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Memorandum No. 2

The American capitalistic system based on the profit motive and measurably controlled against monopoly and against excessive accumulation by progressive income and inheritance taxes has developed the highest standard of living and the greatest production per capita in the world and under conditions of personal freedom and dignity of the individual. The principles of our Constitution have demonstrated by actual results the huge profits which have accrued to the American people where the representatives of all the nations on earth live together in peace and comparative plenty.

This country is not a brutal selfish plutocracy as portrayed by the Nazi, Fascist and Communist propaganda of Europe. When the American consumption of the great products like petroleum and its by-products, the comparative abundance of automobiles, radio receiving sets and conveniences of all kinds, the success of our American governmental system is capable of demonstration as compared to the condition of any of the people of Europe.

The European people are suffering now with the loss of liberty from one end of Europe to another. The dignity and worth of the individual has been sacrificed to an organization based on brute force. America would serve its interests well if the truth with regard to our government and the benefits which have arisen under it were skillfully set forth in the leading languages of Europe and with the evidence available for the text. America could afford to spend \$100,000,000 in legitimate publicity which would be based upon the simple truth upon heartfelt goodwill, upon a sincere desire to establish on earth the principles of government and domestic and international cooperation. Our system would give superabundance to the people of every nation on earth who chose to employ the established methods by which America has achieved these results. These arguments skillfully prepared with the proof and put in the languages of the different nations would find a fruitful soil in Germany itself and much more of course in countries like those smaller nations which have been conquered by the German war machine. It should be remembered that the German War leaders of 1918 were compelled by their people to agree to the Armistice based on the 14 points of President Woodrow Wilson.

The violent reaction which has grown out of the Versailles Treaty explains the Hitler movement. In undertaking to establish an informed public opinion in Europe with regard to our system extreme care should be taken to avoid any evidence of hostility but confine the exposition of the American system to the simple truth of the results of freedom under a written constitution carried out in an orderly lawful manner.

The expenditure of money in this field would be the most profitable form in which money could be expended for the future welfare of America, of Europe and of the World.