



C O N F I D E N T I A L

MEMORANDUM FOR THE PRESIDENT

The title of this memorandum might well be "The Politics of 1948". The aim of the memorandum is to outline a course of political conduct for the Administration extending from November, 1947 to November, 1948. It is obvious that such an outline cannot encompass the details of a political course because they will depend upon interim developments. However, it is my conviction that we must chart a course at this time which will contain the basic elements of our policy.

Comments that are presented here are based solely on an appraisal of the politically advantageous course to follow. In a democracy, action that is politically advisable may often accord with the merits of a particular policy. Sometimes it does not. It may generally be assumed that the policy that is politically wise is also the best policy for this country.

An old axiom claims that politics is no more than a study of the probabilities. If that is so, there can be no original or unusual thinking in such a survey as this; it must, rather, be devoted to a review of the usual. Most of the comments to be made on modern American politics have already been said and are constantly being restated.

For instance, the basic premise of this memorandum -- that the Democratic Party is an unhappy alliance of Southern conservatives, Western progressives and Big City labor -- is very trite, but it is also very true. And it is equally true that the success or failure of the Democratic leadership can be precisely measured by its ability to lead enough members of these three misfit groups to the polls on the first Tuesday after the first

Monday of November, 1948.

It may, however, be useful to attempt an estimate, as of November, 1947, of what will probably happen in the next year and to suggest what steps

-2-

the Administration should now initiate so that it, rather than the opposition party, will direct (insofar as direction is humanly possible), the decision of the American people on Election Day.

As of today some probabilities are apparent. These should determine the Administration's political course and bearing for the next few months and preferably until the Democratic Convention in July. Some of these probabilities appear almost certainties; others, to say the least, are extremely arguable. Taken together, however, they may afford the Administration a working hypothesis on which to base its political actions.

A. The Probabilities.

1. Governor Dewey will be the nominee of the Republican Party.

This tentative conclusion is, of course, based on the usual factors. Among these is the fact that a strong candidate is required to defeat President Truman, as the recent Gallup Poll shows. Just as a year ago the probability was that any Republican could be elected, so the swiftly fluctuating currents of American opinion may again destroy the President's strong popularity a few months hence if "the breaks" -- such as an imminent European crisis which the American government fails to handle smoothly -- are against his Administration. But as of November, 1947, it takes a strong candidate to defeat him. The policies of Senator Taft, for example, have probably so

alienated large blocs of voters (viz, AFL President William Green's recent "dare" to the Republican Party to nominate Taft) that he permanently ruptured his chances for nomination. Although he may still be in a position to dictate the nominee, or in the alternative, there may be a deadlock between Dewey and Taft and the choice will fall on someone such as Eisenhower, Vandenberg or Warren, these possibilities are at this time so speculative it would be quite inadvisable to formulate a political program on them.

It should be assumed, therefore, that the candidate is Dewey (the only man to lead the President in the Fortune Poll); and that, because of his 1944 experience and because of the extremely efficient group of men

-3-

he has drawn around him, he will be a resourceful, intelligent and highly dangerous candidate, even more difficult to defeat than in 1944.

2. President Truman will be elected if the Administration will successfully concentrate on the traditional Democratic alliance between the South and West. It is inconceivable that any policies initiated by the Truman Administration no matter how "liberal" could so alienate the South in the next year that it would revolt. As always, the South can be considered safely Democratic. And in formulating national policy, it can be safely ignored.

The only pragmatic reason for conciliating the South in normal times is because of its tremendous strength in the Congress. Since the Congress is Republican and the Democratic President has, therefore, no real chance to get his own program approved by it, particularly in an election year, he has no real necessity for "getting along" with the Southern conservatives. He must, however, get along with the Westerners and with labor if he is to be reelected.

if he is to be reelected.

The Administration is, for practical purposes, politically free to concentrate on the Winning of the West. If the Democrats carry the solid South and also those Western states carried in 1944, they will have 216 of the required 266 electoral votes. And if the Democratic Party is powerful enough to capture the West, it will almost certainly pick up enough of the doubtful Middlewestern and Eastern states to get 50 more votes (e.g. Missouri's 14 votes). We could lose New York, Pennsylvania, Illinois, New Jersey, Ohio, Massachusetts -- all the "big" states -- and still win.

Therefore, political and program planning demands concentration upon the West and its problems, including reclamation, floods, and agriculture. It is the Number One Priority for the 1948 campaign. The Republican Congress has already done its share to give the West to the Administration.

-4-

3. Henry Wallace will be the candidate of a third party.

As of November, 1947, the majority of informed opinion does not favor this particular hypothesis. Nevertheless, the factors which impel Wallace toward a third party clearly outweigh those which do not.

For one thing, the men around Wallace are motivated by the Communist Party line. The First Lord of the Kremlin who determines the Party line is still Karl Marx. The Marxists emphasize that the capitalist economy holds within itself the seeds of its own destruction; that it must inevitably destroy itself by depression and collapse. But within this rigid ideology is the directive that when and where possible the Party must hasten the process. Moscow is sufficiently aware of American politics to

perceive that a Republican administration would be rigid and reactionary, and would fail to take those governmental steps necessary to bolster the capitalist economy in time of crisis. It is also convinced there is no longer any hope that the Truman Administration will submit to the Russian program of world conquest and expansion. From the Communist long-range point of view, there is nothing to lose and much to gain if a Republican becomes the next President. The best way it can help achieve that result, and hasten the disintegration of the American economy, is to split the Independent and labor union vote between President Truman and Wallace -- and thus insure the Republican candidate's election.

The best evidence supporting this probability is that the men who surround Wallace today are Party-liners such as C. B. Baldwin, political opportunists such as Harold Young, and gullible idealists like Michael Straight. These men will persuade Wallace it is his duty to his country to run, as they have persuaded him to do everything else they ever wanted him to do. The most recent reports on Wallace's personality by men who know him well are that while his mysticism increases, the humility which was once his dominant characteristic has decreased to the vanishing point; there is something almost Messianic in his belief today that he is the Indispensable Man.

-5-

There is some evidence to the contrary. Wallace has been silent since the announcement of the Marshall Plan, except to claim that the idea was originally his. Within the last few weeks an American Communist Party manifesto which restated the Party line told the faithful that the American Communists are no longer interested in a third party. And Senator Claude Pepper, a devout if cynical follower of the Party line, said on the White House steps that a third party was impossible.

White House steps that a third party was impracticable and that Wallace could serve his country best as a private citizen.

But these are merely surface phenomena. A more accurate impression is that the Comrades are making a strategic withdrawal for the moment. Tactical considerations, brought about by the refusal of Hillman's old union to back a third party and thus threatening a possible split in the New York American Labor Party which the Communists only barely control, have caused a temporary soft pedal. The Party line can change swiftly with events. Recent events, both international and domestic, (such as the Presidential veto of the Taft-Hartley Act and the Marshall Plan) do not favor preaching a third party for the moment.

The speech made by Vishinsky at the United Nations is surely proving embarrassing to Henry Wallace. The motives of this country in attempting the economic rehabilitation of Western Europe were attacked in vitriolic phrases which were glaringly inaccurate and unfair. The speech outraged the American people and Wallace surely knows this.

November and December may well show the Communist Party again moving toward the third party. On Labor Day Wallace broke his long silence to address the Wayne County CIO Council in Detroit. This labor council was recently captured by the Communists. His speech before 65,000 persons again threatened a third party. Reid Robinson and Lee Pressman, both party-liners, called for a third party at the August convention of the Mine, Mill and Smelter Workers, a Communist-dominated union. The New York State CIO Council at its annual convention on September 6th rejected a resolution against a third party.

The casual comment by the professional politicians on third party talk is that it is futile since a third party cannot get on enough

state ballots. This is dangerously unrealistic. Wallace is gambling for high stakes. He hopes to defeat President Truman by splitting the Democratic Party and then inherit its leadership so he can be the candidate of 1952. If Wallace can get on the ballots of only a few states and can then draw five or ten per cent of the vote, that vote alone taken from the Democrats in a close election is enough to give the Republicans the electoral vote of those states and therefore national victory. And Wallace can get on the ballot of New York (American Labor Party) and California and other states.

