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ECONOMIC COUNCIL LETTER

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THE CHANCE

Not in six years has Private Enterprise had the chance it has today to overthrow Public Enemy Number One.

BILLIONS
CAN'T BUY
AMERICA

The federal administration, kept in the middle of the stream by the forces that have long inspired it, thought it owned the country. But it doesn't. The last elections showed that not even billions can buy the American people.

ACCELERATE
THE DRIVE
AGAINST
NEW DEAL

But we have reached now that point in the nation's conflict with Communism where efforts must be redoubled. Private enterprise has felt out the enemies' lines - knows where they are weak. The hardest part of Franco's offensive in Catalonia was to force the Reds to begin to retreat. But once off dead center, it required untiring efforts to accelerate the retreat. Every mile advanced made the next more sure.

CONGRESS
NEEDS YOUR
BACKING

So it is in the fight against New Dealism. Elections showed the country had lost confidence in it. The Purge was a failure. The new Congress is in a mood (if backed up by folks at home) to reassert its ancient authority - to rebuild the American system - to throw Communism into outer darkness.

150 MILLIONS
SLICED
ALREADY

Congress has knocked off 150 millions from the deficiency WPA bill. It is prepared to go further - to advance at an accelerating rate against these alien doctrines, provided it has the accelerating backing of you people at home.

UP TO YOU

So, folks, it's up to you.

CUT SPENDING

There are Three Things to be done.

First. Congress and state legislatures must cut the cost of government. Not merely stand pat - they must cut - and don't let anybody tell you "the essential services" would suffer. They said that years ago. They would still say it if the cost were twice what it is today.

UNSHACKLE
PRIVATE
CITIZENS

Second. No more shackles should be put on private enterprise by congress or state legislature. Many existing ones must be removed. The falsely conceived Wagner Acts must be changed. The cockeyed prevailing rate of wages act must be modified. Communist-controlled "relief" must be purged.

REAPPOINT
DIES
COMMITTEE

Third - and most important of all. The Dies Committee must be reappointed for two years and given \$150,000 - exactly as Mr. Dies has requested. And Martin Dies must be chairman. The administration is making every effort to kill the Dies Committee - to sidetrack Dies. They know that the Dies Committee, with money to spend, would show up the ravages of Communism in the United States.

So you see there's work for you to do.

70 BILLIONS
OF PUBLIC
DEBT IN 1940

As to the First Thing. The people are groaning under their taxes. Nearly a quarter of all their earnings are seized each year by government. Much of it is spent on necessary functions. But some is used to debauch the voters. Some to subsidize communistic forces, sworn to overthrow the republic. The country's politicians have shoved the public debt (federal, state, local) up to 60 billion dollars. Dr. Virgil Jordan says it will reach 70 billions by 1940. Debt and taxes have reduced real estate to a fraction of its supposed value. Look about your own town and see for yourself: Nobody wants to own any.

PRIVATE
ENTERPRISE
IN PERIL

Business has been declining, after the shot in the arm from government spending to buy recent elections. Few new business ventures are announced or even contemplated. Private enterprise is in peril. More taxes and debt and a few more regimenting laws can send it over the brink. New Dealism has already gone a long way, just as its authors intended, toward wrecking the American system.

WHAT HOPE
FROM CONGRESS-
LEGISLATURE?

In this atmosphere the New York Legislature and Congress met in early January. What hope is offered the Private Citizen?

THE
PRESIDENT'S
MESSAGE

To distract attention from the domestic crisis the President's message tells the country of dangers abroad - dangers, if they exist at all, that exist chiefly because of the insulting speeches of men like

Ickes. Tongue in cheek, the President tells the people the country is greatly strengthened by six years of New Deal! He admits a deficit for next year almost as great as this year's. He has a new word for government debt - investment! He warns the country that huge deficits will continue until our sixty billion dollar income is raised to eighty billions! In his social security message of January 16, he recommends that payments to certain existing beneficiaries be increased - that several million more persons be brought under the act. That message shows he knows little and cares less for those three-quarters of our people who today carry all the burdens - is perfectly willing to sap the manhood of those still standing on their own feet by coaxing them to look to the government rather than to themselves for future support. In short, Roosevelt offers no hope at all: the end of his leadership is certain bankruptcy. The only question is when.

THE
GOVERNOR'S
INAUGURAL
ADDRESS

The Governor's Inaugural Address like Roosevelt's, prates of "democracy" - he uses the word twenty-five times. It is three newspaper columns of philosophical nothings. Not a crumb of encouragement to people who depend on their own efforts, first for paying taxes, and then for their own keep. Not the slightest recognition of the hardships public debt and taxes mean for them.

THE
GOVERNOR'S
ADDRESS

And the Governor's Address to the Legislature is little better. Aside from recommending a year's delay in the attempt to establish health insurance, and the announcement that he will appoint a commissioner to look into the problem of administrative rulings, there is no hope. He looks forward to the appropriation of 300 millions - to the increase of 2% in the debt limits of cities, for housing. He does not mention that this will add 800 millions state and local debt to your backs.

