

6/5/40

Dear Cameron,

Yesterday was another one of those days on which the boys let down their hair just a little. This is a quotation from the debate on H.R. 9848, the Vinson bill which deals with the enlargement of the airforce of the Navy. The bill was passed without a dissenting vote in the Senate, having been passed last Thursday by the House. Senator David I. Walsh, chairman of the House Naval Affairs Committee, handling the bill, was explaining it when interrupted by Claude Pepper of Florida, new dealer and currently the loudest voice in the all-possible-aid-to-the-Allies gang.

MR. PEPPER. Does it follow from the Senator's statement that if we are adequately to defend Central and South America we must do the same thing? (i.e., build bases for the fleet and Army and Naval aircraft).

MR. WALSH. That is true.

MR. PEPPER. That would contemplate, then, the necessity, if the United States is really to undertake the defense, effectively, of South America, that, in some way or other, adequate bases, including air bases, must be established down there.

MR. WALSH. Let us assume we are in executive session (i.e., secret session). In my opinion, the Government of the United States has that in mind now, and has arrangements and plans made to bring that about. I hope the press will not report this. I may say that what the Senator suggests is all anticipated if the eventuality should come.

It was this that the President, at his press conference later yesterday, denied. The papers here gave this very poor play. Walsh is an authoritative person, because of his important position, and there is little doubt that he would have thus spoken without being sure of his facts. Roosevelt's denial is particularly interesting in view of other facts.

First of all, within the past week there has been a real campaign about the dangers to us by way of South America. This campaign seems to be administration inspired. Alsop and Mintner yesterday had the whole thing spelled out in their column. They are, as I told you in response to your query about The American White Paper, very close to L. A. Berle, in whose office they prepared the book. He is the probable source on this. At the same time, you may recall, I told you that I had been informed that the State Department and the administration was not at all concerned about South America or what might develop there. If I didn't at that time tell you, my source, confidentially, for this statement was Larry Duggan, in charge of the Division of South American Republics. If there was any slight concern about anything in any of the South American lands he of all people would have known it.

Yesterday Chief of Staff Marshall testified before the House Military Affairs Committee in executive session. My information on what he, privately, told the Members comes from a Member who was told by Minority Leader Joe Martin of Mass. Marshall claimed authorship of FDR's proposal that he be allowed to call out the reserves when he deems it necessary. Marshall said he was motivated by the possibility of having to send troops to South America.

I am convinced that the administration is purposefully sponsoring this campaign to create fear and hysteria as a means of greasing the ways for its military expansion program the defensive nature of which is more than questionable.

Presumably also for the National Defense, Harry Hopkins,

Secretary of Commerce, has moved into the White House. The fact that Harry has taken up his residence with the President has escaped the press. It hasn't been even suggested here.

And speaking of ~~business~~ business, the names of those who have been appointed to assist Stetinius were announced yesterday. These people, in the main, are from the metal-trades industry and from corporations that I believe the La Follette Committee record will show have antilabor records. Two of the members of the new National Defense Board, Stetinius and Knudson, can be assumed to be J. P. Morgan's representatives, because of whence they come.

Executive session testimony is all the rage here these days. It a beautiful device that was used occasionally, but Dies in recent years is the one who showed how safe and usable it is. Nobody knows anything except what you want them to know unless there is a leak, and if there is a leak nine times out of ten it gets less play than it would had it been reported at the time of testimony/ This also affords a swell opportunity to suppress whatever it might be desired to suppress. Day before yesterday Harrington of WPA testified in executive session before a subcommittee of the Senate Appropriations Committee. Senator Alvah Adams (Dem., Colo.) is chairman of the subcommittee. Following his testimony Harrington engaged in an informal off the record conversation with the Senators. I regret I cannot give you the names of those involved. My informant happened to be the following witness who was called in as Harrington finished the formal testimony and I am certain that the Member of the committee would be embarrassed if they were aware of the clerk's error. My informant, likewise, does not know all the members of

the committee. Harrington said he would be in favor of a new Federal Theater Project if it were restricted to members of Actor's Equity. When it was pointed out that this is a conservative organization the Senators got the idea that, in connection with the "national defense" program, it would be, from the administration's point of view, desirable to have at its disposal such an effective propaganda machine as this project would be. One of the Senators said he believe it would not be impossible to get this kind of a project through first, because of the nature of Equity and second, because of the "national defense" potentialities. Equity has several lobbyists here and they are of the opinion they could get this through the Senate but would not be able to pass it through the House. I agree with them.

Harrington also opposed the ~~provision~~ provision ~~for~~ for 25% local sponsorship. He gave two reasons: 1). It would be impossible to use WPA for "national defense" projects if local governments had to put up 25% of the cost, because they wouldn't do it. 2). If the War Department were to sponsor such projects they would have to put up the 25% and he didn't want them to have to spend this amount from their appropriations-in other words, all the cost should come from the meager appropriation for the unemployed.

