

Henry Wallace Would Never Have Dropped the Bomb on Japan

by Robert L. Baker

In 1944, Henry A. Wallace, Vice President of the United States, was, next to President Franklin Roosevelt, the most popular New Deal Democrat; the number-one promoter of FDR's New Deal programs; and was poised to become the post-war President to carry on FDR's anti-colonial world economic development vision. Wallace had, by Summer of that year, toured South America, China, the Soviet Union, and elsewhere, representing FDR, as part of the preparations for the intended post-war program for full-scale, U.S.-led worldwide economic growth.

Wallace had written book-length documents—approved by FDR—on post-war development perspectives, both for the domestic economy and internationally. His books, such as *Our Job in the Pacific* (1944), the *Soviet Asian Development* (1944), and many others, explained that there must be nation-building, not empire. “The Century of the Common Man,” is what his international New Deal perspective came to be popularly termed, after a speech by Wallace in June 1943.

Thus it was that, especially in early 1944—at the time it was clear that Hitler would be defeated militarily—Wallace became the focal point of a massive political assault by those opposed to FDR's outlook; namely, by a rabid right-wing Anglo-American Synarchist International opposition. They put puppet Harry S Truman into office. Their intent was not only to destroy Franklin D. Roosevelt's New Deal legacy, and its revival of Alexander Hamilton's American System of economics, but to try to take over the United States with a corporate-fascist policy run by what Eisenhower later called the “military-industrial complex”—and which led to almost a half-century of Cold War confrontation.

It is vital to understand how and why Henry Wallace, a man most Americans today don't even know existed, was politically destroyed in the immediate post-war period (1944-46), making way for the Truman Administration, which proceeded to toady to the British Empire. Put in terms of one single, dramatic instance: Wallace would never have dropped the bomb on Japan.

Wallace's own performance in office was never an issue. He was a “natural” in terms of qualifications and dedication. His “crime” was, he did FDR's bidding. From 1933 to 1940 as Agriculture Secretary (a follow-on to his father's 1921-24 years in the same office), and then as Vice President, 1940 to 1944, Henry Wallace was well known to have worked

tirelessly and creatively for the FDR policies. This is the point. The background and merits or demerits of Henry Agard Wallace as a person, were not the offending issue for those opposed to FDR's post-war plans. In their view, FDR's plans had to be stopped, so Wallace had to go.

As the effort to restore FDR's tradition to the Democratic Party today, takes center stage, the history of what happened to Wallace is essential knowledge for the American patriot.

From that perspective, we here give a brief review of the character of the domestic and international New Deal, and how Wallace carried out FDR's plans; and secondly, we look at the 1944 political machinations, and the events of the July 1944 Democratic Party nominating convention period which dumped Wallace as Vice President, and began the downslide of the Democratic Party. Then followed the effort to drive Wallace out of government altogether.

Wallace Served FDR's New Deal

To underscore why Wallace was ousted in 1944, and what was the character of those forces intervening in the United States to prevent a post-war FDR development perspective from prevailing, it is useful to review the commitment and record of Henry A. Wallace in carrying out FDR's efforts.

First, what was FDR's concept of the New Deal? In brief, it refers to Roosevelt's steering a course out of the worldwide 1930s Depression, through modern application of the founding principles of the United States; and specifically, the general welfare: that government must take responsibility to create a situation for all citizens and the nation as a whole, to participate in the creation and benefits of economic growth and security.

We look at three aspects of Wallace's involvement in FDR's domestic New Deal—agriculture, natural resources, and full employment; and then at his involvement in Roosevelt's international development perspective.

Agriculture. In 1932, when Franklin Delano Roosevelt nominated Henry Wallace, then age 45, for Agriculture Secretary, he was not picking some unknown “out of the blue.” Wallace, born and resident in Iowa, was the editor of *The Wallace Farmer*, the most influential agricultural journal in the Midwest. Henry Wallace himself was editor of the weekly starting in 1921, when his father, also named Henry Wallace, left Iowa to go to Washington, D.C. to serve as Agriculture



The Synarchist International, determined to prevent anti-colonialist Franklin Roosevelt's legacy from continuing after his death, engineered the replacement of Henry A. Wallace as 1944 Vice Presidential candidate, with their puppet Harry Truman. Left to right: James F. Byrnes, Truman, and Wallace during Roosevelt's funeral, April 14, 1945.

Secretary in the Harding Administration. His father continued in the two subsequent Administrations—Coolidge and Hoover—dying in office in 1924. Even before him, Agriculture Secretary Jim Wilson, from Iowa, served Presidents McKinley and others from 1897-1913, and was the designee for the job by his influential friend, another Henry Wallace—the grandfather of FDR's third Vice President.

The Wallace family were prominent institution-builders, based in the Midwest: including, for example, expanding Iowa State University; backing George Washington Carver, an Iowa State graduate and professor, for Tuskegee Institute; and many other programs. Trained in plant science, Henry A. Wallace founded the Hi-Bred Corn Co. in 1921, which went on to become Pioneer Hi-Bred International, Inc., the largest seedcorn company in the world. The *Des Moines Register* included Henry A. Wallace in its list of 100 Most Influential Scientists of the Century, released Dec. 31, 1999.

Thus, Wallace had the grounding to excel in the New Deal environment in Washington. He had the experience from growing up in three generations of politically active farmers, leaders and economic policymakers, gaining an understanding that you had to fight against political and financial obstacles preventing prosperity. Wallace wrote frequently about what he was trying to do in office, to rescue and build up the economy. In 1934, he published a book titled *New Frontiers*, in which he said he was trying “to condense into broad material objectives the philosophy of the New Deal.”

