

COPY

Wednesday, March 30, 1938.

✓ Late Saturday afternoon I finished my third revision of the speech that I am to make in Chicago next Sunday night on the occasion of the Fiftieth Anniversary of the Jewish Daily Courier. The only reason I accepted this engagement was because I could get a national hookup which would give me an opportunity to say something to the country about recent developments of fascism, particularly with reference to the persecution of the Jews in fascist countries in Europe. I have been promised one-half hour's time on the Columbia Broadcasting System. The President of this system is a Jew and became interested when he knew the nature of my proposed address. I have been told that I am to have the full 110 stations of Columbia.

✗ A copy of the second draft was sent to the White House for clearance and Bill Hassett, who is operating in the absence of Steve Early in the South, sent it to the Secretary of State. This went over on Thursday of last week. Yesterday I was told that Hull hadn't made any suggestions and so the draft had been withdrawn and sent to the President. ✓ Yesterday afternoon I talked with the President and he told me that he had had word from Hull that while he didn't want to act as a censor he wished that I would cut out the reference that I had made to Naziism as well as references I had to current dictators.

I had already cut out the Naziism phrase and I had also made some other changes. The President said that he wanted me to "make Cordell happy." So this morning I called Hull. He didn't seem very happy. He made it clear that he wished that a member of the cabinet would not criticize even fascism. He told me that the Italian Ambassador had rushed in with a protest about the President's speech last week in Georgia in which he had referred to feudalism in Italy. I remarked to Hull that the fascists in Europe express themselves pretty freely and pretty adversely with respect to democracy and I didn't see

---

COPY

Wednesday, March 30, 1938, continued.

that we didn't have the right to defend our own system of government.

Hull went on to say that if the President wanted members close to the Administration to refer critically to fascism, as he suspected he did, it was all right with him. Accordingly, it would be a question between the President and myself. So I called the President again to tell him what Cordell had said. He made it very clear that he thought it was all right to discuss fascism in a critical vein. He had told me several days ago, over the telephone, that he thought my speech was fine. Today he made several minor suggestions that I have incorporated into the semi-final draft of my speech which has just gone to the mimeograph room.

I cannot understand Hull's attitude. He seems to defer unduly to Hitler and Mussolini while he all but rattles the sabre when it comes to Japan. He seems to want us to handle these European dictators with gloved hands. I think it is necessary to keep up the morale of our own people and to keep them convinced, if we can, that democracy, for us at least, is the best possible form of government. Anyhow, my address has not been weakened in any respect. As a matter of fact the changes that I have made were unimportant and the cuts I would have made in any event because my speech was a little too long.

The Senate finally passed the Reorganization bill last Monday after a terrific fight by the close vote of 48-43. There was some distinct disappointments in this vote. Certain so-called liberals voted against the bill as they had voted to recommit and after they had voted for hampering amendments one after the other. I have Senator Bone, of Washington, particularly in mind. Bone vaunts himself to be a great liberal, but for two or three years I have thought him to be a liberal of the very soft variety. For instance he let the Army in on the Bonneville Dam project over my vigorous protest. He promised to be with me on the forestry amendment, but he ducked that vote entirely. McNary too fell

---

down on me on forestry and so did King and two or three others on whom I had every reason to rely if their word was worth anything.

On Sunday, Tom Corcoran had called me at the house to tell me that after a vigorous last rally it seemed that there were enough votes to put the bill over. However, on Monday morning everything was shaky again. I had a long talk with Senator Byrnes and he felt anything but sure, although Jim Farley told me over the telephone Monday morning that he thought the votes were there.

During the last week or ten days there has been a perfectly tremendous amount of propaganda put out. Telegrams have poured in on the senators literally by the thousands. Ordinary commercial business on Monday morning had to be set aside by the telegraph companies. Labor got into the fight and all the farm organizations. I am convinced that some Government people were in it, but they kept under cover, doing their fighting behind such organizations as I have named.

One loss, and one that I regretted very much indeed, was that of Senator Wagner. Here is a man who has proved by his record that he is a genuine liberal and yet he was persuaded or frightened into voting against the bill on the final ballot. According to Ben Cohen, with whom I have discussed the matter, Wagner was scared in by labor and the Catholic Church. I had not known that the church, except Father Coughlin, was interested in this fight. The Catholic hierarchy in the east is very reactionary and has been opposing the President on most of his policies recently. Cardinal Mundelein, of Chicago, sees things differently, but he is the only Cardinal in America who has even a slight tinge of liberalism. I understand that he feels that it is necessary to fight the political battles of the underdog.

Through a technical mistake by Senator Byrnes the bill, instead of going to conference, had to go to the House. Congressman Dempsey called me yesterday

COPY

Wednesday, March 30, 1938, continued.

to tell me that he thought everything would be worked out all right on the House side. The House, at the last session, passed four bills covering different phases of the Reorganization plan. It will substitute these bills for the Senate Bill and then send the four to the Senate. This will mean that all will go into conference. Dempsey assured me that the general powers given to the President to interchange bureaus between the regular departments will not be touched by the House. It will pass a modified General Comptrollership bill and it may fuss a little over the Civil Service bill. However,, he thinks everything will come through all right.

N The President has been at Warm Springs for about a week. I have talked with him three or four times by telephone. He told me Monday afternoon that he was feeling fine and was coming back full of fight. I hope so, but I doubt it. I see no signs of returning confidence on the part of the President. I am hoping that if he finally wins his Reorganization Bill, as seems quite likely, he will show some signs of fight. The Supreme Court decision upholding the securities law, with only Justice McReynolds dissenting, also came down on Monday and this ought to encourage him. As a matter of fact New Deal measures have won sweeping victories in the Supreme Court ever since the President sent up his bill to enlarge the court. But the fact is that since the President was apparently beaten on the Supreme Court issue (and he was beaten technically, although in effect he won the victory) he does not seem to be to be the same man. Unless he does buck up these next two or three years are going to be rather dreary one, I am afraid, with a retreat all along the lines except for an occasional sortie.

Meanwhile the stock market has been falling out of bed rather regularly, and the business situation looks very bad indeed. Apparently the stock market situation is due almost entirely to lack of confidence on the part of the country.

---

Jesse Jones has a bill before the Senate, apparently endorsed by the President, which, among other things, would give RFC the right to make loans to municipalities for non-federal projects. In a letter to Senator Glass, who presented the bill, Jones said that PWA once had this power, but had it no longer. I called Senator Glass on Monday and yesterday I was asked to appear before the Banking and Currency Committee of the Senate, of which Wagner is Chairman. I told the Committee that Jones was in error in making this statement; that we not only had the power to make such loans, but that we had a trained and experienced organization qualified to pass upon applications and make recommendations. I suggested that if loans of this character were to be made PWA should act as the agent of RFC in examining applications. RFC would then advance the money and be the depository for the securities. For RFC to do this type of work would mean duplication and unnecessary expense. However, the Senate Committee, without very elaborate consideration and after a very brief hearing, voted the bill our favorably.

Jane came down Saturday night and went back to Cambridge yesterday. She had expected to sail today to visit her Uncle, John Cudahy, American Minister to Dublin, but he had sent her a cable asking her not to come until after the 15th. Her present plan is to sail next Wednesday.

Ann Ickes had an emergency operation for appendicitis last Friday. Fortunately the appendix had not burst so that she came through without any complications. Betty was in New Hampshire skiing with Ann and Jane. Jane rushed her in her car to the Boston airport where she caught an airplane for Chicago. I talked with her on Saturday and she said that everything was going along all right.

-----