

minimum annuity payments for certain officers, employees, and widows; to the Committee on Post Office and Civil Service.

By Mr. KENNEDY:

H. R. 8109. A bill to extend for 1 year the Housing and Rent Act of 1947; to the Committee on Banking and Currency.

By Mr. LEMKE:

H. R. 8110. A bill to amend Public Law 351, Eighty-first Congress, chapter 681, first session; to the Committee on Armed Services.

H. R. 8111. A bill to amend Public Law 351, Eighty-first Congress, chapter 681, first session; to the Committee on Armed Services.

By Mr. TRIMBLE:

H. R. 8112. A bill to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States; to the Committee on House Administration.

By Mr. BAILEY:

H. R. 8113. A bill relating to the construction of school facilities in areas affected by Federal activities; to the Committee on Education and Labor.

By Mr. ELLIOTT (by request):

H. R. 8114. A bill to amend the act of July 8, 1937 (ch. 443, 50 Stat. 478), and to provide for the retirement of certain noncitizen employees of the Panama Canal and the Panama Railroad Co. on the Isthmus of Panama; to the Committee on Post Office and Civil Service.

By Mrs. BOLTON of Ohio:

H. J. Res. 455. Joint resolution authorizing the designation of American Student Nurse Days, 1950; to the Committee on the Judiciary.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS of Delaware:

H. R. 8115. A bill for the relief of Dr. C. A. Schenck; to the Committee on the Judiciary.

By Mr. CARNAHAN:

H. R. 8116. A bill for the relief of Arthur N. Forsmark; to the Committee on the Judiciary.

By Mr. CORBETT:

H. R. 8117. A bill for the relief of Yoshiko Emory; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 8118. A bill for the relief of the estate of the late Ismael Miranda; to the Committee on the Judiciary.

By Mr. LOVRE:

H. R. 8119. A bill for the relief of Midori Ohta (also known as Mary Stephen); to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 8120. A bill for the relief of Anite Clara Taube; to the Committee on the Judiciary.

By Mr. NICHOLSON:

H. R. 8121. A bill providing for the payment of \$810.50 to George W. Purdy, of Oak Bluffs, Mass., in settlement of claims against the United States; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 8122. A bill providing for the extension of patent No. 2,094,279, issued September 28, 1937, relating to rubber rail seats; to the Committee on the Judiciary.

By Mr. SANBORN:

H. R. 8123. A bill for the relief of Lee Yee Yen; to the Committee on the Judiciary.

By Mr. SMITH of Virginia (by request):

H. R. 8124. A bill for the relief of Arthur C. Thompson; to the Committee on the Judiciary.

By Mr. WILSON of Texas:

H. R. 8125. A bill for the relief of Mrs. Hisae Kawauchi Kelly; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2071. By Mr. MILLER of Maryland: Resolution of the Cambridge Woman's Club, Cambridge, Md., in opposition to compulsory health insurance legislation; to the Committee on Interstate and Foreign Commerce.

2072. Also, resolution of the Cambridge Rotary Club, Cambridge, Md., in opposition to compulsory health insurance legislation; to the Committee on Interstate and Foreign Commerce.

2073. By Mr. RICH: Petition of American Legion Auxiliary Post No. 519, Westfield, Pa., in opposition to any form of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

2074. By Mr. SMITH of Wisconsin: Resolution of the members of the Twentieth Century Study Club, of Beloit, Wis., opposing any form of socialized medicine; to the Committee on Interstate and Foreign Commerce.

## SENATE

THURSDAY, APRIL 20, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Edward L. R. Elson, D. D., pastor, National Presbyterian Church, Washington, D. C., offered the following prayer:

Create in us clean hearts, O Lord, and renew right spirits within us. Make sacred this day and all its duties that it may be lived as unto Thee.

Judge us in the secret places of the soul and in the public ordering of our lives. Make us wise enough and strong enough and great enough and good enough to be fit stewards of the devices and the destinies which, by Thy providence, now rest in our hands. Through Jesus Christ our Lord. Amen.

#### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 19, 1950, was dispensed with.

#### MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On April 19, 1950:

S. 46. An act for the relief of Primitivo Urcelay-Ruiz;

S. 2911. An act to authorize the President to appoint Lt. Col. Charles H. Bonesteel as executive director of the European Coordinating Committee under the Mutual Defense Assistance Act of 1949, without affecting his military status and perquisites; and

S. 2734. An act to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and a better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes.

On April 20, 1950:

S. 2246. An act to amend the National Housing Act, as amended, and for other purposes.

#### LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. KILGORE was excused from attendance on the sessions of the Senate, Friday and Saturday of this week.

#### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Malone
Anderson	Hendrickson	Martin
Benton	Hickenlooper	Millikin
Brewster	Hill	Morse
Brieker	Hoey	Mundt
Bridges	Holland	Neely
Butler	Hunt	O'Connor
Byrd	Ives	Robertson
Cain	Jenner	Saltonstall
Capewhart	Johnson, Tex.	Schoeppel
Chapman	Kem	Smith, Maine
Connally	Kerr	Sparkman
Cordon	Kilgore	Stennis
Darby	Knowland	Taft
Donnell	Langer	Thomas, Okla.
Douglas	Leahy	Thye
Dworshak	Lehman	Tydings
Eastland	Lodge	Watkins
Eaton	Lucas	Wherry
Ellender	McCarran	Wiley
Ferguson	McCarthy	Williams
Flanders	McFarland	Withers
Frear	McKellar	Young
Fulbright	McMahon	
Green	Magnuson	

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Colorado [Mr. JOHNSON], and the Senator from Louisiana [Mr. LONG] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY], the Senator from New Jersey [Mr. SMITH], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from Michigan [Mr. VANDENBERG] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

#### AMENDMENT OF ECONOMIC COOPERATION ACT OF 1948

The VICE PRESIDENT. The Senate has before it the unfinished business, which is the bill (S. 3304) to amend the Economic Cooperation Act of 1948, as amended. The bill is open to amendment.

#### TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to present petitions and memorials, introduce bills and joint resolu-

tions, and submit routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

#### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

#### REPORT ON EDUCATIONAL EXCHANGE ACTIVITIES

A letter from the Chairman of the United States Advisory Commission on Educational Exchange, Department of State, transmitting, pursuant to law, the third semiannual report of the Commission on educational exchange activities conducted under the United States Information and Exchange Act of 1948 (with an accompanying report); to the Committee on Foreign Relations.

#### REPORT OF CLAIMS PAID BY UNITED STATES ATOMIC ENERGY COMMISSION

A letter from the Acting Chairman of the United States Atomic Energy Commission, transmitting, pursuant to law, a report of claims paid by the Commission during the calendar year 1949 (with an accompanying report); to the Committee on the Judiciary.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

#### "Senate Joint Resolution 4

"Joint resolution relative to the reduction of tariffs on Italian lemons

"Whereas a 50-percent tariff reduction on Italian lemons has been included in the trade treaty recently proposed to the Italian Government by the United States State Department; and

"Whereas Italian lemon growers already enjoy a retail selling advantage of more than \$1 per box in eastern markets of the United States; and

"Whereas the Department of Agriculture and the House Agricultural Committee oppose the inclusion of the tariff reduction on Italian lemons in the trade treaty; and

"Whereas the State Department action has resulted in large shipments of Italian lemons to the United States at a time when there already exists in California a surplus crop of lemons which is more than 30 percent larger than usual; and

"Whereas the tariff reduction will encourage further shipments of Italian lemons into United States markets, and, thereby, increase the surplus which exists in such markets; and

"Whereas the influx of Italian lemons to be anticipated from this tariff reduction will inevitably produce hardship among packing-house workers, grove owners, shippers, processors, field workers, box factories, and all other persons and industries dependent upon California lemon production for their business and livelihood; and

"Whereas it is feared that this trade treaty by the State Department might be followed by similar trade treaties likely to produce similar hardship in the orange, lime, grapefruit, and other citrus markets: Now, therefore, be it

*Resolved by the Senate and the Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President of the United States, the Secretary of State of the United States, and the Congress of the United States to take whatever action is necessary to prevent the reduction of tariffs on Italian lem-*

ons imported into the United States; and be it further

*Resolved, That the secretary of the senate be directed to transmit copies of this resolution to the President and Vice President of the United States, the Secretary of State, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."*

A joint resolution of the Legislature of the State of California; to the Committee on Interstate and Foreign Commerce:

