

The Economic Club of New York

41<sup>st</sup> Meeting

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Necessary Steps to Victory

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December 6, 1917

Hotel Astor  
New York City

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Introduction

Henry Morgenthau, Presiding

Ladies and Gentlemen: I have been requested to inform you that there is to be a “Red Cross Drive” at the end of this month; that they wish to increase their membership from 5,000,000 to 15,000,000 and I request every man here, whether he be a member of our Club or not, to do all he can without going into further detail.

My friends, it seems to be the proper thing for us to take some cognizance of the fearful calamity at Halifax and I suggest that we send a telegram of sympathy to the people there and I would like to have all those in favor of it to say “Aye.” (Members say “Aye.”)

It will be done.

Now when we discussed what topic to chose for the first meeting, we thought that uppermost in everybody’s mind was this war and that we perhaps could render no greater service to the country than if we opened this forum to well-posted speakers and discuss at all the meetings, at the four dinners, what necessary steps would have to be taken to lead us to victory.

We believe that the first necessary step was taken by this country last November when they re-elected that great masterful man who is now not only the leader of the United States but the leader of the entire world. (Great Applause) One of the essential pre-requisites for victory is to

have as a leader an intrepid, fearless determined man and I want to ask all of you to rise and drink to the good health and success of Woodrow Wilson.

(Members applaud and rise and drink the toast.)

One of the fortunate things in this country is that we have a stable government. Our President cannot and our Cabinet cannot be forced to resign until March, 1921. All the other countries have had their difficulties in that respect. We are fortunate in having it this way.

The only political danger that we are confronting is the Congressional election this coming year and I firmly believe that the entire country is going to show its loyalty to our Government by seeing to it that we will have a Congress that will support the President in all his policies.

(Applause)

If we wish to discuss victory, we have to define to ourselves what we mean by it, and it seems to me there can be no victory unless we establish the right of mankind to a free and self-government, without being in constant fear and dread that some neighbor is about to pounce upon it and destroy it and thereby be forced to prepare itself both from a military and a naval point of view. Now to lead to that victory we have to investigate whom we are fighting against and over whom we wish to have a victory.

Now it seems that Germany, or at least their Government, has for decades been preparing itself for this present war. They have dreamt of nothing else, it has been their great motif, they have prepared themselves economically and financially as far as their railroads were concerned, everything to finally make themselves the master-nation of the world. They were not satisfied with anything less. When they thought they were ready they put this big machinery in motion and endangered the world. If Belgium and our fond sister, La Belle Franca, hadn't been prepared to stop them, they would have succeeded -- when you think that 800,000 Huns were at that Battle of the Marne and it took 750,000 brave, determined Frenchmen to stop them and save civilization. (Great Applause)

Now, my friends, England, France and their Allies have fought bravely, but they are beginning to cry for help. They want a great deal of help, they are holding the Germans at the west front and they are able to hold them long enough until we can give them the proper succor, but to give them the proper help, to give them such assistance as will help them win this victory, we will have to mobilize or put on a complete war footing the entire 100,000,000 people that live in this country and nothing less will do it. (Applause)

None of us can begin to realize what this means. Don't let us live in fancied security and think that Germany is weak. Germany is still today the strongest single military power and it will take the combined strength of what this country can produce, with that of England, France, Belgium and the others to finally establish a victory.

It is impossible for anyone in less than hours or days to explain to you what the necessary steps are. We are more than fortunate in having as our speakers tonight men who are expert in their various branches and they will outline to you some of the necessary steps. We will leave it to future meeting to have others state it to you, but there is one thing, that the moral affect, or the effect of the moral support that we can give to these nations that are fighting now and to our boys that we are going to send across, is an essential part or an essential steep towards victory.

I am not going to introduce each speaker with long preliminaries. I have had six minutes to myself and I am going to make others keep strictly within their limit and I am just going to present each one to you and not take up any more of your time.

Our first speaker is Sir Frederick W. Black, the acting chairman of the British War Mission and the Director-General of British Munitions since 1913. (Great Applause)

First Speaker

Sir Frederick W. Black

Acting Chairman British War Mission

Mr. President and Ladies and Gentlemen: I notice a very felicitous arrangement of your program. You divide your speakers into two classes; first of all, the Guests of Honor and then those who are going to deliver addresses to you. (Laughter)

I am sure that those who deliver addresses will not be less welcome than those who are described as Guests of Honor, but I suppose it is that those who only have the preliminary skirmishes have less chance of boring you and therefore they are to be considered as more in honor than those who give you the solid instruction, (Laughter), because I am quite certain it will be in the addresses and not in the preliminary remarks that you will get the real indication of the steps to victory.

Now standing here in what the Chairman has described as a forum, I am reminded of the words of a great Roman orator, not that there is any oratory in what I am going to say to you, but Cicero when he was asked to explain the three great things in oratory did not say eloquent words as the chief requisite, but said, first of all, action, and secondly action and thirdly, action, and that is what is going to win this war. (Great Applause) thought, of course, the brain of the strategist and the brain of the statesman and above all, of course, as you have heard, the brain of your great President, which is going to be one of the great assets in the final victory. (Great Applause)

Now there is no one who will be bold enough to say that there is any royal road to victory or any sovereign specific. If there were any man or any woman who could give us a sovereign specific to victory, what a benefactor to the human race that person would be.

I am going to give you just briefly as a clergyman might do from the pulpit three heads to my discourse and first of all I am going to suggest to you that above everything there must be self-sacrifice. There will be sacrifice of life. You see its scale with every nation that is in the fighting line at present. With you it is only just beginning and then next after that there will have to be the sacrifices of leisure, of wealth, of ease, and all those recreations that make life endurable at ordinary times, and then don't forget this, that as the lawyers say, 'Time is of the essence of the contract,' whatever you do, do it speedily.

I remember reading a story once in one of your American books of a small boy in an office, who fought the big bully of the office and when his employer asked him how he managed to lick the big bully so easily, he said, "Well, James had strength, but he had no science. He stood all day long thinking and waiting for me to hit him or to decide if he could hit me and James found out his mistake." (Laughter)

Now whatever other mistakes and they have been many, our enemies have made, they have not as a rule made the mistake of delaying their blows. They have struck heavily and generally at the right moment on every front and this war is now, I think, entering upon probably its bitterest



phase. It is going to be fought out on the western front, and as my friend, Lieutenant Roselli, reminds me, we must begin the western front at Ostend and we will carry it around in a semi-circle, with the gap Switzerland makes, right around to Venice, because we are not going to suppose that whatever happens on the Russian front, that Italy is going to fail to hold the line.

(Great Applause)

Now, if an Englishman were to venture upon any word of criticism, it wouldn't be because he thinks that here in America there is nothing he can really teach you. This is simply because, as the Chairman has reminded you, we have been a little longer on this road to victory than America has and if there is anything that anyone could say out of their book of experience to help you, to take some of the short-cuts to victory, to learn out of our book of experience, instead of working out each step by yourselves.

It is very much easier not to criticize at all. People who make suggestions generally let themselves open to criticism. I remember a friend of mine in the Ministry of Munitions in London had once a brain wave and he communicated that brain wave to his fellow-countrymen through the TIMES newspaper and he said that there was a great waste going on in afternoon teas, cakes take a good deal of flour and a good deal of sugar and he recommended that these afternoon teas be give up or greatly restricted. As a result, his letter bag was full of letters from, I was going to say, half the women in the country whom he had struck in a very tender part.

Now I wonder if I were to make a suggestion: that this is not going to be only a man's war, but this is going to be a woman's war. The chairman has reminded you that they are not going to succeed unless you have mobilized the whole hundred millions of people in this country and that includes your women and your children. Now my friends point was carried out by Government regulation in the end.

Here in this country your women, I am sure, are not going to be content merely to attend an occasional committee for an hour or two or to do a little nothing or to drive a few motor cars. They are going to work as our women are doing in England in the factories. You can see in the big factories in England 80 and 90% of the employees are now women. The heavy lifting work in the big shell factories is done by machinery, the setting of the drills is done by skilled men, the rest of the work is carried out by women.

As I walk through those factories, I look to find what are the different social grades of women employed there and I can generally pick out the women of what I might call the higher social grades by the appearance of their hair. But that is the only difference between them, the ladies of position, the ladies of education, stand side by side with factory girls and the girls who have come from domestic service and they are putting in just the same day's work as their sisters.

(Applause)

Now, I took counsel with my wife as to whether I might venture to touch upon a very delicate subject and that is to suggest that sometimes ladies, because their Government hasn't found enough work for them to do, give a little time in the afternoon to the game called Bridge and my wife said, "Oh, you mustn't interfere with that; that is innocent and harmless recreation," and so it is said in the sacred name of 'Efficiency,' the time of those ladies is required for this great service of helping us towards victory. (Applause)

Now next comes the subject which is almost nearer to my heart than the ladies, I think. I have been for 5 and 30 years associated as a civilian official of that great silent institution -- the British Navy. (Applause) I should like to say just a few words to you as to the part which the Navy - not only the British Navy, but the Allied navies - has performed and will yet perform. AS the struggle becomes more and more intense on the western front, as I think it will, don't forget that the Navy is going to play an even greater part than it has played now.