It is also very dangerous to assume that the only supporters of Wallace are the Communists. True enough, they give him a disciplined hard-working organization and collect the money to run his campaign. But he also has a large following throughout the country, particularly of the young voters who are attracted by the idealism that he - and he alone - is talking and who regard war as the one evil greater than any other. He will also derive support from the pacifists, which means a great number of organized women and from whatever irreconcilable and die-hard isolationists remain. He will attract votes -- and money -- from the "lunatic fringe." The California Townsendites are already pledged to him.

In a close election, no votes can be ignored. The only safe working hypothesis is to assume now that Wallace will run on a third party ticket. Every effort must be made now jointly and at one and the same time -- although, of course, by different groups -- to dissuade him and also to identify him and isolate him in the public mind with the Communists.

4. The independent and progressive voter will hold the balance of power in 1948; he will not actively support President Truman unless a great effort is made. The Democratic and Republican Parties each have a minimum, a residue, of voters whose loyalty almost nothing can shake. The

independent voter who shifts on the issues comprises a group which today is probably larger than both.

The truth is that the old "party organization" control is gone forever. Better education, the rise of the mass pressure group, the economic depression of the 30's, the growth of government functions-- all these have contributed to the downfall of "the organization." Tammany, Hague, Kelley and the rest of the straight party leaders, while still important, are no longer omnipotent, no longer able to determine the issues. For practical political purposes, they are moribund; they cannot be relied on to do the job alone.

They have been supplanted in large measure by the pressure groups. In these pressure groups are the farmers, still traditionally Republican, and organized labor which became "traditionally Democratic" under Roosevelt. Another loosely organized group are the progressives who followed Roosevelt for four elections but are increasingly restive under President Truman, mostly because of the reactionary domination exercised over the Democratic Party by the Congressional Southerners who, although a minority of the Democratic Party, are a majority of the Party-in-Congress and are assuming control of the Party organization councils. And also among these groups are the racial groups who have learned to use the vote as an economic weapon and who can no longer be satisfied with a Tammany turkey on Thanksgiving.

(a) The Farmer. The farm vote is in most ways identical with the Winning of the West -- the Number One Priority. The farmer is at least at present favorably inclined toward the Truman Administration. His crops are good. However the high prices may be affecting the rest of the people, they help him more than hurt him. Parity will protect him -- and the Marshall Plan will aid him. The economic and political trend of the Administration (except its tax program) is going his way. Whether prosperity makes him the conservative he usually becomes in good times remains to be

seen - but, if it does, nothing much can be done about it in terms of more political or economic favors to woo him back to the Democratic banner.

(b) Labor. President Truman and the Democratic Party cannot win without the active support of organized labor. It is dangerous to assume that labor now has nowhere else to go in 1948. Labor can stay home.

The rank and file of the workers are not yet politically minded; they will not, therefore, vote or work actively unless they are inspired to do so. They were so inspired by Roosevelt. They were not so inspired in the 1946 Congressional elections. In those elections they did not vote Republican but they did stay home. The labor group has always been politically inactive during prosperity. When they are well fed they are not interested. They will probably be well fed in 1948. The effort to get out the labor vote will thus have to be even more strenuous than in 1944.

The President's veto of the Taft-Hartley Bill, coupled with vehement dislike of the Republicans because they passed it over his veto does indicate that as of today Labor is friendly to the President. But to assume that it will remain so throughout 1948 is to assume that labor leaders are logical men. They are as deficient in that quality as other men.

The situation in the two major Labor organizations presents a number of curious factors.

The AFL always looks for a bargain. It will want a new one in 1948. The veto of the Taft-Hartley Bill was in 1947. In 1948 it is entirely possible that the attitude will be - "You haven't done anything for me lately." The rising leader of the AFL is George Meaney who heads the

me lately. The rising leader of the AFL is George Meany who heads the New York AFL Council. By his direction, and for the first time in many years, the AFL in 1946 refused to endorse the Democratic candidates for Governor and Senator in New York. In a radio speech in September, 1947, Meany used some exceedingly significant language. Assailing the Taft-Hartley

-9-

Act, he deliberately, and time after time, confined his attack to "Congressional Republicans." He carefully said nothing against the Party as a whole or against such non-Congressional Republicans as Governor Dewey with whom he is friendly. It is entirely possible that the Republican Congress in the regular session in 1948 will pass minor amendments to the Taft-Hartley Act, will pass an increased minimum wage bill and a health and housing program. This could be sufficient to cause the AFL to support the Republican Party if the candidate were someone other than Taft.

Apparently William Green remains enthusiastic about the President. You will recall that after the veto of the Taft-Hartley Bill he told the writer that it was a great decision on the part of the President and showed that he was on the side of the common man. Since that time he has had no personal contact with the President and it is for this reason that it is most important that the President see him on a subject unrelated to the Labor controversy. A conference between the President and Green on the Marshall Plan will give Green greater standing with his own men and will assist in formulating in Green's mind the attitude that he and the President are co-workers in striving toward the same goal.

The CIO is badly split between the Right Wing, who are trying to drive the Communists out, and the Left Wing who are constantly attempting to increase their influence in the organization. Phillip Murray's past course of conduct indicates that he will probably continue to do everything in his power to hold the CIO together even though it means a form of involuntary cooperation with the Communists inside the organization. It is doubtful, at the present time, if Murray has much control over the CIO. If future developments, however, weaken the position of the Communists in the CIO, Murray may emerge with greater strength. It is also felt that it is an extremely wise decision for the President also to see Murray with reference to the Marshall Plan.

-10-

Of all Labor, only the Railroad Brotherhood seems at this stage to be completely friendly to the Democrats. The "flip-flop" of A. F. Whitney, who once swore a bitter oath that he would defeat the President if it took thirty million dollars, is a surprising, but nonetheless encouraging, trend.

The moral is plain. Much work needs to be done with organized Labor. The moment will never be as propitious again. It is not suggested that the President must carry this load personally but the National Committee and certain Cabinet Members can render a real service in this field. We can expect that the Dewey forces will increase their efforts to cultivate Labor and the greatest progress in this direction can be made by our side if we make the effort now.

(c) The "Liberals". The liberal and progressive leaders are not overly enthusiastic about the Administration. Foreign policy has forced the large bulk to break sharply with Wallace and the fellow-travelers.

And, of course, they find no hope in Republican activities as evidenced by the recent Congress. Fear of the Republicans may drive them to activity for President Truman, but at present there is no disposition to do much more than stay home on election day. Whether their reasons are valid or otherwise, many of them feel that the progressive wing has been cut off by the Southerners and the "organization" leaders from any say in the Democratic Party. This is particularly true of such organizations as Americans for Democratic Action where most of the Roosevelt New Dealers have found haven. When Adolf Berle, after calling on the President as chairman of the New York Liberal Party, announced he was against Wallace and a third party and that the New York Liberal Party would support President Truman, an almost universal criticism among the progressive groups of this statement was that Berle acted unintelligently -- he had thrown away the bargaining power of his group a year before the election and had received nothing in return.

The liberals are numerically small. But, similar to manufacturers and financiers of the Republican Party, they are far more influential

-11-

than mere numbers entitle them to be. The businessman has influence because he contributes his money. The liberal exerts unusual influence because he is articulate. The "right" may have the money, but the "left" has always had the pen. If the "intellectual" can be induced to back the President, he will do so in the press, on the radio, and in the movies. He is the artist of propaganda. He is the "idea man" for the people. Since the rise of the pressure groups, the men of ideas who can appeal to them on their own ground, in their own words, have become an essential ally to the alert candidate in modern American politics.