#### "Senate Joint Resolution 6

"Joint resolution relative to proposed Federal regulation of size and weight of motor vehicles

"Whereas on March 9, 1950, a bill, numbered H. R. 7637, was introduced in the House of Representatives of the Congress of the United States, proposing to amend section 226 of the Interstate Commerce Act, as amended, to confer jurisdiction upon the Interstate Commerce Commission to supersede State laws, rules, or regulations of any State or any political subdivision therein which said Commission finds obstructs or hinders interstate or foreign commerce, and to confer jurisdiction on the district courts of the United States by injunction or other process to restrain interference with the operation of motor vehicles in interstate or foreign commerce, in compliance with any regulations prescribed by the Interstate Commerce Commission; and

"Whereas the regulation of the size and weight of vehicles operated on the public highways of the several States has always heretofore been considered a subject properly regulated under laws enacted by the legislatures of the several States for the protection of the public highways of the State, and the lives and safety of the citizens of the respective States; and

"Whereas notwithstanding the grants of Federal aid for highway construction, the State highways, county highways, city streets, and other public highways in and of the several States have largely been financed by the proceeds of taxes levied under the laws of the respective States; and

"Whereas the ability of any State to pay for increased highway facilities required for large or heavy vehicles or for increased maintenance costs resulting from the operation thereof is a matter resting solely with the legislature of said State; and

"Whereas it is most impracticable and an unnecessary expenditure of public moneys for any Federal commission sitting at Washington, D. C., to attempt to judge the safety of bridges, roadway surfaces, or other highway facilities, or to foresee emergency conditions which may develop therein and thereon; and

"Whereas the legislatures of the several States have substantially achieved uniformity in the regulation of size and weight of motor vehicles through adoption of the recommended standards of size and weight adopted by the American Association of State Highway Officials, as a result of widespread studies conducted jointly with the Bureau of Public Roads of the Department of Commerce of the United States of America; and

"Whereas dual control and regulation of the size and weight of motor vehicles will inevitably cause confusion in police enforcement and in the collection of weight fees and other licenses or taxes, and discrimination between intrastate operators and those engaged in interstate or foreign commerce; and

"Whereas legislation such as H. R. 7637 will be an opening wedge for Federal invasion of a field heretofore regulated and controlled by the legislatures of the several States, so that the next step would be Federal regulation of permissible speeds of motor vehicles operating in interstate commerce,

and Federal interference in the matter of taxes or fees levied or imposed by the several States for the privilege of using the public highways thereof, further usurping the right of the legislature of each State to pass such laws as it considers necessary and proper for the protection of the safety of its citizens and its investment in its streets and highways, and to provide for the continued maintenance and improvement thereof: Now, therefore, be it

*Resolved by the Senate of the State of California (the Assembly thereof concurring), That the Legislature of the State of California considers H. R. 7637 an unwise and unnecessary attempt to invade the rights reserved to the several States by the Constitution of the United States of America, and memorializes the Congress of the United States of America to refuse enactment to H. R. 7637, or any other similar legislation, and to leave the matter of regulation of sizes, weights, and operation of motor vehicles on the public highways of the several States to the legislatures thereof.*

"The secretary of the senate is instructed to mail a copy of this resolution to the President of the United States, the Vice President of the United States, and to each Senator and Representative in the Congress of the United States of America from the State of California."

A resolution adopted by the House of Delegates of the Legislature of the State of Maryland, favoring the enactment of Senate bill 2786, to provide direct assistance to the American shipping industry; to the Committee on Interstate and Foreign Commerce. (See resolution printed in full, when presented by Mr. O'CONNOR, p. 5316, CONGRESSIONAL RECORD, Apr. 19, 1950.)

The petition of Flossie Lemon, of Parkersburg, W. Va., praying for the enactment of House bill 6000, to extend and improve the Federal old-age and survivors insurance system; to the Committee on Finance.

A letter in the nature of a petition from the Lexington Advisory Committee on National Defense, Lexington, Ky., signed by Rev. George J. O'Bryan, chairman, endorsing General Eisenhower's views on strengthening the national defense; to the Committee on Armed Services.

Resolutions adopted by delegates at the eighth annual meeting of the National Rural Electric Cooperative Association, Chicago, Ill., relating to REA loans and administrative funds, and so forth; to the Committee on Agriculture and Forestry.

A resolution adopted by the Dale-Oakland Young Republican Club, Johnstown, Pa., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the American Public Power Association, Washington, D. C., relating to House bill 6000, to extend and improve the Federal old-age and survivors insurance system, etc.; to the Committee on Finance.

A resolution adopted by the American Public Power Association, Washington, D. C., relating to the President's Water Resources Policy Commission; to the Committee on Interior and Insular Affairs.

A resolution adopted by the American Public Power Association, Washington, D. C., favoring the enactment of legislation providing construction of the St. Lawrence power project; to the Committee on Foreign Relations.

A resolution adopted by the American Public Power Association, Washington, D. C., relating to nonreimbursable allocations on local power projects; to the Committee on Public Works.

A resolution adopted by the American Public Power Association, Washington, D. C., relating to the transmission of Federal power; to the Committee on Public Works.

A resolution adopted by the American Public Power Association, Washington, D. C., favoring continuation of the REA policy of making loans for the establishment of generating and transmission cooperatives; to the Committee on Agriculture and Forestry.

A memorial signed by Joseph Kres, representative of local 735, U. E. R. & M. W. A., Cleveland, Ohio, and sundry other labor leaders in the State of Ohio, remonstrating against the enactment of the so-called Mundt-Ferguson-Nixon bill to protect the United States against un-American and subversive activities; ordered to lie on the table.

A letter in the nature of a memorial from the conference committee of the Progressive Party in the Thirteenth Congressional District of Massachusetts, signed by Harold O. Brackett, secretary pro tempore, Brockton, Mass., remonstrating against the enactment of the so-called Mundt-Ferguson-Nixon bill, to protect the United States against certain un-American and subversive activities; ordered to lie on the table.

A telegram in the nature of a memorial from branch 136, Jewish People Fraternal Organization, Arlington, Va., signed by A. Magid, remonstrating against the so-called Mundt bill, to protect the United States against certain un-American and subversive activities; ordered to lie on the table.

Telegrams in the nature of petitions from the Stockton Council for Civic Unity, Stockton, Calif., signed by Andrew Juvinal, chairman, and District Council of American Citizens League, of San Francisco Airport, Calif., signed by Bob Takahashi, chairman, praying for the enactment of House Joint Resolution 233, to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence; ordered to lie on the table.

A telegram in the nature of a memorial from the Chicago (Ill.) Retail Druggists Association, signed by John M. Myers, executive secretary, remonstrating against the enactment of Senate bill 1008, to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices; ordered to lie on the table.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions memorializing the President of the United States and the Congress and certain departments of the Federal Government in opposition to further tariff reductions on imports of waterproof and canvas rubber footwear

"Whereas members of the rubber footwear industry are greatly concerned and disturbed, based upon information which is considered authoritative, over the possibility that the Federal Government may put into effect further tariff reductions on imports of waterproof and canvas rubber footwear; and

"Whereas any further reductions in the tariffs on these items would produce an effect upon the American rubber footwear industry little short of disastrous, and it would be impossible for said industry to produce articles which could compete in price with the products of the nationalized industry of Czechoslovakia or with those of Japan with its debased oriental standard of living; and

"Whereas the rubber footwear industry is an American enterprise about 100 years old and at one time it supplied most of the world, but since the early 1930's the American industry has been confined to the domestic market because of its inability to meet foreign low-wage competition; and

"Whereas at present such imports from these countries are priced at from 20 to 40 percent under the usual American prices, and the presence of even a small amount of low-priced goods in an industry as seasonal as rubber footwear can be a most upsetting influence on the market; and

"Whereas in the decade of the 1930's, the threat to the American industry by the influx of rubber footwear imports was so great that both President Hoover and President Roosevelt issued proclamations making duties on these products applicable on the American selling price basis, and the rates of duty which were 25 percent on waterproof and 35 percent on canvas remained unchanged, but they applied to the domestic selling price of American-made footwear similar to the imported articles rather than to the selling price of the foreign product; and

"Whereas in 1937, when the Czechoslovakian Trade Treaty was under consideration, this policy was sustained by President Roosevelt, and in 1947, at the Reciprocal Trade Conference in Geneva, the American delegation granted concessions to Czechoslovakia on waterproof rubber footwear which, in effect, cut the American duty in half, which means that the duty on Czechoslovakian footwear was reduced to 12½ percent; and