It may not be as we used to say in England that the Navy is our 'All in All,' but it is your first line of defense and it is your last line of defense. One of your great writers, Admiral Mahan, has described to you in the "Influence of Sea Power on History," the part that the Navy played in the wards of the 18<sup>th</sup> century and he described to you how those distant ships, 'the storm-tossed ships' as he called them, that never came near to the military front, but were always many miles away on the ocean, how those ships in the end held the key to the situation, and victory came to

the nation that had sea power. Therefore, whatever you do, make any sacrifice, but you keep your Navy at the very highest point of efficiency. (Great Applause)

It is mere commonplace to remind you that without the Navy, the United States can take no part in a European war. Great Britain, without its Navy could take very little part. So far, although there haven't been many great pitched battles on the sea, the Navy has succeeded in keeping the seas open for the greater part of the transport of troops and supplies and particularly of food. The work of the Navy, as I have said, is of a silent character. It isn't always done in the din of battle, but those silent, gray ships, which are somewhere in the mists of the Northern Ocean, on stormy nights and in fine weather alike, are always keeping up that silent pressure of patrol which is keeping the seas open for the transit of your troops and supplies. (Applause)

You can see for yourselves from those figures that are give to us week by week of the losses of merchant ships that occurred, what a serious problem you are up against, you in America and we in Great Britain, as the two great shipbuilding nations. If we take it that the 10 ships that we lost in any one week represent some 80,000 tons of merchant shipping, that means 4,000,00 tons in the year, which has to be replaced. Now, I won't enter into the figures of what British shipbuilding may be or what your shipbuilding may be. You have all seen estimates in the papers of what it may amount to. We must all hope that the most sanguine estimates will be realized. There are great hopes in this country that your great gifts of organization and especially of standardization will produce an unheard of amount of shipping and of marine engines.

The way in which we succeeded at the beginning of the war in England in greatly strengthening our position in one most vital particular, was in the very matter of standardization.

I have mentioned on a previous occasion in New York that we had at the beginning of the war some two or three firms of marine engineers who could produce a particular type of engine and we wanted large numbers of those engines, far beyond what those three firms could produce and the way we obtained them was by our naval engineers making their drawings and their specifications of single parts of the engines and giving to firms that made sewing machines or textile machinery or agricultural machinery 50 or 100 of those and then they came together in great assembling factories and in that way we enormously multiplied the productive power of the country, and although we were constantly called upon to drain our shipyards and engineering factories and send the men to the front, we managed by putting in women and less skilled labor to fill their places and maintain the production at as high a point as before.

May I have one minute in which to tell just one story? In England we call the Navy the 'senior service.' I remember some years ago a distinguished statesman, our Secretary of State for War, he was head of the British War Office, and he had a small boy who was a naval cadet. On one occasion the father and the son were both invited to dinner by the naval commander-in-chief and as they were going into the dining room, the small boy slipped in front of his father, gave him a naval salute and said, "The Navy, the Senior Service, sir." (Great Applause)

MR. MORGENTHAU: We will now have the pleasure of hearing Baron Megata, the Chairman of the Japanese Special Financial Commission. (Applause)

Second Speaker

Baron Tanetaro Megata

Chairman Japanese Special Financial Commission

Mr. Chairman, Ladies and Gentlemen: We are meeting now a new fate of human life, the fate we are to meet must be prepared by us. The issue of the day depends upon whether we are prepared or not. Those whose preparations are ripe will win; those whose preparations are not cannot win. We come here to study your war measures to be prepared for the future. This preparation is much better than no preparation. Under the world new circumstances, under the new fate, we must prepare service for the future.

Since our coming here, we have met with a great many of your kind hospitalities for which we thank you all.

We see here great preparations going on - courage, the greater determination of Americans for this world war is a greater stimulus to the world at large.

Now I think everyone in their life must be brought to one mind and purposes and let us go forward to the end to win the war. (Great Applause)

MR. MORGANTHAU: ladies and Gentlemen: We will now listen to Lieutenant Bruno Roselli, of the Italian Army. (Great Applause)

Third Speaker

Lieutenant Bruno Roselli

Italian Army

Mr. Chairman, Ladies and Gentlemen: the limited time which kind fate and international courtesy placed at the disposal of the guests of honor, would give me the right and the privilege of including in a very brief address only a few words of welcome from my native land. I prefer to waive that right and to refuse that privilege and to use four of the five minutes which is allotted to me in discussing as briefly as possible the problem of the evening - Necessary steps to an early peace.

I am enough of an American to know that coming down to practical business is not a crime in this land of liberty - it is more of an asset than a liability. (Applause)

Never before during the many crossings of the Atlantic, which it has been my pleasure to undergo, if I may use this verb, have I felt as I did this time, that the sight of land was bringing with it the sight of something which had a practical value in my life, because I felt as if upon this country now rested the heaviest responsibility of all the 14, I believe, allied countries who are fighting for liberty and democracy.

It may be that we of Europe have paved the way for you. I take it is so, but is surely up to you to try indeed to succeed in following the work which we have done so far, and for which I believe, as a Italian officer, I need to offer no apologies. (Applause)

The crying need of the day, Ladies and Gentlemen, is co-operation. (Applause) This need is something which America understands now, as she never did during the 8 months of her participation in this war and it is something which we have felt, we of Europe, during these three long years, but for which we look up to you as those who accustomed to dealing with every proposition in a much more businesslike way than we of Europe are able to do, will find the formulae which will save the situation. (Applause)

The President of France said only a few days ago that we have now to consider ourselves as one, as a common country, fighting with a common army, upon a common front. May I add, fighting on this front a common enemy. (Applause)



For while looking up to you to lead our steps which may not have been of the wisest, we have followed so far and perhaps we are no longer in need of feeling from now on that you were not taking advantage as yet of the one chance of unifying our efforts, because not all of your enemies were already our enemies or to be more specific, because not all of our enemies were as yet your enemies. You know to what I am referring at this minute. You know yourselves that those wonderful words of the President of this country, which were uttered only 48 hours ago, were a new light and a new revelation and were a balm as soothing as any balm could be upon the heart of one who loves this country almost as much as the land whose uniform he is wearing today.

(Great Applause)

Ladies and Gentlemen, we also made mistakes, all of us in Europe. We all went into war perhaps with the idea of fighting specific enemies, of fighting with certain governments more than with others of pursuing aims which were perhaps more useful to one than to another of the countries which united their flags in this common fight, but we have lately, sobered by realities, come to realize the impossibility of fighting single-handed this enemy which gave more and more every day an example of its splendid power of cooperation. It is now the moment for us to learn to stop criticizing and blaming the enemy for those very qualities which have made them victorious so far and to imitate him in the power of co-operation, which has made of those four countries a real united front. It is up to us to imitate them today. It is up to us to feel that it is no longer possible for the country, whether it be Romania or Serbia or Italy to feel that she cannot get the full and complete help of all of the other lands, because of the diplomatic impossibility of stepping into

the gap at the moment when our enemy knew that the gap was of the kind which could not be stepped into by the one country then able to do it. (Applause)

We have often arrived too late. It has not been for, I believe, lack of unanimous help the particular land which at that moment was feeling to a more terrible degree the power of the enemies of liberty and of democracy. It has been the fact that we were not yet ready, all of us to act together.

Now a new page is being turned, I believe. It will no longer be possible for Germany to do what she did with us many a time, to send German submarines out against Italian boats, German submarines which were flying Austrian flags and taking advantage of the fact that the Italian government was not yet at war with Germany. It will no longer be possible for Germany to send her own men dressed as Austrian fighters to fight on the Alps with German military books in their pockets and the typewriting edition on them, 'I am a volunteer in the Austrian Army.' Such things will no longer be possible tomorrow and it will, let us hope, no longer be possible for the alien enemies in this country to change flags as rapidly only in the opposite direction, from the German to the Austrian flag, and keeping up the terrible work which they have been carrying on in spite of 8 months of warfare between the United States and Germany. (Applause)

In dealing with this situation you have been far wiser than many of the European statesmen have given you credit for. It was perhaps impossible to do the work all at once. I admit it. I recognize

it. I, however, throw a veil over the past and say from now on, when it is possible for us to join forces on this western front, which Sir Frederick Black was kind enough to say, extended from Ostend to Venice today, to throw the joint forces upon the one spot which is made weaker by the combined attacks of the enemy, then and in no other way shall we be able to carry the war to a successful conclusion which your President declared only a few hours ago to be the one pressing and immediate aim of the world conflict. (Great Applause)

MR. MORGENTHAU: Ladies and Gentlemen: We have listened to two short speeches from our guests of honor. We will now have the pleasure of listening to some lengthy addresses from some honored guests. Secretary Houston is the first. (Great Applause)

Fourth Speaker

Honorable David F. Houston

Secretary of Agriculture

Mr. President, Ladies and Gentlemen: You have been reminded that I am not a guest of honor. I am simple a drafted man, pressed for the time being into your service and the only compensation I have is that I have been given a larger allowance of time in you to bore you, (Laughter) and I propose to enjoy that satisfaction to the limit.

This is a day of big things, of staggering questions, of unprecedented undertakings, and of incredible happenings. It is almost true that the incredible is the only believable and the impossible the only attainable. One cannot be shocked or surprised or diffident any more. Therefore I entertained with complacency the suggestion that I meet you here and discuss the theme of the evening.

It is unnecessary for me to confess that I am not wise enough to dispose of this subject to your satisfaction or to my own. I am not equal to it; but I have the satisfaction of knowing that all of you are not and even all of us at this head table are not. Perhaps a unified Allied council may discover, indicate, and take all the necessary steps, but I am reasonably certain that nothing less will suffice.

There is one thing I like about the subject. It evidences the right spirit, the requisite determination and a commendable and justifiable optimism. It assumes that we must and shall win and win without undue delay. It implies that, having put our hand to the plow we will not turn back, or even look back, and that we refuse to entertain the suggestion of possible failure.