President Roosevelt, their leaders swung the Pennsylvania Negro bloc into the Democratic column with the classic remark, "Turn your picture of Abraham Lincoln to the wall - we have paid that debt", the northern Negro has voted Democratic (with the exception of 1946 in New York). A theory of many professional politicians is that the northern Negro voter today holds the balance of power in Presidential elections for the simple arithmetical reason that the Negroes not only vote in a bloc but are geographically concentrated in the pivotal, large and closely contested electoral states such as New York, Illinois, Pennsylvania, Ohio and Michigan. This theory may or may not be absolutely true, but it is certainly close enough to the truth to be extremely arguable.

In great measure, this explains the assiduous and continuous cultivation of the New York Negro vote by Governor Dewey and his insistence that his controllable legislature pass a state anti-discrimination act. No less an authority than Ed Flynn has said privately that Dewey will take New York from President Truman in 1948 because he controls the Negro and Italian blocs. This explains the strenuous efforts made by Wilkie in the 1940 campaign to get the Negro vote and it, of course, explains the long continuing solicitude of the New Deal wing of the Democratic Party toward the Negro.

There are several straws, aside from the loyalty of his leaders to Dewey, that the northern Negro is today ready to swing back to his traditional moorings -- the Republican Party. Under the tutelage of Walter White, of the National Association for the Advancement of the Colored People, and other intelligent, educated and sophisticated leaders,

the Negro voter has become a cynical, hardboiled trader. He is just about convinced today that he can better his present economic lot by swinging his vote in a solid bloc to the Republicans. He believes the rising dominance of the Southern conservatives in the Democratic councils of the Congress and of the Party makes it only too clear that he can go no further by supporting the present Administration. Whether his interest lies in a Federal Anti-Poll Tax Statute, in the protection of his civil liberties, or in a permanent federal FEPC, he understands clearly that he now has no chance of success with any of these because of the Southern Senators of the Democratic Party.

As well aware of this Democratic chink in the armour as the Negro are the Republican politicians. They make no great secret of their intent to try to pass a FEPC Act and anti-poll tax statute in the next Congress. Whether they are successful -- or whether Democratic filibusters will block them -- they can't see how they can lose in such a situation either way. The Negro press, often venal, is already strongly Republican.

To counteract this trend, the Democratic Party can point only to the obvious -- that the really great improvement in the economic lot of the Negro of the North has come in the last sixteen years only because of the sympathy and policies of a Democratic Administration. The trouble is that this has worn a bit thin with the passage of the years. Unless the Administration makes a determined campaign to help the Negro (and everybody else) on the problems of high prices and housing--and capitalized politically on its efforts--the Negro vote is already lost. Unless there are new and real efforts (as distinguished from mere political gestures which are today thoroughly understood and strongly resented by sophisticated Negro leaders),

the Negro bloc, which, certainly in Illinois and probably in New York and Ohio, does hold the balance of power, will go Republican.

(e) The Jew. The Jewish vote, insofar as it can be thought of as a bloc, is important only in New York. But (except for Wilson in 1916) no candidate since 1876 has lost New York and won the Presidency, and its 47 votes are naturally the first prize in any election. Centered in New York City, that vote is normally Democratic and, if large enough, is sufficient to counteract the upstate vote and deliver the state to President Truman. Today the Jewish bloc is interested primarily in Palestine and will continue to be an uncertain quantity right up to the time of election. Even though there is general approval among the Jewish people regarding the United Nations report on Palestine, the group is still torn with conflicting views and dissension. It will be extremely difficult to decide some of the vexing questions which will arise in the months to come on the basis of political expediency. In the long run, there is likely to be greater gain if the Palestine problem is approached on the basis of reaching decisions founded upon intrinsic merit.

(f) The Catholic. The Catholic vote is traditionally Democratic. The controlling element in this group today from a political standpoint is the distrust and fear of Communism. It is reported that Senator Mead, in his candidacy for Governor of New York, lost Catholic votes because he tolerated a loose alliance with the American Labor Party which is controlled by the Communists. The attitude of the President and the Administration toward Communism should exert a definite appeal to this group but it is entirely possible that closer liaison should be established.

(g) The Italian. The Italian vote--which has weight in New York, Rhode Island, Massachusetts, California and several minor states because it almost always votes as a solid bloc-- is notoriously volatile, swinging easily from party to party. Roosevelt came perilously close to losing it with his offhand remark in 1940 about Mussolini's "stab in the back" of France. But

he regained it, and in fact almost made it Democratic forever in 1943 when he formally declared Italian aliens were no longer classified as alien enemies for the rest of the war. Today the Italian racial leaders are again somewhat unhappy--this time because they regard the peace treaty for Italy as unnecessarily harsh.

(h) The Alien Group. As of today, the Administration enjoys good standing with the Harrison group interested in expanded immigration quotas. This is a result of the President's forthright fight for the Stratton Bill. But the leaders of this organization have learned "the hard way" to be politically sophisticated over the last few years. They deliberately plan to make the best trade they can for the DP's and the other alien groups they represent and have no interest in whether it is to be made with Democrats, Republicans or Hottentots. They are convinced that both parties are primarily interested only for the votes involved; they are ready to act accordingly. On this issue, too, the Administration must carry as its handicap the fact that the major opposition to lowering the immigration barriers comes from its own Southern conservatives. Although not as severely, the Republicans are similarly obstructed here because so many of their Congressmen are residents of small towns and rural areas whose people are bitterly opposed to further immigration. The labor organizations, which originally caused the passage of the immigration laws, have publicly changed their minds and endorsed the Stratton Bill.

The immigration leaders today lean to the belief the Democrats are more sympathetic, but they maintain a flexible position.

5. The foreign policy issues of the 1948 campaign will be our relations with the USSR and the Administration's handling of foreign recon-

struction and relief. The probability that the foreign affairs of the United States will remain on a basis of "bi-partisan cooperation" is unfortunately remote. The stakes in a Presidential contest are so huge that the temptation to make an issue of anything on which there is any segment or

-15-

group of dissatisfied voters is too irresistible.

There is considerable political advantage to the Administration in its battle with the Kremlin. The best guess today is that our poor relations with Russia will intensify. The nation is already united behind the President on this issue. The worse matters get, up to a fairly certain point -- real danger of imminent war -- the more is there a sense of crisis. In times of crisis the American citizen tends to back up his President. And on the issue of policy toward Russia, President Truman is comparatively invulnerable to attack because of his brilliant appointment of General Marshall who has convinced the public that as Secretary of State he is non-partisan and above politics.

In a flank attack tied up with foreign policy, the Republicans have tried to identify the Administration with the domestic Communists. The President adroitly stole their thunder by initiating his own Government employee loyalty investigation procedure and the more frank Republicans admit it. But their efforts will intensify as the election approaches, particularly when the meagre results of the civil service investigations are made public by the Republican Congress.

If the third party effort fizzles, it is quite possible the Communists will try to deliver the unions they dominate to the Republicans. The shoe may conceivably be on the Republican foot by election time -- and it will be the Democrats' turn to emphasize the red lining on the opposition banner. When Bridges, Curran and Mike Quill "went down the line" for

banner. When Bridges, Curran and Mike Quill "went down the line" for Willkie in 1940 under the whip of the Nazi-Soviet Pact, President Roosevelt tried to do exactly that but his charge was so new and unexpected, and the Communists so adroit in executing their directives, that the Democratic assertion, although true, just wasn't believed by a naive public. If this comes about in 1948 and the Democratic "timing" is better handled, it might prove invaluable, particularly as the American public is more sophisticated and more sensitive to the red issue than it then was.

-16-

But domestic Communism is merely a sideshow to the "Big Tent." On the main issues, the Republican strategy on foreign policy as it appears to be developing is a very effective one. It is effective because of its simplicity -- "everything that is good about American foreign policy is Marshall; everything that is bad is Truman." In addition, there is increasing evidence that the Republicans are taking the line that they have played an important part in the determination of the successful phases of our foreign policy. Vandenberg is used as the symbol of Republican participation in foreign policy, always to the credit of the Republican Party and to the discredit of the Administration.

