of their fellow men.

But now, if the game is to go on, the rules must be made fairer so as to give the ordinary consuming citizen a better chance. Efforts of those who make and of those who administer our laws should be directed primarily to a modification of the capitalistic system rather than to a restoration and retention of this system unchanged. Those who would undo what has already been accomplished by those efforts, and those who would oppose any extension of those efforts, are essentially advocates of isolationism at home, just as those who oppose collaboration between the nations are isolationists abroad.

Just as a policy of international laissez-faire results in international anarchy and war, so a policy of laissez-faire here at home results in unemployment, class strife, and economic chaos.

During the past 10 or 12 years the Federal Congress has enacted many laws which were absolutely necessary to maintain and raise the standard of living of the vast majority of the American people. Those who make a fetish of State's rights label these laws Government interference and claim that they regiment the people whom they are designed to benefit.

To say that this country should avoid forthright international commitments is to invite international power politics and the rise of totalitarian rule on the international scene. Likewise, to say that the Federal Government should not exert itself to protect the basic human rights of its citizens is to invite power politics and rule by the few on the domestic scene. It is worth while noting again that those who would thus leave the way open for totalitarianism either here or abroad are, on the whole, the same groups.

Furthermore, it is hard to argue with the members of these groups, because lack of logic does not interfere with the vehemence of their argument. For example, the same groups who complain most bitterly of red tape in domestic wartime regulations have succeeded in fashioning a tremendous quantity of red tape with which to prevent our soldiers from voting in the coming national election. When Senator Lucas and I introduced the Federal soldiers' vote bill, they succeeded in encumbering it with so many technicalities and so much red tape that relatively few soldiers will be able to cast a ballot in November. To these people, red tape is reprehensible if restricting their freedom of action, but acceptable if it can be stuffed down our citizen-soldiers' throats.

But let us not despair because of these isolationists—foreign and domestic. Gatherings such as this increase our confidence in an enduring peace and a prosperous America, a confidence which must be no less intense than our belief in an immediate victory. We must have a clear-cut, far-seeing foreign policy directed toward strengthening and deepening of the coalition of the United Nations to provide the basis for a stable and democratic world, ruled not by power-politics but by genuine collaboration of all nations, and especially of the United States, Great Britain, the Soviet Union, and China.

We must also have a similar domestic policy. The permanent conversion of swords into plow shares has been a vision of mankind for many centuries. The conversion of our modern instruments of warfare, of radar and similar electronic devices, of aircraft, and so forth, from instruments of war to instruments of peace, can and should raise the standard of living for all our people. In doing this, nothing is more important than unity here at home. Selfishness, class interests, and partisan politics must be subordinated to the Nation's over-all welfare.

But a peaceful and prosperous post-war world will not spring full-grown out of our minds; it must be planned for and worked for. Labor, capital, and the professions must all have an equal part in this planning.

They must learn how to work together to solve the many difficult problems which will perplex us, but they must do this within the framework of international and national unity.

Let us not after victory is won forget the lessons we have learned in the bitterness of battle! Let us keep before us the memory of the men we have lost, and the reasons why we had to lose them! We can discharge our debt to them only if we provide now the groundwork for plans which will insure prompt and united action against every form of aggression, foreign or domestic. Then they will not have died in vain.

The Second Largest Bank in the United States Views Morgenthau's Monetary Stabilization Plan

EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 3, 1944

Mr. WHITE. Mr. Speaker, ever since National Bank paper currency was invented in the emergency of the Civil War and used to replace hard money to increase the control of money and the interest yield of the issuing banks, our financiers have tried one experiment after another in their effort to make their kind of currency perform the money functions of this country and at the same time preserve their money-creating privilege with disastrous consequence to business and the American people, first the proper demonetization of silver and then gold and now when the world is staggering under the greatest debt load ever known these financiers would have us abandon every principle of sound money and try a new financial experiment in an effort to supply the money function and tighten their control of money and credit while they retain their precious interest yield to be wrung from the business of a world already loaded down with an unbearable interest burden.

Their latest money-control plan is analyzed in the monthly bulletin of the Guaranty Trust Co. of New York inserted herewith for the information of my colleagues:

A NEW CURRENCY STABILIZATION PLAN

A revised program for world currency stabilization has been drawn up by experts representing about 30 Allied and Associated Nations, and the terms of the proposal have been made public by the several governments. President Roosevelt announced on May 26 that the plan will be discussed at an international conference to be held in this country, beginning July 1, with 41 nations participating.

The new proposal is obviously an outgrowth of the plans made public last year by the British and United States Governments (the so-called Keynes and White plans) and the program later proposed by Canada. In general it follows the lines of the original American program, providing for an international fund rather than a clearing union, and places strong emphasis on gold as a standard of value and a means of payment.

In some respects the revised plan is less ambitious and more flexible than its predecessors. Besides being based on a more explicit recognition of gold as the only acceptable measure of stability, it omits the unnecessary and complicating feature of the international currency—the "unitas" or the "banco." It provides that any member of the proposed international fund may withdraw at will. It would permit members to determine the post-war gold values of their respective currencies, subject to the approval of the fund, and would allow subsequent revaluation, within limits, in the light of unforeseen developments. It designates the early post-war years as a transition period and otherwise takes account of the extremely unsettled conditions that will necessarily exist in the international monetary field for some time after the war. It contains no provision for outright loans by the fund and specifically forbids the use of the fund's resources to meet large or sustained outflows of capital.