A clear, fixed, unalterable purpose to attain the ends we had in mind in accepting Germany's challenge, based on a thorough appreciation of the meaning of this struggle and a willingness to make all necessary sacrifices, I regard as the first and last most essential steps to an early victory. This war, my friends, is a test of the spirit of nations even more than of their material resources

and strength. The issue of it depends on the relative intelligence, moral qualities, and attitude of the people engaged. Never before has there been a war which so effectively demanded the highest exhibition of intellectual capacity and also the unfaltering display of willpower and moral courage. No more important duty confronts the leaders of thought everywhere than that of informing the National mind and of sustaining and confirming its spirit and purpose. Public opinion must be anchored and the motive for terrible sacrifices be firmly fixed. No matter what the difficulties, no matter what the seriousness of the strain, there can be no faltering.

Civilization cannot afford to entertain the thought of defeat. The challenge of Germany went to the roots of freedom and of National existence. There is no halfway house. Proposals to parley with an unbeaten enemy, who proclaims himself victor, indicate nothing less than a willingness to admit defeat. The spell relaxation of effort and demoralization. They mean assent to Prussia's century-old policy of extending her medieval patrimony by force and of gradually imposing her will on the world. They mean nothing more than a truce, "a truce with usury," a mere interruption of the strain and its assumption at a later day with interest compounded. All history points to this conclusion.

No greater dangers confront democracy than those which may arise from drifting, from mental or moral fatigue, from confused advice, from entertaining dangerous fallacies and indulging in friendly optimistic sentiments towards an implacable enemy. These are the dangers which extreme partisanship and pacifism breed. The pacifist is a constant menace; the mere partisan a

criminal; and especially obnoxious is the vain omniscient partisan to whom the future is an open book, who alternately rags the public and assaults its enemies, censures everybody and everything except himself, indulges in irresponsible criticisms and misrepresentations, causing unwarranted popular confusion and unrest, generally giving aid and comfort to the enemy. These things must be abated through force of an educated public opinion if possible, but, in any event, must be abated.

The indications to date are numerous that the people of this Nation as a whole have an effective appreciation of the meaning of the struggle and a willingness to make large sacrifices. It is only necessary to go among them to realize the strength of their sentiments and determination.

Everywhere I have been impressed with the sound sense and fine spirit of the great majority of our citizens. In respect to patriotic attitude, I have confirmed my suspicion that there were no geographical boundaries to it, no North, no South, no East, no West, and that no section has a monopoly of intelligence or patriotism.

We may also judge conclusively the state of mind of the people by the action of Congress. This body represents public opinion. It does not adopt and pursue a course of action if the people are hostile. In six months, that body has given to popular sentiment an expression without parallel in parliamentary annals. The first great step towards winning this war was taken when the President of the United States, on April 2<sup>nd</sup>, in advising Congress to declare the existence of a state of war with Germany, pointed out what war would involve and demand. The striking thing about that

historic address was not so much the advice it contained, momentous as that was, but rather the clear perception it revealed of the magnitude of the task before the Nation.

The response of Congress was prompt and adequate. It authorized and directed the President to employ the entire Navy and military forces of the Union and pledged to the Government all the resources of the Nation to bring the conflict to a successful termination. The task of making good this pledge was entered upon and discharged in such manner as to startle many at home and to amaze even foreigners who had become habituated to prodigious operations. I well remember some characteristic remarks of Lord Northcliffe during his visit to Washington. Suddenly stopping and turning to me, he said, "Am I dreaming?" I asserted that he did not look like a dreamer. He continued: "I am told that Congress declared war on the 6<sup>th</sup> of April, authorized the Secretary of the Treasury to borrow approximately eleven and a half billion dollars, enacted a new tax law designed to raise two and a half billion in addition to ordinary revenues, appropriated or authorized nine billion for the Army and Navy, over a billion for ships, with a maximum authorization of nearly two billions, six hundred and forty million for airplanes, credits to the Allies of seven billions, a total of actual appropriations and authorizations of twenty one billions, gave power to commandeer plants, ships and materials, provided for conscription which England had not fully resorted to and Canada had not then adopted, that there had been registered or enlisted nearly ten and a half million men, that Pershing was in France and naval vessels were in Europe, that the food production and food control measures had been passed, and that authority had been given for the control of exports and imports and of priorities.

He repeated: “Am I dreaming or is it true?” I replied that unless I was dreaming it was true. He said: “I can’t believe it.” I told him I could believe it but that I could not comprehend it. It is difficult now to do so. The figures even for particular items are beyond comprehension. Think of them. For ships an authorization of a billion nine hundred millions, nearly double our former Federal budget; for aviation, six hundred and forty millions; for torpedo boat destroyers, three hundred and fifty millions; for army subsistence and regular quartermaster supplies, eight hundred and sixty millions; for clothing and camp and garrison equipment, five hundred and eight-one millions; for transportation, five hundred and ninety-seven millions; for medicine, one hundred million; for mobile artillery, one hundred and fifty-eight millions; for ordnance stores and supplies, seven hundred and seventeen millions; for heavy guns, eight hundred and fifty millions; and for ammunition for the same, one billion eight hundred and seven millions.

Clearly Congress for the time being had taken the necessary steps to make good its pledge of placing the resources of the country at the disposal of the Government. At the same time, it created or authorized the creation of essential administrative agencies. In respect to administrative agencies important developments had already taken place. Most striking and significant of all were the enactment of the Federal Reserve law and the creation of the Reserve Board and banks. This action obviously was taken without suspicion that the world was on the verge of war and that we would soon be involved. It was taken to insure better banking conditions in time of peace, and especially to enable us to weather financial storms. Before the



reserve act was passed, the Nation, as you well know, had no adequate banking system. Its financial arrangements had never been able to withstand strain either in peace or war. In each of our considerable struggles we had promptly suspended specie payments with all its attendant disabilities and burdens. But now, after four years of world financial strain such as no financier dreamed it possible for the world to bear (I might say for six years because there was a world-wide financial chill for at least two years before 1914, due to apprehension of war and to the undoubted financial preparations made by the Central Powers) - after this long strain and the shock of the last six months, our finances are sound and we are proceeding in orderly fashion. For this reason and because of our obligation to extend liberal credits, it is not extravagant to say that no greater contribution to the winning of this war has been or will be made than through the passage of the Federal Reserve Act in 1913 and the successful establishment of the system well in advance of trouble.

Steps toward preparedness in respect to other highly essential interests were taken much before war was declared. Their significance was not grasped by the public at the time. For the most part they have been overlooked. Pursuant to an Act of Congress of March 3, 1915, two years before the war, the President appointed the National Advisory Committee for Aeronautics, composed of the most eminent students of the subject. In connection with the work of this committee and in part through its labors has been developed our enormous aviation program and expansion. Likewise, during the summer of 1915, the Secretary of the Navy organized the admirable Naval Consulting Board with Edison as Chairman and two representatives elected by each of 11 great

engineering and scientific societies. Furthermore, on September 7, 1916, after a long and unfortunate delay caused by unintelligent opposition, the Shipping Act was passed, creating a Board with large powers and appropriating \$50,000,000 for the construction, purchase, charter, and operation of merchant vessels suitable for naval auxiliaries in time of war. This was the beginning of the present huge ship-building program whose speedy execution is of paramount importance.

But that is not all in the way of early preparedness. On August 29, 1916, the Council of National Defense, consisting of six heads of Departments and of an advisory commission of seven, nominated by the council and appointed by the President, was created. The Council was charged with the duty of mobilizing military and naval resources, studying the location, utilization, and coordination of railroads, waterways, and highways, increase of domestic production for civil and military purposes, the furnishing of requisite information to manufacturers, and the creation of relations which would render possible the immediate concentration of national resources.

The creation of the Council of National Defense was not the result of sudden inspiration. It was directly suggested by the activities of two very important groups of individuals. In March, 1916, a committee from the five great medical and surgical associations, having an aggregate membership of from 70,000 to 100,000, was formed. It met in Chicago on April 14, 1916, and tendered to the President the services of the medical men of the Nation. In March, also representatives of five engineering organizations with a membership of 35,000 met in New York

and formulated a plan to make an inventory of the country's producing and manufacturing resources. The thought and purposes of these two bodies were brought to the attention of the President and their consideration resulted in recommendations for the creation of the Council of National Defense.

Thus, a number of months before war was declared agencies had been created covering at least in outline many of the essential new activities. Seven of these of peculiar importance had begun to find themselves and to chart their course. I refer to the Shipping Board, the aviation, the medical, the manufacturing, the transportation, the munitions, and the labor committees. When war came these bodies greatly speeded up their work. Others were created - among them, the Food Administration, the Fuel Administration, the War Trade Council, the War Trade Board, and the War Industries Board.

The last is of unique importance, and yet its work is little understood. It is in effect a munitions ministry and something in addition. It has received from the outset the hearty and cordial approval of the Secretaries of War and Navy and has their confidence and strong support. Its members are the direct representatives of the Government and of the public interest. The tasks of the Board are stupendous. It acts as a clearing house for the war industries' needs of the Government, determines the most effective ways of meeting them, the best means of increasing production (including the creation of new facilities), the priority of public needs and also of transportation. It considers price factors, the labor aspects of industrial operations, large

purchases of commodities where market values are greatly affected, and makes appropriate recommendations to the Secretaries of War and Navy. Judge Lovett is in immediate charge of priorities, Mr. Baruch of raw materials, and Mr. Brookings of finished products. These three constitute a commission for the approval of purchases by the Allies in this country from credits made through the Secretary of the Treasury. The Board maintains intimate touch with the President, the Council of National Defense, the Secretaries of War and Navy, and from the initial stages of negotiations takes part with the appropriate services of the departments in developing and securing supplies. I need only remind you of the items of the appropriations for supplies, ordnance and other things to impress you with the magnitude of the Board's task. Doubtless its machinery is not yet perfect. It would be singular if it were, but it is working. It will operate with increasing efficiency as time passes. It is not clear that any better scheme could be devised; and I am sure that no wise step will be omitted to make it as nearly adequate as possible.