The immediate problems in the 1930s in the farm sector were low commodity prices, little credit, debt, and farm foreclosures. Addressing the crisis, Wallace, during his service from 1933 to 1940, revamped the U.S. Department of Agriculture (USDA) entirely, both farm programs and credit agencies, according to FDR's mandate to raise prices and stop foreclosures. In addition, FDR's Agricultural Adjustment Act (AAA) called for creating county-committees, made up of farmers who elected their own officers and made determinations on crop choices. Wallace promoted the involvement of black farmers on these committees, thus incurring the wrath of many—but obviously fulfilling the desires of FDR.

Wallace administered a vast set of operations, and managed billions of dollars of loans. He used the credit agencies of government to by-pass the Federal Reserve. He was involved directly in both new USDA agencies, and collaborating agencies including the Farm Credit Administration (FCA), Rural Electrification Administration (REA), Soil Conservation Service (SCS), and Commodity Credit Corporation (CCC), which ran the Ever-Normal Granary and the Farm Security Agency (FSA). Through these, Wallace loaned over \$6 billion, made 11.5 million separate commodity-credit loans, 1.2 million rural-rehabilitation loans, 20,184 tenant farmer purchase loans—all geared to keeping the farmer in business.

The FCA stopped farm foreclosures and bailed out farmers by loaning four times as much money to farmers in the first seven months of the new program, as in all the previous

year, and also lowering interest rates. Between 1932 and 1936, farmers' prices went up 66% while farm debt went down \$1 billion, by shifting creditors from private banks and insurance companies to Federal agencies.

Of special note is the implementation of FDR's "parity" commodity pricing mechanism, to give farmers an income on a par with other industrial sectors of the economy, and on a par with their expenses of farm production. The Wallace family had fought for this for two generations. It became law with the passage of the McNary-Haugen Act on May 12, 1933.

But by Wallace's own description, the Ever-Normal Granary was the "action of which I was most proud as Secretary of Agriculture." This component was added to the AAA in 1938, and called for maintaining reserves of designated vital food commodities, and carryover stocks from year to year, for national security. Wallace said he got the idea from studying Confucius, and it proved a boon when it came time for the nation to begin stockpiling for the war effort in the early 1940s. It also had a great influence on what became the UN Food and Agriculture Organization.

Natural Resources. Wallace saw to the passage and implementation of many new laws concerning the resource base of the nation. One of them makes the general point—the passage in April 1935, of the Soil Conservation Act. Congress accepted the prevention of soil erosion as a national responsibility, and mandated that, with state approval, soil conservation districts would be created cross-country, managed by local farmer-directors, and making decisions on how to provide for the care of the water and land resource base in their area. Federal money would then be forthcoming for approved projects, and implemented in a first-ever, local-Federal partnership.

FDR mandated Wallace to work with the states to see to the earliest possible implementation of these new districts, which Wallace accomplished in less than two years. Well before the law, Wallace, in a 1933 speech, "The Coming of the New Deal," looked forward to this very kind of program, as part of the time when people would think of "this whole country as a good farmer thinks of his farm."

Full Employment. Not confined to agriculture as such, Wallace worked in tandem with the 1930s large-scale infrastructure programs in land, water, and for agriculture, industry, transportation, etc.; such as the great dam-building programs on the Columbia, Colorado, and Tennessee river systems, and also the many Civilian Conservation Corps (CCC) programs doing reforestation, building small dams, parks, and similar rural projects.

The problem in the 1930s was the massive unemployment and declining economic activity, which the many New Deal initiatives turned around.

Wallace saw the goal of full employment—in industry, construction, and services—as the companion to wise agriculture and natural resources programs, utilizing scientific R&D. Besides being involved in administering programs, he

wrote and lectured extensively on the economic principles involved.

In 1936, when FDR was in an all-out battle against reactionaries, to move the New Deal forward, Wallace wrote *Whose Constitution? An Inquiry Into the General Welfare*. Here he gave one of the most extensive historical discussions of the practical application and battles around the Preamble to the Constitution, and explained how "General Welfare Today" applied to liberty, soil, population, foreign trade, machinery, and corporations. He denounced the outlook of Adam Smith's *Wealth of Nations*, as the "claw and fang" doctrine which destroys economic activity, does not enhance it.

Wallace wrote: "The Preamble of the New Constitution began with words never before used officially in America: 'We the people of the United States.' The new government was to be a national union of people, and not a union of sovereign and independent States. It was a profound new basis for government." Wallace said "only young men who knew precisely what they wanted would have spent a long, hot Summer in Philadelphia wrestling with such abstract ideas." Like FDR, he defended the first Treasury Secretary, Alexander Hamilton. He discussed the arguments given by Hamilton, "rather a convincing Speaker," citing Madison and others for the need of a strong national government.

"Both the Communist and Fascist approaches from a spiritual point of view seem to me to have many of the same difficulties as Capitalism. All three are largely the product of the British economics of the early nineteenth century and the post-Darwinian biology with their emphasis on an abstract 'economic man' and an animalistic biological man, dominated by purely mechanical responses."

Wallace ends *Whose Constitution?* by saying that the general welfare can be served: "This will undoubtedly be possible if a spirit of common sense prevails;—and if we use our Constitution as Hamilton anticipated it should be used. . . ."

Post-War Plans

During Wallace's 13-year association with the Roosevelt Administration, the question of full employment came most sharply into focus in service of FDR's view of what should happen after the war. In 1945, Wallace shows us what drove his thinking all along—how to rebuild a nation and a world economy. It was then that he wrote his last book-length piece, *60 Million Jobs*, a term used synonymously with the peacetime requirements of full employment—both domestic and foreign post-war—as New Deal "TVA" policy concepts to win the peace.

