To my friends in Latin America, who have long feared the possibility of militarism or imperialism on the part of the United States, I say that your appointment is a tribute to you as a man and not as a military figure. Certainly the military should not be discriminated against in civilian life. But neither should it in any way dominate civilian life. With both of these statements I know that you are in complete accord. Other forces may push the United States in the direction of militarism or imperialism, but not you.

The New Republic may perhaps from time to time take issue with you on matters of foreign policy. When we do so we want you to know that our so doing will not in any way diminish our esteem for you as a man.

I have known you as a fellow gardener with whom I enjoyed comparing notes about the growing of tomatoes and sweet corn. Mrs. Wallace and I remember so well visiting with you and Mrs. Marshall shortly before you were called to the China mission. You were tired after your long war effort and both you and your wife were looking ahead with eagerness to rest on the Leesburg farm. And now instead of being called to rest you are given what is perhaps the most challenging job in the entire world.

With the highest personal esteem and wishing you the best of health and success in your new work, I am

Sincerely yours,
HENRY A. WALLACE

The President's Economic Report

The President's Economic Report, transmitted to Congress on January 8, was, in my opinion, the most significant peacetime message ever sent to Congress. If Congress, the leaders of labor, the leaders of agriculture and the leaders of management act in accord with the suggestions in this message, it should be possible to achieve and maintain economic stability and prosperity in the United States for many years. It is to be hoped that the President's Advisory Council will continue to transmit to Congress, through the President, as frequently as may be necessary, similar suggestions to meet the changing national and world economic picture.

I wish that every farmer, every businessman and every worker might write to the Economic Advisory Council in Washington asking for a copy of this report, and that the report might then be read over, not once or twice, but half a dozen times. Businessmen in particular should study it most thoroughly. Full understanding of the report by businessmen and labor leaders can give us the foundation not merely for a continuing, but for an advancing, prosperity. Those businessmen and workers who are afraid of communism or socialism in the United States should take this report as their democratic Bible, and apply it to their activities during the next six months with much greater conscientiousness than most Christians use in applying the precepts of the Bible. The report advises us that, to attain a sound economic structure, businessmen should do everything they can to reduce prices. Management must do everything it can to increase wages. Workers must do everything they can to produce to the limit. Farmers must realize that their best protection comes in the long run from high consumer purchasing power. That in turn depends upon a high level of employment in industry, industry operated by businessmen who are willing to reduce prices as increased productivity helps to drive down costs.

The report makes the consumer the central point in the economic scheme of things in the year 1947. In view of that fact, it is disturbing to see that the rising cost of living has cut deeply into people's savings. One-fourth of all American families have no savings at all, and nearly another third have $500 or less. The prospect for reduction of prices through increased supplies is darkened by the danger of continued labor-management friction which may further reduce the volume of production.

When I was Vice President, in December of 1944 I joined Jim Patton of the National Farmers' Union in coming out wholeheartedly for full-employment legislation. The bill which finally became law in 1946, as a result of our drive, was disappointing to many liberals. Many labor organizations commented unfavorably upon it. I always felt that the final legislation had great potentialities. The President's report confirms me in that feeling. Everything depends, of course, on how seriously Congress, labor and management take its admonitions. Free-enterprise democracy is now on trial. For the first time in the history of the United States the fundamental economic facts are made available in an authoritative way so that self-disciplining economic groups in the country may take the necessary action to prevent depression. There is no certainty, as yet, that such action will be taken. If we really believe in saving private initiative and the democratic freedoms, we must take to heart the lesson of this first presidential economic report and the others which will follow it. I trust that, in particular, the Committee for Economic Development, the Chamber of Commerce of the United States, the CIO, the AFL and the other influential business and labor organizations will study this report and act accordingly.

The new year starts out not inauspiciously. The appointment of General Marshall has been acclaimed around the world and lends good hope in the field of foreign affairs. The President's Economic Report offers fresh hope in domestic affairs.

H. A. W.