No machinery is of great value unless it is properly manned. The right sort of men is the first requisite of any kind of successful enterprise. I believe this requisite has been satisfied and that the Nation is mobilizing for these emergency additional men of as high character and fine talent as it possesses. Where so many are involved special mention is invidious, and I cite the names of the following merely as samples: Willard, Gompers, Baruch, Rosenwald, Coffin, Martin, and Godfrey; Hoover, Garfield, Vanderlip, Davison, Vauclain, McCormick, Thomas D. Jones, Lovett, Brookings, and Frayne; Dr. Anne Shaw, Mrs. Phillip Moore, and Mrs. Cowles, Mrs. Catt, Miss Wetmore, Mrs. Lamar, Mrs. Funk, Mrs. McCormick, and Miss Nestor; and Drs. Simpson,

Crile, Janeway, Flexner, Vaughan, Mayo and Welch -- all fine types of American citizenship, only a few of the hundreds working in their respective spheres in the Nation and in the Estates, having no selfish and to serve, working with an eye single to the public interest and to the winning of this war, giving freely their services in as fine spirit as the Nation ever witnessed, revealing the real strength of democracy. (Great Applause)

So much, and perhaps more than enough, as to the Congressional pledge of resources and the creation of machinery. Let us turn to other matters which I am sure you have in mind. I know you are asking what is being accomplished. What are the results? Obviously, some of them it would be inadvisable to indicate. Others I can only hint at. For the most part they have been detailed to the public through one agency or another from time to time. I shall try to summarize. The Nation has today in all branches of its military services under arms and in training over 1,800,000 men, (Great Applause), some in France, some on the ocean, and others in camps or at their posts of duty at home. Approximately ten and a half millions of men have been enlisted in the regular Army, incorporated in the National Guard, or registered under the draft act. These registered but not yet called out are being classified on the basis of national need. Rapid headway has been made in training subordinate officers and the gigantic undertaking of providing suitable quarters or camps for the men in training has practically been finished. The Nation now has 35 army cantonments, 16 for the National Army, 16 for the National Guard, two at points of embarkation and one for the Quartermaster's training school, all complete in respect to buildings or tents, light, sanitary arrangements and temporary roads. The National Army cantonments were

completed within the time set by the General Staff. What this involved cannot easily be set forth. It entailed the selection of sites, the planning of buildings, the securing of responsible contractors, the mobilization of labor, the assembling of materials, and the construction of modern hospitals and roads. These camps alone cover 150,000 acres and called for the use of 75,000 carloads of materials, including 500,000,000 feet of lumber. Their cost was approximately \$128,000,000. The work was begun June 15 and the finishing touches were put on by December 1<sup>st</sup>. In addition 16 canvas camps for the National Guard were completed at a cost of approximately \$48,000,000. Thus local habitations were quickly provided for the new army, superior in respect to ventilation and conveniences to the best practice of Europe.

Five instrumentalities or factors highly necessary for victory, it may be asserted without hesitation, are destroyers, the enemies of the submarine, airplanes, ships, medical service, and food. What of these?

Of the first, the torpedo boat destroyers, all I may say is that the construction program of the Navy contemplates 787 ships of all types at an estimated cost of \$1,150,000,000, including additional destroyers costing \$350,000,000. The latter are to be of uniform standard model, large and fast. Some are to be built within 9 months, and all within 18 months. This vast and urgent undertaking required a great extension of building facilities, and, as private capital was unable or unwilling to make the extensions, the Government had to do so. When completed these plants

belong to the Nation. I may add that these destroyers will require thousands of men to man them but that they are being trained and when the vessels are completed the crews will be ready.

The work for the control of the air grows apace. Of the great aviation training fields, 17 in number, two are old, one is rebuilding, seven were practically completed by September 1, and seven others will be finished within two weeks. In addition there are in operation today at leading universities ten ground schools giving preparatory instruction in flying. Finishing courses are being given to our students in most of the Allied countries and more than 30 experienced foreign air service veterans have been loaned to us for duty in Washington and elsewhere. The building program calls for 20,000 machines. It will be expedited by reason of a great and interesting achievement, that of a standardized engine, something which no European nation has developed even after 3 1/2 years of war. This accomplishment is in line with the best American traditions, and was made with unique speed. What standardization of the engine and of its parts means in respect to speed and quantitative production, in repairs and economy of materials, need not be dwelt upon? It has been estimated that the service when in full strength will require a full force of 110,000 officers and enlisted men, an army greater than our regular military force of a few months ago.

All agree that the enemy submarine must be destroyed. In the meantime shipping sunk by them must be replaced. England must not be starved. Supplies to all the Allies must go forward without interruption. Our own troops must be transported and provided with everything essential

from effectiveness and comfort, and domestic transportation of men and commodities be maintained and greatly increased. Furthermore, commodities must be brought here from any distant places. Therefore we must have ships, more ships, at once. Nothing more urgent!

Now is this matter proceeding? In the first place, the Shipping Board, on August 3<sup>rd</sup>, commandeered 425 vessels either in course of construction for domestic or foreign account or contracted for, with a tonnage of over 3,000,000. Thirty-three of these ships, with a tonnage of 257,000, have been completed and released. Ex-German and Austrian ships with a capacity of 750,000 tons have been taken over for Government use. The Fleet Corporation has contracted for 948 vessels with a total tonnage of 5,056,000, of which 375, with a tonnage of one and a third million, are wooden; 58, with a tonnage of 270,000, are composite; and 515, with a capacity of 3,500,000, are steel. All these ships have an aggregate tonnage of 8,836,000, or nearly a million and a half tons greater than that of the regular merchant marine of the Nation in 1916. Contracts for 610,000 tons additional are pending. The total building program calls for over 10,000,000 tons and it is proposed that 6,000,000 shall be constructed by the end of 1918 and 1,000,000 by April 1<sup>st</sup>. The nature of this task may be more appreciated when it is remembered that the construction in the United States for 1916 did not exceed 400,000 tons and that the average for the five years preceding was 350,000. At present there are 100 yards building ships, exclusive of twenty building the commandeered vessels, and of these 170 are new. The policy of standardization has been pursued and five classes of ships have been adopted.



I have already referred to the preliminary steps towards medical organization. Further action was promptly taken. An inventory was made of the medical resources of the Nation, of doctors, nurses, and others who could be called by the Surgeon General, and of hospitals and supplies. Courses in modern military medicine and surgery for 3<sup>rd</sup> and 4<sup>th</sup> year students were formulated and adopted by 75 of the 95 medical schools in January, 1917. It was known that 80% of the instruments used in this country were made in Germany. It was necessary to develop their production here and, to facilitate this; the first essential step was to introduce standardization, to resort to staple articles. More liberal standards were authorized and the variety of types was greatly reduced. Instead of scores of kinds of scissors a dozen were agreed upon. Instead of many sorts of needles, forceps and retractors, 2, 3 or 4 types were adopted. Manufacturers were give priority of materials and consequently full military orders will be delivered in less than 8 months. It is illuminating that one concern, taking its chances, had manufactured according to specifications, by the time it was awarded a contract, enough material to require 10 carloads of lumber for packing. This was the result of the efforts of 75 of the most eminent medical specialists of the Nation, working with the military staff in contact with 250 leading manufacturers.

The peace strength of the medical forces of the Army was 531 and of the Navy 480. Now the Surgeon General of the Army has in his regular force and in the new enrollment of physicians actually accepting commissions 16,432, a number sufficient for an army of two and one-third millions, and a dental force of 3,441, adequate for an army of 3,400,000. The Navy now has

1,795 medical officers, a number in excess of present needs. The Red Cross has enrolled 15,000 trained nurses, organized 48 base hospitals with 9,600 doctors, nurses, and enlisted men, 16 hospital units with smaller staffs to supplement the work of the base hospitals, is furnishing supplies to 35 hospitals of all sorts in France, and since May has raised \$100,000,000.

(Applause)

What shall I say about the organization of agriculture for the production of food, clothing, and other materials? It is unnecessary to dwell upon the need of an adequate supply of food for the civilians and soldiers of this nation and also for those of the nations with whom we are associated. When we entered the war, this country was and had been facing an unsatisfactory situation in respect to its foods and feedstuffs. The production in 1916 of the leading cereals was comparatively low, aggregating 4.8 billions of bushels as against six for 1915, 5 for 1914, and 4.9 for the 5-year average. The wheat crop had been strikingly small and it was certain that on account of adverse weather conditions the output for 1917 would be greatly curtailed. The situation was no better in respect to other conspicuously important commodities such as potatoes and meats. The need of action was urgent and the appeal for direction insistent. The Nation looked for guidance primarily to the Federal Department and to the State agencies which it had so liberally supported for many years. It was a matter of great good fortune that the Nation had had the foresight, generations before, in another time of nation stress, in 1862, to lay soundly the foundations of agriculture. In respect to agencies working for the improvement of rural life the Nation was prepared. In point of efficiency, personnel and support, it had establishments

excelling those of any other three nations combined, and a great body of alert farmers who were capable of producing two or three times as much per unit of labor and capital as the farmers of Europe.