Wallace challenged people to think through the penalties of limited employment. In a section called the "High Cost of Failure" he showed that in the 1930s, the United States lost 88 million man-years of production at a cost of \$350 billion. He said this would be enough to build 70 million homes at \$5,000 each—three times more than needed. It would more



President Roosevelt (at head of table), with New Deal supporters, including Wallace as Secretary of Agriculture, to his left. The New Deal, in which Wallace played a crucial role, was based on the constitutional principle of the government's role in securing the general welfare, as elaborated by Alexander Hamilton. Roosevelt and Wallace believed that such a vision should be applied to the entire world—including Great Britain's colonies.

than double the capital stock of all private corporations in the United States; or, it would build 350 TVA-style River Valley Authority programs; or, it was more than the Federal debt on V-J Day.

Wallace—who liked statistics and “figuring”—believed that the United States only survived the economic breakdown in the 1930s, because the bold, courageous action of the Roosevelt New Deal restored the people’s confidence in themselves and their faith in their free institutions.

In his 1945 book, he discussed the component parts of the U.S. economy that added up to 60 million jobs, and their interdependence, explaining what full employment means to the businessman, the worker, the farmer, and the veteran.

Wallace indicated that from the birth of our nation, we have “followed the line of action so wisely laid down by Alexander Hamilton,” in which an ounce of government stimulation or participation would result in a pound of private initiative and enterprise. Wallace recommended that people read Hamilton’s *Report on Manufactures*, from 1791, as proof that “our democratic government has the definite responsibility of stimulating our free-enterprise system, not just on behalf of the General Welfare, but also to keep free enterprise continuously a going concern . . . such bold strokes as the Homestead Act and the subsidizing of the railroads, through both land grants and cash payments, that we built to the limit of our geographic frontiers.”

International New Deal. During his Agriculture Department years, and then as Vice President during the war years,

Wallace adhered to the same “New Deal” principles for foreign policy, as for domestic programs. For example, he wrote on the concept of the general welfare for all peoples and nations in 1945, noting that, “The Bretton Woods Monetary and Financial Conference, in 1944, devised plans for two international organizations, a Stabilization Fund and an Investment Bank” to outlaw exchange-rate warfare. “Again, an ounce of pooled governmental activity, on a world basis, would create a pound and more of private activity in an undeveloped area.”

Roosevelt sent Wallace on international tours. Even before being sworn in as Vice President, Wallace asked for, and received, Roosevelt’s approval for a trip to Mexico. Taking advantage of the downtime between being elected Vice President in November 1940, and the January 1941 swearing-in, Wallace drove in his own car to Mexico, so he could stop and visit out-of-the-way places to see the people and nation close-up.

In 1943, Wallace toured seven other Ibero-American nations, representing FDR. Speaking Spanish and wanting to see how the common people, farmers especially, lived, Wallace was warmly welcomed throughout his tour.

In his book “The Century of the Common Man” in June 1943, Wallace gave an overview of world economic development, making specific reference to many parts of the world, and what could be done under FDR’s New Deal outlook, and how it fit with national precedents.

“This United Nations’ Charter has in it an international

bill of rights and certain economic guarantees of international peace. These must and will be made more specific. There must be an international bank and an international TVA, based on projects which are self-liquidating at low rates of interest. In this connection, I would like to refer to a conversation with Molotov. Thinking of the unemployment and misery which might so easily follow this war, I spoke of the need for productive public works programs which would stir the imagination of all the peoples of the world, and suggested as a starter a combined highway and airway from southern South America across the United States, Canada, and Alaska, into Siberia and on to Europe with feeder highways and airways from China, India and Middle East. Molotov's first reaction was, 'No one nation can do it by itself.' Then he said, 'You and I will live to see the day.'

"The new democracy by definition abhors imperialism. But by definition also, it is internationally minded and supremely interested in raising the productivity, and therefore the standard of living, of all the peoples of the world. First comes transportation and this is followed by improved agriculture, industrialization, and rural electrification. . . . As Molotov so clearly indicated, this brave, free world of the future can not be created by the United States and Russia alone.

"Undoubtedly China will have a strong influence on the world which will come out of the war and in exerting this influence it is quite possible that the principles of Sun Yat Sen will prove to be as significant as those of any other modern statesman."

In May 1944, right before the fateful Democratic convention, Wallace was sent to China and Soviet Asia, where he saw firsthand what he called the massive opportunity for TVA-style development programs that the United States could help provide the technology for.

FDR Picks Wallace for Vice President

In 1940, Roosevelt himself selected Wallace for his Vice Presidential running mate, and frequently cited his reasons as being respect for his judgment and ability. Historian Richard J. Walton described it this way, in his 1976 book, *Henry Wallace, Harry Truman, and the Cold War*:

"Henry Wallace was the pre-eminent figure of the early 1940's, after only President Roosevelt himself. He was universally regarded as Roosevelt's heir to the New Deal wing of the Democratic Party. He was Vice President during most of World War II; he served at FDR's insistence over the protests of the party bosses, and had, for a time, more direct executive responsibility than any Vice President before or since. FDR chose him as Vice President after he had been for eight eventful years as Secretary of Agriculture, by general agreement the most effective in American history. As Bruce Catton, who worked under Wallace at the Department of Agriculture, suggested, 'he may well have been the most efficient Cabinet member in the Roosevelt administration. . . . He was a first-rate administrator, as a director of men and in handling a large government department.' "

On July 15, 1940, FDR told Secretary of Labor Francis Perkins, "I have decided on Wallace," according to the book *American Dreamer*. FDR praised Wallace as a man who "thinks right" and "has the general ideas we have." Clearly, the President knew that the nation was headed for war, and that he needed someone he could trust to carry out his approach.

The opposition was significant: There were 17 contenders for Vice President in 1940, and there was much opposition to Roosevelt running for an unprecedented third term; but there was more opposition to Wallace. The President finally had to give an ultimatum that it was Wallace as Vice President, or Roosevelt himself wouldn't run. It was a tough sell.

