

DALE CARNEGIE - KENNETH COLLINGS  
SUNOCO, Thursday, January 4, 1940.

Hello, Everybody:

When Lowell Thomas left for his vacation trip to the north he asked me to take over for him on Thursday. Well, this is Thursday, but it's also the day when President Roosevelt sent to Congress the national budget for the coming fiscal year. So that makes today a day of figures, a maze of arithmetic, soaring away up in the billions.

Today President Roosevelt presented to Congress a budget calling for the expenditure of eight and one half billion dollars during the next fiscal year. By the way, do you have any idea how much eight and one-half billion dollars are? Well, there have been just a little more than a billion minutes passed since the birth of Christ. So that means the Government is spending during the next fiscal year about eight dollars for every minute that has passed day and night since Christ was born. But huge as that sum is, it is less than the figure for the present fiscal year. The

four hundred and sixty million dollars by special national defense taxation -- as the President has recommended. Yes, these financial matters do become complicated.

The deficit named in today's budget must be added, of course, to the national debt of the United States. It brings the national debt up to forty-four billion and nine hundred million dollars, and that is mighty near the ceiling. The ceiling is the debt limit of forty-five billion dollars provided by congressional law. Today's budget just gets in under the wire.

So Congress won't be asked to raise the national debt limit-unless. There are plenty of ifs and buts. The President in his budget message states that he may already have cut down the relief costs too much. They may have to be raised. In the past several years, relief estimates have been raised, with Congress asked to make special appropriations.

President has cut relief costs. For example, he cut Four Hundred Million from the W.P.A. alone.

There's one item of expense that has not decreased at all - in fact it has been increased. That item is National defense. The President calls for two billion and three hundred million dollars to be spent for the armament of the nation. That's the largest peace-time appropriation for the Army and Navy in the history of the United States.

One interesting item in the defense expenditures concerns the F.B.I., the G-men. The budget program recommends that the Federal Bureau of Investigation, headed by J. Edgar Hoover, get an emergency fund of two and a quarter million dollars - to combat spies and sabotage.

Now let's see how much money Uncle Sam expects to take in during the next fiscal year. The gross figure is over six billion dollars. Here, however, we come upon a complication connected with Social Security - money paid in the Unemployment Insurance and Old-Age Pension program. It's all very complicated, but the way it's figured out, it gives the United States a deficit

of a little over two billion. However, today's deficit figure depends on whether or not Congress raises four hundred and sixty million dollars by special national defense taxation - as the President has recommended. Yes, these financial matters do become complicated.

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The budget met with the usual mixed reception in Congress - Democrats saying one thing, Republicans another.

But the general tone was in agreement on the idea of economy.

Democratic Representative Dempsey of New Mexico said:- "I am very happy about the reduced deficit."

Democratic Senator Burns of South Carolina gave his okay in these words:- "The President's recommendations constitute a long step towards a balanced budget."

Republican Senator Taft of Ohio, a strenuous economy advocate, spoke these words:- "The President has made a gingerly approach in the right direction."

Other Republicans referred to the likelihood that relief expenditures would be increased by special appropriations to be asked for later.

Representative John Taber of New York expressed that idea this way:- "It was an A-budget, with a B-budget to come along later. The B-budget will have the real sting in it."

So much for the budget, which dominated American news today.

Collings.

Jan. 4, 1940.

FOLLOW BUDGET

When Lowell Thomas asked me to substitute for him tonight, he said: "If you want something first-hand about war affairs in Europe, ask Ken Collings." And he explained that Kenneth Brown Collings, newspaperman and magazine writer, had just returned from Europe, where he had not only been covering the war in Germany, but had managed to accomplish the impossible by getting a first-hand look at the Russian army on active duty. Well, I thought, that's convenient. Why not have Kenneth Collings take over the European items this evening, and give us the benefit of his recent experience? What about the news from Europe, Kenneth?

KENNETH COLLINGS:-

Well, I have some dispatches here which, in the light of what I saw in Europe, frankly confuse me a bit. However, I believe I can throw some additional light on them -- and will try to do so. But first we will take them as they come over the wire. Here is one from Berlin:



GERMANY

In Germany, the economic dictatorship was made still tighter today - strengthened with <sup>new</sup> new and more autocratic powers.