NATURE OF THE PROPOSAL

The proposed fund would amount to \$8,000,000,000 if all the United and Associated Nations were members, or \$10,000,000,000 if all nations participated. The basis on which the quotas, or contributions, of the various members would be determined is not specified; but it appears that the amounts would depend partly on the proportion of each country's trade to world trade, partly on gold holdings and partly on gold production. Under such a formula the United States would apparently contribute between two and one-half and two and three-fourths billion dollars, Great Britain about one and one-fourth billion dollars, Russia about one billion dollars, and other countries small amounts. One-fourth of each member's quota would be payable in gold, unless that amount were equal to more than 10 percent of the member's holdings of gold and gold-convertible exchange, in which case the gold contribution would be fixed at the 10-percent figure. Members would deal with the fund only through their treasuries, central banks, stabilization funds, or other fiscal agencies.

The fund would be governed by a board on which each member would be represented and by an executive committee of at least nine members, including the representatives of the five countries with the largest quotas. The distribution of voting power is not stated, except that it would be closely related to the quotas and that in no event would the United States have fewer votes than the British Empire. All questions would be settled by majority vote, except changes in quotas, which would require a four-fifths vote (including the consent of any member whose quota was increased), and uniform changes in the gold values of member currencies, which would require the consent of every member having 10 percent or more of the total amount of the quotas.

PARITY OF CURRENCIES

The par value of each member's currency would be expressed in terms of gold and would be agreed upon when the country was admitted to membership. All transactions with the fund would be at par, subject to a certain fixed charge, and all transactions in member currencies would be within an agreed percentage of parity. No change in the par value of any member's currency could be made by the fund without the member's approval, except the agreed uniform change in gold value, mentioned above, which would require the approval of every member that had contributed 10 percent or more of the total amount of the quotas.

A member would be allowed to change the established parity of its currency by as much as 10 percent, but no further change could be made without the approval of the fund. The fund would be required, however, to approve

a requested change that was essential to the correction of a "fundamental disequilibrium," to take into consideration the "extreme uncertainties" prevailing at the time the initial parities were agreed upon, and not to reject a requested change because of domestic social or political policies within a country.

Members would agree not to carry on or permit transactions in gold or in other member currencies except within a prescribed range above and below the established parities. They would also agree not to impose restrictions on exchange transactions with other members (except those involving capital transfers and the apportionment of scarce currencies) or to engage in discriminatory arrangements or multiple-currency practices (such as the bilateral clearing agreements and the blocked marks of the pre-war period) without the approval of the fund. These agreements would be subject to the recognition of the early post-war years as a transition period during which members could temporarily retain existing restrictions not consistent with the long-term purposes of the fund.

The primary purpose of the fund, apparently, would be to facilitate current rather than capital transactions. Members would be allowed, however, to use the resources of the fund for capital transactions of "reasonable" amount, required for the expansion of exports or in the "ordinary course" of trade, banking, or other business.

OPERATION OF THE FUND

Members would be entitled to buy from the fund the currencies of other members subject to certain conditions and limitations. One condition would be that the currency demanded was needed for making payments consistent with the purposes of the fund. If the fund's holdings of the currency demanded had become scarce (that is, if the member whose currency was demanded had accumulated an unduly large credit balance of international payments over a period of time), the scarce currency would be subject to apportionment by the fund, and members would be authorized to restrict the freedom of exchange operations in the scarce currency and to ration the supply among their nationals at their own discretion. At the same time the fund would issue a report setting forth the causes of the scarcity and recommending steps to bring it to an end.

If, on the other hand, the fund's holdings of the currency offered were too large, or were increasing too rapidly (that is, if the member offering its currency had been running an unduly large debit balance of international payments), then that member would not be entitled to buy the currencies of other members. A member found to be making improper use of the fund's resources could be suspended from further dealings with the fund.

The fund could, in its discretion and on terms that safeguarded its interests, waive any of these conditions.

Operations on the fund's account would be limited to transactions for the purpose of supplying member countries, on the latter's initiative, with other members' currencies in exchange for their own currencies or for gold, with the important exception that the fund would be entitled, at its own option, in order to prevent a member's currency from becoming scarce, to borrow such currency or offer gold in exchange for it; or a member could sell gold to the fund in exchange for its own currency. The fund could also acquire gold by requiring members holding gold and exchange in excess of their quotas to pay for half of their net purchases of exchange with gold, and by requiring members whose holdings of gold and exchange had increased, to sell half of the increase to the fund in exchange for their own currencies, provided this did not unduly reduce the fund's holdings of the members' currencies or the members' holdings of gold and exchange.

A member entitled to buy another member's currency from the fund in exchange for its own would have to be prepared to sell such currency, or gold, to that member in exchange for its own currency, unless the other member's currency had been placed under the restrictions permitted in connection with capital transfers and apportionment of scarce currencies, or unless such currency had been acquired during the transition period before the removal of restrictions on multilateral clearing.