Roosevelt told Postmaster General and Democratic Chairman James Farley—who wanted Jesse Jones, the head of the Reconstruction Finance Corporation, as Vice President—that "Henry Wallace is the best man to nominate in this emergency." The President said, "I like him. He's the kind of fellow I want around. He's honest. He thinks right. He's a digger." When Farley responded with the stock line, that many people considered Wallace a mystic, Roosevelt snapped, "He's not a mystic. He's a philosopher. He's got ideas. He thinks right. He'll help the people think."

At the 1940 Democratic Party nominating convention, every mention of Wallace's name was greeted with boos and hisses. Harry Hopkins, Roosevelt's top aide-de-camp, said that the Conservative (Southern) Democrats found in Wallace a means to vent their rage. Roosevelt told Hopkins, "they will go for Wallace or I won't run and you can jolly well tell them so."

Roosevelt became so disgusted with the proceedings that he gave Sam Rosenman a letter declining the nomination for President. "In defiant prose, Roosevelt proposed to tell the Democratic Party it had always failed when it thought 'in terms of dollars instead of in terms of human values.' " "I cannot face both directions at the same time."

In the end, the threat letter by President Roosevelt wasn't needed. It was Eleanor Roosevelt's speech at the convention, in support of Wallace, that saved the day. FDR said, "Wallace's practical idealism will be of great service to me individually and to the nation as a whole."

American Dreamer, which provides the above account, gives a survey of the media descriptions of the new candidate: "Newspaper reporters struggled to introduce the peculiar new vice presidential candidate to their readers. He was, virtually every reporter agreed, 'shy' or 'reticent' or even 'extremely shy.' They said, 'He doesn't like parties; he doesn't enjoy the rough and tumble of political campaigning; he doesn't drink, smoke, or chew. . . . He relaxes by learning something new.' "

Many reporters observed that Wallace was a " 'deeply religious' man. . . . They were almost unanimous in praising his energy and intellect. . . . Norman Cousins, the young editor of the *Saturday Review*, rode with Wallace on a train back to Des Moines after the convention and came away in awe. 'Wallace seems to have read every book I could think of.' "



Left: Wallace in Fairbanks, Alaska, with Russian Air Force Col. N.S. Vasin, following Wallace's return from China and Siberia, on the eve of the Democratic Party convention in 1944. The purpose of Wallace's trip was to assess the post-war economic needs of Russia and China. His opponents made use of his absence to pressure the President to replace Wallace as his running-mate. Above: Wallace with Generalissimo Chiang Kai-shek and Madame Chiang.

Wartime Service for FDR

Wallace became a very active and highly visible Vice President. In July 1941, Roosevelt appointed him as chairman of the Economic Defense Board (EDB), a policy and advisory agency dealing with international economic issues. The appointment—historic, in that it was the first time that a Vice President was given an administrative task—came just as Roosevelt announced he was going to build, per year, 50,000 lend-lease planes for America's allies.

Within six months of taking office, Wallace had become the strongest Vice President in U.S. history, having been appointed by Roosevelt to head up powerful organizations such as the Board of Economic Warfare (BEW), the Supply Priorities and Allocations Board (SPAB), the Office of Production Management (OPM), the National Defense Advisory Committee (NDAC), and the Top Policy Group (the secret atomic bomb committee). These positions gave Wallace wide-ranging powers to prepare the country for the emergency ahead, and he exercised those powers with energy and organizational expertise.

On Oct. 9, 1941, he arranged a meeting with Vannevar Bush, head of the Office of Scientific Research and Development, and Roosevelt. With only Roosevelt, Bush, and Wallace present, Bush conveyed that the British scientific committee known as MAUD and the U.S. National Academy of Sciences had concluded that it was feasible to build an atomic bomb. Soon after that, Roosevelt appointed Wallace—because of his scientific experience—Secretary of War Stimson, Army Chief of Staff George C. Marshall, and Bush to the Top Policy Group (TOP), a small secret committee to advise him on atomic policy, which would report to Roosevelt alone.

On Dec. 7, 1941, when Pearl Harbor was hit, Wallace was with Roosevelt into the early morning hours. Later, James

Reston of the *New York Times* described their relationship: "Henry Wallace is now the Administration's head man on Capitol Hill, its defense chief, economic boss and No. One post-war planner."

As the war proceeded, Roosevelt's attentions were more and more taken up with the complications of the international strategic alliances and demands. The U.S. economic mobilization was succeeding in producing huge output gains. But domestically, as well as internationally, there were tense factions and allegiances among allies.

One expression of this was the breach between RFC head and Commerce Secretary Jesse Jones, and Wallace. Roosevelt changed some lines of responsibility between them. Eventually, on the night that Roosevelt was inaugurated in 1945, his first act was to write a letter dismissing Jones from office.

But one pattern stands out. As Roosevelt increasingly spent all his time as commander-in-chief, Wallace came even more to be the spokesman for the New Deal, and what this would mean following the war.

On May 8, 1942, just six months after the United States entered the war, Wallace delivered his most famous wartime speech, cleared by Roosevelt. It was originally entitled "The Price of Free World Victory," but soon known as "The Century of the Common Man." This was one of the most widely known of all the wartime addresses, and it served as an elaboration of FDR's "Four Freedoms" Inaugural address of Jan. 6, 1941. It was a direct attack at *Time*, *Life*, and *Fortune* magazine editor Henry Luce's article, "The American Century," about prospects for a post-war American Empire which, like a latter-day Britain, would dominate the world and remake it in the American image (see box).

There are many recorded accounts of the esteem and ac-

ceptance for Wallace's service to FDR. In the 1973 book *Price of Vision*, by John Blum, there are several reports.

On Oct. 17, 1943, Wallace was invited to have lunch with Mrs. Roosevelt. She spoke frankly. She said her children were against a fourth term for the President, and that newspaper surveys indicated that if the war with Germany was over before the election (1944), the President probably wouldn't win. She told Wallace, to his surprise, that if *he* were nominated, he could win. The difficulty would be to get him nominated. But she said "that, of course, she and the President would be for Wallace as the logical one to carry out the policies of the President."