NOT A WORD
ABOUT THE
LOAD YOU
CARRY

Not a word to indicate that private enterprise needs lower taxes - that the average man wants to be allowed to keep more of the money he earns. Not a word to indicate his recognition that private enterprise is bogged down and cannot rise till some of its chains are off.

A LOT OF
HOEY

Both President and Governor are handing the people a lot of hoey. There would be little foreign danger to the United States if the mouths of the Ickeses and the La Guardias were forced shut - if certain elements in the United States would cease their agitation. More armament is undoubtedly needed; and Congress will vote it. But the crying need is for federal and state governments to reduce their budgets twenty per cent. Roosevelt and Lehman prate of the need of maintaining the "essential services." But the most essential service to the whole people at the moment is to cut out some of the backbreaking taxes - to cease piling up the public debt. If that essential service is not maintained, none of the lesser ones will last long.

HOUSE SHOWS
THE WAY
LEGISLATURE
HASN'T GOT
GOING

The House of Representatives has made a start - has cut WPA 150 millions by a vote of five to three. The Senate threatens to lop off more.

LET'S GET
THIS FIRE
GOING

So far the State Legislature has taken no action. Some spending bills have been introduced. The governor's detailed financial views won't be known till his budget message is sent in February 1st.

It is known, however, that there is a growing feeling both in Congress and State Legislature that ECONOMY is in order. Not in years have private citizens had more chance of fanning smoldering embers into a flame.

SECOND THING -
NO MORE CHAINS

The First Thing, then, is really to cut the cost of government.

The Second Thing is to prevent any more fresh chains for private enterprise. No health insurance - no regulation of any more private activities - no fresh competition with private enterprise - no more bureaus to grind out swivel-chair regulations for the man trying to make ends meet in his business. And, just as important - root out some of the suicidal absurdities from certain existing laws.

HAVE YOU
THOUGHT OF
THIS?

Cast your thought on this one: Nine-tenths of real estate is rotten. Try to sell some and see what you're offered. Many solvent owners have abandoned substantial property - kissed it goodbye rather than carry the load with no hope in sight. The chief cause is exorbitant taxes - taxes that in a single year often run five to twenty per cent of what the property will sell for. You can think of cases, Mr. Legislator, in your own town.

An eighth grader in school would know the remedy is to reduce taxes, and, to do that, to reduce spending. But not so some of our

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WHAT PREVAILING
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CURB
REGIMENTATION

political friends - they choose this as the time to railroad through the Constitutional Convention of last summer a scheme to raise the state debt a further 300 millions - and to authorize cities to add two per cent more to their debt limits. Cities, mind you, where some taxpayers won't pay taxes, and the authorities somehow don't dare sell the property!

And what's this new debt to be for? Why, to build housing to be rented way below cost to persons having incomes of less than \$1,800. If your income is \$1,900 - you can damn well slave along on your own feet, if you're fool enough not to take a government handout. But - if your income is \$1,750, a kindly government bureau will pick you up and carry you - you'll be one of the "wards of the nation."

We need a sane, really low-cost plan for housing. But if we go ahead with future housing projects at anything like the costs of Williamsburg and Harlem (about \$8,000 per family) what will real estate be worth when state and local debt are 800 millions higher? Why, you couldn't give it away.

And here's another one for you to chew on. All human experience tells us that some men are born to lead, most of them to follow. It's true in every field. The leaders must take responsibilities - industrial leaders must do the planning, run the risks, find the money to pay the taxes and meet the payrolls. They must bear the losses, if the venture fails - and most ventures do fail. Everybody leans on the employers. The followers, the workers, have a first lien on the assets for their wages. Most employers and most workers know that a good understanding must exist between the office and the plant - the boss and the boys. And because that good understanding has existed more in America than anywhere else on earth, American private enterprise has led the world - has given higher real wages, better conditions, a higher standard of life and living.

And then came the Wagner Acts - federal and state. Conceived in the alien, communistic philosophy of class-warfare they have driven a wedge of hatred between leaders and followers. They are doing more to destroy the status and wages of the American worker than any law ever passed. In their best light they are criminally stupid - in their worst they are part of a foreign-born plan to destroy America. The forces back of the demand for the Wagner Acts, and back of the enforcement of the federal act (not the state act) are, we believe, the forces that Martin Dies has been investigating down in Washington.

And let's take one more - the prevailing rate of wage. A year ago Mr. Joseph Kennedy, retiring from the United States Maritime Commission said that we could get merchant vessels built in England for less than half the cost in the United States. It follows we can get war vessels built there for less than half the cost. And the chief cause is the prevailing rate of wage.