A member desiring to obtain the currency of another for gold would be expected to obtain it from the fund, provided it could do so with equal advantage. This rule, however, would not affect the right of gold-producing countries to sell newly mined gold in any market.

DANGEROUS FEATURES

The revisions that have limited the scope of the plan have made it less dangerous than the original proposals, but they have not made it an effective instrument for the promotion of currency stability. No international organization with anything short of dictatorial powers could achieve that aim. Stability in any country comes not from without but from within. It is a result of balanced budgets, sensible tariffs, and sound monetary and credit practices. As long as nations retain their sovereignty, the stability of their currencies must depend on their ability and willingness to keep their own financial houses in order, not on the artificial freezing of exchange rates or the operations of an international fund. The most that any international body could do in this direction would be to encourage its individual members to follow sound policies at home.

A fund of the type that is proposed would find itself in a position somewhat similar to that of a price-control agency attempting to maintain a certain price level without any assurance of support from fiscal measures calculated to equalize supply and demand at that level. Even with such support, plus autocratic powers, large enforcement staffs, and the patriotic fervor of wartime, price-control authorities in most countries have found the temporary stabilization of price levels a difficult task and have been forced to invoke the aid of subsidies. An international fund with only very limited powers of compulsion would find the task of permanent currency stabilization impossible without the voluntary cooperation of its members. With such cooperation, the problem would solve itself, and no fund would be required.

The entire plan, therefore, is a case of misplaced emphasis. It represents an attempt to operate at the level of effect, not of cause; to treat the symptoms, not the disease.

Such reassurance as might otherwise be drawn from the apparent emphasis placed on gold in the plan is reduced by the tendency on the part of some of its sponsors to belittle this feature. Lord Keynes, author of the original British plan, is reported to have expressed the opinion recently that the revised proposal represents the exact opposite of a return to the gold standard.

THE PENALTY OF FAILURE

As long as members retained the right to withdraw from the fund at any time, it might appear to a superficial view that the project, however experimental and uncertain in its outcome, could do no serious harm. Experience with other unsuccessful ventures gives little support to this view. The false sense of security, the unwillingness to admit failure, the fear of stigma from premature withdrawal, the throwing of good money after bad in the effort to avoid loss—these and other factors tend to perpetuate discredited institutions and to prolong the pretense of success long after failure should have become apparent. It is safe to assume that, if the nations of the world embark upon a scheme of currency stabilization, and if the

scheme fails, the last state of those nations will be worse than the first. If the experiment does not offer strong prospects of success, it had much better not be tried.

The central problem in world currency stabilization is not to hold exchange rates in line by direct control but to remove the causes of instability. This can be done only by inducing the individual nations—and particularly the leading commercial nations, to balance their budgets, promote the stability and prosperity of their internal economies, and avoid such harmful devices as competitive currency depreciation, prohibitive tariffs, and trade and exchange restrictions. It is possible that cooperative action, as by the creation of a permanent international consultative body, the dedication of some existing organization to that aim, or even the negotiation of a multilateral agreement, might aid in the achievement of such a goal. But, whether by agreement or individually, the nations whose stability is essential to the world's economic welfare must attain that stability by the simple but perhaps arduous course of avoiding the practices that have destroyed it.

GOLD STANDARD PREFERABLE

No single step would go so far toward the world-wide restoration of confidence and the removal of the inducements to unsound practices as the return of the principal nations to the gold standard as promptly as possible after the war. Because of the very uneven distribution of the world's gold, it might be necessary for some nations to resort to the gold exchange standard, tying their currencies to those with strong gold backing. This first step should be followed by the adoption of policies designed to promote the redistribution of gold—a course that would obviously require the full cooperation of the United States.

These steps would not achieve the millennium, but they would lay the firmest possible foundation for future stability and prosperity. If they can be promoted by cooperative action, then such action should be taken. But cooperation that is intended to provide substitutes for soundness is doomed to failure.

Meaning of the Recent Primary Elections

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

*Monday, June 5 (legislative day of
Tuesday, May 9), 1944*

Mr. WAGNER. Mr. President, I ask to have printed in the Appendix of the RECORD a most interesting address delivered by Dr. Frank Kingdon, over Station WMCA, on May 10, 1944, in which he discussed the meaning of the recent primary elections held in various States.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The same political winds that blew away a lot of fog and gossip in the Democratic primaries of Florida and Alabama have swept other primaries today. Rush Holt, the former baby Senator who wandered into the ranks of the conservatives and the isolationists during his term of office, was decisively beaten in the West Virginia polls as he attempted a political come-back. Frank Lausche, mayor of Cleveland and a consistent supporter of President Roosevelt, who ran

an independent campaign without the support of even his home county organization, but with the support of organized labor, captured the Democratic nomination for Governor in Ohio.

