

March 7, 1945.

Dear Abe:

Enclosed is a copy of an item from today's New York Times. It certainly substantiates the point that there is no check on the commitments and expenditures of the military.

What these latest orders for 84 more ships amount to in dollars is not indicated. You will note that the program of 372 combatant ships now under order is scheduled for completion by the end of 1947, and these of course are of large vessels from destroyer escorts on up to a total of five 45,000-ton "super-carriers".

If this thing is not brought within reason, it is idle to talk about holding the line on the economic front at home.

Sincerely yours,

Honorable Abe Murdock,
United States Senate,
Washington 25, D. C.

Enclosure

EL:b


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United States Senate

COMMITTEE ON THE JUDICIARY

CALVIN M. CORY, CLERK

March 10, 1945

Honorable Marriner S. Eccles
Chairman, Board of Governors
Federal Reserve System
Washington, D.C.

Dear Marriner:

Thanks so much for yours of March 7, with which you enclosed photostatic copy of a news item from the NEW YORK TIMES referring to Naval construction.

The news item is very informative, and I will make use of it.

Very truly yours,



ABE MURDOCK

AM:km

May 15, 1945.

The Honorable Brien McMahon,
United States Senate,
Washington 25, D. C.

Dear Senator:

As you will recall, we had quite a discussion at your most delightful dinner about the accumulated and prospective inflationary pressures upon the country. It occurred to me that you might be interested to see, if you have not already done so, the enclosed clipping from the New York Times which makes, to my mind, a most practical and objective suggestion for linking a realistic diplomatic policy to our military policy in the hope of shortening the Japanese war.

While the writer does not discuss the inflation point, it is evident that if capitulation can be accomplished without enormous cost in lives and money of an all-out amphibious invasion of the Japanese Islands as well as of the Chinese mainland, it would be of the most vital importance to this country. I am, as you know, much concerned about our undertaking to give the help to Europe that will be necessary to prevent chaotic conditions from degenerating into communism, while at the same time mounting an all-out invasion in the Far East which would preclude the cutbacks at home which, in turn, would make possible what Chester Bowles referred to as an avalanche of civilian goods necessary to hold the line here.

The enclosed clipping struck me as particularly pertinent to our discussion at your dinner.

With best regards,

Sincerely yours,

Enclosure

 ET:b

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United States Senate

COMMITTEE ON FINANCE

CHRISTIE B. KENNEDY, CLERK

May 25th, 1945

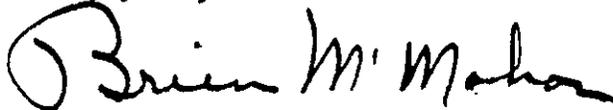
Honorable Marriner S. Eccles
Board of Governors of the
Federal Reserve System
Washington, D. C.

Dear Marriner:

Thank you very much for yours of May 15th,
together with the article, which I have read with a great deal
of interest. I hope to see you soon.

With kindest regards,

Sincerely yours,



United States Senator

May 15, 1945.

The Honorable Abe Murdock,
United States Senate,
Washington 25, D. C.

Dear Abe:

Knowing of your great interest in the subject, it occurred to me that you may not have seen the enclosed clipping from the New York Times on the importance of trying to shorten the Japanese war by an objective diplomatic policy.

While the writer does not discuss the inflation dangers on our home front, it is obvious that if capitulation could be brought about by blockade and bombing and such an inducement to give up as he proposes, it would do more than anything else to relieve the dangerous pressures that are increasingly indicated by the shortages of civilian goods, by black markets and tax evasion.

While I, of course, would not presume to say what is the wisest military policy, it is self-evident that there are three enormous demands upon our economy. First, Europe looks to us for the help that will reestablish some degree of economic order on which lasting peace depends. Otherwise, the resulting chaos could degenerate into communism. Secondly, Army and Navy programs do not apparently contemplate any sufficient outbacks to relieve the enormous strains on our economy. Third, we have just about used up the fat on which we lived for the first years of the war and are facing additional acute shortages which, as Chester Bowles has said, can only be met by an avalanche of civilian goods. Anything that would hasten Japanese capitulation without the enormous costs in lives and treasure involved in an all-out invasion of the Japanese Islands as well as of the mainland is certainly worth careful consideration.

I have taken the liberty of sending this letter also to Senator O'Mahoney, and have likewise sent the clipping to Senator Thomas of Utah, Senator McMahon of Connecticut, and Senator Morse of Oregon because I had discussed the subject in general with some of them previously.

With best regards,

Sincerely yours,

Enclosure

File

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United States Senate

COMMITTEE ON THE JUDICIARY

CALVIN M. CORY, CLERK

May 18, 1945

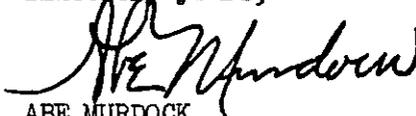
Honorable Marriner Eccles
 Chairman, Board of Governors
 of the Federal Reserve System
 Washington, D. C.