"Whereas this industry is one in which the labor cost, in proportion to the total cost of the product, is very high, namely, 47 percent, and an attack upon the price structure becomes therefore an attack upon the wage structure of the American worker in this field and is also a direct threat to his job; and

"Whereas this industry at present is doing a business of about \$100,000,000 annually, and employs more than 20,000 men and women, and this is of vital importance to New England and especially to Massachusetts, inasmuch as over 75 percent of this industry is located in southern New England, a small area already hard-pressed economically and struggling to maintain its position in the American scene, and a very substantial portion of this 75 percent, much more than half, is located in Massachusetts, which becomes, therefore, a matter of vital significance for this area, and some particular communities in it would suffer extreme hardship were this industry to become blighted; and

"Whereas in view of the aforesaid facts, a vital New England industry, with a long history, is faced with a situation which would make sheer survival difficult and certainly make any prosperity impossible; Therefore be it

"Resolved, That the General Court of Massachusetts hereby expresses its opposition to any further tariff reductions on imports of waterproof and canvas rubber footwear; and be it therefore further

"Resolved, That a copy of these resolutions be sent forthwith by the secretary of the Commonwealth, to the President of the United States, Members of Congress from Massachusetts, and the Secretary of State, the Secretary of Labor, and the Secretary of the Treasury of the United States.

"In house of representatives, adopted, April 6, 1950.

"LAWRENCE R. GROVE,  
"Clerk."

"In senate, adopted, in concurrence, April 11, 1950.

"IRVING N. HAYDEN,  
"Clerk."

#### REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. McKELLAR (for Mr. JOHNSTON of South Carolina), from the Committee on Post Office and Civil Service:

S. 3330. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump-sum death payments, and other purposes; without amendment (Rept. No. 1513); and

S. 3413. A bill to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal; without amendment (Rept. No. 1514).

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 3448. A bill to provide that aliens who have arrived in the United States shall not be excluded without a hearing; to the Committee on the Judiciary.

S. 3449. A bill to amend the act of July 6, 1945, as amended, with respect to automotive-equipment-maintenance payments to special-delivery messengers in post offices of the first class, and for other purposes; and

S. 3450. A bill to rescind the order of the Postmaster General curtailing certain postal services; to the Committee on Post Office and Civil Service.

(Mr. DOUGLAS introduced Senate bill 3451, to provide for the importation free from tariff and customs duties of articles for exhibition at international trade fairs which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. SALTONSTALL:

S. 3452. A bill for the relief of George W. Purdy; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3453. A bill to amend the act of July 8, 1937 (ch. 443, 50 Stat. 478), and to provide for the retirement of certain noncitizen employees of the Panama Canal and the Panama Railroad Company on the Isthmus of Panama; to the Committee on Armed Services.

By Mr. McCARRAN:

S. 3454. A bill for the relief of Janier Ochoa Luna; to the Committee on the Judiciary.

(Mr. McCARRAN introduced Senate bill 3455, to revise the laws relating to immigration, naturalization, and nationality, and for other purposes, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

#### IMPORTATION OF ARTICLES FOR EXHIBITION AT INTERNATIONAL TRADE FAIRS

Mr. DOUGLAS. Mr. President, I introduce for appropriate reference a bill to facilitate the importation and exhibition of goods from abroad at international trade fairs in the United States, and I ask unanimous consent that an explanatory statement of the bill by me be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the explanatory statement presented by the Senator from Illinois will be printed in the RECORD. The Chair hears no objection.

The bill (S. 3451) to provide for the importation free from tariff and customs duties of articles for exhibition at international trade fairs, was read twice by its title and referred to the Committee on Finance.

The explanatory statement presented by Mr. DOUGLAS is as follows:

STATEMENT OF SENATOR DOUGLAS ON INTRODUCTION OF BILL FOR INTERNATIONAL TRADE FAIRS, APRIL 20, 1950

I have today introduced in the Senate a bill to facilitate the importation and exhibition of goods from abroad at international trade fairs in the United States.

Its primary objective is the promotion of international trade by permitting the importation of articles for exhibition at such fairs free from tariff and customs duties. It is intended that such articles may be used as a basis for taking orders for merchandise, and the bill contains provisions for their

prompt appraisal and classification to fix the applicable duties when such articles are imported for sale. It is also provided that duties thus assessed on such samples shall be subject to no administrative tariff increases for a 2-year period.

I believe this measure, if adopted, will be a real stimulus to our trade with our sister nations. The commercial interchange this will encourage is a vital factor in stabilizing international relations. For the continued economic reconstruction of other nations and for the security of our own foreign commerce, the United States must buy more of these goods from abroad, under reasonable safeguards, of course, and we expect a reciprocal improvement of the foreign markets for American goods.

The proposed bill for international trade fairs is one step in this important direction.

I understand that the general plan has the approval of the Economic Cooperation Administration and the Department of Commerce as well as numerous other interested citizens. I hope the Senate can consider it at an early date and enact it into law in time to assist the fairs planned for the summer of 1950, including the one to be held in Chicago.

#### RESCISSION OF ORDER CURTAILING CERTAIN POSTAL SERVICES

Mr. LANGER. Mr. President, I submit for appropriate reference a resolution favoring rescission of the order of the Postmaster General curtailing certain postal services, and I ask that it be read.

The VICE PRESIDENT. The resolution will be read.

The clerk read the resolution (S. Res. 261), as follows:

*Resolved*, That it is the sense of the Senate that the order of the Postmaster General, dated April 18, 1950, curtailing delivery and other essential postal services is inconsistent with the public interest, and that such order should be immediately rescinded.

The VICE PRESIDENT. The resolution will be referred to the Committee on Post Office and Civil Service.

#### ADDRESS BY THE PRESIDENT BEFORE THE AMERICAN SOCIETY OF NEWSPAPER EDITORS

[Mr. BENTON asked and obtained leave to have printed in the RECORD an address by the President before the American Society of Newspaper Editors, at Hotel Statler, Washington, D. C., April 20, 1950, which appears in the Appendix.]

#### ADDRESS BY SENATOR MARTIN AT ANNUAL DINNER OF THE AMEN CORNER

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD the address delivered by Senator MARTIN at the annual dinner of the Amen Corner, at Pittsburgh, Pa., on April 15, 1950, which appears in the Appendix.]

#### HIDDEN BILLIONS—UNITED STATES IGNORES ASSETS OF ERP NATIONS—ARTICLE BY HERMAN A. LOWE

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an article entitled "Hidden Billions—United States Ignores Assets of ERP Nations," by Herman A. Lowe, published in the Philadelphia Inquirer of March 30, 1950, which appears in the Appendix.]

#### RENEWAL OF RADIO STATION LICENSES—STATEMENT BY SENATOR BRIDGES

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a statement prepared by him regarding FCC hearings on renewal of radio station licenses, which appears in the Appendix.]

#### PROGRAM FOR PROMOTING DEMOCRACY ABROAD—EDITORIAL COMMENT ON SENATOR BENTON'S PROPOSAL

[Mr. FLANDERS asked and obtained leave to have printed in the RECORD an editorial entitled "Promoting Democracy Abroad," published in the St. Louis Post-Dispatch of March 24, 1950; an editorial entitled "On Selling Freedom," published in the Kansas City (Mo.) Star of March 24, 1950; an editorial entitled "Global Sales Campaign," published in the Meriden (Conn.) Journal of March 24, 1950; and an editorial entitled "A Constructive Plan," published in the Hamden (Conn.) Chronicle, of March 30, 1950, which appear in the Appendix.]

#### A LEGAL ANALYSIS OF UNCONSTITUTIONALITY OF PROPOSED LICENSING OF MOTION PICTURES

[Mr. WILEY asked and obtained leave to have printed in the RECORD a memorandum prepared by him opposing the bill proposing to license motion pictures, an analysis prepared by him relative to the unconstitutionality of the bill, and several newspaper editorials, which appear in the Appendix.]

#### CONTRIBUTION OF IMPORTS TO BUSINESS ACTIVITY AND FULL EMPLOYMENT—ARTICLE BY MAURICE HEYNE

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an article entitled, "Contribution of Imports to Business Activity and Full Employment," written by Maurice Heyne, and published in the Commercial and Financial Chronicle, which appears in the Appendix.]