Let nobody mistake these signs. They mean that there is a strong and effective progressive opinion in all parts of the Nation that will make itself felt decisively in the coming election. The most misleading diagnosis of popular opinion in this generation is the one to which we have been submitted in recent months. We have been told that there is a swing to reaction, that people are tired of the social policies of this administration, that the President has lost his grip upon the people, and that we are sure to see a swing to the right in politics this fall. This has been based on the fact that the newspapers and the radio are predominantly conservative, and their opinions are taken to represent their readers and listeners. The truth is that these organs of information and opinion are generally in the hands of entrenched economic groups, and they speak for the opinions of these groups and not those of the rank and file of our people. There is a deep realization among the masses of the benefits, both economic and social, that they have gained in the past 12 years, and, if these are threatened, the people will rise to defeat any candidate or party that tries to take them away or to weaken them. This has been registered in the past 10 days in States as diverse as Florida, Alabama, West Virginia, and Ohio. And Texas seems to be rolling up its sleeves to put on its own demonstration.

If political observers are hunting for a trend, I submit that they have it in the one that is setting the course for the Democratic Party. It points to a vigorous and courageous espousal of the social policies of the Roosevelt administration. I think that we have to recognize that this situation arises out of more than surface politics. There are two social philosophies that are in conflict in our country, and the decisive result of this year's election will be the choice between them. Just now the hero of those who believe in the underlying philosophy that is opposed to that of Franklin Roosevelt, is Sewell Avery, the president of Montgomery Ward, who is fighting our present labor policy with all the force and venom of which he is capable. I want, therefore, to bring to you a statement of his. I do this, not because I think it is an unusual damning one, but because it expresses a basic point of view. I take it from the Chicago Sun, which says: "On March 2, 1944, Avery attacked the philosophy that the chief responsibility of business after the war is to provide jobs for everyone." Now here is a direct quotation of his words, and I hope that you will listen to them carefully. He said: "A corporation's efficiency is indicated by the number of men it can release from a job, not by the number of men hired." That is a revealing sentence because it puts into a few words the reactionary idea that a business exists to exploit its workers.

Its only aim is all the profit possible, and so, if it can make more profit by throwing people out of work, that is its policy. The operation of an industry is aimed, according to Mr. Avery, at the one annual meeting of the stockholders.

If the president of the company can arise on that occasion and say: "I am happy to report that we have made more money this year than we have ever made," then it has been a good year, even though some stockholder should rise to ask: "How have we been able to do it?" and the company president should reply: "By cutting down employment." If some thoughtful second stockholder should say: "What has become of the men and women we have fired?" Mr. Avery would say: "We are sorry for them, but they are none of our business. Our corporation

proves its efficiency by the number of people it can throw out of work." It is little wonder that such a man finds himself at odds with our present social policies, for they are directed at giving the workers protection against this kind of cold-blooded thinking. The President's social philosophy is based on the idea that society and industry have a responsibility for the people, and that, therefore, workers have a right to share in industrial gains. In technological means can be found for doing a certain amount of work in a shorter time, the workers should share in the saving by having to work shorter hours. If a given number of employees can produce higher profits, the workers should share in the extra money by getting higher wages. Moreover, part of the earnings of the company, as well as savings of the employees, should be set aside for insurance against old age, unemployment, and sickness. It does not take a genius to see the fundamental conflict between these two approaches to industry and human relations within it.

It is the conflict which underlies all the bitterness of the current debate about our domestic policies. And it is what colors the whole Montgomery Ward incident. Mr. Avery is protecting a corporation, that is, the profits of the stockholders who own it, while the Government is insisting on protection for the workers also. In spite of the decisive victory of the C. I. O. in the collective bargaining election yesterday, Mr. Avery is still breathing fire and brimstone, and announcing that he will not submit to the maintenance of membership clause which the War Labor Board orders into all union contracts. Accordingly, the War Labor Board has had to announce today that it is forwarding to the White House for the President's action the dispute at the Hummer Manufacturing Co., in Springfield, Ill., a subsidiary of the Montgomery Ward Co. It has also decreed that a maintenance of membership clause shall be inserted in the collective-bargaining agreement involving the Montgomery Ward plant in St. Paul, Minn. Mr. Avery is bringing the old charge that maintenance of membership means a closed shop. It means nothing of the kind. It simply means that all the present members of the union who want to resign from it must do so within 15 days, or else stay in for the term of the contract. There is no compulsion. Anyone can get out of the union within that time, and nobody can be compelled to join it. The fact of the matter is that Mr. Avery is the old-style type of employer who wants to run his business in the old way, with the right to fix wages and to hire and fire as he alone chooses. This is the issue, and no legal legerdemain or sensational posturing can hide it. We have to reduce cases like this to their simplest terms or else we get so heated over incidental aspects that we miss the main point. Because I believe that the rank and file of our people brush aside the complications and think of the true issue in such cases, I have no fear of how they will size it up.

Before I close, I want to remind you that this is an anniversary that I hope we shall never forget. The Nazi burning of the books took place on May 10, 1933. This was the overt defiance of humanism by nihilism. It disclosed in one eerie scene the true nature of nazism. The men who stood around that fire and stoked its flames with the books of the most enlightened minds of humanity stood revealed as priests of the irrational. They were denying the reason. They were announcing for themselves the abdication of the mind through the assassination of the word. They were declaring that men exist only to be manipulated for the ends of power. They were disclosing that they knew that their great enemy was the intelligence, and they were symbolically reducing it to ashes. The very extravagance of the gesture was the projection of their fear, for even those

who deny the reason know in their hearts that it is greater than they and will ultimately return upon them like a consuming fire. They had already mobilized the millions of their countrymen into the goose-stepping ranks of faceless men. They hoped to make them also mindless men. But their very symbolic act was its own condemnation, for they were doing nothing but to destroy, and the mission of falsehood is to destroy. It is truth that makes alive. But it is also the truth that makes men free, and they hoped to put truth to flight so that men might accept their chains. The fire was too small, though it raged from one end of the country to the other. All such fires are too small. They cannot reach out to kill the beating heart and the questioning brain. When such fires are kindled, history has its own way of forgetting the men who laid the torch and remembering only those who were seemingly destroyed.

