

General outline and summary of Speech delivered before  
Federation of Polish Societies  
Idora Park, Youngstown, Ohio  
August 19, 1951

#### OUTLINE

1. Never before, in my memory, have we had to face a situation such as this. To assure peace, we must have strong defenses everywhere -- not only here, but in every place that is strategically important -- to insure peace in the world.

2. This situation means a protection of our System, our way of life, freedom, democracy; freedom in all things -- speech, worship, and education -- the freedom that was assured in our Declaration of Independence in 1776 and subsequently in our Constitution. Freedom to protect our homes, families, and as important and contributing to freedom, is our standard of living; everyone having an opportunity to better his standard of living and the standard of living of all those who follow him.

3. The things we now have weren't obtained easily. We had to work for them. We had to fight for them and even now we have to continuously struggle for them because even as we strive to maintain the security required for ourselves and for our children and for future generations, we must be constantly alert to the economic, political, and social changes that are taking place in the world. All of these affect us more and more as the world seems to be getting smaller and smaller. The radio, television, newspapers, and various other forms of communication and travel make the world seem very small.

4. The economy of one part of the world affects the economy of the other part of the world. The political form in one part of the world affects the political form in the other part of the world, and so, therefore, we must be constantly alert. And yet, because of our historic and geographical position, it is difficult for us to realize how important this is, for while we attempt to strengthen our defenses in order to assure peace in the world, we are apt to overlook the fact that the situation is no longer the same as it was 50, 100, or 200 years ago. The situation has changed considerably since World War I and has changed much more since World War II.

5. We have been thrown into a position of leadership and that leadership has had to be assumed at an early day of our history. Since 1492 and, of course, since 1776 and since George Washington and since Abraham Lincoln, the world has undergone so many changes that leadership has suddenly been thrust upon us and with that leadership comes responsibility. The question, therefore, is, "Can we meet the responsibility of leadership in order to insure peace in the world and, of course, in order to insure a continuation of all the things that we, the people of this country, have?"

6. We can meet this responsibility only if we know what it is, and to know what it is, we must analyze it.

8.

7. To analyze this responsibility we must apply the analysis first broadly and then segment by segment, management and labor, private enterprise and government, individual and family, community and town, town and city, city and county, county and state, and state and country.

8. We must look at it broadly. What is best for the greatest number of people? That means the greatest number of people -- not the greatest number of a certain class of people. Too often human nature is apt to let us feel inclined to seek restrictions and controls over the other segment in order to assure no restrictions and no controls over the individual or a certain group of individuals or management or labor.

9. The time has come when we have to assume that all human beings, regardless of who they are and what they are, should have the same opportunity and the same freedom. In other words, what human nature overlooks frequently is the fact that as you and I expand, we want to expand further and insure continued expansion, even though this may mean restriction on the other fellow.

10. This is no criticism on the part of anyone in particular. It is a mere observation of the way in which human nature operates.

11. That, therefore, is the most vital part of our defense program, and the most difficult part because in a situation such as this we are apt to destroy the very thing that we seek most -- and that is the maintenance of our system and our standard and the continuation of our freedom. That is the target that the Communists are shooting at. Their thinking is that if they can keep us confused and if they can keep us divided, if they can keep management fighting labor and labor fighting management; if they can cause disturbance among the various segments of our people and accentuate this disturbance or unrest in the various parts of our country, and if they can make us believe that they want peace. To use their expression, only a certain ruling class in the United States wants war. If they are able to accomplish these things, they can accomplish their goal without losing a man or without dropping a bomb and that eventually we shall have such confusion and such destruction among our own people that all they need is enough propaganda from time to time spread here and there to bring on social collapse. Most of all, they want economic disaster in this country. They know that this is the strongest country in the world economically and that this country produces more than any other country and the people are more free than they are in any other country; therefore, if they can use that freedom to destroy the other things by means of that freedom, which is no longer freedom but license, then they feel that they can accomplish their mission. They have done that in various countries, but more important to them is to do it in this country because of the position of this country and the strength of this country economically and politically.

This means, therefore, that we must in industry, in management and labor, in finance, and in the distribution of our products and in our government and in the various segments of our economy and in our political life, be ever alert to the corrections that we, therefore, must make and the contribution we must make to retain what we have for it is just plain simple logic that you cannot get unless you give.

12. As I see it today, the economy is as follows: We are preparing our defenses which means a large expenditure of money -- this large expenditure of money by government and by business adds to the purchasing power of the people of our country. This means that we have additional purchasing power by which to buy certain things. As there are fewer and fewer things to buy because more and more is produced for defense, the prices go up and the purchasing power of the dollar goes down. The economy is expanded. Should it suddenly contract, we have a downward trend. Should it continuously expand and no restrictions are put on the purchasing power in relationship to the things to be purchased, we have inflation which is inequitable in itself, but finally results in a deflation and if the spiral goes down, we then have a depression.

13. What we want, therefore, is stability. Even in a situation such as this at present, economic stability is what we are striving for in a high level of production and employment. We must endeavor to maintain a high level of stability even when we make further expenditures for defense. This means that we have to look at the picture broadly -- protect private enterprise, protect the laboring class, give the laboring man every opportunity to increase his purchasing power so that he can buy the things that private enterprise produces and sells and yet at the same time not allow our economy to get out of balance because should it get out of balance, it can fall of its own weight.

