6/18/36

6/18/36 -- Copies delivered to -
The White House
The Treasury
Senator Wagner

From the point of view of political psychology, the most vigorous attacks against the Roosevelt Administration will in all probability take the form of an effort to stir up fear and alarm on two interrelated financial grounds:

1. That the Roosevelt Administration has been unwarrantedly extravagant in its expenditures and dangerously imprudent in its borrowings.

2. That unrestrained spending and continued resort to borrowing will destroy the national credit, lead inevitably to inflation, and destroy the hard-earned savings which people have accumulated in bank accounts, life insurance policies, building and loan shares, and all other forms of investment that are expressed in terms of the dollar.

On these two points the Roosevelt Administration will be on the defensive unless its monetary and fiscal actions of the past three years can be stated and expounded so forcibly as to appeal to the mind of the independent voter, to whom certain other actions of the Roosevelt Administration still appeal with great force. Among the most notable of the actions that are in high favor with impartial persons regardless of their political affiliation are the following:

1. The quick clean-up of the banking mess and the subsequent guarantee of bank deposits.

2. The saving of homes and farms from foreclosure and the subsequent revival of the long-depressed building industry.

3. The prompt measures to relieve the human privation and want resulting from long-continued unemployment and exhaustion or destruction of savings.

4. The regulation of security and commodity speculation and the protection of investments against misleading information and fraud.

5. The repeal of prohibition and the wiping out of bootlegging.

6. The capture of notorious bandits and gangsters and the vigorous suppression of kidnapping, bank robbery, and racketeering.

7. The protection of young men and women not yet assimilated by private industry and the protection of the persons no longer able to work against destitution in their old age.

8. The restoration of public confidence from the defeatism of depression and deflation, the rescue of agriculture, industry, and investment from the catastrophic fall in prices, the stimulation of business activity and employment, and the steady raising of the national income from the paralyzing level of 1932.

The problem of the platform makers, keynoters, and campaign speakers, then, is to make the monetary and fiscal actions as understandable and as appealing to the political psychology as these other actions are. If this is done the whole Democratic campaign can be conducted in the affirmative and on the aggressive, and the voters whose minds are open to persuasion between now and November can be moved by fear, not that the monetary and fiscal policies of the Roosevelt Administration will be adhered to, but by fear that the monetary and fiscal policies which characterized the last three Republican administrations will be reverted to.