Nobody knows the name of the man who poured the cup of hemlock, but all men know the name of Socrates. The hand that hammered the nails into the cross belonged to one of whom memory has no record, but the Man on the cross moves tangibly in all the circling years. The men who burned the books will be forgotten. The men who wrote them are the remembered—the immortals. It was a little fire to destroy books. It has become a great fire to destroy humanity. The fire will die. Humanity will live. One thing outlines all the bonfires of tyranny—the daylight of freedom—and men will live and work and love in that.

The New Monetary Stabilization Proposal

EXTENSION OF REMARKS

OF

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

*Monday, June 5 (legislative day of
Tuesday, May 9), 1944*

Mr. JOHNSON of Colorado. Mr. President, on June 1 I delivered a radio address over radio stations in Washington, Baltimore, New York, and Philadelphia, dealing with the new monetary stabilization proposal. I ask unanimous consent that the address may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On April 21, 1944, the Treasury Department released the latest version of the new monetary stabilization proposal which had been developed by the financial technicians of the United Nations. In effect it provides for a world-wide return to the gold bullion standard. A monetary conference of the representatives of the United Nations has been called to meet on July 1 to study and consider its far-reaching and involved provisions.

For the convenience and benefit of member countries it is planned to set up a fund aggregating eight or ten billion dollars for the stabilization of currencies and the promotion of foreign trade. Under the plan the subscriptions to be made by member countries would be on the basis of 25 percent in gold and 75 percent in paper currencies. No new monetary unit is to be introduced and all currencies are to be valued in terms of gold.

Too it is desirable that nations enjoying a favorable credit balance in international payments consult with nations whose equilibrium has been temporarily disturbed. Therefore if the currencies of member countries get out of balance and are under pressure, relief may be sought through international consultation.

Also if currencies of certain countries should become scarce, authority within certain limitations will be given to correct the acute situation. The fund retains foreign exchange controls and the power to alter parity values up to 10 percent of member countries' currencies. It cannot be expected, of course, that foreign exchanges could be stabilized over a long period of time unless the fund has enormous resources.

No one can prophesy with accuracy whether the aggregate contributions will be sufficient. But assuming that 8 or 140 billion dollars will be adequate and that 25 percent of the fund's contributions are comprised of gold, it is conceivable that with honest and efficient management the plan will be successful. The plan would be particularly helpful to a nation with an adverse balance of payments since such a nation might receive aid from the fund without having to part with its gold. In such event the fund could increase its holdings of that nation's currency up to a maximum of 200 percent of its quota. Beyond that point the fund could not be of assistance to the distressed member nation. The nation with such an adverse balance would then have to call upon its gold reserve in order to maintain its position as a member of the fund.

It is probable that the latest version of the plan will not be entirely acceptable to Great Britain as it is not regarded as sufficiently flexible to permit that country to profit sufficiently from fluctuations in the exchange values of other currencies and other devices resorted to by her in the past to offset her large import balance. Great Britain's unfavorable trade balance after the war will be a constant challenge to the fund's ability to function equitably and advantageously to debtor and creditor nations. If her exports, foreign investments, and maritime revenues continue to be insufficient to meet her import demands, and her credit with the fund becomes depleted, it will be necessary (after exhausting the other means provided) either to raise the exchange value of the pound, deposit more gold, or raise the price of gold.

While the plan does not contemplate ending the restrictions of capital movement immediately following the war, such restrictions are temporarily imposed subject to the efforts of member countries to gradually relax them. All foreign-exchange restrictions would be gradually eliminated, and thus one of the obstacles to the free flow of foreign trade and capital movements would be removed.

The members agree to prevent the use of the fund's resources to finance a large flow of capital out of a country. There appears, therefore, to be no ground for apprehension with regard to losing gold now owned by the United States. On the contrary, it is more likely that additional gold will flow to the United States through the fund. Our export balance will more likely increase than diminish in the post-war period. If so, it is probable that gold will continue to be more acceptable in the settlement of our trade balances than the currencies of other nations.

I want to urge with all the force at my command that the plan should include silver along with gold in order to be more acceptable to many countries in the Western Hemisphere, Asia, and other parts of the world. Such a provision would enable coun-

tries that have insufficient gold to utilize silver in the payment of their subscriptions, in the settlement of trade balances, and in providing currency backing and coinage. The fund should be in a position to supply whatever amount of silver is desired by member countries.