Dear Marriner:

Thanks very much for yours of May 15th together with a very interesting editorial which was enclosed. Certainly, there is great merit in the suggestions contained in this editorial, and the people most interested in the subject, I am sure, are the American boys dying in the Pacific.

Just at the present time, I doubt that a public statement on the Senate Floor should be made, but it is my opinion that each and every one of us should not overlook an opportunity in calling the matter to the attention of the people who are in a position to really do something about it. I have already talked to some Senators, and their reaction was the same as mine and yours.

Sincerely yours,



ABE MURDOCK

AM/n

May 15, 1945.

The Honorable Joseph C. O'Mahoney,
United States Senate,
Washington 25, D. C.

Dear Senator O'Mahoney:

Knowing of your great interest in the subject, it occurred to me that you may not have seen the enclosed clipping from the New York Times on the importance of trying to shorten the Japanese war by an objective diplomatic policy.

While the writer does not discuss the inflation dangers on our home front, it is obvious that if capitulation could be brought about by blockade and bombing and such an inducement to give up as he proposes, it would do more than anything else to relieve the dangerous pressures that are increasingly indicated by the shortages of civilian goods, by black markets and tax evasion.

While I, of course, would not presume to say what is the wisest military policy, it is self-evident that there are three enormous demands upon our economy. First, Europe looks to us for the help that will reestablish some degree of economic order on which lasting peace depends. Otherwise, the resulting chaos could degenerate into communism. Secondly, Army and Navy programs do not apparently contemplate any sufficient outbacks to relieve the enormous strains on our economy. Third, we have just about used up the fat on which we lived for the first years of the war and are facing additional acute shortages which, as Chester Bowles has said, can only be met by an avalanche of civilian goods. Anything that would hasten Japanese capitulation without the enormous costs in lives and treasure involved in an all-out invasion of the Japanese Islands as well as of the mainland is certainly worth careful consideration.

I felt that the enclosed letter offered a practical and objective proposal worthy of your notice. I have also taken the liberty of sending it to a few other senatorial friends of mine.

With best regards,

Sincerely yours,

Enclosure

ET:b

May 16, 1945.

The Honorable Elbert D. Thomas,
United States Senate,
Washington 25, D. C.

Dear Elbert:

It occurred to me that you might be interested in noting, if you have not already done so, the enclosed copy of a letter to the editor of the New York Times on the importance of linking an objective diplomatic policy to our military policy in the Far East. If by blockade and bombing, without the necessity for an enormous amphibious landing force, countless lives could be saved, it would of course be a godsend.

Viewing the matter from an economic rather than a strategic viewpoint, however, it is equally evident that we are facing a most crucial period. It remains for us to furnish the help to Europe that will prevent already chaotic conditions from degenerating into communism, and at the same time accumulated and prospective inflationary pressures on our domestic economy present a grave danger. There are numerous signs that the various price controls are cracking under the strain, as evidenced by new shortages of civilian goods, by black markets and tax evasion.

Finally, if we are to embark upon any such grand-scale invasion in the Far East as appears now to be contemplated, there can be no real relief in cutbacks and drains on materials and manpower sufficient to enable us to relieve the domestic pressures and furnish the European help that is essential. Otherwise stated, if we could have sufficient cutbacks and release of manpower for production of civilian goods as would result from a blockade policy, the worst of the strains could be eased.

I am not, of course, presuming to invade the realm of high strategy and policy on the military fronts, but I am increasingly concerned with the inflation dangers confronting us. As Chester Bowles has put it, we need an avalanche of civilian goods if we are to hold the line at home. I do not like to contemplate the results if our returning war veterans find that prices of homes, farms and other things have been driven far out of reach of their pocketbooks and the meager help that will be provided them through the G. I.

The Honorable Elbert D. Thomas - (2)

May 16, 1945

Bill of Rights, dismissal pay, etc. Accordingly, anything that would tend to bring about capitulation by the Japanese without the cost in life and treasure involved in a mass invasion seems to me eminently worth careful thought.

The enclosed letter, while it does not mention the inflation aspect, strikes me as advancing a most objective, practical viewpoint, and I knew you would be particularly interested in it because of your own large responsibilities.

With best regards,

Sincerely yours,

Enclosure

 ET:b

West

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PAUL L. BADGER, CLERK

United States Senate

COMMITTEE ON MILITARY AFFAIRS

May 18, 1945

The Honorable Marriner S. Eccles
Chairman of the Board of Governors
Federal Reserve System
Washington, D.C.

My dear Marriner:

Thanks for your letter of May 16, and for letting me see the copy of Mr. Clark's letter to the Times.