Steps were quickly taken to speed up production. In a two day session at St. Louis, the trained agricultural officers of the country conceived and devised a program of legislation and organization, the essential features of which have not been successfully questioned, and the substantial part of which has been enacted into law and set in operation. Initiative was not wanting in any section of the Union. Effective organizations quickly sprang up in all the States and the services of experts everywhere immediately were made available. The response of the farmers was prompt and energetic. Weather conditions for the spring season were favorable and the results are that crop yields have been large and that the Nation is able not only to feed itself but in considerable measure to supply the needs of those with whom we are cooperating.

That the farmers of the Nation have generously responded to the appeals for increased production and that much has been done to insure a large supply of foods and feedstuffs, justifies no let-down in their activities or in those of all agricultural agencies. On the contrary, even greater efforts must be put forth in the coming months, if we are to meet full the civilian and military demands there must be no breakdown on the farms, not failure of foods, feedstuffs, or clothing. Especially must we have a more abundant supply of meats and fats to replenish the store of the long-suffering Allies.

Many difficulties confront the agricultural forces. Fertilizers are scarce. Farm machinery has advanced in price and transportation is burdened. To secure an adequate supply of labor everywhere will demand our best energies. Especially serious to the farmer is the task of retaining on his farms his regular year-round help. An army could not be raised without taking men from every field of activity and it would have been unfair to any class to have proposed its complete exemption. The problem is a constructive one. Mere complains is useless. Our aim is to secure even greater production from the labor on the farms; and it must be attained. Farmers in the same community must cooperate with one another more actively. Forms of labor not heretofore regularly or fully utilized must be employed and plans for the shifting of labor from places where the load has passed to communities where there is urgent need must be perfected. Whether more drastic action will be needed remains to be seen. General conscription would present many difficulties. Several things are certain. Relatively non-essential industries must be prepared to release labor and capital for essential undertakings; and, either through State or Federal action, any able-bodied individuals who can but will not do useful work must be pressed into the service.

It would appear then that the courses we must follow, the directions we must take to win victory, have been indicated and charged. While corrections and extensions will be made, I am confident that the important essential steps have been taken and that success will come rather through steadying and expediting these than through any novel enterprises. Unquestionably, the coordination of all domestic agencies, Governmental and private, must be perfected so that the

Nation may direct its great energies and resources with full effect against the enemy. I am equally confident that the most “practicable cooperation in counsel and action with the governments now at war with Germany” must be secured. What specific form that shall take, I am not wise enough to suggest; but, that there must be united of policy and effort, the wisest utilization of our combined resources and the most skillful strategical handling of military and naval forces on the basis of international and not of particularistic interests under an unhampered, common control, seems to admit of no manner doubt. Mistakes may be made even then, but not so many or as fateful ones as may be made if there are as many programs as there are nations involved. Campaigns cannot otherwise be successfully conducted and battles won against great powers have the advantage of interior lines and of a single, absolute directing mind. The solution of this problem is the present pressing need for victory now or later.

Furthermore, we must keep in the forefront of our thinking the imperative necessary for maintaining the integrity and soundness of our finances. To this end, it seems to me the people of the Nation, after adjustments have been made to changed industrial conditions and to the new revenue legislation, must be prepared increasingly to meet the burdens of this war through just and equitable taxation. If they can be convinced of the plain truth, that the easiest way temporarily and ultimately to bear the financial burdens of war is to meet them as they rise, as largely as possible through taxation, the task will be relatively simple. This is a fact, but not an obvious one. Centuries of unsound traditions and many delusions stand in the way. There is the singular misapprehension that by borrowing, the burden of waging a war to that extent can be shifted to

future generations. If this were true, there would be no definable limit to the extent and variety of war the present generation could wage. the truth is that in a Nation like ours, not borrowing abroad, whether control of wealth is secured through taxes on all or in part through loans from the few, the people pay for the war as it proceeds, and that if the books were closed at the end of the war, the Nation would have paid for it. The iron, the steel, the coal, the clothing, the shoes, the lumber, the ammunition, the guns, and the ships secured by the government are used and destroyed at the time, and for the most part, cannot later be enjoyed. By borrowing, a burden, it is true, is placed on the people after the war, but it is a burden of restitution. A credit relation is set up and an obligation on the part of all is incurred to pay back with interest the wealth the Nation has used. The main fact is that the wealth is taken and consumed by the Nation at the time. The burden is borne while the war is on. As I see it, there are only two really plausible arguments that may be made for resorting mainly to loans - one a psychological argument, namely that the people do not effectively appreciate the necessity for the war, and would be impatient or resentful; the other, a physical one, that it is difficult in time to devise an equitable measure, to administer it, and to secure revenue promptly. The former argument should appeal more strongly in an autocracy than in a democracy, and especially in one which so quickly perceived the justice and need of a conscription of men. The second applies with diminishing force as the war is prolonged and time is afforded for action.

If it be true that the burden of war is actually borne at the time, then it follows that the capacity of a nation to wage war is measured by its ability to maintain production, and especially to save -

to abstain from luxuries, and to stop waste. Hence the importance of our many appeals in this direction.

And let us not be deluded by inflated reports of the rapid growth of our wealth into thinking that we can meet the burdens of this war without further increased production and economy. There is danger of this when figures come from responsible sources without proper interpretation and explanation. In such times as these, statements of wealth in terms of dollars may mean relatively little. The Nation, for instance, has been informed that the value of the 1917 output of farm products is 21 billions of dollars, whatever that is - a sum equal to the total appropriations and authorizations made by Congress in its last session for war purposes. Newspapers have written editorials about it. We are told that no land ever before produced so great farm values, that it is providential that these blessing are heaped upon a worthy people, and that America his the will to place this unexampled treasure at the service of the world. These statements are true, and very misleading. The simple fact is that the actual volume of agricultural things produced, bushels of cereals, bales of cotton, number of hogs and sheep, and some other things, is smaller than in 1915, and that consumers simply generally get much less for a dollar. The same statement made by trade in a measure as to the reported statistics of industrial production. It is highly important that these things be seen in the right light, and that they are not permitted to impair the motive for saving.

Now, taxes have this advantage over loans; they more directly enforce economy. It is true that, whether we part with our wealth through taxes or the loan of our savings, we shall have less to spend on ourselves, but it is not always true that we make our loans from our realized savings. Just there is the difficulty. To pay our subscription we not infrequently resort to borrowing beyond our willingness to save, and thereby set in operation processes which may result in undue expansion of credit. Taxation, especially on consumption, more particularly on luxuries, tends more directly to enforce savings, to keep the general level of prices steady, to check investment in nonessential directions, and to release capital and labor for urgent needs. But, after all, large sums must be secured through loans. Borrowing in itself will not necessarily bring about an undue expansion of credit and an advance in prices. It may promote saving. It will do so if payments are made from funds on hand or with savings from current income. It is, therefore, of the first importance to the successful prosecution of the war that the disposition of the people to economize be stimulated. The conception of the war savings certificate plan was, for this purpose, a peculiarly happy one and its promotion must receive the cordial support and endorsement of financial leaders everywhere.

That we have the physical resources to win this war, if they are properly conserved, I entertain no doubt; that we have these in larger measure than any other nation in the world is a matter of common knowledge. We have not as yet fully realized the enormous power of the country. If in the sixties, when we were a simple, crude, undeveloped Nation, doing things relatively speaking, on an “ox-cart” basis, with the question yet undetermined whether we were to be one Nation or



two, we could wage the mightiest war up to that time and issue from it with unrivaled power, what can we not do today, with a united people and with immeasurably greater resources, if our spirit is right and our purpose is steadfast! (Great Applause) Unless the descendants of the men who followed Grant and Lee are degenerate, there can be no question of the ultimate outcome. (Great Applause) it is time for each individual to search his heart and to urge his mind and purpose of selfish motives and for each class in society to think in terms of the Nation rather than in terms of its own interest. It is no time for any class to hug to its bosom the delusion that it possesses a monopoly of patriotism. Human nature is pretty evenly distributed and no little selfishness manifests itself in every direction. Unfortunately there are self-seekers in every group, men who assume the attitude that if they are to make additional efforts to increase production or to serve the country, the Nation must pay them the price. Their patriotism, it is implied, needs to be stimulated. This is impossible because there is no foundation to work upon. I have heard many manufacturers solemnly assert that, if the Government wished them to speed up their operations, to extend their plants, or to take additional trouble in any direction, it must guarantee to them an abnormally large profit in addition to the requisite allowance for amortization. One of them recently suggested to me that he was getting weary of the burdens he had assumed and that, if the Government wished him to continue or to undertake new tasks, it would have to induce him to do so by permitting him greatly to increase his profits. What would he or others say of a soldier, of the man drafted into the Army, who protested that for so much he would go to the seaboard, but, if the government wished him to go abroad, it must stimulate him with a 25% increase in his pay, or, if he went to the front trenches, with 50%? In the words of the