Believe it or not, the demonetization of gold is more complete than the demonetization of silver. Theoretically, the United States and other nations utilize gold as backing for paper currencies, but gold has been denied its right as a circulating medium of exchange. Silver, on the other hand, circulates widely as coinage throughout the world, and reserves are maintained and used not only in the United States but in other countries as well. If a proper world price were supported by the fund, silver would prove just as useful to all of the member countries in accomplishing the splendid objectives of the plan as would gold.

It cannot be disputed that the United States is in a position to maintain the supremacy of the dollar; and to peg and maintain the price of both gold and silver at appropriate levels throughout the world by offering freely to buy and sell these metals at fixed prices. England has proved that it can be done. England established and maintained the supremacy of the pound sterling in relation to gold from 1816 to 1910 by offering to buy or sell gold at any time and place at a price of \$20.67 per fine ounce.

Silver is used more generally as currency through the world today than gold and its use will no doubt increase in the post-war period. The fund would render a greater service to world trade and the rehabilitation and relief of oppressed peoples everywhere if it provided additional buying power abroad to the nations which possess and are dependent upon silver for their money at home. There has been entirely too little consideration given to the utilization of silver as a money metal. The subject has been dealt with impulsively, especially by the advocates of managed currency and opponents of metallic money and by many nations that produce little or no silver. A managed currency is nothing more than printing-press money, and printing-press money can never mean security for the country whose fate rests in unfriendly hands; whereas the precious metals, gold and silver, provide adequate backing in the form of intrinsic value. Have-not nations cannot participate in international trade without heavy discounts to cover whatever risks are involved unless they are on a metallic standard.

It seems to me that the proponents of establishing a system for the management of currencies on a paper basis are trying to hasten the day of an economic millennium. Perhaps their motive should not be questioned, but they are not dealing realistically with conditions as they exist. They would have us believe that the man on the street has implicit confidence in their ability to devise and manage a system of establishing values for the transaction of domestic business and foreign trade. Civilization is still in its infancy, but is sufficiently matured to realize the frailties of humanity and to sense the insecurity that inevitably results from the inability of strong nations to deal fairly with the weaker.

I heartily approve the objectives of the proposals made by the Secretary of the Treasury, but in my judgment the conference scheduled to convene on July 1 will do well to devise some of the provisions in the proposed plan before the President may expect the Congress of the United States to ratify it. It will be a tragic mistake if the Congress is bypassed by this conference. Congress alone is entrusted with the constitutional power of coinage of moneys and the constitutional power of fixing the value thereon.

Address of Representative Albert Gore, of Pennsylvania, Before Young Democratic Club of Pennsylvania

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, June 5 (legislative day of Tuesday, May 9), 1944

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able and challenging address which the Honorable ALBERT GORE, Representative from the Fourth District of Tennessee, delivered before the Young Democratic Club of Pennsylvania at its State convention at Harrisburg, Pa., on May 24, 1944.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is both an honor and a privilege to address this assemblage of Pennsylvania Democrats. I am glad, indeed, to have the opportunity to lend my voice to the cause of the Democratic Party in a State where you have a struggle to overcome the stand-pattism of the Republican Party. From where I come we have but little trouble in beating the Republicans. I must, confess, however, that we do sometimes have a hell of a time beating each other.

In some ways it may be quite unfortunate that the time for a national election comes when we are involved in a great war—indeed, in the very midst of the greatest military effort the world has ever known. In such a crisis perhaps no other great nation would risk the internal strife and political disunity inevitable in a national election.

But, on the other hand, an election in 1944 offers, if not unprecedented, at least far-reaching opportunities to the American people. For one thing, it gives to the United States of America a chance to prove to the world the efficacy of self-government under the most trying circumstances. The fact that we can undergo the rigors of a Presidential and national legislative election preserving our essential constitutional processes and, at the same time, cast our mighty force against the enemy constitutes the best and most concrete evidence that free men can govern themselves even in the severest of crises.

Another thing—an election this year will afford the American people an opportunity to make some fundamental decisions in the most Democratic way at the ballot box on the conduct of the war and the course of our foreign policy. I think it may be singularly fortunate that these decisions can be made by the people, not after the immediate danger has passed, as was the case in 1920, but while the cruel necessities and the awful price of war are yet upon us.

In this critical time each political party has a serious responsibility of offering to the people the one man within each party who is best qualified for the tremendous job of national leadership as President and as Commander in Chief of the armed forces. Failure to do this would constitute a serious indictment against the two-party system. For any man to refuse such a call would be to shirk the call of duty.

Make no mistake about it. An election in wartime is deadly serious business. Perhaps no decision rendered by the popular franchise has ever been fraught with so much

meaning as will be the case next November. The length of the war and the course of the coming peace may well rest upon that decision. Being fully conscious of this, it is my guess that the American people will take the measure of each party and each party's standard bearer more meticulously and more nonpartisanly than ever before in our history.

THE YARDSTICK OF FITNESS FOR THE JOB

By what standard will the American people measure the candidates and the parties? By the yardstick of fitness for the job. Instead of 3 feet I think this yardstick of fitness for the job will have three questions.

The first and paramount question which most free men and women of America will ask when they take free ballots in their hands on election day will be: "Who is best qualified to lead us to victory?"

The next question, and truly second only to the first, will be: "Who is best qualified to sit as the American leader in the councils of the world's great to formulate a lasting peace?"