Republican propaganda is repetitious on the theme that Soviet expansion in Europe could and should have been stopped long ago and that only Roosevelt's bungling at Yalta and President Truman's actions at Potsdam prevented this from happening; that the money spent, \$23 billion, for foreign relief seems to have done no good whatsoever; and that the occupation of Germany is a costly failure. This strategy was sharpened by Senator Taft in his Ohio speech when he very carefully emphasized that these weaknesses could not be blamed on the Republican Congress -- only a

strong Executive, said he, can give the nation a sound foreign policy. Congressman Bender of Ohio, a Taft spokesman, in early September urged that we abandon Europe since all the money poured in since VE-Day had been wasted.

The situation in Greece may become a political issue in 1948. Secret reports from the State Department indicate that the situation is worsening in Greece and the Communists are growing stronger and bolder. By the summer of 1948 the Truman Doctrine will have been on trial in Greece for a full year and, if conditions there have failed to improve, the Administration will be charged with having blundered. Every effort must be made to insure the success of our efforts in Greece.

-17-

6. The domestic issues of the campaign will be high prices and housing. The High Cost of Living will be the most controversial issue of the 1948 campaign -- indeed the only domestic issue. Whichever Party is adjudged guilty of causing it will lose the election. For that reason, the presentation of its case by the Democratic Party -- the manner, the substance and the effectiveness of its evidence -- is of crucial importance.

In a sense, Housing is a part of the larger price issue. Yet it has its own separate dramatic possibilities and for most purposes can be treated as separate. For instance, the World War II Veteran, not yet as politically conscious as prices may force him to be next year, has been led to believe (whether rightly or wrongly) that he has a vested interest in adequate housing. This alone is enough to cause concentration on the is

adequate housing. This alone is enough to cause concentration on who is responsible for the lack of housing -- the Democratic President or the Republican Congress. But the pressures on both landlord and tenant, on builder and buyer, will also result in expanding the issue so that almost every voter will be affected.

As part of the general strategy of their high command to move somewhat more to the "left" in the second session of Congress, the Republicans will push some sort of a housing bill. Whatever they do sponsor, in all probability a "watered-down" version of the Taft-Wagner-Ellender bill, will be an anathema to their financial backers but they know they must make a real attempt on housing to hold the so-called "middle class vote" which in 1946 gave them control of the Congress.

The high cost of living will clearly be the main issue in 1948. The Republicans have already begun their attack upon the Administration in this regard and have attempted to place the blame upon the President for high prices. They contend that the President is responsible because he encouraged wage increases for labor and because he, in the last analysis, removed price controls.

-18-

It is extremely doubtful if the Republicans have made any progress in their effort to sell this package to the American people. The people remember the President's plea for continuation of controls and the Republican refusal to acquiesce in his request. When the right time comes, the President can clarify this issue greatly by reading the record to the people.

This will not be sufficient, however. The present price problem is so acute to the American people that they don't have nearly so much

interest in who caused it in 1946 as in who is going to do something about it in 1947 and 1948. The President must present to the Congress a program for the control of prices that, if enacted by the Congress, will actually prove to be effective. If the President recommends a bold program and the Congress refuses to go along with him, then we will be storing up valuable ammunition to use at a later time - for we must face the fact that without some form of controls prices are not only not going to come down but they are going to continue to go up.

Our record on prices must be crystal clear because there is the ever present danger that if prices continue to go up, the people may be so irritable and irrational about the problem that they will vote the "ins" out and the "outs" in.

The manner in which the Administration dramatizes the high cost of living and the effectiveness with which it can present its story to the people can largely determine the next incumbent of the White House.

7. The conflict between the President and the Congress will increase during the 1948 session. With both major parties making their records for the campaign, and with each trying to claim credit for popular issues and to place the blame for the unpopular ones on the opposition, the political atmosphere will be so pervading that little real "business" will be done. The mutual distrust which such conduct necessarily engenders must result in a continual conflict almost from the beginning of the session.

This may mean the end of "bipartisan cooperation" on foreign policy. In the election year atmosphere, it is quite difficult to "compartmentalize" issues. To expect reasonableness and partnership

on foreign affairs while guerrilla warfare is going on in domestic matters is to expect that politicians overnight have become more than the mere mortal beings they are.

Insofar as it has control of the situation, the Administration should select the issues upon which there will be conflict with the majority in Congress. It can assume it will get no major part of its own program approved. Its tactics must, therefore, be entirely different than if there were any real point to bargaining and compromise. Its recommendations -- in the State of the Union message and elsewhere -- must be tailored for the voter, not the Congressman; they must display a label which reads "no compromises." The strategy on the Taft-Hartley Bill -- refusal to bargain with the Republicans and to accept any compromises -- paid big political dividends. That strategy should be expanded in the next session to include all the domestic issues.

B. The Course of Action.

If the "Probabilities" (as discussed above), or most of them, are correct, there remain the twin problems of how to take advantage of those which are favorable and how to effect changes in those unfavorable.

The action required to achieve this should take place on two levels -- the political level and what can be called "the program" level.

1. The Political level.

(a) "The Party Organization." The one particular upon which all politicians agree is that the leadership of the Democratic organization is moribund. It is hardly important on this late day whether this is anyone's fault. The blunt facts seem to be that the Party has been so long in power it is fat, tired, and even a bit senile. Those alert party machines which,

beginning with 1932, turned out such huge majorities in the big cities for the Democratic ticket have all through the years of their victories been steadily deteriorating underneath -- until in 1944 the Democratic organization found itself rivaled, in terms of money and workers, and exceeded in alertness and enthusiasm by the PAC.

Everywhere the professionals are in profound collapse.

Hague and Kelley admit publicly they are through as political bosses of the first magnitude. They have left no one in their places; their organizations are shot through with incompetence. There are a few signs of revival in New York under Mayor O'Dwyer but hardly enough to justify any optimism. In Ohio the regular organization wars with former Governor Lausche. Jim Curley, still Boston's great vote getter, fills his cell with threats of smashing the party in Massachusetts -- and no one doubts for a minute that he can do it. Pennsylvania is torn between Lawrence and Joe Guffey and every time Lawrence gets some Federal patronage to dispense, Guffey sings the praises of Henry Wallace as publicly as possible. The California quarrel is so dramatic it needs no comment. In worse or less degree, the situation is the same in most of the states.

The present "organization" pours out reams of publicity; it is dispatched by mail, by press and by radio but there seems to be hardly anyone out "beating the bushes" to harmonize where possible and desirable, to reconstruct where necessary, the leadership in the states and the cities, the towns and the counties.

The one essential is to have the new Chairman of the National Democratic Committee, as soon as possible--working to rebuild the Party organization from the ground up and trying to harmonize such appalling feuds as that in California. The practice of today's Democratic organization in spending almost all its time in raising money and doing favors for "the faithful" may be useful but it does little to rebuild the Democratic Party -- and that is what it needs.

(b) Liaisons with Labor and Independents. Just as vital

-21-

to eventual political success is the renewal of the Administration's working relationship with progressive and labor leaders. Whatever may be the reasons, these seem to have entirely ceased except on a perfunctory basis in the past year. No moment will ever be better for the President to make political capital out of the present frustration of the labor movement.

The leaders of labor must be given the impression that they are once more welcome in the councils of the Administration. Much of this cultivation can be done only by President Truman himself. Immersed in the staggering burden of his work and preoccupied with his day-to-day problems, it is easy for the incumbent of the White House to forget the "magic" of his office. The mere extension of an invitation to William Green, Dan Tobin, Philip Murray, Dubinsky or any of the prominent leaders to "come in and talk with me" has a stupendous effect on them and their followers.

One by one they should be asked to "come by" and the President should ask them for their advice on matters in general. (This is a question of delicate "timing" -- it is dangerous to ask a labor leader for advice on a specific matter and then ignore that advice). No human being -- as every President from Washington on has ruefully learned -- can resist the glamour, the self-important feeling of "advising" a President on anything.