On Nov. 8, 1943, Sidney Hillman, former vice president of the CIO and the most active and influential labor leader in Democratic politics, had a 40-minute meeting with the

President. He told Roosevelt that labor was losing confidence in the Administration, and especially in the men who were immediately around the President. He said that the only member of the President's team in whom labor had complete confidence was Henry Wallace.

The March 5, 1944 edition of the *Washington Post* had an article by George Gallup, titled, "Wallace Given Wide Renomination Lead in Survey of Democrats," which showed that Wallace was preferred by 46% of the Democratic voters for Vice President. The next closest candidate, Cordell Hull, had 22%.

Countdown to the 1944 Convention

The operation to thwart Roosevelt's post-war New Deal vision and destroy Wallace came to a head in 1944, when the

Wallace: Century of the Common Man—Not Empire

The explicit clash of outlook between Wallace's adherence to FDR's pro-development stance, versus the imperial view, came out in his widely read The Century of the Common Man, a book published under that title in June 1943. It was a compilation of recent speeches, principally that of May 8, 1942, originally titled, "The Price of Free World Victory," but soon known as, "The Century of the Common Man." Vice President Wallace took issue directly with Henry Luce, the media mogul, who was advancing the imperial idea of an "American Century" to come after the war—meaning the imposition of power via the United States, by an elite international political/financial alliance. Here are selections from Wallace's book, with sub-heads added:

Some have spoken of the "American Century." I say that the century on which we are entering—the century which will come out of this war—can be and must be the century of the common man. . . . Everywhere the common man must learn to build his own industries with his own hands in a practical fashion. Everywhere the common man must learn to increase his productivity so that he and his children can eventually pay to the world community all that they have received. No nation will have the God-given right to exploit other nations. Older nations will have the privilege to help younger nations get started on the path to industrialization, but there must be neither military nor economic imperialism. The methods of the nineteenth

century will not work in the people's century which is now about to begin. India, China and Latin America have a tremendous stake in the people's century. As their masses learn to read and write, and as they become productive mechanics, their standard of living will double and treble. Modern science, when devoted whole-heartedly to the general welfare, has in it potentialities of which we do not yet dream. . . .

The experience of our own Tennessee Valley Authority program throws light on what may be achieved through careful planning and skillful engineering. This experiment in regional planning, begun nearly ten years ago, has been a striking success.

There are practical people in the United States who believe that we have the "know how" to help many of the poverty-stricken peoples to set their feet on the path of education, manual dexterity, and economic literacy. If American missionaries of a new type, equipped with this "know how," can work in cooperation with a United Nations investment corporation to develop flood-control works, irrigation soil reclamation, rural electrification and the like, it will make possible an expansion in half the area of the world reminiscent of that which was stirring in our own land during its rapid growth from 1870 to 1910.

The new missionaries, if they are to make their dreams come true in a really big way, must be able to grasp the enormous possibilities of combining governmental credit and organization with the drive of private initiative.

Advance Science; Stop Cartel Control

And modern science must be released from . . . slavery. International cartels that serve American greed . . . must go. Cartels in the peace to come must be subjected to international control for the common man, as well as being

power-brokers representing the Synarchist corporate-financial interests, started circling Roosevelt's New Deal political machine like vultures. They operated through direct Democratic Party channels, outright undercover agents, media outlets, and probably J. Edgar Hoover at the FBI, among other networks. They realized that Wallace was a heartbeat away from becoming President.

By the Spring of 1944, especially after D-Day, the powerful Anglo-American networks who had pulled together for the war effort, realized that Hitler would be defeated, and that the key issue before them now was the shape of the post-war world. Having come in contact with FDR's anti-colonialist outlook, they were determined to destroy it—and that meant ensuring that Wallace was not renominated as Vice President.

The Democratic Party nominating convention in 1944

was July 19-23 in Chicago, at which the fateful outcome was orchestrated to install Harry Truman, not Henry Wallace, as running-mate for FDR's fourth term. This occurred ten months before Hitler's surrender, and at a time when Roosevelt was in failing health. The matter of post-war policy was uppermost. The outrageous events of the convention come into perspective, as one views some of the earlier maneuvers by networks activated against the New Deal.

Despite official reports to the contrary, it was widely known that President Roosevelt was in very poor health. Those who hated FDR's commitment to the general welfare were quite alarmed, since, at this point, if FDR died, Wallace would become President.

In May 1944, the President sent Wallace to Russia and China, on a 46-day tour, to confer with Generalissimo Chiang

under adequate control by the respective home governments. In this way, we can prevent . . . building a war machine while we sleep. With international monopoly pools under control, it will be possible for inventions to serve all the people instead of only a few.

Philosophy: Be a Good Neighbor

There are three great philosophies in the world today. The first, based on the supremacy of might over right, says that war between nations is inevitable until such time as a single master race dominates the entire world and everyone is assigned his daily task by an arrogant, self-appointed Führer. The second—the Marxian philosophy—says that class warfare is inevitable until such time as the proletariat comes out on top, everywhere in the world, and can start building a society without classes. The third—which we in this country know as the democratic Christian philosophy—denies that man was made for war, whether it be war between nations or war between classes; and asserts boldly that ultimate peace is inevitable, that all men are brothers, and that God is their Father.

This democratic philosophy pervades not only the hearts and minds of those who live by the Christian religion, both Protestant and Catholic, but of those who draw their inspiration from Mohammedanism, Judaism, Hinduism, Confucianism and other faiths. When we look beneath the outer forms, we find that all these faiths, in one way or another, preach the doctrine of the dignity of each individual human soul, the doctrine that God intended man to be a good neighbor to his fellow man, and the doctrine of the essential unity of the entire world.