The third question, for those few who have not determined their choice by answering for themselves the first two, will be: "What party and what leader can we best trust to handle the complicated domestic problems both during and immediately after the war?"

I would like to stand this yardstick of fitness beside the two men who are already the obvious choices of their respective parties as candidates for President—Gov. Thomas E. Dewey, of New York, and President Franklin D. Roosevelt.

In measuring Governor Dewey with the yardstick of fitness for the job of national leadership in this hour of crisis, I do not mean, of course, to use such superficial standards as age or physical stature. In the realm of statesmanship, which he seeks to enter, those are not standards at all. For a wartime President, the American people are altogether interested in another kind of stature—the stature of statesmanship. The units of measure on this yardstick, therefore, will not be inches nor feet nor even years. It is rather a measure of intellectual, moral, and spiritual height, of vision and understanding, of foresight in the realm of international affairs, of ability to foresee pitfalls for America as well as opportunities. I think it was this kind of measurement that one of my good Tennessee constituents must have had in mind when he gave me his own peculiar appraisal of Governor Dewey. He was a farmer and he had that typically Tennessee salty habit of speaking in the language of his own world of soil, animals, and hills. "It's never a good idea," he said, "to change horses in the middle of the stream. But if I ever come to that pass where I've got to consider doing it, I will sure draw the line at changing to a Shetland pony."

This was not a reference to physical dimensions but it was his own characteristically shrewd way of expressing the measure of Governor Dewey's achievement, of what the man has said, of what he has done to qualify him for the Presidency at this critical time. These are the things that make men big or little in the high field that Governor Dewey wishes to enter, and these are things with which the ordinary people of America will measure the fitness of candidates for President this year.

FITNESS TO CONDUCT WAR

My constituent must have been thinking of Governor Dewey as a possible war leader. Who is there to say that he would make a good Commander in Chief? Who will say that he has an intimate knowledge of the make-up and disposition of our naval forces or that he has a broad conception of naval strategy? Has anyone said that Governor

Dewey is conversant with the strategy mapped out months ago for the impending offensives in Europe and in the Pacific, or that, without the experience of having participated in mapping that strategy with not only our own high naval and military officers but with Churchill, Stalin, and Chiang Kai-shek, he could be on equal terms with those chiefs of state in further meetings on world military strategy?

It is no answer to these questions merely to say that our trained generals and admirals will run the war. It cannot be dismissed so lightly. True, we have good admirals and four-star generals, but there has always been and there always must be a directing hand, a Commander in Chief. Good or bad, he will be the man we elect as President next November. That choice involves the chance of an earlier victory and fewer lives lost as well as the prestige, place, and best interest of the United States at the world's council tables.

Maybe Governor Dewey would be a good leader. We do not know. What the people do know is that he, like any other man new to the job, would be tremendously handicapped by a lack of experience and a lack of knowledge of what has gone before. To say the very least of it, it would take Governor Dewey, however great his capacity, a long period of time merely to gain an intimate knowledge of the organization, problems, and strategy of our own forces, to say nothing of either our allies or our enemies. It is, therefore, self-evident that selection of Governor Dewey as Commander in Chief would inevitably create a time lag in the march to victory.

FITNESS FOR LEADERSHIP IN WORLD PEACE MAKING

As a leader in foreign policy, though inexperienced, Governor Dewey has something in his favor. He recently made a speech on foreign policy which deserves careful consideration. Even though a bit hazy in spots, the address was commendable in at least two respects: First, it was, in effect, a candid admission that he had been wrong in some of his previous statements and attitudes; and, second, that the Roosevelt-Hull program is correct in its essential parts. I say this is commendable because it takes a man of no small caliber to admit not only his own error but also to acknowledge the rightness of the program of his opposition—something which a large number of Republican Congressmen have not yet done. For this conversion and public candor, Governor Dewey is entitled to compliment.

One cannot but wonder, though, what evidence there is to show that he has more foresight now than before. There is some considerable evidence that his foresight has not heretofore been up to the par of discerning statesmanship. For example, some half dozen years after the Roosevelt administration had given diplomatic recognition to Russia, Governor Dewey put his mental processes to work on that question and when he had given it what he undoubtedly considered sufficient thought, he pronounced the recognition of Russia as one of the greatest mistakes the Roosevelt administration had ever made. He solemnly announced his verdict in a public address to the American people.

In 1941 Governor Dewey applied his fullest caliber of statesmanship to the question of lend-lease. It was in January of that year that he announced to a group of newspaper men the result of his thinking on lend-lease, which has since been hailed as a magnificent success by the American people, and has been hailed around the world as a great instrument for victory and freedom. What did Governor Dewey foresee for the lend-lease program? He said that it would, and I quote, "bring an end to free government in the United States." Some prophecy! He said further that it would, and I again quote,

"abolish Congress for all practical purposes." Some foresight!

I certainly do not wish to be unkind about this, for I am genuinely glad that Governor Dewey is trying to set himself right on foreign policy. After all, if there's a possibility of his being our President, then it is extremely important that he be on the right course on foreign policy because mistakes in foreign policy are tremendously costly in American life, blood, and substance.