Thus the relationship looking toward 1948, which is after all a common goal for Democrats and organized Labor, can begin to function. But more than that is needed. The President should select a lieutenant, or lieutenants, whom he personally trusts who would continue to "make hay" for him. A fresh "face" is desirable. He should have, besides the President's ear, the confidence of the labor leaders. There are several such men

ear, the confidence of the labor leaders. There are several such men already in the Administration who have the ability to handle such a complicated political operation. This Presidential agent should be instructed to begin general conversations with the CIO, AFL, and the Railroad Brotherhoods. If he is successful, well and good; if he fails, no great harm has been done and someone else can be selected to plow this field. But a man with

-22-

vigor and intelligence -- and a good sense of how far to go and when -- should start immediately.

In this way perhaps the mistakes of the Pennsylvania Congressional by-election on September 19th, which proved so disastrous to Labor, might be avoided in the future. Experienced politicians saw the pitfalls of such a test and disapproved the amateur methods of the CIO, including "outside interference", emphasis on the labor issue in the worst kind of district for it, and so on, almost through the Book.

But, if the Administration's labor lieutenant (never appearing publicly in the campaign) could have worked out the general strategy in concert with the AFL, the CIO and the progressives, and coordinated them with the local Democratic machine, the harmful effect of the Pennsylvania election could have been avoided. It must be avoided in the pre-convention tests remaining.

A program of cultivation should also be carried on with the progressive and independent leaders around the country. Again some one lieutenant -- personally selected by the President -- should be entrusted with this campaign.

By such mechanisms as these, the complaints, the attitudes and the points of view of these two vote-getting groups can be funneled into

the White House so it will be really informed about just what is going on. These regular reports added to those made by a revitalized party organization will increase the Administration's political intelligence, today sadly atrophied.

And by election time, the Administration, Labor and the progressives will have built a mechanism of coordination with one another equipped to function throughout the storm and stress of a Presidential campaign.

(c) The Insulation of Henry Wallace. Wallace should be put under attack whenever the moment is psychologically correct. If it is clear that organizational work is being undertaken by his men in the West, either for a third party or for delegates to the Democratic Convention -- and that

-23-

work seems to be taking effect -- the Administration must persuade prominent liberals and progressives -- and no one else -- to move publicly into the fray. They must point out that the core of the Wallace backing is made up of Communists and the fellow-travelers. At the same time, some lines should be kept out so that if the unpredictable Henry finally sees the light and can be talked into supporting the Administration, he will have a handy rope to climb back on the bandwagon -- if he is wanted.

But there is only futility in the delusion that Wallace can be insulated merely by yelling at him. As his own lieutenants say, and accurately, in their private conversation, "Henry can be stopped quite easily; all President Truman has to do is move to the left and our ground is cut out from under us; but we are quite sure he won't do it." How the Administration can move "left" belongs in the discussion of the "program" (below).

But along with programs there are the men who execute these programs. And here is the strong weapon of the President's arsenal -- his

programs. And here is the strong weapon of the President's arsenal -- his appointing power. Politicians, like most other people, think of issues in terms of men, not statistics. When the President moves "left" in his appointments, he is putting political money in his bank.

The September 11th speech by Wallace was his first really adroit one. It was a bid to the discontented liberals wavering behind President Truman. What he said publicly they have been saying privately with increasing bitterness -- even those who support the President. Henry Wallace appealed to the atavistic fear of all progressives -- the fear of "Wall Street". This fear is not the sole property of the progressives. It belongs traditionally to the Democratic Party. It began with the agrarian Jefferson's battle against Hamilton, it continued with Jackson's fight against Nicholas Biddle's bank, it found its silver tongue in the crusades of William Jennings Bryan, and it came to full flower under Wilson and Franklin Roosevelt. In a very important sense, it is the reason for the Democratic Party -- because the only way to explain the lasting alliance between the South and the West

-24-

is their mutual fear of domination by the industrial East. Today the South can agree on no issue with the West -- except "Wall Street."

Wallace's men went to Machiavelli and to American history when they put his September 11th speech together. Its appeal is devastating. In effect, all he had to do was call the roll -: Harriman, Forrestal and Lovett, Wall Street investment bankers; William Draper and Saltzman, investment bankers; Jack McCloy, Wall Street lawyer, and so forth. And to cap his climax, Wallace reminded his listeners of the White House visits by Herbert Hoover, the man against whom Roosevelt ran four times no matter whom the Republicans nominated.

The Wallace plan is simplicity itself. It should be -- because

it has been used before. He merely borrowed it from Fighting Bob LaFollette who received five million votes in 1924 by attacking Coolidge and John W. Davis as "Tweedledum and Tweedledee, the messenger boys of Wall Street." And the significance of the LaFollette third party was not its total vote but that the Progressives ran ahead of the Democrats in eleven Western states. The combined Democratic-Progressive vote was larger than the Republican vote in thirteen states, including President Truman's own state of Missouri. Democrats who voted for Davis would have voted for any Democrat and the LaFollette Progressives would have voted for any liberal Democrat. In effect, then, this was a present of 86 electoral votes to the Republicans, not enough to change the 1924 election (382 minus 86 equals 292 votes; 136 plus 86 equals 222); but it is more than enough to raise havoc for a close election. Henry Wallace may be fuzzy-minded on many matters, but his mathematics is all right.

President Truman must carry the West to win. To carry the West, he must be "liberal"; he cannot afford to be shackled with the Wall Street label by any so-called progressive movement. And Wallace recalls only too well that the spiritual father of the New Deal was not John W. Davis but Bob LaFollette, and that the New Deal came only eight years later.

A President -- harassed by the mounting problems of Europe and by

the numerous resignations of men who can no longer afford to work for the Government, and also by the desirability of selecting men who can be confirmed -- may justifiably be strongly tempted to reply: "Demagoguery!" to the Wall Street charge. True as this may be, and unfair as such labelling is to the persons attacked, who are doing what they can for their country, the charge is nonetheless filled with too much political dynamite. In

politics many things are unfair.

The man-in-the-street understands little and cares less about the personnel difficulties of public administration. These difficulties have no glamour, they are too complex -- and so they just don't get across. The Wallace attack does. In the blunt words of the ILGWU (Dubinsky) Union Convention:

"Foreign policy is not the private property of.... retired financiers. Foreign policy is the burning concern of the great mass of the people."

And that is all that the working man will remember of that issue.

It is imperative that the President make some top level appointments from the ranks of the progressives -- in foreign as well as domestic affairs. His fight for Lilienthal made him the hero of the independent voter. His refusal to withdraw the name of Francis Biddle as American delegate to the Economic and Social Council until Biddle requested it made him many friends among the liberals. Top ranking appointments of men like young Bob LaFollette are needed. The pattern must be repeated even if some of them are not confirmed. Under their impact, Wallace will fade away.

(d) Portrait of a President. A crucial -- but easy -- step forward to November 1948 is to create in the public mind a vote-getting picture of President Truman. From as objective a perspective as possible, I submit that the present public attitude toward the President is about as follows:

Both the original "honeymoon" and the later violently critical period of public opinion toward the President seem to be over. Emerging

instead is the picture of a man the American people like. They know

now that he is a sincere, courageous and able man and, in the cliché so often heard, that he is a man "trying to do his best."

Members of the President's Cabinet can render valuable service to the Party by pointing out these qualities of the President as they observe them in their working contacts with the President. They can help give a varied picture to the people.

It is said invariably, and always without analysis, that the President is the Chief of the State, the Symbol of Government. What the theorists as well as the politicians do not observe is that the public gets its impression of its President mostly from the actions he takes when performing as Chief of State -- as the Head of Government. The masses of the people rarely if ever think of him in his role of Government administrator, or as the responsible policy maker on our national economic problems.

They really form their lasting impressions from watching his incidental gestures -- when he appears as the representative of all the American people.

An apt illustration is the contrast between his Mexican trip and later Canadian trip. The Canadian trip might have been, so far as anyone knows, more important for the United States than his visit to Mexico. It is a reasonable guess, however, that today few American citizens even remember he went to Canada. But almost everyone remembers his graceful gesture about the Mexican cadets. Whether it was planned deliberately or was a last-minute improvisation is unimportant. In the future, such gestures should be more numerous and should be planned deliberately; that is the way the public should remember its President.