President, "Patriotism has nothing to do with profits in a case like this. Patriotism and profits ought never in the present circumstances be mentioned together. (Applause) It is perfectly proper to discuss profits as a matter of business, but it would be absurd to discuss them as motive for helping to serve and save our country. In these days of our supreme trial, when we are sending hundreds of thousands of our young men across the seas to serve a great cause, no true man who stays behind to work for them and sustain them by his labor will ask himself what he is personally going to make out of that labor. No true patriot will permit himself to take toll of their heroism in money or seek to grow rich by the shedding of their blood." I can conceive that each individual, no matter what class in society he belongs to or what service he renders, whether he be a manufacturer, a farmer, a laborer, a lawyer, a scientist, or a soldier, will take pains to see that he attain for himself and his operations the highest degree of efficiency and give the maximum service or products to the nation at the lowest cost consistent with efficient operation and effective standards of living; but it is inconceivable to me that any citizen who dare to call himself a patriot should aim to do less or to seek mere selfish advantage. It is obviously the duty of each civilian to reveal by his conduct the same standards of patriotism, devotion, and sacrifice, if necessary, either of life or property, that we expect from the men whom we send to the front directly to bear the brunt of battle. (Applause) I am confident that it is in this spirit that most of the people of the Nation are viewing their obligations and that the great body of public sentiment will permit no other attitude to manifest itself in those who are less right-minded. There can be no slacking, no turning back. The rights of the Nation must be vindicated and its institutions preserved. Those who would keep the people of the world from going about this business in

orderly and decent fashion must be taught a lesson once for all. (Applause) guarantees that there shall be no recurrence of such a world calamity as the present must be enforced. A finish must be made once for all to all things feudal, humanity be safeguarded, democracy impregnably entrenched, and the lesson be forced home that the worth and tolerable national aspiration is to have a clean national household from cellar to attic, and a durable and righteous peace must be secured, in accordance with the recent history making declaration of the President, in itself a great step towards victory, a victory, a peace, on the basis of reparation, justice and security for the world. (Great Applause)

MR. MORGENTHAU: Ladies and Gentlemen: I think I voice the sentiment of everyone here if I extend to Secretary Houston our heart-felt gratitude for this enlightening and splendid address. (Applause)

We will now hear from Rear Admiral Bradley A. Fiske, the President of the United States Naval Institute. (Great Applause)

Fifth Speaker

Rear-Admiral Bradley A. Fiske

U.S.N., President U.S. Naval Institute

Mr. Chairman, Secretary of Agriculture, distinguished guests, Ladies and Gentlemen: The history of war is largely a history of blunders; but in every war in which Caesar, Napoleon or any other great strategist commanded, we see upon his part, an intellectual performance of the highest order.

To utilize the intellectual faculties in planning and conducting war is the task of strategy.

Strategy is a word almost unknown in the United States; and yet history shows us that strategy has changed the relative positions of nations more than any other thing has. Strategy is a science and an art, so broad and deep, so complex and comprehensive, that it is more difficult than any other in the world, except the science and art of statesmanship. Statesmanship is greater than strategy, for the reason that it includes strategy. All the great statesmen of the past were great strategists as well; and the greatest statesmen such as Caesar, Napoleon, Washington, Bismarck and William Pitt, were also the greatest strategists.

The problem of determining what are the necessary steps to victory is a distinctly strategic problem. Strategy decides what is to be done. It has two assistants for doing afterwards the things decided on; one assistant is tactics, which actually fights each battle; the other assistant is logistics, which provides the weapons, ammunition, ships, men, transportation, equipment, food and money. An analogy may be pointed out between warfare and almost any other activity of men, for instance, the production of a play upon the stage: - strategy having its counterpart in the play which is planned and written; tactics having its counterpart in the actual performance of the

play by the actors; logistics having its counterpart in the work of the manager in providing the theatre, scenery, costumes, players, and the money to pay the bills.

A regular formula for solving strategic problems was invented and developed by the German General Staff some years ago, and it has been adopted by the armies and navies of the world.

The problem is divided into four parts:

1. The Mission, which is the thing that ought to be done.
2. The difficulties in the way, such as the forces of the enemy and the efforts he will probably make.
3. Our means of accomplishing the mission, and overcoming the forces of the enemy.
4. The decision.

The mission in the present case is plain. It is to whip Germany.

When we come to the second part, we see that we may divide the forces of our enemy into three parts: Germany's economic establishment, Germany's military establishment, and Germany's naval establishment. These three establishments support the government of Germany, just as three legs support a stool. They are joined together and are mutually dependent, as are the legs of a stool; but if anyone is broken, the government must fall down.

If Germany's economic establishment is broken down, Germany cannot support the Army and Navy, and therefore will have to give up; if her military establishment is broken down, the Allies can march to Berlin, and compel Germany to give up; if her naval establishment is broken down, the Allies can form an impassable blockade around Germany, which will shut off every means of communication with the outside world, even the means of submarines, and compel Germany to give up.

Coming to the third part of the problem, our facilities for accomplishing our mission against the opposing forces of Germany, we see that our means, or facilities, are the Army and Navy, backed by the enormous material resources of the United States. Naturally, our army would work with the Allied armies, and our navy with the Allies navies.

Coming to the fourth part, the Decision, we see that it amounts to deciding what we, or rather the Allies, are to do with our Army and Navy against the Germany Army and Navy; and also what the other resources of the Allies can do against Germany's economic establishment. History shows that, in time of war, the best way to destroy the economic establishment of an enemy is to use the destructive appliances of the army and navy, which were designed and developed for that purpose. Such measures as embargo are extremely efficacious; but, they are really strategic measures, like those which an army and navy take against an enemy's communications, to shut off the supply of food, fuel, munitions and equipments.

In order to make a wise decision as to what are the necessary steps to victory, let us consult our only guide for the future, which is the history of the part. If we do this, we find that our question is very old indeed, and that it has been answered many times. The answer has always been “Battles; decisive battles.” (Applause)

If one reads history reflectively, he becomes impressed not only with the enormous effect on history of battles, but also with the small number of them that were individually decisive, even when an actual victory was achieved by either side.

The most important book on this subject is “Creasy’s Fifteen Decisive Battles of the World.” In his preface, Creasy quotes Hallam as saying of the battle of Tours, “It may justly be reckoned among those five battles of which a contrary event would have essentially varied the drama of the world in all its subsequent scenes.”

Each one of the battles described brought about a decision that was momentous to mankind. Each battle as fought by the victor was the carrying out of a distinct and brilliant plan, previously conceived by the mind. In no battle did the victor fight with a vague intention, in no battle did the victor fight unprepared; in no battle was the strategy of the victor faulty or short sighted; in no case did the government behind the victorious side have an erroneous or incomplete idea of the military situation.

One fact stand out clearly; and that is the fact that, as a general rule, naval battles in which there was an actual victory, were much more decisive of future results than similar land battles. This probably because ships that are disabled or destroyed cannot be repaired so quickly as buildings and other land works can; and because sailors cannot be replaced as readily as soldiers.

The importance of naval battles was not realized until Mahan made us realize it. Mahan has passed away, but the light he lit still shines. By this light, we see that the military battle of Waterloo was not really so decisive as the naval battle of Trafalgar, although Waterloo was the culminating battle against Napoleon. The battle of Trafalgar bore the same relation to the battle of Waterloo, that, in a game of chess, the move which precedes the announcement of “mate in (say) four moves,” has to the last move of the game, which gives the culminating check mate. When one player in a game of chess moves his piece and announces, “Mate in four moves,” that move is the decisive move in the game; and the subsequent move, which finally check-mates the adversary is not the decisive move, although it is the culminating move. Nelson’s victory at Trafalgar decided irrevocably that Napoleon’s ambition for European dominion should end in failure; because it established the British navy as a permanent unbalance force against him; the only unbalanced force amount all the multifarious forces acting, the only force which Napoleon was powerless against. Trafalgar announced “mate in four moves” to Napoleon; Waterloo was the check-mate. Even if Napoleon had gained Waterloo, he would have eventually failed; for the reason that Great Britain could prevent that free movement of war ships and merchant ships upon



the sea, without which no country can maintain even a mediocre place in the family of nations.

(Applause)

Even more clearly, the battle between the Monitor and the Merrimac on March 9, 1862, and not the Battle of Gettysburg, was the decisive battle of our Civil War. Swinton points out in his “Twelve decisive Battles of Our War,” that a victory by the Merrimac would not only have raised the existing blockade of the southern coast, but would have given the South the entire control of Hampton Roads and Chesapeake Bay, the mouths of the James and Potomac Rivers, and the approaches from the south and east to Washington and Richmond, and would have endangered New York besides. Concluding a long and keen discussion of the results that would surely have followed a victory by the Merrimac, Swinton says, “The Confederacy would have received the alliance of one or both of those countries (meaning England and France) and the Republic would have been forever rent in twain.”

The defeat of the Merrimac by the Monitor decided to which side victory would go, for the simple reason that it made it impossible for the South to get the necessary money, munitions and equipment with which to wage the war successfully. Even if the Confederacy had won at Gettysburg, it would eventually have failed. The decision as to which side would win was given on the waters of Hampton Roads on the 9<sup>th</sup> of March, 1862, more than a year before Gettysburg was fought. Unfortunately, this fact was not realized when the Monitor’s victory was won; but now we see that, if it had been realized, and if the North had merely held the Southern Army in

check thereafter, and had devoted its major attention to the navy and to the maintenance by the Navy of a more rigorous blockade, the war would have been decided with immeasurably less loss of time and blood and suffering.

Our war with Spain was one of the most decisive wars that were ever waged; it was one of the most fruitful in permanent and great results; and yet; the loss of time and blood was extremely small; smaller in proportion to the vast and permanent results achieved than in any war ever waged before. This was because it was a naval war, in which ships, which it is almost impossible to replace, were the targets for our guns, and not human being which can easily be replaced.

A like truth may be stated about the war between Russia and Japan. Countless thousands were slain and wounded in the land battles of Manchuria, with little or no result that we can see; but the naval battle of Tsushima with comparatively small loss of life settled the whole question between Japan and Russia in one historic hour.