I would wholeheartedly welcome any earnest effort to lift foreign policy above partisan politics. We Americans are proud to consider ourselves a preeminent Nation in world affairs. We are a grown-up Nation; there is no doubt about it. And it's high time we were acting like a grown-up in the world family of nations. What we need is not a partisanly Democratic or Republican foreign policy but a national foreign policy based on an intelligent and farsighted self-interest, the general course of which bears the endorsement of both of our great political parties. Then we could have our partisan fights over who had or could best actuate and project that policy. Perhaps this would be a pertinent question now.

Even though Governor Dewey may now be a sincere advocate of an enlightened foreign policy and even though he gives evidence of a new-found foresight, a very serious question arises as to the ability of the Republican Party or any leader of the Republican Party to put such a program into actual effect.

And let me warn, lip service would do no more good after this war than it did before.

I know that in Congress there are Republican Congressmen who would give wholehearted support to such a program. But I know, too, that there is a large block of Republicans who are yet unconverted, who are yet isolationists to the core. For instance, do you think that Mr. HAM FISH or Senator HIRAM JOHNSON would support a realistic program of international collaboration, Dewey or no Dewey? And, mind you, if the Republicans should take the reins of government, Congressman HAM FISH would be chairman of the all-important House Rules Committee and Senator HIRAM JOHNSON would be chairman of the Senate Foreign Relations Committee. Do you believe that Republican Members of Congress, who even now continue to say that if we had stayed at home and minded our own business we would not have incurred the wrath of Tojo and Hitler and, therefore, would not have been drawn into World War No. 2, would suddenly, upon the election of a Republican President, bury their convictions and prejudices, which have become deep-seated through the years since the League of Nations fight? Would they overnight become intelligent supporters of a sensible and practical program of economic and political cooperation with other nations of the world? Or do you think that they would continue in their efforts to beguile the American people with such catch phrases as America First, meanwhile opposing even such helpful and practical measures of international cooperation as reciprocal trade agreements?

The fact is the Republican Party is so harpily divided on the question of any form of international collaboration that Republican leadership of the country in this field is hopeless. The schism runs deep throughout the party—from Senator CURLEY BROOKS and Representative HOFFMAN to Senator AUSTIN and Representative EATON within Congress and from Wendell Wilkie to Colonel McCormack without. Any program on which all these elements within the party could agree would at best be an inadequate, milk-toast compromise.

The prospect of Republican leadership in this field appears no more acceptable when we undertake to judge their future perform-

ance by their past record. The record of the Republican Party between the two wars is awful. By defeating the great Woodrow Wilson's League of Nations, the Republican leadership succeeded in steering us into a rut going the wrong way. Unfortunately, a lot of people kept going that way. Some are still trying to.

Oh, how different the history of the world might have been if the American people had not committed the folly of following the between-wars Republican philosophy of isolationism and shortsightedness. I hope this is one time when history will not repeat itself.

FITNESS FOR DOMESTIC LEADERSHIP

As to how we might measure Governor Dewey's fitness as a President to deal with domestic affairs, I am somewhat at a loss to know unless we judge him by the past performance of his party when it was last entrusted with our National Government, or by the company he keeps. Again the record of his party is not very pleasant to contemplate. In fact, they led America on to the skids and what we skidded into will never be forgotten by those who lived through it—Teapot Dome, post-war inflation, synthetic boom and the awful bust-up, depression days when men were selling apples on the streets of America, four stands to a corner, with prosperity and employment, a chance for millions of ordinary people to live a decent American life, nowhere to be found—not even around the corner.

Former President Herbert Hoover is reputedly one of Governor Dewey's closest advisers. I do not think the country wants any more of Herbert Hoover—not even a Tom Thumb facsimile. We do not want to turn again our great American cities into Hoovervilles. We do not want our factories converted into post-war production of cobwebs, nor our farms into mortgage foreclosures.

My Republican colleagues in Congress seem to think that Governor Dewey could do better. I am sure he could not do worse. They are predicting that on next November 7 there will be a cloudburst of Republican votes, but my weather prediction for that day is that it will only be a little Dewey.

ROOSEVELT MEASURES UP

It is only when we stand this yardstick of fitness for the job besides President Roosevelt that we can truly appreciate the bigness and quality of the man as well as the urgent need to continue his leadership.

I do not have to draw for this audience a contrast between those 12 years of Harding, Coolidge, and Hoover and the 12 years of the Roosevelt administration. You saw the rising of a leader equal to the task of rebuilding a Nation which had been economically debauched. You saw millions of American homes and farms saved from mortgage foreclosures; you saw American businesses, many of which seem now to have forgotten it, saved from bankruptcy; you saw the scourge of closing banks stopped and peoples' savings made secure; you saw human rights given precedence over property rights. Disagree with this or that as you will, over-all it is a record of unsurpassed achievement of which we are justly proud.

About Roosevelt's leadership in the field of foreign relations, volumes could be written but the American people do not have to read volumes to be convinced of his stature as a statesman. Every day confirms the rectitude of Roosevelt's position and our good fortune to have his leadership. America and the world need his vision, his understanding, his wisdom at the conference table where we hope and pray world peace will be made secure. How can we afford to change? In my opinion we won't.

The drums of an awful world war began to beat and soon they roared. Freedom in