The trip to the Rio Conference will be recalled not because of the success of the conference but because of the Brazilian ovation to "our" President, because he went orchid hunting and was changed from a pollywog into a shellback. He is at his best when an Ambassador of Good Will. And he gets more newspaper attention and much more interest from the American people

than do the transparent journeyings of Messrs. Dewey and Taft.

But at home the American people are daily forced to think of their President as a politician for the good reason that the news stories deal only with his activities as a politician -- because that is what he is engaged in doing. His calling lists, week in and week out, are filled almost entirely with Government and Congressmen with whom he consults on problems that are important to the nation, but appear to the average reader complicated and dull.

The public has a tremendous interest in its Chief Executive and is invariably hungry for news about him. It does not want those stereotyped gestures, so done to death in past years that they are routine. No one really cares any more about a round-the-world flyer, or the little girl with the first poppy of the Disabled Veterans, or the Eagle Scout from Idaho. Granted that such appointments often cannot be avoided and must be borne with fortitude, they have long since reached the stage of diminishing returns.

The kind of gestures desired are those which, taken altogether and repeated again and again, will form a carefully drawn picture of the President as a broad-gauged citizen with tremendously varied interests. If well done, there will be countless variations on this theme. This does not mean he should do anything which puts him in a false or unnatural light. These artificialities contain within themselves too much political danger (viz, Calvin Coolidge wearing his Indian bonnet or Senator Taft catching his fish).

But there are many gestures of substance to be made. Solely for purposes of illustration, several are here suggested (these particular ones revolve around the most superb of all backdrops -- the White House itself!):

(1) The President could lunch with Albert Einstein. It

will be remembered he was the man who prevailed upon Roosevelt to start

will be remembered he was the man who prevailed upon Roosevelt to start the atomic bomb project. At his next press conference, he can explain that they talked, in general, about the peacetime uses of atomic

-28-

energy and its potentialities for our civilization. He can then casually mention that he has been spending some of his leisure time getting caught up on atomic energy; he has been having "briefing sessions" with the Atomic Energy Commission; and has also been doing some reading purely from the layman's point of view. He suggests to the newsmen that it would do them no harm at all to read such and such a book (as long as he picks the right one) which he has just read. In another connection (The "Winning of the West"), this memorandum suggests later that he visit Los Alamos and Oak Ridge, but in point of "timing", the Einstein visit and the New Mexico visit could be done together.

(ii) Henry Ford II is often in Washington these days. The President should casually invite him to lunch just to talk over matters "generally". This picture of the American President and the Young Business Man together has appeal for the average reader. Many other business leaders should be called in occasionally.

The press must print news of the President - so he controls his publicity by his own whim. One or two non-political personages a week should be the target. The need for conferences with labor leaders has already been emphasized for other reasons. This technique of summons to the White House has the added virtue, besides publicity, of building good will. An organization is flattered that its leader is considered important enough to be consulted. This takes that most important of commodities -- Presidential Time -- but it is well worth its expenditure. It is worth it because of the American's inordinate curiosity -- he will watch that lunch with a new

interest, even a sense of personal participation, if the other participant is someone other than a Government administrator or Congressman.

The President will have more than enough on his mind in the coming months; he cannot be expected to think much about this sort of thing. But it is intrinsically important. Someone with imagination should be delegated to draw up this type of agenda and present several alternatives

-29-

weekly to him. His own good sense of political judgment will accept or reject these suggestions if all he is required to do is check the ones he prefers.

But he will need to do something of this nature for an entirely extraneous -- and much more valid -- reason: Since he is President, he cannot be politically active until well after the July Convention. The people are inconsistent and capricious but there is no argument that they feel deeply on this --: He must be President of all the people and not merely the leader of a party, until the very last minute. Therefore, he must act as a President almost up to Election Day. Lincoln set the pattern by remaining "judiciously aloof" (to use his own phrase) in Illinois while his henchmen carried on the political war for him. Dewey, Taft, Stassen and Wallace are free as birds to attack him but once he stoops to answer them on their level, he has done himself severe damage. Only Wilson broke this rule of being President of all the people -- in 1918 by asking for a Democratic Congress -- and the people punished him for it by returning a Republican one.

So a President who is also a candidate must resort to subterfuge -- for he cannot sit silent. He must be in the limelight. He must do the

kind of thing suggested above to stay in the limelight and he must also resort to the kind of trip which Roosevelt made famous in the 1940 campaign -- the "inspection tour." No matter how much the opposition and the press pointed out the political overtones of those trips, the people paid little attention because what they saw was the Head of State performing his duties.

These few comments on "The Portrait of a President" are meant to be no more than illustrative of the careful thought which must be devoted to presenting a well-rounded broad-gauged and versatile candidate to the American people.

(e) Foreign Policy. Since the general strategy of the opposition in the field of foreign affairs is their claim that "what is good

-30-

is Marshall, what is bad is Truman", the portrait the public sees must also undergo alterations. President Truman must assume before the eyes of the people the leadership on foreign policy. Today the American people identify Secretary Marshall, and not the President, as our spokesman. This may have substantive advantages because of its non-partisan aura -- but unhappily it is bad politics for 1948. For example, one of the reasons privately circulated by the men promoting today's tentative boomlet for Eisenhower is that the General knows foreign policy much more than theoretically; that he is accustomed to dealing directly with British, Russians, French and Germans. Unless clumsier than usual, the Republicans will be cautious that they do not provoke Marshall into such a defensive attitude that he will be forced to attack their obstructionism. Indeed Governor Dewey may go so far as to say that if elected he will keep Marshall as Secretary of State.

But if the President is to be attacked on what his opponents believe are the vulnerable aspects of our conduct on foreign policy, he must allow himself to be in a position where he can take credit for those aspects the public regards as the virtues of that policy. He cannot afford to continue allowing them to go by default to Marshall.

Marshall is a soldier and trained to be loyal to his Commander-in-Chief. In the American Republic, the President is responsible for foreign policy. He cannot be responsible in fact if he cannot use his authority. It is on his record, not that of Marshall, that the people will make their judgment in 1948, and he must be given the credit if he is subject to the blame. Democratic Government means no less and no more than that.

In terms of technique, this means he must use his authority publicly (as well as the private way he does exercise it); that he must speak out more often on specific matters of foreign policy, with prepared statements at press conferences -- his great and useful sounding board.

-31-

The dangers of speaking "off the cuff" on foreign policy are obvious. But there is no reason why, after a detailed "briefing", many announcements today being made constantly in the State Department (and many of those by subordinate officials) should not come from the White House.

(f) The Commander-in-Chief. World War II taught the American people something they too easily forget -- our President is also the Commander-in-Chief. They are forgetting it again, and ironically enough, one of the reasons is a pet project of the President -- Unification. There is now a "Super-Cabinet Officer", -- the Secretary of Defense.

It is a commonplace that one of the great difficulties

It is a commonplace that one of the great difficulties of our Government is that Cabinet Officers, in contrast with the British system, are not as amenable to Presidential discipline as they ought to be. Lincoln suffered as greatly as any President from the vagaries and personal ambitions of his Cabinet, and even Franklin Roosevelt, never inclined to take too high a view of Cabinet Officers, suffered the disloyalty of Jessie Jones far longer than any President should have. There are some indications today that several of the incumbent Cabinet Officers tend to regard themselves as the rulers of independent baronies. This is always true in some measure but there is no good reason why it should be so (except that the Presidency has never properly been staffed). There is serious danger -- irrespective of the personality or talents of whoever happens to have the job at any moment -- that this tendency will become really exaggerated in the Department of National Defense. This is particularly so in the world we live in today.

Military affairs, whether we like it or not, will be a leading preoccupation of the average American citizen for the next year. If nothing else, he feels it in his pocketbook -- 74 cents of the Budget Dollar. Again the White House can be the scene of many announcements on military affairs; and the Commander-in-Chief, not the Secretary of Defense, should make them. The President, as soon as he can arrange a schedule, should appear on the scenes of important military projects.