If the only way to win this war is to fight a long succession of enormous land battles, then we must fight them; but it may be advantageous to see if an alternative method less bloody but equally decisive can be devised. This idea seems worth thinking about, especially if we actually realize that the most decisive battles of history were not the most decisive battles of history were not the most bloody; that some of them, like the battle of Santiago and the battle between the

Monitor and Merrimac were comparatively bloodless, and that the Battle of Manila did not cost a single life on the American side.

Careful reflection about the Decisive Battles of the world seems to show us that, in every case, a strong attack was made against a point that was comparatively weak, and yet was vital. Noting this, does it not occur to us at once that Germany's weakest point is her navy, that it is vital too, and that, therefore, we should make a strong attack upon it? Her naval power is now protected behind vast minefields, just as the garrison of a fort in the olden days was protected behind thick walls of a fort. But the walls of the fort when they could not be broken through were climbed over with scaling ladders; and the German minefields can likewise be flown over with airplanes.

(Great Applause)

Some of these airplanes may be airplanes that rise from North Sea waters, manned by navy men; while others may spring directly from the land, manned by army men. Coincidentally with these attacks, great divisions of army warplanes may attack the enemy's bridges, munitions depots and railroads behind his trenches in France, and thus prevent him from concentrating all his aerial forces in defense of Kiel and Wilhelmshaven. (Great Applause)

It may be objected that the adoption of this suggestion would involve attaching undue importance to a new mechanical appliance. In answer it may be pointed out that all weapons are mechanical appliances, and that some of the greatest successes in war have been gained by

utilizing new mechanical appliances. In fact, the principal factors in whatever successes the Germans have attained have been the new mortars with which they battered in the tops of the Belgian forts, their novel appliances for trench fighting, and their unexpectedly efficient submarines.

It may also be pointed out that the airplane has established itself as a mechanical appliance of great reliability, that it can carry large destructive forces to strategic points more quickly than any other appliance can, that a squadron of Caproni airplanes recently made a flight of 875 miles without stopping, that the distance from England to Kiel and Wilhelmshaven is only 375 miles and 275 miles respectively, and that the distances to those places from North-eastern France are only 30 miles greater.

It may be at the present moment that there are no airplanes that are able to carry full-sized torpedoes from England to Kiel discharge the torpedoes and return to England, but there are airplanes in existence that fall short of such an ability by only a small percentage. Certainly therefore, if no such airplanes do exist, they can be made to exist, and I am informed that they can by one of the most competent aeronautical engineers in the world.

It is instructive to recall the fact that of all the many factors that decided the result of the Russian-Japanese War the most important single factor was a new invention, the naval telescope sight - because it was the decisive Japanese victory at the naval battle of Tsushima that decided

to outcome of the war by ruining every chance the Russians had of conquering Japan; because it was the enormous superiority of gunnery of the Japanese that gave the Japanese the victory, and because the enormous superiority in gunnery of the Japanese was due entirely to the fact that the Japanese guns were perfectly equipped with telescope sights, while the Russian guns were not.

This same naval telescope sight is the means with which every gun in every Allied vessel, not matter how large or how small, is directed against the submarine. It is the most efficient single weapon yet brought to bear against the submarine.

Much hop is felt by the Allies now because of the apparent loss of effectiveness of the submarine attacks. Whether or not the submarine has been beaten, let us realize that the submarine is only one of many naval weapons, and that naval strategy recognizes the fact that so long as an enemy's fleet exists as a fighting force, so long as it remains what we call a "fleet in being," it constitutes a continuing menace, from which an attack of some kind may be expected at any time. For this reason, no mere subsidence of submarine activities should blind us to a desirability of sinking or disabling the German fleet. (Applause)

Germany's entire fleet is concentrated in the region of Kiel and Wilhelmshaven. All her naval eggs are in one basket, and those eggs are vitally essential to her existence as a nation. It is my profound conviction that we can smash those eggs by torpedo planes and air-bomb attacks, if we prepare; to deliver them on a scale sufficiently great. (Great Applause)

If we do this, we shall win the latest decisive battle of the world and take the final necessary steps to victory with the minimum expenditure of money and time and human life. (Great Applause)

MR. MORGENTHAU: Ladies and Gentlemen: I suppose that not all of you are aware that Admiral Fiske was the inventor of the naval telescope sight. (Great Applause)

We have had guests of honor and honored guests, but we are also very proud that the President of this Club and my associate Vice President, Mr. Willard, are on the Roll of Honor of the United States. (Great Applause)

I want not to introduce, but call upon, our honored President, a member of the Roll of Honor, Mr. Vanderlip, for the final address of the evening. (Great Applause)

Sixth Speaker

Mr. Frank A. Vanderlip

President, National City Bank

Mr. Chairman, Gentlemen of the Club: The Secretary of Agriculture has told us in most impressive way how the Congress of the United States has pledged all the resources of this country to the winning of this war. He has given us a list of some of the vast appropriations that

have been made, appropriations so great that we fail to comprehend the real significance of those totals. He did not name the total. It foots more than \$19,000,000,000. This new unit of a billion dollars we are only coming to grasp, but when the total reaches \$19,000,000,000, it is beyond our comprehension. All the money that the United States has ever spent from the organization of this government 126 years ago, through all the wars, through all the days of peace, down to the beginning of this year, foots to \$26,300,000,000, and we are called upon to spend \$19,000,000,000 in a year.

This amount of appropriation is impressive, but these appropriations will not fight this war. Those appropriations must be translated into things, into those things that were listed which the Secretary of Agriculture told us about.

Now the workshops of this country, according to the latest report of the census, which was for the year in which the great war began, only three years ago, had a total value of less than \$25,000,000,000, and now we are calling upon those workshops, we are calling upon the labor of the nation to produce in goods, in finished manufactured things, a substantial part of \$19,000,000,000 of appropriations.

You only need to see those figures, only need to see the comparison, to recognize at once that the workshops of this country and the manpower of this country cannot produce the things that Congress has appropriated for if you and I are to call upon those workshops, upon that labor to

produce all the things that we have been accustomed to call upon them to produce. That conclusion is obvious, perfectly clear. If we are to produce these things and they are essential to winning this war, you and I must give way in our demands, we must no longer call upon labor, call upon the workshops, reach out for materials to produce these things of comfort, of pleasure, of luxury, that we have been having.

It seems to me that there is the fundamental of winning this war -- a recognition that the responsibility for winning the war isn't up to the government. It isn't going to be a matter of strategy, it isn't a question of the appropriations made by Congress, it even isn't a question of the ability of the Secretary of the Treasury, and surely he has great ability to raise the funds that Congress has appropriated, even Treasury credits will not fight this war. It is the workshops, it is the manpower and the responsibility for giving the Government that manpower, those workshops, free and clear, and the material which is necessary lies not with Congress, not with the Secretary of the Treasury, not with the departments -- it lies with us all. (Great Applause)

We are told that there have been withdrawn 1,800,000 men. That means less hands to work, less manpower to call upon. That also means that we are further on notice, that we must watch the expenditure of our dollars, it means that it is no question of whether you and I can afford to buy a thing, it has come to be a question of whether the Nation can afford to have us buy a thing.

(Applause)



If you wanted a chauffeur and you saw a man driving an ambulance on an errand of mercy, you wouldn't halt him and say, "Here, I will pay you more than the Government. I've got a better job for you." If you saw a man turning a shell, you wouldn't say, "Stop that lathe, put in the cylinder of my automobile, I want it repaired." If your wife saw a woman working on a gas mask and knew that it might save a life, she wouldn't say to that woman, "I want a new hat."

But that is what we are doing when thoughtlessly we go into competition with the Government for these things necessary, these things that take labor, that take material, that fill workshops, that get in the way of the government's purposes, and it is the recognition of this personal responsibility that should bring us close to the real meaning of winning this war. Never was there a war that will so search out the character of a Nation. The responsibility is up to all of us, men, women and children. It is up to us to weigh the dollar before we pay it out, to see which scale it falls in -- whether it falls in this balance of unnecessary expenditure, of non-essential expenditure, that turns the pointer away from victory or whether it falls in the other balance that helps the Government to its great purposes.

A dollar that is so misspent is tampering with the equipment of our Army, a dollar that is so misspent is an ally of the enemy, it is a traitor dollar and we must come each to analyze our expenditures in this national viewpoint, to see that we are competing with the Government, that we are tampering with the making of equipment, that we are getting in the way of the Government in the preparation for this great war, which is a war of mechanics, a war of the

mechanicians, almost as it is of soldiers, for it is warfare in the air and on the sea, in the chemical laboratories, everywhere that science has been able to devise anything that is destructive to human life. (Applause)

We have accepted the idea of the conscription of men. There is, I believe, almost universal agreement that it was one of the most wise and just things that the Government could do. But the Government also needs all the endless things that today go to make up, in what is really a war of the workshops, the equipment and paraphernalia of the army. These will cost a huge sum; and so the idea occurs to many people: why not conscript wealth?

There is in this thought a mistaken assumption of what wealth is -- a mistaken view of the function of money. At any give time substantially all wealth is in the form of fixed investments. It consists of farms, and hoses, and railroads, and factories, and all our means of production, transportation and distribution. The government does not want those things; it needs current labor, and fresh raw material.