#### PROTEST AGAINST FEDERAL HAND-OUTS—EDITORIAL FROM THE OIL CITY DERRICK

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Hero Rebels at Hand-Outs" published in the Oil City (Pa.) Derrick, on April 11, 1950, which appears in the Appendix.]

#### PRESIDENTIAL VISITS TO GETTYSBURG—ARTICLE BY JOHN M. CUMMINGS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an article entitled "No Gettysburg Address? Mr. Truman Just Too Busy," written by John M. Cummings, and published in the Philadelphia Inquirer on April 20, 1950, which appears in the Appendix.]

#### INVESTIGATION OF INTERSTATE CRIME—THE SLAUGHTER CASE

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "A Political Prosecution," published in the Washington Evening Star of April 19, 1950, and an editorial entitled "The Lobby Fraud," published in the Washington Times-Herald of April 20, 1950, which appear in the Appendix.]

#### CARROLL BINDER REPORTS FROM EUROPE

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an additional article in the series of reports of conditions in Europe, written by Carroll Binder, editorial editor of the Minneapolis Tribune, which appears in the Appendix.]

#### NOTICE OF HEARING ON NOMINATION OF GUS J. SOLOMON TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF OREGON

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled

for Thursday, May 4, 1950, at 10 a. m., in the Federal Building, Salt Lake City, Utah, upon the nomination of Hon. Gus J. Solomon, of Oregon, to be United States district judge for the district of Oregon. Judge Solomon is now serving under a recess appointment. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. WITHERS], and the Senator from North Dakota [Mr. LANGER]. The hearing has been scheduled in this way because members of the subcommittee named will be in Salt Lake City on May 4 in connection with another hearing scheduled to open 3 days earlier, and Senators interested in the nomination of Mr. Solomon have stated it would be more convenient for any residents of Oregon who might wish to appear at the hearing to come to Salt Lake City than to come to Washington.

#### AMENDMENT OF DISTRICT LIFE INSURANCE ACT—REGULATION OF LIFE INSURANCE BUSINESS—MOTION TO RECONSIDER

Mr. LANGER. Mr. President, yesterday, on the call of the calendar, the Senate passed the bill (H. R. 4393) to amend the Life Insurance Act of the District of Columbia, and also the bill (H. R. 4394) to amend sections 10, 11, and 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia." At this time I move that the votes by which the bills were passed be reconsidered.

The VICE PRESIDENT. The motion will be entered.

Mr. LANGER. I ask that the bills H. R. 4393 and H. R. 4394, be placed back on the calendar.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Dakota?

Mr. SCHOEPEL. Mr. President, Senators who were on the floor yesterday at the time the calendar was called may not be here now, and therefore I object.

The VICE PRESIDENT. Objection is heard. The motion to reconsider will be entered.

#### DIGEST OF STATEMENT OF REPUBLICAN PRINCIPLES AND OBJECTIVES

Mr. BREWSTER. Mr. President, on April 3 of this year, I placed in the Appendix of the RECORD a 10-point digest, in 99 words, of the statement of Republican principles and objectives, supplementing the 1948 Republican platform adopted February 6, 1950.

That digest appeared in the majority of the press of the United States. Since that time, the Republican National Committee, as well as the offices of Senators and Representatives, have been deluged with requests for copies of the digest.

Many persons have made inquiry as to how they could obtain quantities for distribution to their friends and acquaintances. I want those who read the RECORD to know that they can obtain them from the Republican National Committee, 1337

Connecticut Avenue, or through the office of any Republican Senator or Member of the House of Representatives.

TRIBUTE TO LEWIS L. STRAUSS BY SENATOR SMITH OF NEW JERSEY

Mr. HENDRICKSON. Mr. President, my colleague, the senior Senator from New Jersey [Mr. SMITH], who is convalescing from a recent emergency appendix operation, had intended to address the Senate briefly on or about April 15 in a tribute to Admiral Lewis L. Strauss, who on that date retired as a member of the Atomic Energy Commission. Because of the inability of the senior Senator from New Jersey to present this tribute in person, he has asked me to present it for him. I ask unanimous consent to read to the Senate this brief tribute to a great American. I am happy to identify myself with my colleague in this tribute.

The VICE PRESIDENT. Without objection, the Senator from New Jersey may proceed.

Mr. HENDRICKSON. Mr. President, I now read the brief address prepared by my colleague, the senior Senator from New Jersey [Mr. SMITH]:

Mr. President, on the 15th of April the resignation of the Honorable Lewis L. Strauss as a member of the Atomic Energy Commission became effective. As it has been my great privilege to have had an intimate acquaintance with Mr. Strauss over a period of many years, I want to take this opportunity to pay a personal tribute to him for the outstanding services that he has rendered to his country and to the world.

Lewis Strauss began his public service during World War I as secretary to Herbert Hoover in the United States Food Administration. At Mr. Hoover's request and President Wilson's order he remained with the Food Administration throughout the war. After the war he had the distinction of attending the final armistice convention in Brussels in 1919 as one of the five United States delegates.

In 1940, when war again seemed to be threatening the United States, Mr. Strauss left his work in private banking and philanthropy in New York, and entered active service as a lieutenant commander in the United States Naval Reserve. This was the beginning of a period of nearly 10 years of almost uninterrupted and uniformly distinguished service to the United States.

Mr. Strauss' naval record during the recent war was marked by a series of highly important achievements. He originated a new and more efficient inspection service for the entire Navy, at considerable savings in money and manpower. He developed a number of fruitful innovations in naval ordnance matériel, and helped in the development of the proximity fuze, one of the outstanding inventions of the war. In the field of war production it was he who first proposed the famous Army-Navy E awards for outstanding production achievements.

As time went on Mr. Strauss was given increasingly heavy responsibilities. He wrote the contract termination legislation and procedures for the Navy. He became the Navy's representative on the Munitions Board, and later on the Interdepartmental Committee on Atomic Energy. As coauthor of the Strauss-Draper report on integration of design and procurement activities of the Army, Navy, and Air Force, he was instrumental in saving hundreds of millions of dollars, and helped to lay the foundation for the eventual unification of the armed services. Finally, he was the author of the proposal for creation of an Office of Naval Research,

which is today a most important Federal agency in the field of basic scientific research.

These outstanding services brought Mr. Strauss numerous decorations and rapid promotion in the Navy to the rank of rear admiral. I understand that he was the first Naval Reserve officer ever to achieve this rank. The Navy awarded him the Legion of Merit and the Silver Star in lieu of a second award, and the Army has decorated him with the Oak Leaf Cluster in lieu of a third Legion of Merit.

In May 1946 Admiral Strauss was finally able to return to his long-neglected private affairs, but only 2 months later he was called again to public service by President Truman, who asked him to serve as a member of the Atomic Energy Commission. He thereupon severed all his business connections and entered on this vitally important work which was to keep him in the public service for another 3½ years.

Mr. President, I think we Americans have been particularly fortunate in having on the Atomic Energy Commission, during its crucial first years, a man of the imagination and breadth of view of Lewis Strauss. He has been clearly aware of the stern responsibility for our national security entrusted to the Commission, and has been a tireless advocate of strong and adequate security measures in atomic-development work. At the same time he has sought in every way to emphasize the more hopeful and positive possibilities of atomic energy. Especially in the field of medicine he has taken a tireless personal interest in the use of radioactive isotopes as a research tool and a possible cure for cancer.

A few weeks ago I wrote to former President Hoover advising him that it was my purpose to make a public tribute to Lewis Strauss about the time of the termination of his work with the Atomic Energy Commission. Mr. Hoover wrote to me warmly approving the proposal and added:

"He became—then only about 20—my secretary in 1917 and continued through the food administration and the reconstruction of Europe until after the peace in 1919. Then he went into business most successfully.

"He is the president of the Congregation Emanuel. He was long a member and, I believe later the head of the Jewish Joint Distribution Committee, which has ministered to millions of gentiles as well as Jews during all the years from 1919 to date.

"He was an ensign in the Naval Reserve and was called to service in the Second World War in 1940, or so. By sheer merit he rose to the rank of admiral in 1945.

"You know his extraordinary intelligence and his sterling character for integrity."

These were the words of former President Hoover, and the following are the words of President Truman in his letter acquiescing in Mr. Strauss' desire to retire from his post. President Truman wrote, in part:

"Your personal concern and your diligence are reflected especially in the medical and military phases of the program and in the security policies and practices developed by the Commission.