Economic life under the Nazi regime has been stringently controlled all along, and <sup>now things are tighter than ever -</sup> ~~there seemed little enough liberty left.~~ Now - still more control over industry and production. <sup>is done</sup> ~~This - to meet~~ the British blockade and enable Nazi Germany to do without a lot of supplies that the British are cutting off.

One interesting angle is <sup>that</sup> ~~that~~ <sup>the</sup> new war economy powers are conferred on Goering. Of course, that Nazi Number Two man, has been economic dictator all along. But recently there were rumors that he was out of favor with Hitler. ~~Stories emanating~~ from the Allied countries indicated that he was in virtual retirement on his estates, pushed aside, angry, at odds with the ~~Hitler war policy.~~ Now, however, we have official word from Berlin that Goering takes more complete control than ever in his dictatorship over German industry.

This news is accompanied by a declaration of new financial burdens put on the German people <sup>^</sup> higher taxes, more money exacted. The report sounds like a case of drastic confiscation. People are required to save their money. (That's the expression used - 2 "save.")

But

It really means - turn it over to the government.

Everybody making more than four hundred Marks a month, must save everything above that sum. Four hundred Marks amounts to a hundred and sixty dollars - an income of about forty dollars a week. All earnings above that amount are to be deposited in savings accounts; and the money in these savings accounts is to be invested in Nazi government war securities. The Nazis are taking that way to raise money so that they won't have to issue a war-time bond issue -- government bonds offered for public sale.

That ~~is~~ <sup>the official dispatch -</sup>

~~and~~ that, in the light of my observations, is

questionable in ~~that~~ <sup>the</sup> picture ~~it draws?~~ Only this:- it might give the

impression that Germany is cracking; whereas, across the water, several competent American economic experts of long German experience voiced the opinion that German economy can withstand at least two years of war -- and any football coach will tell you that the most fatal error in the world is to underestimate your opponent.

I'm particularly interested in the news from Finland ~~a~~

because of the chance I had to see the Red Army at close range.

Dispatches from Helsinki today continue to tell of the victories

the Finns have been winning. The latest accounts describe what

~~are~~ are mostly follow-up operations, chasing defeated Red Army

units in the Arctic North. Reports from Finland ~~are~~ <sup>were</sup> jubilant; and

~~we~~ continue to get accounts of how the Finns have penetrated

Russian territory -- those ski patrols no doubt. Here is

one dispatch that's worth noting:- ~~That~~ <sup>it</sup> made headlines, telling

~~that~~ <sup>how</sup> one Finnish force had ~~penet~~ penetrated ten miles in Russian

territory, driving across the border. Later came the explanation:-

that this story was probably based on misinterpretation of a name:-

The Finnish Army dispatch declared that its forces had reached

Lake Kokko. Some correspondents took that to mean the Russian

Lake Kokko, some ten miles beyond the border of Finland. However,

there is another Lake Kokko, and it is in Finland. ~~That's~~ That's the

lake which the Finnish attachments reached in their drive against

the Red invaders.

Well,

My comment is simply this: wishful thinking can accomplish almost anything. The gallant Finns are the underdog in this scrap and everyone hopes so fervently that they will win that they allow their imaginations to run riot. The outstanding example which has come to my attention is the reports to the effect that the invading Russians lacked shoes and food, and were clad in flimsy cotton garments. Now I spent three days with Russian troops on active duty -- ~~in~~ incidentally, I am telling the complete story in a series of forthcoming articles in Liberty magazine -- and everything I saw was to the contrary. Little as we may like to believe it, the Russians - at least those I saw - had warm overcoats and hoods, good solid boots, good equipment, ample to eat -- and even plenty of cigarettes.

~~Well~~ The rest of our news is less controversial to everyone except the Irish.

IRELAND

The news of trouble in Ireland tells of many arrests, the deValera government rounding up members of the outlawed Irish Republican Army. ~~Tuesday~~ Today in Cork, there were a series of police raids and twenty-four I.R.A. men were seized. This follows an outbreak of street fighting, in which a detective was killed last night.