German Classical Culture

[I]t is not up to the United Nations to say just what the German schools of the future should teach; and we do not

want to be guilty of a Hitler-like orgy of book burning. . . . There are many cultured German scholars with an excellent attitude toward the world who should be put to work on the job of rewriting the German textbooks in their own way. I believe these men would glorify peace and international honesty, re-establishment of the German culture of Beethoven, Schubert, Schiller, and Goethe; and the gradual preparation of the German spirit for an appreciation of rights for the individual, is as vital as a Bill of Duties toward the State.

Ibero-America—Post-War Employment

On my recent visit to seven countries of Central and South America, I found the problem of postwar employment uppermost in the minds of many people. In every country I met with the leaders of union labor, the farmers, the businessmen, and the high officials of government. The representatives of labor were especially concerned about postwar problems. They said they feared that after the war the United States and England would not take such large quantities of their products and therefore they would be faced with serious unemployment. After talking over the matter, we all agreed that probably the most important contribution that could be made to the prosperity of the working man of South America would be full employment in the United States and England. . . .

In South America I did not go into details, but I am on the Resources Planning Board. In cooperation with the Federal Works Administration and other governmental agencies, and as part of its broader function, it is working out a program for the billions of dollars of public works which will be needed in the future. It is important to have these all ready to be started when the economic shock of peace comes, if private employment is not adequate to face the shock alone.

Kai-shek on military proposals, and to estimate China's capacity for feeding its 600 million people after the war. While Wallace was out of the country, the anti-New Deal networks went into high gear. In particular, the party bosses went to work on the President, playing upon his worsening health, to find a new running-mate and get rid of Wallace.

This pressure campaign was abetted by the fact that Eleanor Roosevelt was also out of the country on tour in May and June. FDR was very sick and weak, and with his two closest spokesmen for post-war New Deal policies away, the President was hounded by conservatives who wanted Wallace out. Although FDR was telling people that he wanted to keep the same old team, he was wavering.

A grouping of key party bosses—none of whom had been New Dealers—knew Roosevelt was a dying man, but didn't have the power get him to step aside as President; yet they were going to do anything short of assassination to prevent Wallace from being in a position to become President and continue FDR's policies. The core group included Robert Hannegan, the new chairman of the Democratic Party; Edwin W. Pauley; Ed Flynn; Ed Kelly; Frank Walker; and Edwin "Pa" Watson. They lobbied the President day and night to get another Vice President. Roosevelt, in his typical wily political way, had several other VP contenders thinking they had his favor. But, that was Roosevelt's shrewd style.

Robert Hannegan, who was from Missouri and was instrumental in getting Truman elected to the U.S. Senate, traveled 12,000 miles from January through June 1944, telling Democrats not to vote for Wallace. He sent messages to Roosevelt that Truman was well favored.

California oilman and chief Democratic moneybags Ed W. Pauley, the treasurer of the Party, for the entire previous year had toured the country telling Democrats not to support Wallace for Vice President. He pushed South Carolinian Jimmy Byrnes for the job.

Alabama Democrat "Pa" Watson, the President's Appointments Secretary, controlled access to the Oval Office. He collaborated in arranging for a steady stream of visitors who complained to the President about Wallace; Pauley persuaded Watson to keep out Wallace supporters, but give easy access to state chairmen, convention delegates, and national committeeman and non-politicians such as Walter Lippmann, who were against Wallace.

Bronx, New York boss Ed Flynn, chairman of the Democratic National Committee, and Chicago Mayor Ed Kelly, who had the power to deliver two crucial states, New York and Illinois, were both against Wallace. Another party leader backing them was Postmaster General Frank Walker.

The Direct British Role

Besides this echelon of party bosses, the networks in operation against Wallace included British intelligence; and J. Edgar Hoover, the FBI Director. An entry in Wallace's diary for Dec. 19, 1944 notes, "Hoover specializes in building up a



Lord Halifax, British Ambassador to the United States, a pro-Hitler oligarch, assigned staff to spy on Wallace, and complained about the Vice President's call for liberation of colonial peoples in Asia.

file against the various public figures. . . . Hoover is apparently on his way toward becoming a kind of an American Himmler."

As early as 1943, British Ambassador Lord Halifax, a raving pro-Hitler operative, who had been responsible for directing the Munich policy of appeasement, had assigned personnel to watch Wallace, as a prime assignment.

One recorded incident of direct British espionage against the Vice President, concerning his Asian New Deal initiatives, is described in Anthony Cave Brown's book, "*C*": *The Secret Life of Sir Steward Graham Menzies, Spymaster to Winston Churchill*. An adaptation of this episode appears in one of the murder-mystery novels later written by Elliot Roosevelt, FDR's son.

"Then there were the British," Cave Brown wrote, "alarmed by a pamphlet Wallace had written, *Our Job In The Pacific*, expressing in summary form many of his standard post-war goals. Among these were international control of airways, economic aid for Asian industrial development, the demilitarization of Japan, and self-determination for people living in colonial areas, including India. . . ."

Before the pamphlet went into print, however, a British secret service agent had obtained a manuscript copy and sent it to his superiors. The agent, Ronald Dahl, attended a social gathering at the house of Texas newspaper publisher Charles Marsh, at which Wallace had left Marsh an unpublished transcript. Dahl read it; he immediately contacted a British Embassy courier, who picked up the transcript, copied it, and brought it back before the party was over.

From Washington, the photocopy was routed through the British secret service operations in New York to Britain's wartime spymaster Sir Stewart Graham Menzies—code name, "C." Menzies took it to Winston Churchill. The docu-

ments calling for liberation of colonial peoples in Asia, “stirred Winston to cataclysms of wrath,” according to one observer. Soon British agents were busily gathering information on, and launching “commie” smear campaigns and digging up dirt against Wallace.