"The sound policies which today guide the national atomic-energy program bear in large measure the impress of your efforts in support of civilian direction which will serve the military needs of the Nation and at the same time foster the service which science and technology can render to the general welfare."

Mr. President, Lewis Strauss has been a warm personal friend of mine for over 30 years. We have been closely associated in the humanitarian and educational enterprises inaugurated by former President Hoover following World War I. To me it is a great personal privilege to make this simple tribute to a great American.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. MAUER, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WHITTINGTON, Mr. LARCADE, Mr. DAVIS of Tennessee, Mr. DONDERO, and Mr. ANGELL were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 715. An act for the relief of Manuel Uribe;

H. R. 1481. An act for the relief of the estate of Julius Zaffareni;

H. R. 1487. An act for the relief of Lt. (sg) Giacomo Falco;

H. R. 2554. An act to amend the District of Columbia Credit Union Act of 1932;

H. R. 3306. An act for the relief of Antonio Rojas Velez;

H. R. 3315. An act for the relief of Alejo Padilla;

H. R. 3769. An act for the relief of Doris M. Faulkner;

H. R. 3924. An act for the relief of Dr. T. F. Harrison;

H. R. 4070. An act to cancel drainage charges against certain lands within the Uintah Indian irrigation project, Utah;

H. R. 4285. An act to amend the act of July 31, 1946, in order retroactively to advance in grade, time in grade, and compensation certain employees in the postal field service who are veterans of World War II;

H. R. 4289. An act to require settlers on public lands in Alaska to record notice of their settlement claims in the land office for the district in which the lands are situated, and for other purposes;

H. R. 4380. An act for the relief of Mrs. Agnes Emma Hay;

H. R. 5753. An act for the relief of Jean Clark;

H. R. 5921. An act to terminate lump-sum benefits provided by law to certain Reserve officers of the Navy and Air Force;

H. R. 5951. An act to amend section 3 of the Travel Expense Act of 1949;

H. R. 6093. An act for the relief of Masami Hiroya and Aiko Hiroya;

H. R. 6282. An act for the relief of Mrs. Elinor Anne-Britt Jedlund; and

H. R. 6475. An act to amend the Postal Rate Revision and Federal Employees Salary Act of 1948 to provide for the consideration of claims for the payment of certain postal notes filed later than 1 year from the last day of the month of issue.

AMENDMENT OF ECONOMIC COOPERATION ACT OF 1948

The Senate resumed the consideration of the bill (S. 3304) to amend the Economic Cooperation Act of 1948, as amended.

Mr. CONNALLY. Mr. President, the European recovery program has been the most stupendous and generous contribution by a great country to free nations in behalf of democracy and world peace in all recorded history.

It has been said that the United States can no longer choose whether we will or

will not play a great part in the world. By the very nature of things we must play a great part. The only decision left for us is whether we shall play that part wisely and well or whether we shall play it poorly.

That we must play our role exceptionally well is obvious when we review the brazenly hostile tactics of Soviet communism. So serious has this breach between the East and the West become that the decisions we make today may determine the destiny of the free world for generations to come.

However much we deplore the tactics of the Soviet Government its persistently diabolical efforts have met with some major successes. Perhaps as a result of these successes it is pursuing its objective of world dominion with increasing boldness. We must continue to counter this new threat with imagination and vigor.

Meanwhile we know that the free world has not been asleep at the switch. While the Soviets have been building their satellite system we have encouraged the independence of countries like the Philippines, Indonesia, India, and Pakistan.

They have welded their puppet states into an economic bondage designed to further the interests of the Kremlin and the Soviet hierarchy. We have stirred the imagination of free men everywhere by the Marshall plan and the program of technical cooperation for the undeveloped areas, both of which are designed to enable free nations to achieve independence and economic stability.

They, through force and intimidation, have compelled their satellites to join with them in a network of mutual-defense treaties. We have freely negotiated the North Atlantic Treaty by which the states of the North Atlantic community have voluntarily agreed to take collective defense measures in the event of an armed attack.

Their world, Mr. President, is based upon the totalitarian concepts of slavery, intolerance, compulsion, and blind obedience to the Politburo. Ours is based upon the Christian concept of the dignity of the human being, the independence of the sovereign state, and the principles of freedom and voluntary cooperation.

Our present task is to make the world understand clearly the basic differences between the two systems. This we can best do by practical demonstration. Let us show the world how successful a society of free nations can be in solving their mutual problems. Clearly the first step in this direction is the successful completion of the programs we have already undertaken.

The pending measure—which is substantially that approved by a heavy majority in the House of Representatives some 2 weeks ago—will do much to enable us to play our part wisely and well. It will enable us to bolster the progress of European recovery for another year. It will permit us to continue our programs of aid to the peoples of Korea, to the general area of China and to the Palestine refugees. Finally it will authorize our Government to enlarge and expand the technical assistance we are

giving the underdeveloped areas of the world. I would like to address myself briefly to these five separate parts of the omnibus bill before us.

#### TITLE I. EUROPEAN RECOVERY PROGRAM

We stand today at the halfway mark of the European recovery program. As one of those who participated in its creation, I am glad to report that it has been a powerful force in restoring western Europe to economic stability. Its accomplishments have far exceeded the expectations of those who debated its objectives in 1948. It has brought hope and encouragement to millions who 2 years ago were resigned to an era of despair, hunger and fear of Communist subversion.

It is sometimes too easy for us to forget the past—especially when the past is unpleasant. But I want to remind Members of the Senate of the conditions in western Europe when this program was launched three short years ago. The situation there was so charged with potential danger that the President called the Congress into special session to deal with the impending crisis. Congress immediately recognized the urgency and validity of that request and quickly provided funds for interim aid to France, Italy, and Austria. That was the winter when France was nearly prostrate, facing starvation, Communist-led strikes, sabotage, and riots.

At this point, Mr. President, I want to pay tribute to the remarkable speech which Secretary George Marshall delivered at Harvard in June 1947. That speech showed courage. It showed imagination. It showed vision. It is the kind of stuff American leadership is made of.

When the Congress met in January 1948, the Senate Committee on Foreign Relations began hearings immediately on the Marshall plan. Nearly 100 witnesses were heard. Practically no one opposed it. The report of the committee called attention to the economic break-down in Europe caused by war devastation, political tensions and uncertainty, prolonged interruption of international trade and shortage of supplies. It pointed out that subversive elements were hampering recovery and engineering social chaos. Those were the days when every election report from Europe indicated an increase in the number of Communists in office. Those were the days when coalition governments were but an interlude to Communist control. That was the spring we all feared Italy might go Communist. Against that background, the Senate of the United States by a resounding bipartisan vote of 69 to 17, approved the European recovery program.

For my part I believe that if we had not acted then with firmness and foresight, the cold war would now be perhaps lost. But for our resolute action then we might now be facing in Europe the same difficult situation we face today in China.

When we compare the chaos-ridden Europe of pre-Marshall-plan days with the much more orderly continent of today, it is clear that our sacrifices have been productive of great and good results.

In spite of all Communist efforts to vilify our undertaking, it is a great credit both to those who have assisted and to those who have been helped.

It is my considered opinion that, given the shortcomings of the European recovery program—and it has shortcomings as do all human enterprises—rarely have American dollars done so much work so many times and so well. In my judgment the ERP appropriations are among the wisest and most economical we have made in our modern history. I am proud to have voted for them.

Now that the program has settled down, we are in a position to assess its accomplishments and costs, its strengths and weaknesses. We all recall that in 1947 the participating countries made seven specific commitments. They promised the following things: First, to reach certain production goals, especially in coal and steel; second, to make the fullest possible use of available productive capacity and manpower; third, to modernize equipment and transportation facilities; fourth, to achieve financial stability; fifth, to reduce tariffs and expand trade; sixth, to remove obstacles to the free movement of persons within Europe; and, seventh, to organize means for the development of common resources. Where does western Europe stand today with regard to these objectives? Let us look at the record.

The production targets envisioned in 1947 have been exceeded in almost all sectors of the economy. By the end of 1949 the total industrial production of western Europe was 20 percent above that of 1938. Steel production was up 52 percent, electric power 21 percent, and hard coal 17 percent. It is expected that agricultural production, too, will reach the prewar level during the current crop year.