2. The Program Level.

The suggestions made on the political level go almost wholly to "form", the manner and method with which things that need doing are to be done. But it is the things that are to be done -- the "substance" -- that determines the outcome of elections.

substance that determines the outcome of elections. The issues are there for anyone to see. What remains is only the decision how and when they are to be handled, so their advantages are politically exploited to the utmost, their disadvantages politically minimized as much as possible.

How does the opposition plan to handle them? It is hardly a secret.

Having performed yeoman service for those interests (e.g., the "Real Estate Lobby") which provide the financial sinews for political warfare, the Republican strategists proclaimed their intentions to swing "left" in the next session.

Senator Taft, their leader on domestic policy, has three strings to his bow: Housing, Education (relief for teachers) and Health. The people, including the veterans, are stirred up about housing and rents, and the teachers have votes. The Republicans plan to raise the minimum wage level, do what they can for the DP's, and give the Negro his FEPC and civil rights legislation, or try to.

All this means they are chasing votes in earnest. And it emphasizes the only tenable Democratic strategy, which is to continue to stay to the "left" of them.

The Democrats hold the Presidency. The Presidency is vastly more flexible than the Congress, which means merely that a President can always act much faster -- and more often -- than can any group of Senators or Congressmen.

The President has a great opportunity of presenting his program to the American people in his message on the State of the Union.

He can present his recommendations simply and clearly to the Congress so that the people will know what the President is asking the Congress to do. There is little possibility that he will get much cooperation from the Congress but we want the President to be in position to receive the credit for whatever they do accomplish while also being in position to criticize the Congress for being obstructionists in failing to comply with other recommendations. This will be a fertile field for the development of campaign issues.

There are certain issues that already stand out as the major points of conflict in 1948. They are: (1) High Prices; (2) Housing; (3) The Marshall Plan; (4) Tax Revision; (5) Conservation of Natural Resources in the West; and (6) Civil Rights.

(1) High Prices.

We are off to a good start on the exceedingly important issue of High Prices. The President has recommended a bold program that should present increasingly great appeal to the American people. At present it appears that the Congress will not give the President price control, rationing, or wage control. They will attempt to build up the importance of the other seven points of his program, add some minor trimmings of their own, give it to the American people under some fancy name, and hope it will get them by. We must expect to receive a good deal of criticism now on the program. The farm organizations, labor leaders and industrial organizations will find much to object to in the program. From the standpoint of the long-range view, however, the prophecy could well be made that the few people who will be attacking the President's program today are those who, in April 1948, will be condemning the Congress for failure to pass this program. Because of the probability of increasingly high prices in 1948, it is possible that this issue will reach a climax in the summer of 1948. This would come at a highly propitious time for the President and the Democratic Administration.

(2) Housing.

Senator Taft, despite the well-organized lobby fighting any governmental action on Housing, knows his party must make a real effort next year to pass his bill. He understands that, with the exception of food prices, Housing has a more direct impact on "the greatest number" than any other of today's issues. The latest misnamed Rent Control Act has made the man-in-the-street conscious of the economic and political power of the real estate interests which, unlike most lobbies, takes the money directly out of the people's pockets. Although the public reaction has been slow in starting, it is now steadily building up. For instance, there are persistent signs of a revolt by the young veterans against the conservative American Legion policy on Housing which has been dictated in toto by the Real Estate Lobby.

Another example was the success of the President's attack on the Real Estate Lobby in his message approving the Rent Control Bill. It has already had effect in the spontaneous manner it was taken up by different groups. It is the essence of politics to wage an attack against a personal devil; the Real Estate Lobby should be built into the dramatic equivalent of the Public Utility Lobby of 1935. Purely on the merits, the performance of the real estate interests in their post-war gouging fully deserves everything they get in the way of retaliation. There can be no possible compunction about using such a tactic against them.

If there is any way of doing it, the Congress should be made to investigate the lobby. But it is hard to see how a Republican-controlled Congress will touch it. Even if the pressure of public opinion forces them to go through the motions and there is an alert and aggressive Democratic minority appointed, the cloak-room maneuvers will stifle any effective expose.

Nor has the Department of Justice investigation any real possibilities. And it should not be relied on too extensively. First of

-35-

all, there is already a widespread suspicion that the Department's motivation was purely political. And since it is an anti-trust investigation, probably nothing new will be found in the housing field that is not already known. The Administration cannot afford to lose a housing case before the campaign is over. However, the useful material already gathered by the Department's investigators should be made available to those who can make propaganda use of that material.

Attack on the Lobby is negative. The other approach must be affirmative. The Administration is itself vulnerable on Housing. It is vulnerable because it has fallen over the same stumbling block for the past fifteen years.

The Administration must take an affirmative position on Housing. Valuable time has already been lost because of the difficulty in the problem and the disinclination on the part of persons having responsibility in this field to come up with a program that the President could recommend. Housing should be stressed in the State of the Union Message but its importance is such that a special message should go to the Congress on Housing shortly after the State of the Union Message has been delivered.

If the President offers a sound, strong Housing program, then he will be in position to share the credit for Housing legislation with the Republican Congress. If he sends up such a message on Housing and the Congress fails to take action, we can point the finger of blame toward the Republicans for failure to solve this pressing problem. If, on the

the Republicans for failure to solve this pressing problem. If, on the other hand, the President fails to send up a message on Housing, and the Republicans pass a Housing bill, then the President will be in the exceedingly unfortunate position of having done nothing about Housing and the Republicans will get the credit for meeting the issue head on.

(3) The Marshall Plan.

The best estimate of the present situation is that the

-36-

Congress will go along with the President on the Marshall Plan.

There is likely to be lengthy debate on the subject but the need for it is so obvious and the fear of Communism in this country is such that Congress will probably have to heed the wish of the people.

One of the important points of controversy will center around the type of organization that is set up to administer the program. There is a great deal of merit to the recommendation of the Budget Bureau that the responsibility for implementing the Plan be given to the Secretary of State and that the work be carried on by an organization operating within the State Department. In all probability this would be the most successful operation because the State Department experts are available and more experienced people can take part in the planning and operation.

This suggestion has an element of political benefit also. If the President recommends that the Plan be administered by the Secretary of State and the Congress refuses this recommendation and sets up a separate corporation or a commission to implement the Plan, and should the job be done poorly, the President can point out that the Congress refused to follow his recommendation and confusion, inefficiency and waste followed.

(4) Tax Revision.

Although not as inevitable as death and taxes, it is almost certain that in the election year of 1948 -- whether the Administration likes it or not -- taxes will be reduced. The Republicans plan to cut them, and Democratic Congressmen in sufficient numbers simply cannot stand up in a campaign year against the pressure to support tax reduction and to override the President's third veto if it comes.

His two vetoes of the first session have enhanced his prestige in the eyes of the disinterested and thoughtful few. If the huge surplus now estimated is correct, however, there is no possibility of stemming the tide in the next Congress despite the foreign aid requirements. The

-37-

inflationary pressures on the people will make them think they need more "take home" money in their pockets; the quickest way to put it there is a tax cut.

So if there is to be one, the Administration might as well get the credit for it and save what it can of its taxation principles. But whatever compromise is made must be done without obvious political intent. The Republicans have cleverly publicized their suspicions that there were vetoes in 1947 only so a Democratic President could reap the credit in 1948.

These cries for tax reduction can be turned to an economically sound and useful purpose and remove the political suspicion at the same time. The perennial outcries for revision of our entire tax structure are even more strident than usual. Such requests are always with us, are invariably justified, yet nothing is ever done about them.

To revise the entire federal structure is not the appallingly difficult matter so many "experts" pretend it to be, because the necessary studies have been made time and time again. In fact, the Treasury is revising its studies right now. Only the areas of disagreement on policy are causing the trouble that goes on year after year. Discussions with the Secretary of the Treasury indicate that revision of the tax structure could be accomplished in such a manner as to eliminate many of the existing inequities. The elimination of such inequities, however, will cut into the tax revenue.