Harrington has described his position to a Member of Congress as that of a soldier. He said he takes orders and carries them out. He never does anything that the administration doesn't want done. It is pretty certain that his opinions, when he expresses them, are the administration's opinions.

I meant to mention above that a week ago, at the time of the consideration of the Vinson bills by the House, formation after formation

of airplanes wheeled over the Capital building. I counted 25 planes in one formation that went over toward the middle of the afternoon. Private planes do not fly in formation, nor would such a large number of private planes be here at one time ( those that were bound for the air show at Birmingham left the day before). It must have been Army or Navy planes.

The administration boys, particularly Barkley, Minton and Pepper in the Senate, keep chipping in every time someone says something that might even remotely tend to quiet the national jumpy nerves. During the speech by Walsh, from which I have quoted above, this was particularly noticeable.

I have just learned that the SEC is preparing a series of monographs one who owns America's industry. These will be submitted to the TNEC (Monopoly committee) and, presumably, will be incorporated in their record, which will be used in the formulation of reports to the Congress. I am getting a list of the subjects covered but I know that one will deal with the ownership of the 200 largest nonfinancial enterprises. The administration's direction is such that by the time these monographs will be ready-they have been underway for two years-it may be that the administration will want to suppress them. This will be a simple matter, for there is a subcommittee of the TNEC to which they will be submitted. This subcommittee need only not incorporate them in the record and take them under advisement.

Today the expected debate in the House on the Smith amendments was postponed for the purpose of considering District of Columbia legislation and for taking up the "union calendar." The House Immigration

Committee met this morning and voted 11-8 to bring up the bill to deport Harry Bridges, which I sent you several weeks ago. Marc. got wind of it and discovered a parliamentary way of defeating it. The bill is a private bill and he found a House rule which prevents the consideration of private bills on the calendar, without the unanimous consent of all Members present, which, obviously, with him on the floor every minute, was impossible. So Harry is still not deported. However, they are now going to hold a night session of the House tomorrow, the second of this session, and they are going to take up the private calendar which means that they can bring up this bill. The parliamentary situation is this: in order to pass it no more than two Members can object to it. I think we can have three objections on the floor tomorrow night.

Persuant to Helen Kay's request the CIO has sent you what she asked of them. I asked them to send you additional material which I thought you might be interested in having. There are some things that have happened at the executive board meeting that I haven't yet seen in the papers.

First of all, the left-wingers had things pretty much their way. They did compromise, but not on issues. <sup>On</sup> Everything of major importance their position was adopted. Perhaps the strangest thing was the complete absence of dissent on anything. I was told by people who attended that it was the most uninspiring meeting possible and in no way reflected concern over the major problems that confront the country and the unions.

For one thing, they took the position that they are going to

make no effort to reopen peace negotiations with the AFL. If there is to be peace, it will be at the terms offered by the CIO some time ago and subsequently reoffered by Lewis. Which really means no peace, for Bill Green will not accept such terms-basically, that the membership of both organizations jointly vote on whatever is decided as terms and that all CIO union go in together. I should have mentioned above, re the Smith amendments to the NLRA, that Bill Green send ~~me~~ Members of the House telegrams yesterday, before the vote, urging them to vote for the rule which enable the amendments to be called up at this time. The AFL, publicly, thus far has come out for the more moderate Norton amendments. At this time it is impossible to predict what will happen, but with the state/<sup>of mind</sup> of the House today naything can happen and we should not expect the best or anything good.

Perhaps you haven't heard of it, because the papers seem not to have mentioned it, but just about all the government departments and bureaus today have special liason representatives to make contacts on "national defense" work. In spite of-and perhaps partially because of the appointment of Sidney Hillman to the new national defense board Lee resman has been designated to be the funnel for all CIO relations with the government, particularly re "national defense".

This pretty well short-circuits Sidney so far as the relations and contacts of the government and the CIO itself are concerned and is a slap in his sick puss.

A few days ago the administration tried a fast play on the CIO which, fortunately, did not work. Fanny Perkins sent word that she wanted appropriate representatives in her office for a conference on health and safety conditions on "national defense" work. Accordingly, Ralph Hetzel, who is in charge of that division of the CIO which is interested in similar problems, went down with a fellow named Price. When they got there they were surprised to find a really large and imposing gathering of bigwigs who wanted to commit them on major questions of policy. They beat a hasty ~~ixrix~~ retreat.

John Lewis took great pains to tell the members of the executive board that he has been kept completely in the dark on all matters in which the CIO is interested for the past year. The way in which he said it not only constituted a rebuff of the administration but pretty well meant that he had not seen the new M-day plans. He had seen the old ones, and at last year's CIO convention in San Francisco he discussed them with the executive board. While making this statement and at the point where he said he knew nothing about the administration's plans about anything in advance he pointed out that at that moment Bill Green was meeting with FDR, having just returned from the stagehands convention in Louisville Ky. following a long-distance phone conversation with FDR Monday. Incidentally, Green said yesterday that there are many unemployed machine-tool workers, which contradicts at least part



of the administrations position that they haven't the skilled laborers needed for the machine-tool industry in which they claim there is a "national defense" bottleneck.