This remarkable recovery in industrial and agricultural production, which is described in greater detail in the committee report—and I hope all Senators will read the committee report—has been brought about in large part as the result of purchases that western Europe has been able to make in the United States because of Marshall-plan aid. Raw materials and industrial machinery available only in the United States have assisted western Europe in rebuilding and modernizing industrial plants, mining facilities, transport, power plants, and other productive facilities. Gradually it has been possible, with the cooperation of the participating governments, the hard work of the people, and the sacrifices of the American taxpayers, to increase the standard of living in western Europe. By the end of the program, if present progress is maintained, the prewar standard of living which Europe enjoyed before the war may once again become a reality.

The people of western Europe now have a future of democratic promise and hope, rather than one of Communist chaos and despair.

After a slow beginning the participating countries have taken strong financial measures to prevent inflation which threatened because of scarcities of consumers goods and full employment. In

France, where inflation seriously threatened a year ago, it has been stopped in its tracks. Throughout most of western Europe, as a consequence of vigorous financial measures, prices and wages have remained constant for the past year.

The recovery achievements in 2 years have been remarkable. Mr. Hoffman testified as follows:

Remember that it took western Europe 7 years to gain just the prewar level of industrial production after World War I. Today, after 2 years of the ECA program, and less than 5 years after the end of World War II, in which the devastation was far greater than in 1914-19, industrial production has not merely been lifted to the prewar level, but stands 20 percent above it.

I have no doubt that some people will ask why, in view of this encouraging increased production, we should not cut European recovery funds drastically or stop them altogether. The fact is—as I remarked last year—

That Europe will not, during the period of our aid, enjoy a higher standard of living than in 1938. Production will have to be increased far above the prewar level before the people can once again live as well as they did. \* \* \* During the war the participating countries lost many billions of dollars when their homes, their factories, and their transportation systems were destroyed. They also were forced to liquidate much of their overseas investments which had been a profitable source of income. They must now make up that lost ground. Moreover, we must not forget that the population of western Europe has increased by 20,000,000 since 1938 and production must be correspondingly increased.

We are greatly encouraged by the fact that the participating countries have met the production goals they set for themselves 2 years ago. It remains true, however, that western Europe simply does not have the dollars it needs to purchase goods in the United States. Obviously we cannot go on indefinitely furnishing several billion dollars worth of aid every year. It follows that the big task which confronts us during the next 2 years is to increase the dollar earning capacity of the western European economy so that purchases can be made in the United States without continued American assistance.

We are strongly moving in the right direction—in the direction of making western Europe capable of a satisfactory existence by 1952 without dependence on outside aid. The committee report points out that in fiscal 1947 Europe was short of dollars by the amount of \$7,400,000,000. A year later it had reduced that shortage to \$5,500,000,000. For this year the figure will be \$4,900,000,000, and ECA estimates the dollar gap will be closed to \$3,100,000,000 in 1951.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Texas yield to the Senator from Colorado?

Mr. CONNALLY. I yield.

Mr. MILLIKIN. I wish to make some suggestions with reference to the technical-assistance amendment. When does the Senator estimate the amendment stage will be reached?

Mr. CONNALLY. Any amendments to the bill will be pending and may be offered and discussed when we take up the various sections of the bill.

Mr. MILLIKIN. The Senator does not anticipate that that stage will be reached today or tomorrow, does he?

Mr. CONNALLY. I think not.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Virginia?

Mr. CONNALLY. I yield.

Mr. ROBERTSON. While I listen with great interest to this splendid discussion by the distinguished Senator from Texas of a program which was initiated to stem the tide of communism in western Europe, and which the Senator from Texas has told us has been so effective in doing so, I wish to take this opportunity to call attention to the fact that in the gallery today, to our left, is a group of students from a fine colored university in Richmond. Those students have pledged among themselves to fight communism in Virginia and wherever else they can exert their influence throughout the Nation. I am very happy that they have an opportunity to hear my distinguished friend from Texas discuss this problem today.

Mr. CONNALLY. I thank the Senator from Virginia very warmly, and I am pleased to have the students here. I feel sure that, imbued, as they no doubt are, with the American theories of government and freedom and democracy, they will be a vital influence in the future affairs of the Nation.

Our goal is ever before us; this gap should be closed or reduced to manageable proportions by the end of the program. The President is to be commended for his selection of Mr. Gordon Gray to give careful consideration to this matter now.

If Europe is to close the dollar gap by 1952 and attain self-sufficiency, it must move firmly in the direction of integrating its economy and removing the many barriers to European trade which now exist. During the past few months the ECA has taken vigorous action to encourage the reduction of European trade barriers and to stimulate European integration. It proposes during the next year to withhold some \$600,000,000 from funds which would normally be allocated to the participating countries to encourage those countries to take the cooperative action necessary. Part of this money will be made available to those countries which, by bold action to reduce import restrictions and remove quotas, may suffer temporarily by increased competition. Part of the money will be used to establish the new European Payments Union. Creation of the Payments Union will constitute a long step forward toward freeing European trade, and integrating the economy of western Europe. The ECA proposes that the money put into the Payments Union go eventually to those countries which, upon the basis of their trade with each other in Europe, are entitled to final settlements in dollars. Each of the participating countries will also make payments in their own currencies into the Union.

Fifty years ago the American and European worker produced on about the same scale. Since that time our industrial development has proceeded at a much more rapid rate largely because we have enjoyed free competition across State boundary lines.

During that same time European countries have gone down the other road. They have choked free competition by the imposition of tariffs, import quotas, exchange controls, and other trade restrictions. Like tourniquets applied to various parts of the body, these barriers to trade have made mass production impossible because there has been no large market area in Europe.

Now it is relatively easy for an American to diagnose Europe's economic ills. It is much more difficult for us to persuade the patient to take the medicine we think is good for him. Even so, we must use methods of persuasion that are at hand. Accordingly, the committee recommends another amendment expressing the sense of the Congress, that as much of the local currency counterpart funds as possible should be used to promote the liberalization of trade and transferability of currencies.

I would be less than candid if I did not admit that we have been disappointed in some aspects of the European recovery program.

In the first place, I believe I speak for the full committee when I say that western Europe has not made the prompt and vigorous progress toward integration which its serious condition requires. The ECA properly felt that production should come first and that integration and reduction of trade restrictions had to wait until some recovery in the individual countries had taken place. My observation has been that when a man is sick, he is more likely to take advice on how to improve his health than he is when he is feeling well. I want to urge the ECA to spare no efforts this year in getting the participating countries to face up to the necessity of integration. I want to urge the participating countries, individually and collectively, to plan fully and well for 1952 when they must get along without Marshall-plan aid. The American people have made heavy sacrifices to help western Europe. Western Europe must do its full share.

In the second place, we have all been disappointed at the slowness with which some of our European friends have met the serious problems of tax evasion in their countries. I realize this is not a simple problem, but I do not see how a country can command the respect of its own people, how it can respect itself, or how it can make a real contribution to the stability of the west, unless it has an eminently fair system of taxation and an effective system of tax collection.

In the third place, I have been disappointed at the relative ineffectiveness of our information program in some countries, particularly in France. Obviously our desire to bring the nature and extent of American aid to the attention of the people must be tempered somewhat by the political situation that prevails in each country. Nevertheless, reports from returning Americans indicate that we

have not always made the most of our opportunities.

In the fourth place, certain of the participating countries, under the guise of saving dollars, have imposed restrictions which discriminate unfairly against American businessmen. In view of our generosity, this is a kind of gratitude which the American people simply cannot understand. No stone must be left unturned in preventing such discrimination and giving effect to the amendment on this point which the committee has inserted in the bill now before the Senate.

Mr. President, these shortcomings which I have listed are small, indeed, when compared to the splendid achievements of the ECA. The Administrator is doing everything he can to eliminate them. I am confident of his ability to do so.

In considering the ECA requests for this year, the committee heard the testimony of a number of administration witnesses, including several mission chiefs, who returned from their posts in Europe to give the committee a first-hand account of conditions in their countries. The witnesses were carefully examined. A number of public witnesses were also heard. After careful consideration of the legislation and after amending the bill in several respects, the committee asks the Senate to approve the pending bill which authorizes the appropriation of \$2,950,000,000 for the fiscal year ahead. The bill also authorizes the continued use of some \$149,000,000 which will be saved out of funds appropriated last year.

I should make it clear, in connection with the discussion of these amounts, that members of the committee have reserved their right to reconsider the authorization figures after the Committee on Appropriations has considered the matter.