I can see that our minds are concerned about the same thing in the Far East; that is, the great loss of life which we are experiencing in the accomplishment of each of our objectives. Twenty-four thousand losses already in Okinawa should cause us to attempt any psychological warfare approach which may bid to be successful. I have had the same thesis since the beginning and my messages to Japan have carried the same idea; that is, that the present Japanese government is an apostate one and that it can be made to look ridiculous in the sight of the Japanese people by quoting Japanese ideals of a better day. But we, ourselves, have been so convinced that the only way to defeat the Japanese is to kill them that we have been backward in attempting another method. I believe, though, now that the thought of our fighting men is primarily on the Far East that we will be more successful in the future than we have been in the past.

The problems incident to peace are so great that sometimes I feel that the war is just beginning instead of approaching an end. I know you have the same feelings from an economic standpoint. The displaced persons and an upset economy make any stability attractive. If we lose sight of the best planning and follow it through, the chaos you mention will come to Europe sooner than we think. Chaos is already in most of Asia, but its ability to recover is greater.

Thanks for your thoughtfulness, Marriner, in sending me the letter and the clipping. I am going to use both to good advantage.

Most sincerely yours,

Elbert D. Thomas

Elbert D. Thomas

May 16, 1945.

The Honorable Wayne Morse,
United States Senate,
Washington 25, D. C.

Dear Senator Morse:

Because of the great interest you showed in the discussion we had at Senator McMahon's dinner last March, it occurred to me you might like to see, if you have not already done so, the enclosed clipping from the New York Times on the importance of a realistic diplomatic policy that might greatly shorten the war in the Far East.

While the writer does not mention the inflation problem, which is of particular concern to me, it is apparent that if such a diplomatic policy as he proposes were successful, it would be of the utmost importance from the anti-inflation viewpoint. If through such a diplomatic policy and by blockade and bombing, rather than an all-out invasion, the Japanese could be brought to capitulation, it would manifestly make possible heavy outbacks that, in turn, would relieve the increasingly dangerous pressures evidenced in tax evasion, black markets and other ways on the home front. As Chester Bowles has said, we need an avalanche of civilian goods if we are to hold the line at home.

It seems to me a simple problem of mathematics as to what is in our national interest if we are to establish an enduring peace and prevent chaos. In other words, the question is, can we meet the enormous demands required by the European situation to prevent its degenerating into communism and shoulder the enormous cost in lives and money that an all-out invasion of the Japanese Islands and of the mainland while, at the same time, preventing inflation pressures from wrecking our domestic economy? The high strategy of the situation, of course, is not in my province, and I do not presume to say what it should be. I do feel deeply concerned about the economic picture as I see it at this stage.

Knowing of your own great interest, I have ventured to send this clipping along to you with these comments.

With best regards,

Sincerely yours,

Enclosure

ET:b

file

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United States Senate

COMMITTEE ON
EDUCATION AND LABOR

CHARLES A. MURRAY, CLERK
PAUL SAMPLE, ASST. CLERK

May 31, 1945.

Mr. M. S. Eccles
Board of Governors of the
Federal Reserve System
Washington, D. C.

My dear Mr. Eccles:

I very much appreciate receiving your letter of May 16. I certainly share your views about the economic danger here at home. Last Thursday, in opposition to the proposed \$2,500 increase in salary for members of Congress via tax-exempt accounts, I made a speech in the Senate in which I pointed out that in order to win the fight against inflation we must increase the supply of civilian goods so that they will balance the purchasing power of the public.

It seems to me that something is going to have to be done and done quickly to shock this country into a realization that we cannot afford to play with the fire of inflation. I think it is very important that we increase civilian production just as rapidly as we can because it appears to me to be the best way to absorb surplus purchasing power and check demands for higher wages and higher prices.

I don't know what the best military strategy should be in the war with Japan, but I am inclined to think too little attention is being paid right now to safeguarding our domestic economy. It goes without saying that our military needs should come first, but if our economy here at home collapses, we will not be in any position to meet the challenges of peace.

It has been a hope of mine that when we get the necessary bombing bases established in the Pacific war we might be able to beat Japan to her knees by the use of air and naval forces and thus save the tremendous loss of life which a land invasion is bound to entail. Such a strategy will also make it possible to reduce war production and increase civilian production. However, I understand that the military strategists say that such an approach is all wet.

Nevertheless, it would appear that the collapse of Germany involved much less land fighting than the military leaders planned for in the Pacific. Certainly reports of war correspondents and news releases from the European theaters seem to indicate that our devastating bombing was the major factor in destroying German resistance. If it worked there I see no reason why it should not work equally well in the war with Japan, thus making it possible for us to put many more millions of people in this country to work on civilian goods.

Mr. M. S. Eccles
May 31, 1945.

Monday in the Senate I made my second speech on the salary question and on page 5331 of the Congressional Record I took the liberty of quoting your very excellent statement.

Sincerely yours,

Wayne Morse

WM:KH

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The citation for the original is:

Clark, Henry Stuart. "Draft of Peace Terms Urged: Intelligent Diplomatic Policy Asked to Shorten Japanese War." *New York Times*, May 11, 1945.