

Dear Ones,

Last night we played bridge until midnight but I was still so wide awake that I read until about 1:30. Before the game, I outlined a sort of summary of the current internal problem as it appears to me at present:

Desires: high wages, full production and full employment, adequate returns on investment capital, minimum of government spending, coordination through readjustment period.

Problems: maintaining price and supply controls on critical items; keeping wages high as production shifts and continues; keeping prices from rising proportionally with wages; creating labor responsibility.

Dangers: conflict of wage and production ideas in transition period; labor and industrial irresponsibility; short range views; lack of coordinated government policy with definite standards and program; breaks in control of prices to start inflation instead of prosperity.

Methods: extension of government wartime measures; passage of full employment bill and supporting legislation; creating fiscal and organizational responsibility within labor unions; development of Labor Dep't to coordinate arbitration and overall policies.

I have probably omitted several important factors but what I am trying to do is to get a comparatively organized impression from the welter of confusion concerning the current strikes, reconversion, the various bills before Congress. My thinking on these questions is very indefinite at this time - I do know that I am for breaks in wartime controls whether prices or wages only with the approval of some Government coordinating agency, in order that the inflation spiral can be avoided. It is unfortunate but it seems that any one slip can throw the whole economy out of kilter and destroy the effectiveness of a stable reconversion period. Somebody has to take and stick to a long range view and it is unfair and unrealistic to expect that to be the result of a hodge-podge of industry's and labor's short range or limited programs. It is up to Truman to effect the administrative outlines he has presented.

The defeat of the \$25 proposal was to be expected on the various grounds of State problems in organizing their unemployment relief systems; the Truman move did serve to emphasize the problem and undoubtedly the states will be mobilized into action so that equivalent legislation will be enacted on a widespread basis. Similarly Schwellenbach's first moves in reexamining the Bureau of Labor statistics reports will help pave the way for a fairer basis for consideration of later legislative proposals.

From another angle the Truman speech should help to define the political alignments of the next three years. The leader of the Democratic party has put it definitely back to the Left of Center after the semi-interregnum adjustment period. The FEPC has received its second official blessing. Deficit spending has been offered as a fundamental element in the national economy. Henry Wallace through his intelligent publicity and his own restraint is assuming a new position of leadership for the elements of the Left. And again the Republicans find themselves without a major positive issue - they are against this or that, they are lukewarm about something else - but they lack the cohesion of positive programs. You can't score if you don't have possession of the ball. However, it is equally true that the Democratic party is in for some redefinitions; Truman is a politician but his position is too well defined for equivocation with the Southern reactionaries. It is my impression from the reaction to the Wallace book, from the reports of the CED, that if Truman can pull through this current period of labor unrest with solid results, his strength in 1946 and 1948 might well be strong enough to make him almost independent of the tainted support of certain elements of the Democratic South. Truman has revealed that he is potentially a great leader of a great democracy.

A word on Truman's publicity: it is being well handled, and he still gains because the opponents of FDR are still bitter enough to boost Truman just to try to prove their cases against Roosevelt. The homey touch is good, his talks with his mother, his trips to Missouri, all add up well.

On the whole I think the Times attitude that it is still too early to make a final judgment on the occupation of Japan is a sound one; now that we have ironed out our principles and methods of effectiveness time becomes the element upon which we must wait. I see that the Atom Bomb is up for discussion again; I still believe in internationalizing its use as a weapon and in sharing the secrets of atomic energy through national and international scientific-industrial groups. (I do not mean private cartels, of course.)

The news of public demonstrations in Argentina is encouraging; we heard reports of a military revolt, but I assume that that was distinct from the popular undercurrents to rid the national administration of the military altogether. On the assumption that Peron is defeated and the national power taken from him, the era of delicate relations will not be over, though certainly we will have a firmer basis on which to build, what with the reputation of Braden, and the hemispheric and world organizations available for aid. If Peron is defeated but refuses to give up his power, however, we might well have one of the first tests of our machinery for insuring democracy amid the peace loving nations. On questions of Portland, I still don't see what Libby has to gain by bucking the recent elections. I thought that Chapman's ruling was logical and fair and covered all the argument; I doubt that the full court will reverse his verdict. If the Navy does get authorization to keep the Portland base, it may help the impetus to improve the Port and to stir activity along the Portland waterfront; every little bit helps to keep things alive. I just happened to note on the back of another clipping that Landon attacked Acheson's reprimand of General MacArthur. The article says that Landon inferred that Acheson was not specific in criticism of the 200,000 man figure. I guess that Alf just likes to criticize, since the Acheson complaint was much more important than the questions of manpower. Landon and Taft thought to get along famously; I see where Mrs. Craig reports that Taft said that Dewey was beaten for the very reason that he advocated the social programs now encompassed in the Murray Bill.

Well, that does it for this noon - I understand that mail is in - I have now cut my backlog down to three envelopes, which is some improvement.

All my love,

Regards to Doris