It should be perfectly possible, and could be exceedingly helpful politically, for the President to deliver a message to the Congress sometime in January, 1948 setting forth his recommendations as to the revision of our tax structure. Such a message could recommend elimination of obvious inequities in our tax system and an increase in personal exemptions so as to benefit those in the lowest income brackets. If such a program resulted in a loss of revenue of approximately two billion

-38-

dollars, it could be easily justified because of the tremendous surplus that is anticipated for the next fiscal year. If the Congress accepted the President's recommendations and passed such a tax bill, then there would be a division of credit. If the Congress refused to heed the President's suggestions and passed a bill allowing a much larger tax reduction, particularly for the higher income groups, then the administration would have another valuable issue to present in November of 1948.

In the Land of Electoral Votes, the West is the "Number One Priority" for the Democrats. Its people are more liberal because they need the economic help of government and in the years of the New Deal have come to understand how it functions. Even the Chambers of Commerce of the West rarely prate of governmental economy; they learned better long ago.

There is no need for an extended discussion here about what should be done politically for the Western States. They know their needs --less discrimination in freight rates, reclamation projects and lots of them, better roads (their road system suffered from lack of maintenance in the war years), public power, help in the development and protection of their resources, and so forth. Their needs are not hard to understand. The Administration, which in the last year or two has at least budget-wise not shown much sympathy (although far more than the Republicans), must display a constant and increasing interest in these Western needs.

Although it would be inadvisable for the President to make a political tour at any time in the reasonably near future, yet he could find occasion to visit the West on business. There are two large atomic energy plants in the West and these could be used as an excuse.

But he can go much farther and demonstrate again that he is an imaginative leader. In a world of fear and of accelerating despair, the people need a strong voice talking about the America of the Future. The appeal of Wallace to the young voters during his western swing several

months ago was because he dared to talk in an idealistic strain. No other American figure (not even Stassen, who leads President Truman almost 2-1 among the independent and western voters, according to the Fortune poll) has had the imagination to "pitch" his arguments at that

level.

Yet it is just that level, other things being equal, that has always had more appeal to the American people than any other. A planning program for the United States, with 1960 as the target-date, may well have that kind of political glamour. It might catch on.

If there is a world in 1960, the United States will unquestionably be the leader of its age. And our domestic economy -- what it has done for our own people in every field of endeavor, security, recreation and worldly goods -- will be the measure of our greatness for all the world. Twelve years before the event is just about right to start estimating those needs and expanding our resources, all within the framework of free enterprise. A recent Twentieth Century Fund study, "America's Needs and Resources", could be taken as a convenient starting place. If the Administration will have the imagination to talk and act in such terms, despite the screams of the conservative part of the press and the "practical men", (who are all Republicans anyway) it can effectively kill off the Wallaces and the demagogues who will come after him. More practically, it will mean money in the political bank in November 1948.

(6) Civil Rights.

The Republicans know how vulnerable the Democratic Party is insofar as the negro vote is concerned. They have been bending every effort to woo the negroes away from the Administration's fold. In all probability, Republican strategy at the next session will be to offer an FEPC, an anti-poll tax bill, and an anti-lynching bill. This will be accompanied by a flourish of oratory devoted to the Civil Rights of various groups of our citizens.

The Administration would make a grave error if we permitted the Republicans to get away with this. It would appear to be sound strategy to have the President go as far as he feels he possibly could go in recommending measures to protect the rights of minority groups. This course of action would obviously cause difficulty with our Southern friends but that is the lesser of two evils.

C. The Mechanics for 1948.

This memorandum has made two points: (A) It is "probable" certain things will happen in 1948; and (B) A certain "course of action" must be followed to shape those probabilities to bring about the President's election.

The question remains how to create the necessary machinery.

For without intelligent, and even devoted, execution of such a program as outlined here is nothing more than a conversation piece -- a pleasant finger-exercise. Much of the Democratic "politicking" is just that. The Chairman of the Illinois Democratic Committee may brag that his committee has no financial worries and in fact has more money in the till than ever in its history, and the Democratic National Committee may have relaxed in the assurance it can get sufficient funds to finance the 1948 campaign. Both organizations seem to have forgotten that the money-raising is after all only the means for a desirable end.

What kind of a mechanism will work?

Some sort of a small "working committee" (or "think" group) should be set up. Its function would be to coordinate the political program in and out of the Administration. (This does not mean it would it would run all over the departments; indeed, if it works right, no one in any of the agencies will ever hear of it).

The members of such a committee would be imaginative men with understanding of and experience in government, and with some knowledge, even if only a theoretical one of the folkways, the give-and-take of politics. To put it bluntly (although it is poor semantics to do so) they

would be the counterpart of "The Team" of Dewey.

They would be close-mouthed (the hardest requisite of all!)

Although its makeup must be flexible, in general they should not be active government administrators. This is so for two reasons: (1) The administrator is too overworked already and preoccupied with his own problems; and (2) he is invariably cursed with "the Departmental view"; his problems are vital, the most important of all, and no one else's are. The curse of our government is that with few exceptions only the President has the overall Administration point of view. The men on the committee must be "Truman men", thinking for the President and how the President can take political advantage of this or that program. The head of X Agency invariably tries to get everyone else immersed in X.

Consideration will have to be given as to the manner in which such a committee could be set up. It is possible that it could be set up within the frame-work of the National Democratic Committee but it is doubtful if the professional politicians could recognize the absolute need that exists for the performance of such a function. It could be set up quietly, given space in the old State Department Building and put to work. The question of financing the operation would, of course, have to be discussed with the Chairman of the National Democratic Committee.

What sort of work would the "working Committee" do?

It would, even at this early date, start the preparation of memoranda looking toward the drafting of the 1948 Platform. It would begin assembling material for approximately ten major political speeches -- the campaign speeches after the Convention.

It would present to the President a "Monthly Estimate of the

Situation," (somewhat similar to this memorandum, but based scientifically on reports, statistics and polls), informing him of recent political trends, the rise or fall of the leading Republican candidates, the attitudes of the large social groups existing in the country, political weaknesses in certain geographical areas, and similar matters. The

-42-

"Estimate" could include suggestions as to topics that the President might refer to for the coming months. In short, it could well replace the present haphazard, hit or miss system with a functioning political intelligence method which could enable the President to stay out in front and anticipate political problems.

It would do research on the various personalities to be involved in the campaign. There would be a Dewey expert. Everything that Dewey ever said or did, beginning with his college speeches, and continuing through his career as prosecutor, as Governor and as Presidential candidate, would be carefully reviewed to determine his inconsistencies, his mistakes and his bad guesses, as weighed in unfriendly fashion by the hindsight of 1948. There should also be a Taft expert. The President is running against the Taft record no matter who his opponent is. To play safe there must also be a Truman expert -- a Devil's Advocate. The President was a Senator for a long time and he has been in the White House for two and a half years.

Another badly neglected function the "working committee" would take on is preparing answers to Republican charges. Its performance must be efficient enough so the answer will be carried in newspaper stories the same day, and not on the back pages a week or so later. This requires a precise coordination, long absent, between the government agencies which

have the information, the Democratic Committee, the White House, and such Administration congressional lieutenants as Leslie Biffle, Senator Barkley and former Speaker Rayburn.

When, for instance, the Administration is attacked on the floor, a Democratic Congressman should be able to answer with facts and figures within the next few hours. And when the Republican leaders put their foot in their mouth, as they often enough did in the last session, they should be "put on the spot" within the hour.

These are illustrative of what a good "working committee" can do. Someone must do them if there is to be success in 1948. The Presidential

-43-

election is being determined now by the day-to-day events of 1947.

The Campaign of 1948 will be a tough, bitterly fought struggle. The issues will be close and the ultimate determination of the winner may very well depend upon the type of staff work furnished to the two contenders.

No effort must be overlooked or left undone to furnish President Truman with the greatest possible assistance because the future of this country and the future of the world are linked inextricably with his reelection.

In national politics, the American people normally make up their minds definitely about the two Presidential candidates by the end of July.

If the program discussed here can be put into operation soon and executed properly, it can help in persuading the American people to make up their minds the right way.

C.M.C.

CLARK M. CLIFFORD

November 19, 1947