The Prevailing Rate of Wage sounds fair enough. But what is it? In practice (skip the details) it means union wages in the building trades. These wages, through trade union monopoly, are so high that most persons can't afford to build. Thus prevailing rate for plasterers in New York City is two dollars an hour with a six-hour day. Robert Moses has rightfully said the Prevailing Rate prevails nowhere except with the government. That's it exactly - and the result is all government construction is at these exorbitant rates, and private construction continues low. So there's more taxes for you to pay to support the building trade workers on relief. And WPA relief, which is based on the Prevailing Rate, costs twice what it should. Yields the people half as much for their money.

So, The First Thing - a real cut must be made in the cost of government. Don't talk so much about the taxes, Mr. Citizen. When spending has been voted, taxes are inevitable - they are merely cause and effect. If you are asleep when the spending is voted, you'll get nowhere in objecting to the taxes. Cast your eye on the spending, and the taxes will take care of themselves. State and Federal spending must be reduced. They can be. And they will be if enough of you take a hand.

The Second Thing - Not another law should pass at Albany or Washington that aims to regulate anything. Existing regulatory laws should be reviewed. Wagner acts should be repealed or so amended as to free the worker to join or not to join a union - should place employer and employee on an even basis. No housing bill whatever should be passed until a sounder plan is formulated. The Prevailing Rate of Wages law

should be redefined to mean the wages private citizens (the real buyers) pay for such construction as they freely and willingly buy. The non-sense should be taken out of "relief" and its administration placed in the hands of local non-partisan boards.

AND MOST
IMPORTANT
OF ALL

And The Third Thing - most important of all. The Economic Council for eight years has been fighting excessive spending and regimentation. Four years ago we got on to the fact the greatest force supporting public waste and regimentation is Russian Communism. This force was impliedly invited to invade the country, through U. S. recognition of Soviet Russia in 1933. In spite of Litvinoff's pledge, it has ever since been worming its way, through Communist-front organizations, into American life. (Send for our booklet "Is Your Town Red?" if you want details.)

DIES
COMMITTEE

For four years we talked about this on all occasions. Headway was slow. But last year, the House of Representatives appointed a Committee on Un-American Activities. Congressman Martin Dies of Texas was made chairman. \$25,000 was voted for expenses.

HAS DONE
WONDERS

With this meager money the Dies Committee in a few months' time has shown that astounding headway has been made by Communism in America. A Gallup Poll taken in December showed that 74% of the American people wanted the Dies inquiry continued.

ADMINISTRATION
IS AGAINST IT

But Roosevelt forces are making every effort to block it. Roosevelt himself has openly attacked it, as have Ickes and some of the rest. Evidence before the Dies Committee showed up Murphy of Michigan as an arch-supporter of groups allied with Communism. Yet on January 8th, Roosevelt announced that Murphy, now Attorney General, was investigating the charges of the Dies Committee! Would you ask Al Capone to investigate charges of his own bootlegging? And on January 9th, the American League for Peace and Democracy (organized by the Communist Party), in national convention in Washington, asked Congress not to reappoint the Dies Committee - but to appoint some other committee. All the red and pink groups want Congress to do something else. Anything but that. They know their onions.

BUT IT
SHOULD BE
RE-NAMED

This is a critical time for the Republic. The Dies Committee must be reappointed - or Communism will have scored its biggest gain. No other committee - no other chairman but Dies, will do.

COUNCIL
LUNCHEON
FOR DIES

Congressman Dies was Council's speaker at luncheon at the Biltmore Hotel, New York, December 8th last. His ability, courage and patriotism impressed the 800 guests. He and his excellent committee have pushed their study against all opposition. The country needs them to go on.

GOOD FOR
STATE SENATE

On January 17, the New York Senate, to its credit, passed the McNaboe resolution, 35 to 2, memorializing Congress to reappoint the Dies Committee, as is, for two years and give it \$150,000.

WON'T YOU
TAKE A HAND

Won't you take a hand in this, Mr. Citizen? Write three letters - to your own congressman, at the House Office Building; to Speaker William B. Bankhead, and to Majority Leader Sam Rayburn - at the Capitol, Washington, D. C. Ask each to vote to reappoint the Dies Committee, with Dies as chairman, for two years and to give them \$150,000. Ask them to act soon. Never mind your senators - this is a House Resolution only.

ACT
TODAY

Do this today. Communism, with its dirty lying propaganda, will be licked if the Dies Committee is promptly reappointed with enough funds. Nearly every congressman will vote for it, if he hears from enough of the folks back home.

LICK PUBLIC
ENEMY No. 1

And with communism really licked in the United States you will find the chief obstacle to reduced spending and regimentation will have been blown out of the water.

Merwin K. Har

President.

NEW YORK STATE ECONOMIC COUNCIL, Inc.

P.S. Sunday, January 22, at 3 P.M., over WGY (790 kilocycles) the President of the Council, will speak on the negative side of the subject "Should America Widen its Gates for European Refugees?" Dr. Joseph Mayer, consulting sociologist of the Library of Congress takes the affirmative. Refugees are now taking jobs from our citizens - adding to the relief rolls.

P.S. No. 2. Send 15¢ in stamps for pamphlet containing digest of testimony of J. B. Matthews, star witness before Dies Committee.