“Lord Halifax, Britain’s ambassador to the United States, personally protested Wallace’s ‘regrettable’ statements to Secretary of State Cordell Hull. Sir William Stephenson went even further. ‘I came to regard Wallace as a menace and I took action to ensure that the White House was aware the the British government would view with concern Wallace’s appearance on the ticket at the 1944 presidential elections,’ he later commented.

“The British secret service agent Ronald Dahl later told Wallace the British government feared that Roosevelt might offer the State Department to Wallace and weighed in strongly against it. Aside from the State Department position, Dahl said, the British government did not care what job he was given.

“Wallace also learned through his friend Frank McDougall that the British were suggesting Wallace be appointed head of the Food and Agriculture Committee of the United Nations, thereby removing him from politics for several years.”

Wallace Tries To Counter the Opposition

Thus, the stage was set to dump Wallace. But, Wallace had no intention of standing aside and letting the New Deal die.

On July 10, 1944, Wallace returned from his Soviet-Asian trip. He spoke with his strongest backers and realized that things were not going well around the White House, and that he had been ganged up on. Wallace’s assistant, Harold Young, with information based on polls and data from Sidney Hillman’s powerful CIO-PAC, told him a recent Gallup Poll indicated that Wallace was now favored by 65% of the Democrats, and that labor was solidly behind Wallace and predicted Wallace would win on the first ballot. However, pressure from the White House and party bosses placed Wallace’s prospects at the July 19th convention in very serious jeopardy.

On the evening of July 10, 1944, Wallace met with the President, and told him about the favorable polls and labor support. The President seemed surprised to hear it. Wallace found out that the President was being lobbied hard to choose another running mate, and that the press was saying Wallace was too leftist or too idealistic, even too honest and not a political player.

Roosevelt, however, told Wallace he was his first choice for Vice President. He even sent a letter to the Convention Chairman Sam Jackson, that said, “I have been associated with Henry Wallace during his past four years as Vice President, for eight years earlier while he was Secretary of Agriculture, and well before that. I like him and I respect him and he is my personal friend. For these reasons I would vote for his renomination if I were a delegate to the convention. At the

same time, I do not want to appear in anyway as dictating to the convention. . . .” If Wallace didn’t win renomination, FDR promised his friend a Cabinet post.

Wallace told Roosevelt repeatedly that he would stand aside if the President wanted another person to be his running mate. But Roosevelt repeatedly told Wallace that he wanted “the same old team.” The President also encouraged almost all comers to seek the office, which led some individuals to feel they had Roosevelt’s blessing, when, in fact, they didn’t. However, Wallace also realized that the President was facing very strong pressure to go with Truman for Vice President, something Truman pretended he didn’t know anything about. Truman was telling everybody that Roosevelt was committed to nominating Jimmy Byrnes.

All the considerations which FDR took into account in deciding how to deal with the party factions who were determined to defeat Wallace, are beyond the scope of this article. What appears clear is that FDR did not think that he was about to die, three months into his fourth term, and that he therefore expected to be in control of the party, and his Cabinet, for some time to come. When he finally acceded to the party bosses’ insistence that alternatives to Wallace as Vice President be put forward—William O. Douglas or Harry Truman—the door was open for the convention fight, which, despite Wallace winning the plurality on the first ballot, Truman would win.

Now, Are You Ready To Learn Economics?



The economy is crashing, as LaRouche warned. What should you do now?

Read this book and find out.

\$10

Shipping and handling: \$4.00 for first book, \$.50 each additional book. Virginia residents add 4.5% sales tax.

We accept MasterCard, Visa, Discover, American Express.

ORDER NOW FROM

Ben Franklin Booksellers

P.O. Box 1707 Leesburg, VA 20177

1-800-453-4108 toll free

or 1-703-777-3661

www.benfranklinbooks.com

e-mail: benfranklinbooks@mediasoft.net



THERE IS an American solution for American national problems if we approach them in the spirit of the men who called the Constitutional Convention and obtained, by their brilliant advocacy of the national approach, the adoption of the Constitution by the thirteen confederated States.

Henry Wallace was the author of numerous books on perspectives for development of the post-war economy, both at home and abroad. His premise was nation-building, not empire.

Wallace Remained a Target

On Nov. 7, FDR was re-elected for a fourth term. On Jan. 20, 1945, he and Truman were sworn into office. That night, instead of going to the inaugural reception, Roosevelt went back to the White House and wrote Secretary of Commerce Jesse Jones a letter, asking for his resignation, because he was giving the post to Henry Wallace. Later Roosevelt suggested that “Jesse knew a lot about money, but didn’t understand the general welfare.”

But the “Wallace issue” continued full force. A fight was orchestrated over his nomination as Secretary of Commerce. After he did get Senate approval, a slander campaign was launched to force him out of office at the earliest time. He refused to stand down.

When he started in March 1945 at the Commerce Department, he immediately set to work on its reorganization, in order to provide for programs that would foster post-war full employment. The Wallace papers at the University of Iowa have memoranda on the involvement of Sen. Lister Hill (D-Ala.)—major backer of the TVA, Hill-Burton Act, and so on, in this planning for post-war development. There was a draft law for the “industrialization of the South,” but it was never even introduced. These concerted efforts were thwarted at every turn.

Again, the fact that Wallace remained an issue of contention is best seen in terms of the larger fateful events of this

time period, and not of his particularities.

On April 12, 1945, President Roosevelt died of cerebral hemorrhage in Warm Springs, Georgia. Harry Truman became President. On May 7, Germany surrendered. Now ensued an intensification of moves by the utopians/Synarchists to detonate an act of horror to terrorize all post-war thinking.

The Bomb

On July 16, 1945 the first atomic bomb, produced at Los Alamos Laboratories, was detonated at Alomogordo, New Mexico. On Aug. 6, the bomb was dropped on Hiroshima, Japan; on Aug. 9, on Nagasaki. On Sept. 2, Japan—which had agreed to cease warfare much earlier, made its formal surrender.