If the Government were to conscript wealth; that is, if it were to seize the real property, of which wealth consists, it would not only have an impractical problem of administration on its hands, but it would not forward its purpose of preparation for war. The Government does conscript wealth through its power of taxation; but if a levy of taxes were made so heavy then it could not be paid out of the current earnings. If all people were compelled to dispose of real property in

order to meet such a conscription of wealth, where would the buyers come from? Such a course would only mean demoralization and ruin. We must keep clearly in mind that preparation for war, and the conduct of war can only be met by current effort. Fresh labor and unused raw materials are what the Government must have. Anything that the Government can do to increase the supply of labor that is available for these uses, to make clear its rights to all existing raw material that it requires, is in the direction of carrying out its program of preparation. That is why we must all personally economize; all call upon the manpower of the country for less labor to provide us with things that are not necessary. No conscription of wealth, in the sense of the Government taking over real property, could be of any value, nor would it result in anything but confusion. The thing that we must do is to free labor and material for the Government's use; and that responsibility lies upon every one of us - a responsibility not to exercise our command over labor and material by asking for the production of non-essentials.

There is no legerdemain of finance which will enable the Government to outfit the troops, to manufacture the endless needs that the army will want, to build ships, to construct airplanes, and to thoroughly prepare this nation for war. Organized industry and applied manpower are the only things that will do it. The Government cannot accomplish it by an inflation of currency; investors cannot aid the Government by selling existing holdings of securities, or permanently inflating bank credits, by borrowing to buy liberty bonds, without at the same time resolving to pay the debt thus incurred. The expansion of bank credits can be of great value, unless that expansion is made only in anticipation of future savings. For a man to borrow - to buy Liberty Bonds -

without cutting down his own expenditures, or so ordering his future income that he will within a reasonable time pay off his loan is simply like writing two checks for the same bank balance. If he goes on with his expenditures as before he has released no labor and material for the purpose of the Government; and it is labor and material that the Government wants, and must have, to develop our full military strength.

We hope to accomplish much through the voluntary action of individuals in foregoing their power to cause non-essentials to be produced. This means self-discipline. It means a change in our personal habits; a relinquishment for the present of the gratification of our usual desires. There will be an endless number of volunteer soldiers in this army of economizers, who must be the backers of the great army at the front. We thought it was wiser and fairer, and undoubtedly it was, not to depend upon voluntary enlistment to create our army. Selective conscription was the greatest single step we have made toward winning the war. In no similar sense could we have conscription of wealth, but we do not need to leave it entirely to volunteers to see that our consumption of non-essentials is reduced - to see that labor and material in sufficient amount is released to meet the Government's demands. Already there is talk of doing what has been wisely done in England - prohibiting, or limiting the imports of luxuries. There is also the suggestion that fuel supplies to the manufacturers of non-essentials should be cut off or reduced. I believe there is an opportunity to do something wiser and more far-reaching than would be accomplished by either of those plans. It seems clear that it is essential that individuals should decrease their demand for the production of non-essentials. Many will voluntarily do this. Why not see to it that

all do it - by taxing expenditure. In such a course there would be a double result. Treasure credits would be augmented. But of even more importance, the demand for non-essentials would be forcibly curtailed. Such a tax could well be progressive, bearing with great weight upon those people who continued to make very large personal expenditures. If every \$5.00 dinner meant that the diner would have to contribute \$5.00 more to the Treasury, there would be some real conservation of food. (Laughter and Applause) If every \$200 gown meant \$200 more in taxes, our fashionable people would probably get on with fewer new gowns. If every man making personal expenditures on his household of \$50,000 or \$100,000 - a year - and our great prosperity has built up a legion of them - was asked to contribute a further large amount in a tax that was measured by such expenditures, those expenditures would decrease. The administration of such a tax law might be difficult, but surely no more complicated than the administration of the present tax law. (Laughter and Applause) If we did a thing so simple as to exempt from additional taxation that part of a man's income that was reproductively reinvest, we could then roughly make the tax fall upon the expenditure for luxuries and perform the double purpose of increasing the Treasury's income and decreasing the demand upon materials and labor that is unnecessary. Another method would be to tax at the source of production certain luxuries. It seems to me it would be perfectly possible to frame a law which would not only produce a large income, but in the process of its incidence would so fall as to conscript a part of large incomes in those cases where the receivers of those incomes were not ready to volunteer the sacrifice of economy which the crisis demands from everyone. That would be a true selective conscription of incomes, and would give to the Government not only available credit to pay for labor and

material, but what is today much more difficult to get, - it would give to the government labor and material that might otherwise be consumed in non-essential production.

If everyone suddenly stopped buying every sort of non-essential, the result would be extreme disorder in the commercial and industrial world. The process of re-adjustment would take time and would be accompanied by great distress. Everyone is not going suddenly to stop buying non-essentials. The lesson of the need of economy will not be carried effectively to the whole people. Men were never so fully employed; wages never so high; the agricultural crop this year was worth \$21,000,000,000 against the value of \$9,000,000,000 the year the great war started; people who are receiving these high wages, farmers who are receiving these great values, are not suddenly going to become more economical than usual; in truth, they are going to become less economical, so we need not fear that the transition from a spendthrift nation to a thrifty nation will be so complete and so sudden as to dislocate all trade and industry.

If labor and industry were perfectly mobile; if there was some way of adjusting every shop, every machine, every worker, to the task that would bring the greatest results to meet the nation's needs, there would probably be industrial capacity and labor enough to do what we have to do without bringing disaster upon any particular line of production or in any field of commerce. Anything that the government can do to make mobile industrial plants and workmen; to adapt industrial plants that are working on non-essentials to the work the Government has in hand, and fit workmen that could be spared to the jobs where work is urgently needed, would be as important, and have far better results than would a ruthless stoppage of the production by the sale

of non-essentials. The lesson in economy cannot be so completely taught that it will stop completely the sale and production of all non-essentials. It is only by bringing this lesson to the country's attention with great vigor that we may hope to have any appreciable effect in these days of prosperity in releasing labor and material through economy in our personal demands.

I believe that we should do all that we can to induce people to practice economy. I believe, too, that the Government should do all it can to make use of the machinery that is needed, that which is now producing non-essentials it should be its aim to convert to performing some form of production that is needed. I believe that if the demand for labor could be thoroughly organized so that there was a comprehensive picture of the labor situation, so that we knew wherever there was any possibility of obtaining a surplus, we would go a long way towards meeting the Government's needs. If every man who is burning to be of service to his country, and nearly all men are, could be helped in finding a way to make the transition from non-essential work to the work that the Government is so seriously in need of having done, there would be a huge industrial army to volunteer for government service, and the transition could be made in that way with the least harm to the established order.

You men are men of brains, men of experience, men of vision. You have a greater duty than merely the duty of economizing your money, of not expending your money on non-essentials. You have a duty today of not expending your brains, your experience, your vision too, wholly on non-essentials, non-essentials from the national point of view. You have got a duty to make

contribution to the Nation of yourselves. You have a duty to consider something wider than the problems of your desk, to think nationally, to think of these great national problems that are arising out of this war, to think of the problems that are here today.

Take the railroad situation, for example -- I believe if there was a well-considered public judgment and an authoritative voice to say what should be done for the railroads, Congress would promptly do it. If there was today any such well-considered body of opinion as we had among bankers at the time the banking legislation was passed, we could have railroad legislation that would solve this most vexing problem.

It is our duty to help solve these problems, it is your duty to give thought to these many problems of government, but whatever your duty may be in that direction, don't misspend your brains, your talents, in misinformed criticism of the Government.

The Government has upon its shoulders, has upon the shoulders of the men who are charged with these responsibilities the greatest problems that ever were known. The Government's business is being expanded 20 times in a year. Suppose your business was being expanded 20 times in a year, don't you think you would make some mistakes? Wouldn't there be something to criticize; wouldn't there be instances here and there which would look like very foolish work?



Now there are things to criticize in what the Government is doing. It isn't all perfection, but I tell you it is all in the direction of progress and it is being done by earnest men who are giving themselves fully and wholly to the task. (Great Applause)

If the Government calls on you for sacrifice, you have a perfect right sternly to demand that the Government is efficient. But you ought to recognize the difficulties, you ought to be sympathetic and constructive in your criticism, you ought to give your aid, your advice, your best judgment where you can, but don't criticize in an uninformed way things about which you do not know.

The Secretary of the Treasury has done many very wise things since the war broke out, has reached many very wise decisions and has made suggestions for wise legislation, but I know of no single thing that will be more far-reaching than the suggestion that he made to Congress that was acted on in the last Liberty loan Bill for the issue of War Saving Certificates.

They seem like small matters, little trifling bits of paper, little stamps that cost 25 cents or \$4.12, but they are going to raise a total more huge than any financial operation ever carried on in this country prior to the first Liberty Loan. That is important - raising \$2,000,000,000 in this time of great need for Treasury credits is very important. But there are other things much more important in this program. This Nation was riding to a fall, a lesson was due us, war or no war, a lesson that would sharply bring to our minds that we were a spendthrift nation; that we were careless, that we had grown prodigal; we were on the road to a serious lesson. Now we have the opportunity of

teaching to the whole people this lesson of thrift, of teaching it with a background of patriotism that will make it sink into their souls. I believe we are going to sell these little war stamps to 30,000,000 people and I believe in doing it that we are going to make an impression on the character of this country, make an impression that will last long after the war, an impression that may so change us as to go a long ways to recompense us for the terrible cost of the war.

But that isn't the great thing. The great thing is what I have been talking of -- the lesson of personal responsibility, the lesson that it is absolutely up to everyone of us to help win this war by economy, because economy means giving the Government a free hand to create those things that are necessary for the success of the Army and for the whipping of Germany. (Great Applause)