The deValera government is moving to take into custody all members of the I.R.A., and keep them interned.

COLLINGS:

The Chinese have already lost a million soldiers but from a strictly military point of view that is not very serious as long as China has a population of four hundred and fifty million people left to draw on. If China only had plenty of guns and ammunition and airplanes, she could go on losing a million soldiers for the next fifty years.

COLLINGS: By the way, Dale, you said you're just back from China and Japan.

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DALE CARNEGIE: Yes, that's right.

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COLLINGS: Well, tell me who is going to win the war in the Orient?

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DALE CARNEGIE: I frequently asked that same question myself in the Orient last summer. For example, I had dinner one night with a group of the prominent American business and diplomatic representatives in Shanghai. One man said that Japan was already defeated. He declared last August that Japan would be ~~spring~~ for peace within three months; and another man who is in the diplomatic service argued that "Japan had already won the war." *So there you are. Nobody knows.* Chiang Kai-shek prophesizes that China will have to fight from three to five years longer before she wins the war. And the Japanese war office declares that they may have to take fifty or a hundred years to do the job.

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ADD CHINA

Yes, a recent news dispatch from Shanghai estimated that twenty-five million people would face famine and disease in China this year because of floods and drought. There are probably three hundred million people in China whose one thought every day is how can they get enough to eat and how can they keep warm? You can hire a Chinese coolie to work a whole day for seven cents in American money. I wish I could have taken to China with me last summer, all the complaining, dissatisfied, grumbling men and women in America. If they could only see the terrible poverty that exists in China, they would come back here ashamed of the fact that they ever ~~complained~~ complained about anything. They would come back here thanking God that they were born in America.



SONG

At Boston an aged woman lies ill. She is eighty-one and without money, yet she is the composer of one of the most famous bits of music on this earth, one of the most popular songs that poured from a mother's lips. When her distressing plight became known, the American Society of Composers, Authors and Publishers came to her rescue with money to provide her with a private hospital room and a private nurse. They did this in acknowledgement of her contribution to American music.

She is Mrs. Effie Canning Carlton. Do you recognize the name? What song did she write? Can you guess? Well, many a long year ago, Mrs. Effie Canning Carlton composed -- "Rock-a-bye Baby."

"Rock-a-bye Baby, in the treetop,

When the Wind blows the cradle will rock,

When the ~~bow~~ <sup>tree</sup> breaks the cradle will fall,

Down will come ~~Baby, cradle~~ <sup>rock a by baby</sup> and all.

On a guess I'd say that that song has been sung in this land more often than any other -- innumerable mothers endlessly crooning

"Rock-a-Bye-Baby, in the Tree Top." For that most popular of songs, Mrs. Effie Canning Carlton never received even one penny of royalties.

## APPOINTMENTS

Here's some news from Washington that hardly seems like news. Several times during the past few weeks, Lowell Thomas talked about the report that Attorney General Frank Murphy would be appointed to the Supreme Court. It happened today, when President Roosevelt sent the name of the Attorney General to Congress. The word from Washington is that Congress is certain to confirm the nomination, so I suppose we can begin to talk about - Mr. Justice Murphy.

This is the fifth nomination to the highest tribunal, that President Roosevelt has made. He has had more appointments than any other President since William Howard Taft, who also appointed five. The Supreme Court will now have a majority of justices appointed by President Roosevelt - five out of nine.

The post of Attorney General goes to Robert H. Jackson - as predicted. He has been Solicitor-General, always in high favor with the White House. His rise has been rapid, and now he gets a post in the Cabinet.

## FIRE

Here's an item about a newspaper reporter hot on a story.

The story was hot -- a fire. At Danbury, Connecticut, the fire alarm sounded with a loud uproar, and a minute later police headquarters got an urgent telephone call. It was from a local newspaper, a reporter was on the wire; and he said: "This is the New Times," "Where's the fire?"

To which the sergeant at the desk replied: "The Fire is in the New Times office!"

Wilkins.

Jan. 5, 1940.