Within a year, Wallace himself was out of office at the Commerce Department, never again to hold government position.

After Roosevelt’s death, Wallace had been highly critical of Truman’s policies, saying they were anti-FDR and were provoking the Russians into what became the Cold War. Things like cutting the Lend-Lease program to Russia the next day after Germany surrendered; providing billions of dollars in reconstruction loans to Britain, but none to Russia; providing military funding to Greece; and building a ring of military air bases around Russia, all were provoking the

Russians with an Anglo-American confrontation policy, Wallace said.

Wallace, like some others in the Truman Administration, thought the United States should share its information about nuclear power with everyone: that if it were promoted and shared for peaceful means, there would be no threat posed to Russia; but in contrast, the right-wing military policy of confrontation would drive Russia into a frenzy and they would build their own bomb. They did.

Wallace agreed with the top nuclear scientists like J. Robert Oppenheimer, that any country with good scientists could develop nuclear power, so why act like it's a big secret? Wallace wanted the U.S. nuclear program under the control of civilian agencies, and completely out of the hands of the military. The military worried him.

American Dreamer gives these specifics:

"On October 15, 1945, Wallace presented his memo to Truman saying . . . 'apparently the purpose of Britain was to promote an irreparable break between us and Russia. Britain's game in international affairs has always been intrigue, but we must not play her game.' "

Wallace thought the atomic bomb problem involved three interconnected problems. "First, as long as the United States makes atomic bombs she will be looked upon as the world's outstanding aggressor nation," Wallace wrote. And "Steps should be taken immediately to place atomic weaponry under international control" with the aim of destroying "all weapons of offensive warfare. . . . An atomic bomb race between nations means the end of humanity.

"Second, the United States should recognize and promote the unlimited civilian benefits offered by atomic energy. The civilian application of atomic power must not be held back by the military," he told Truman.

"Third, the control of U.S. atomic energy should rest with a civilian atomic power commission, its director appointed by the president and confirmed by the Senate."

But the Churchill-Truman policy of confrontation was advancing. On March 5, 1946, Churchill came to Fulton, Missouri, at Westminster College, for the famous "Iron Curtain" speech. He was introduced by President Truman. Churchill called for a "fraternal association of the English-speaking peoples" to stand up against the Soviet Union—a Cold War. He said, "From Stettin in the Baltic, to Trieste in the Adriatic, an Iron Curtain has descended across the continent." Only British and American military strength could meet the threat.

Truman sat behind him applauding.

Wallace heard of the speech in Washington, D.C., at a dinner party hosted by Dean Acheson, at which the Australian Ambassador to the United States, Dick Casey, and his wife praised Churchill's call. Wallace wrote later in his diary, "I promptly interjected that the United States was not going to enter into any military alliance with England against Russia; that it was not a primary objective of the United States to save the British Empire."

In September 1946, a speech by Wallace at Madison

Square Garden, in New York City, became the occasion for a direct London denunciation of him, and public demand for his removal from office. On Sept. 12, 1946, in an address titled, "The Way to Peace," Wallace said, "He who trusts in the atom bomb will perish by the atom bomb—or something worse. . . . But to make Britain the key to our foreign policy would be . . . the height of folly. . . . We must not let British balance of power manipulations determine whether and when the United States gets into war.

"Make no mistake about it—the British imperialistic policy in the Near East alone, combined with Russian retaliation, would lead the United States straight to war. . .

". . . It is essential that we look abroad through our own eyes and not through the eyes of either the British Foreign Office or a pro-British or anti-Russian press. . . . The tougher we get, the tougher they get.

"I believe that we can get cooperation once Russia understands that our primary objective is neither saving the British Empire nor purchasing oil in the near East with the lives of American soldiers. We cannot let national oil rivalries force us into a war. . . ."

The next day, a political and diplomatic storm erupted. Truman, who had previewed the speech and approved it on Sept. 11, lied and told the press that Wallace never showed him the speech. Secretary of State Byrnes and the press went ballistic, and on Sept. 20, Truman asked for Wallace's resignation and got it. Truman promptly appointed Averell Harriman in Wallace's place.

For the next two decades, Wallace continued to battle for national policy direction as he saw it. That is a story for another telling.

References:

- Bishop, Jim, *FDR's Last Year, April 1944-April 1945* (New York: William Morrow, 1974)
- Blum, John Morton, ed., *The Price of Vision: The Diary of Henry A. Wallace, 1942-1946* (Boston: Houghton Mifflin, 1973)
- Culver, John C., and Hyde, John, *American Dreamer* (New York: W.W. Norton, 2000)
- Fleming, Thomas, *The New Dealers' War: Franklin D. Roosevelt and The War Within World War II* (New York: Basic Books, 2001)
- Kingdon, Frank, *An Uncommon Man: Henry Wallace and Sixty Million Jobs* (New York: The Readers Press, Inc., 1945)
- Walton, Richard J., *Henry Wallace, Harry Truman, and the Cold War* (New York: The Viking Press, 1976)

By Henry A. Wallace:

- New Frontiers* (New York: Reynal & Hitchcock, 1934)
- Our Job in the Pacific* (New York, San Francisco, Honolulu: American Council, Institute of Pacific Relations, 1944)
- Sixty Million Jobs* (New York: Labor Book Club, Inc., by arrangement with Reynal & Hitchcock and Simon and Schuster, 1945)
- Soviet Asia Mission* (New York: Reynal & Steiger, 1946)
- The American Choice: Foreign and Domestic Policy for America Now* (New York: Reynal & Hitchcock, 1940)
- The Century of the Common Man* (New York: Reynal & Hitchcock, 1943)
- The Price of Free World Victory* (New York: L.B. Fischer, May, 1942)
- Whose Constitution: An Inquiry Into the General Welfare* (New York: Reynal & Hitchcock, 1936)