Although the complete harmony that seemed to prevail does not so indicate, I have been reliably informed by several people that Harry Bridges was taking a sort of anarchist position with reference to the national defense problems and with particular reference to his personal status. One of my informants is one of the liberal presidents of CIO international. I know him pretty well and he was dead serious. He quoted Harry as having said that he wouldn't mind being sent back to Australia on a battleship. According to him Bridges was serious and exceedingly egotistical about the attention he is now getting. This story is persistent here, even though it is not borne out but ~~xxxx~~ happenings. It doesn't fit what I know of Bridges either.

The Youth Congress, like the CIO, is having trouble with the administration in spite of its "inf". The administration is ~~xxxx~~ fighting the YC tooth and nail, and Aubrey Williams is reliably reported by an official of the YC as employing National Youth Administration supervisory personnel to actively fight the YC. When Mrs. FDR was asked to enlist the support of the administration for the National Youth Act she replied to an official of the Youth Congress that the people were not today articulate on this matter, on housing and similar pending legislation. She said that they were making themselves

heard on the national-defense program, etc. When she returned after having spoken to the great white father she added that Members of both Houses were "too anxious" to get home and mend their political fences" to take the additional time this late in the session to consider this bill. Of course, these statements are false. Even the most casual examination of that section of the Congressional Record in which Congressmen and Senators place petitions and memorials will show that there has been a persistent demand for the enactment of housing and health legislation, much greater than the demand for the administration's armament program. Most of what support the administration has been getting, as reflected in these sections of the Congressional Record, comes from employers associations, industry and some of the superpatriotic organizations. Nothing that could by any stretch of the imagination be considered a mass support.

The new tax proposals are being considered by the House Ways and Means Committee. I have heard nothing further on the Barney Baruch scheme I ~~reported~~ reported last week. What seems to have the inside track on the committee is a plan to lower the minimums to \$800 for single and \$1300 for married people. This is an NAM plan. The papers here did not report it but <sup>the</sup> Transradio reports ~~the~~ testimony of Noel Sargent last week before this committee, on behalf of the NAM, whose economist and economic mouthpiece he is. Sargent presented this proposal. Obviously this, too, places the expenses of armaments on those who can least afford to pay them. The CIO, in its national-defense statement, offered statistics on this showing that the consumer rather than industry and wealthy people will get the short end.

I have been informed that in New York the arts project is engaged, by assignment, in the production of posters which the administration would find useable in its "defense" program. The information came from a member of the union who is here lobbying.

Again the papers are carrying stories about conversations ~~between~~ between Washington and Rome and about one conversation between FDR and Mussolini. I have been informed, in confidence, by a Representative that he was told by Roosevelt last October, at the very outbreak of Europe's war, that Mussolini was behaving himself like a good li'l boy and if he kept it up "I (FDR) think I can get Djibuti and Tunisia for him." (1)

Another Congressman just told me that, on the basis of information he has just obtained, Congress will adjourn by the 22nd. This is the date that was talked of 2 weeks or ten days ago, but for the past week no one has suggested anything before July 1. The Republicans are now talking out loud about holding Congress in session if the crisis is as serious as the President represents it to be. This is a political move so that they can claim some of the national defense credit and so that they can embarrass the administration by the threat. The tenor of Congress is such that, from a liberal's point of view, it would be worse for them to be here than not. They can't and won't hold FDR back from anything he might try.

I have just obtained some further information which probably will not be released to the press on today's happenings at the CIO meeting. The following information, in addition to the above, not

contained in either the material Fowler sent you or carried in the press is, for reasons that you will immediately see, confidential. All these actions, I have been told, were unanimous.

A Canadian Council of the CIO was authorized.

Industrial union councils were authorized for the large cities, such as New York, which do not now have them. This is a crack at the ACWA, which has prevented the organization of an Industrial Union Council in New York City.

Allan Haywood shares the ~~respons~~ responsibilities of Lee Pressman re national defense.

The executive board authorized the setting up of a ladies garment workers union as soon as the story of the ILGWU going back into the AFL was announced. It was simultaneously announced that some of the large locals in the ILGWU had sought to be taken back into the CIO.

A resolution was passed congratulating Sidney Hillman on his appointment. It conferred no powers on him and seemed to come as an afterthought.

Fowler has been following the trade-union and civil-liberties and situation in Canada/has a considerable amount of information on it if you are interested.

I am enclosing a story from the Star of a few days ago and several bills and resolutions which I thought you might want for your files. You will note that there is, in addition to the Nichols proposal, an administration request for an appropriation which will provide for 500 addition G-men, over and above those provided for in previous appropriations of this session.

How's everything?  
Arold