It should be a source of great satisfaction to us all that ECA appropriations have decreased steadily from year to year. It was originally contemplated that the 4-year program would cost in the neighborhood of \$17,000,000,000. It now seems likely that the total amount required will be less than \$15,000,000,000. This year the authorization requested is only slightly more than half the amount the United States spent for aid to western Europe during the first year of the program. Next year I expect a similar substantial reduction.

I know the dangers that beset a nation if it squanders its wealth. I also know the dangers that beset a nation that hoards its wealth. We know that the spendthrift ends his days in the poorhouse and that the miser ends his days in the prison he has built for himself. The United States must go the way of the responsible citizen who is a leader in his community; it must neither squander its wealth, nor hoard it from a free community that stands in need. Leadership and responsibility go hand in hand. Neither are cheap.

The European recovery program has been administered by men who understand this principle. The Administrator has been able to keep the cost of operations below the levels that were envisaged when the program began. He

has requested substantially reduced amounts each year. More than that, he has been able to save a large sum from the funds the Congress appropriated for ECA last year. To say this is an unusual experience for the Congress is putting it mildly.

Last year I said:

Our European partners remain in the ranks of the democracies with growing vitality and faithful to free institutions and the goal of peace. They have resisted the corrosive, but cheap and ugly, doctrine of communism that destroys and corrupts, the doctrine that assails both the dignity of man and the morality of God.

That statement is still true. I am confident that, with the Marshall plan in operation, it will still be true in 1951.

I sometimes wonder whether those few who oppose the Marshall plan can seriously have considered whether the United States is stronger and is more secure, when surrounded by a free world which has remained free because of our help, or would be stronger if surrounded by states which have fallen under the control of a world united by Communist imperialism.

#### KOREAN AID

I should like to turn for a few minutes to the other provisions of the bill before the Senate.

Title II is the Korean Aid Act of 1950. With the fall of China to the Communists, the Republic of Korea is flanked to the west by Communist China and to the north by the puppet Communist government that controls the northern part of Korea. It is one of the critical areas in the cold war. As long as Korea remains free, it is one of the areas to which the unconquered people of the Orient can look for encouragement. It can become a symbol, as has the Philippine Republic, of the freedom which the people of the United States can offer to the people of Asia who choose democracy rather than totalitarianism.

The United States has taken the lead in the United Nations in bringing the international community to the assistance of the Korean people in their fight for an independent nation, united and free from foreign domination. Since our troops occupied Korea in 1945, the Korean people have looked to the United States for strength to resist the constant Communist threat of expansion from the north.

Last year the Senate, as part of a contemplated 3-year program, authorized the appropriation of \$150,000,000 to give the Republic of Korea essential relief and help it to establish a sound economy and maintain its democratic form of government. As will be seen from the committee report, substantial progress has been made in Korea during the past year. Although the country still remains divided at the thirty-eighth parallel, its industrial production during 1949 was 50 percent above that of 1948. Korea has developed exportable surpluses of rice and wheat. These are an industrious people. They are helping themselves to the maximum possible extent, but they need a helping hand to enable them to overcome a balance of payments deficit that will run over \$100,000,000 during the next year.

The program for 1950-51 calls for an authorization of \$100,000,000. The committee believes this program, which has been carefully planned and administered, deserves the full support of the Congress. This money will be spent in one of the areas of the world where it will bolster resistance to communism, where it will help a free people who in time of trial must look to their friends.

#### AID TO THE GENERAL AREA OF CHINA

Title III of this bill is the China Area Aid Act of 1950.

This title does not call for the appropriation of new funds. It merely extends the availability of funds heretofore appropriated for use in China and the general area of China until June 30, 1951. Out of \$275,000,000, which was first appropriated in 1943 for economic assistance to China, it is estimated that as of June 30 this year there will remain about \$94,000,000. The committee believed that conditions in China and the Far East are so fluid that it would be inadvisable at this time to do more than continue the availability of these funds for another year. In making these funds available, however, we have specified that not less than \$50,000,000 should be held available for assistance in China, including Formosa and Hainan—as distinguished from the general area of China—for as long as the President deems it practicable. These funds would, of course, be used only in areas not under Communist control.

The Senate Committee on Foreign Relations recently had a full report on the situation in the Far East from the Secretary of State and Ambassador Jessup. There is no doubt that these men are alive to the danger which further Communist advances in that area would hold for our civilization. I can assure the Senate that they will keep in close touch with the Foreign Relations Committee as plans are evolved for any further action the United States might take with respect to the Far East.

#### PALESTINE REFUGEES

Title IV of the bill authorizes the appropriation of not to exceed \$27,450,000 as a contribution by the United States to the United Nations to give effect to a General Assembly resolution designed to alleviate the critical refugee situation in the Near East. Last year the Congress contributed \$16,000,000 for the relief of refugees from the Arab-Israeli fighting in the Near East. Other members of the United Nations made contributions which in total equalled the help the United States gave.

This year the contribution of the United States, along with those of other members of the United Nations, will be used to provide work relief for these refugees and to get under way a number of works projects that will make it possible in time for the refugees to be permanently absorbed by the countries of the Near East.

Apart from the humanitarian considerations involved in the program, the committee strongly believes that it is in the interest of American foreign policy to approve this legislation. American petroleum, aviation, shipping, and educational interests are interwoven in



the economies of the Near East. Moreover, there are real dangers to peace and security so long as the refugee problem remains unsolved. Even with the settlement of the refugee problem the political tensions which will arise as that area seeks to make room for a new state will be great. An affirmative foreign policy requires our support for the United Nations as it seeks to relieve tensions in that part of the world.

#### TECHNICAL ASSISTANCE

This deals with the so-called point 4. As the United States has assumed new and greater world responsibilities, we have learned that the progress of mankind in general and the well-being of our own country in particular are directly bound up with the conditions under which people live in other lands. Since the end of the Second World War we have become increasingly aware that communism thrives where poverty, want, and misery abound.

It is, therefore, of the highest significance to recognize that two-thirds of the people of this globe now living in the Far East, the Latin-American Republics, the Near East, and Africa are unable to achieve full production and the full use of their natural resources because of deficiencies in technical skills and inadequate productive machinery. Primitive agriculture, inadequate transportation, insufficient food and attendant malnutrition, prevalence of preventable disease, lack of essential public-health programs, and absence of needed medicines and drugs make infant mortality high, the average span of life less than 30 years, as in contrast with our own of sixty-odd years, and man's period of productivity pitifully short. People in these areas are subject to frequent starvation, illness, and inability to produce those things which are required for a satisfactory and productive way of life.

As religious groups and missionaries, who have long engaged in trying to help the less fortunate of the world would argue, we, who live in plenty, have some duty to help those less fortunate than ourselves. In addition to moral considerations, cold figures show that it may be desirable for us economically to help less favored people to a higher standard of living. Statistics demonstrate that the greater and the more profitable part of our trade as a nation is with the more highly developed countries as in contrast with the people of the underdeveloped areas.

For the last 10 years the United States Government has been helping the people of the American Republics, of China, and of other underdeveloped areas with technical assistance, but the work has not been correlated and coordinated. Title V provides the basis for the needed coordination of existing technical assistance programs, and it authorizes a sum not to exceed \$45,000,000 to continue and to expand this work. Ten million dollars will go to the continuation of such existing programs as that of the Institute of Inter-American Affairs. The remaining \$35,000,000 will be used to expand the work to other parts of the world and to help those areas develop economically stable and balanced economies. In a

sense, this will help to round out the work of the United Nations and its agencies, for the President is authorized to make contributions to the United Nations for this purpose out of the appropriated funds. In this way it will now be possible for a world program to be undertaken in the magnitude of \$85,000,000 to which the United States, the United Nations, other international agencies, private groups, and individuals will contribute, and in which they will share.

It will be a program of exchanging technical skill and expert advice on all kinds of problems confronting the underdeveloped areas. Needed help will be supplied through basic surveys, advice on potential lines of development, expert information on governments, on-the-job training, instruction in the use of materials, consultation on production problems, technical advice to schools and universities, and the exchange of students and teachers.

The program is not large. Nor can it ever be. One should not expect it to accomplish wonders in a short time. It is the beginning of a long, perhaps even slow and laborious process. Some results will be immediate and spectacular; most, however, will take time, patience, and great effort. It is not another ECA for the world nor a program of capital investment. The recipients must eventually shoulder the major financial burden.