#### Summary of Speech

The key problem that faces the nation today is the threat of inflation. The danger grows out of our position in the world today. We can understand it only if we view it against that background.

The rapid developments of science and industry seem remote from the problem of inflation, but they are closely connected. The connection lies in the fact that those rapid developments mean rapid changes. They have meant rapid changes not only in warfare -- as witness radar, the atomic bomb, etc. -- but also in transportation, communication and production. You are familiar with the humorous cartoons and stories about how the arrival of television can upset the average household. Other scientific developments are constantly producing far more serious changes and dislocations throughout the human family and the family of nations.

Without trying here to explain the various steps by which it has happened -- wars, depressions, revolutions, and the like -- the fact is that the rapid changes throughout the world in the past half century, and especially in the past decade or so, have thrust this country into a position where it is far and away the most powerful, the most feared -- and the most envied -- of any in the world today.

You know from your own experience that that is a most difficult position for any person, or institution or nation to be in. Others are willing and eager to pounce upon the one in the exposed position, to weaken him, and even to destroy him.

When the person or nation has been thrust into that position suddenly, the problem is especially great. For there has been too little



time to develop and apply the leadership, the self-control, and the wisdom that are absolutely essential for survival in such an exposed position.

That is exactly what has happened to us. We have been suddenly thrust into that position. If we are to survive we must develop those powers to an extent never before known in history and with a speed never before known in history.

You know that the threat to our survival is very real. Mr. Stalin and the Kremlin are filled with envy, hatred -- and certainly to some extent fear -- of us. Their drive for world communism is aimed especially against us.

Communism claims to be an economic doctrine. If that is all it was we would have nothing to worry about. In any economic contest between communism and our system of competitive enterprise ours would be certain to come out the winner. It would become clear beyond any doubt that our system comes far closer to providing the greatest economic benefit for the greatest number -- not to mention the greater freedom and happiness in the process.

But Mr. Stalin and the Kremlin are interested in a great deal more than economics. In fact, it is becoming more and more clear that they are interested in economics very little if at all. What they are seeking chiefly -- and almost entirely -- is power. You know what that means between individuals or institutions. Between nations it means war -- either the big, large-scale shooting kind, or the less spectacular "cold war" that is waged against us by "small wars", subversion, dissension, and discord.

If Stalin can weaken us by sowing discord among our people -- or between us and our allies -- he can defeat us more easily in a large shooting war or in small wars of attrition.

The military danger is clear and easy to see. I have no doubt that the necessary planes and tanks and guns will be produced for our military defense.

The real question is whether we will demonstrate the necessary leadership in other fields. That is where the question of inflation fits into the picture. For the kind of armament program the Kremlin has forced upon us and our allies raises serious questions of "who pays the bill?"

You can be sure that someone must pay the bill. Our success or failure -- our survival or destruction -- can depend on who pays it and how. If it is paid fairly and efficiently it will place burdens on all of us, but burdens that can be borne. If it is paid unfairly or inefficiently it can produce dislocations, dissensions, and discord that would delight the heart of Stalin. There is every reason to believe that those dislocations, dissensions and discords are part of the Kremlin plan. They are counting on us to botch up the job of paying the bill.

If we allow inflation to go further it will mean that we are botching the job. It will mean that we are paying the bill through the irresponsible and dangerous method of higher prices. It will mean that we are letting higher prices cut down consumption and make the productive

capacity available for defense instead of doing it by definite taxes and by saving more and spending less.

Inflation is the most unfair and dislocating method of paying the bill. It hits those least able to bear the burden. It increases tensions between different groups. It can eventually cause a breakdown in both our economic and social structure. Nothing could suit Stalin better. Nothing could give him a cheaper victory.

What can we do to prevent inflation -- to see that the bill for our survival is paid fairly and efficiently? There are many things that each of us can do in his own business and personal life. There are others that we must do together through Governmental action. Let me list briefly a few that we can do individually.

1. Each of us should try to produce more and to produce more efficiently. If the production is armaments, the benefits are readily apparent. If the production is in other fields it has much the same effect by releasing manpower and facilities for defense production.

2. Each of us should save as much as possible. That means we will be deferring our spending today and postponing it to a time when the economy can supply the goods more easily.

3. Each of us should try to channel his investments into those lines that will aid defense or essential industries, and should avoid all others.

If each of us does those things conscientiously it will go far toward solving the problem. The more fully that every producer and every consumer is aware of that problem and its nature, the better the results we are likely to get. Therefore, I would add another thing that each of us should do individually:

4. Each of us should try to keep constantly before himself, his family, his friends and his associates the nature of the problem and the need to do these things.

Finally, there will be some things that we will need to do together, acting through our Government. None of us likes these, and we all hope they can be kept to a minimum and removed as soon as possible, but they are necessary nevertheless. Let me describe them as a fifth item.

5. We should encourage enactment, administration and compliance with adequate laws that will (a) levy appropriate taxes to keep defense as near as possible to a pay-as-we-go basis, (b) divert essential materials to defense, (c) prevent prices and wages from forcing each other up in a cumulative spiral, and (d) restrain all deferable expansion of credit.

All of these are tough jobs. They will test us severely. Stalin thinks we will fail. Is he right? Only you and I -- all the people of this country -- can demonstrate the leadership, the courage, and the determination to save ourselves and prove conclusively that he is wrong.