The committee recommends title V for favorable Senate action because it is convinced that not only do we have a moral responsibility to lend the less fortunate peoples of the world a helping hand by mobilizing our expert and technical knowledge with which to help them; but that in doing so we shall help ourselves politically and economically.

#### CONCLUDING COMMENTS

In concluding my remarks, I want to emphasize that the position of leadership and responsibility which the United States occupies in the world today requires a strong, affirmative foreign policy. The Secretary of State a few weeks ago said:

The only way to deal with the Soviet Union, we have found from hard experience, is to create situations of strength. Wherever the Soviet detects weakness or disunity—and it is quick to detect them—it exploits them to the full.

The bill which we have before us today presents in its five titles five specific ways in which the United States can create situations of strength in the world at points where the Soviet Union is doing its best to create weakness and disunity.

Communists in western Europe have exploited to the full the confusion and chaos which came as a result of the devastation of war. Daily they seek to discover in the United States signs that we are not sincere in our policy to strengthen western Europe. Daily they seek to sow the seeds of disunity, uncertainty, and fear.

Communists in North Korea infiltrate the Republic of South Korea constantly searching for mortal weaknesses which may give the Soviet system an oppor-

tunity to bring another satellite within its orbit.

In most of China, the people are now sampling the mean and ugly life which one finds in the police state. Every hour of the day and night communistic imperialism threatens the independence of millions of other peoples in the Far East.

In the Near East, the Soviet Union, like a hawk hovering over its prey, awaits those signs of weakness that may offer opportunity to create disunity and antagonisms among states that have always been strongly anticommunistic.

In all the underdeveloped areas Communist propaganda and intrigue go on increasingly, working for the day when yet another victim can be added to the list.

For those Members of the Senate who are looking for an opportunity to help the free world in its struggle with the forces of totalitarianism, for those Members who are asking that the United States assert strong affirmative leadership in making the world a place where people can live and work in peace, I say to them that there is no better way for us to put our shoulders to the wheel than by voting for this bill.

President Monroe, in his annual message to the Congress in 1822, made the following statement:

It has often been charged against free governments that they have neither the foresight nor the virtue to provide at the proper season for great emergencies; that their course is improvident and expensive; that war will always find them unprepared, and whatever may be its calamities, that its terrible warnings will be disregarded and forgotten as soon as peace returns. I have full confidence that this charge so far as relates to the United States will be shown to be utterly destitute of truth.

Mr. President, we are engaged in a great cold war that may bring in its wake cataclysmic changes for us all. If this Nation is to endure as a Nation of free people, blessed as it is with the principles of justice and liberty, then it is imperative for us to win the cold war just as it was to win World War II. We must win it just as convincingly. We must win it just as thoroughly.

We must never let it be said that we in the United States lack either the foresight or the virtue to provide at the proper time for great emergencies.

#### NONPARTISAN FOREIGN POLICY

The pending bill and the appropriations already made in behalf of the Marshall plan are a fundamental part of the foreign policy of the United States. It is an instrumentality by which we hope to restore the economy of western Europe. It is far more than that. It is a symbol of the desire of the United States to assure people who aspire to democracy and freedom and peace that they may attain these goals by following the teachings of democracy and free government rather than the odious and alien doctrines of totalitarianism and tyranny.

The foreign policy of the United States must be one of firmness. It must convey to the peoples of the world the idea of a united America. Any indication that there is substantial division in the United States with regard to our

foreign policy robs us of our influence and weakens and debilitates our efforts in the world.

It is therefore of the highest importance that in our foreign relations we should be united and devoted to the same ideals and objectives. We may not agree upon domestic problems. They can be fought out in legislative forums and in debates among the people. However, in the field of foreign relations our differences and divisions should stop at the water's edge. When the United States speaks in the Council of the Nations it must speak with one voice. That voice must carry the authority of the Government and people of the United States.

There should be no partisan politics involved in our foreign relations. That field should not be invaded by demagogic appeals to gain personal popularity at home. That field should be a hallowed area in which world peace and the national interests of the United States and all its peoples are paramount and the sole concern of Americans who love their country. If the United States is to be a leader in the affairs of the world, and destiny has already called us to that role, it must rise above petty political issues; it must reflect confidence and unity and strength.

In the Senate and outside the Senate, there has recently been considerable discussion of nonpartisan foreign policy. That kind of foreign policy is a truly American policy. We may appropriately discuss it and consider it among ourselves, but when a decision shall have been made, it ought to be the decision of the people of the United States.

The President of the United States, under the Constitution, is responsible for the conduct of our foreign relations. The President will not nor cannot evade that responsibility. He cannot delegate to any other person or official or agency the high duty involved in the exercise of that power. However, the President is free to consult with and to receive the advice of Senators, Members of Congress, and other citizens of the United States, as to the formulation of a foreign policy and to propose action thereunder. Such a course is in entire harmony with our conception of representative government under the Constitution.

President Truman has made it plain that he is in agreement with that policy. Quite recently, the President appointed a distinguished former Member of the Senate, Hon. John Sherman Cooper, as a consultant to the Secretary of State to advise with him on high policy matters. Senator Cooper is a member of the Republican Party. Still more recently, the President appointed a distinguished private citizen, Hon. John Foster Dulles, as a special assistant to the Secretary. Senator Dulles was formerly a Member of the Senate and is a Republican. These two former Members of the Senate are men of the highest character and integrity. They are able and patriotic Americans and can be relied upon to render a high quality of service in our foreign relations as advisers to the Secretary of State and the President. Their appointments should do much to encourage further teamwork between the two parties

and to enable us to present a united front to the world with respect to foreign policy.

The action of the President in making these appointments is in harmony with the history of the nonpartisan foreign policy of the United States, as exemplified by Senate Resolution 192 of the Seventy-eighth Congress—the so-called Connally resolution. The drafting of this resolution and its adoption were the work of both Democrats and Republicans who were Members of the Committee on Foreign Relations.

There was not a single note of partisanship in the deliberations of the committee nor in the voting by which the resolution was adopted. Its action was entirely nonpartisan. Senators will recall that the resolution urged the establishment of a general international organization for the maintenance of international peace and security, and for the participation of the United States in such an organization. It formed the basis for the development of our post-war foreign policy.

During this period, Secretary of State Cordell Hull inaugurated a series of conferences with distinguished private citizens and Members of Congress with regard to the structure of an international organization for the maintenance of peace, thereafter to be erected. These conferences antedated Dumbarton Oaks.

The Secretary of State suggested to the then chairman of the Committee on Foreign Relations, the Senator from Texas, that representatives of the Committee on Foreign Relations be designated to attend such conferences. The Senator from Texas readily agreed to the suggestion and with the consent of the Committee appointed a subcommittee to take part in the deliberations. Disregarding partisan considerations, and the precedents of majority control of committees, the chairman appointed four Democrats and four Republicans to attend these discussions. The Members appointed were Senators La Follette, Vandenberg, White, and Austin, Republicans, and George, Barkley, Gillette, and later Thomas of Utah and Connally, Democrats. They attended all the meetings with the Secretary of State, and each member of the group had a free voice to express his opinion on a basis of equality with all other representatives. Here was nonpartisanship in foreign relations vividly and eloquently expressed. Never was there any partisan suggestion or any effort to secure an advantage of a partisan political character.

At a later date, when the San Francisco Conference was called to consider the formation of an international organization for peace, the President appointed both Republicans and Democrats as delegates. They were as follows: Senators Connally and Vandenberg; Representatives Sol Bloom and Dr. Eaton; Dean Gildersleeve, of Barnard College; and Commander Harold E. Stassen. Mr. Stettinius, then Secretary of State, was chairman of the United States delegation, and former Secretary of State Cordell Hull was named senior adviser. John Foster Dulles was also an adviser.

This delegation, without any partisan political bias and acting individually as the conscience of each delegate dictated, performed its duties in a most industrious and able fashion. At the end of that Conference, the entire delegation, Republicans and Democrats alike, voted for the adoption of the Charter of the United Nations. That Charter was submitted to the Senate of the United States and it was ratified by the overwhelming vote of 89 to 2. That vote clearly reveals that it was not considered on a partisan political basis.

After the adoption of the Charter and the organization of the United Nations, delegates and representatives to the United Nations were appointed by the President without partisan political consideration. The first representatives and delegates to the United Nations General Assembly were James F. Byrnes, Secretary of State; Edward R. Stettinius, Jr., United States Representative to the United Nations; Tom Connally and Arthur H. Vandenberg, United States Senators; and Mrs. Eleanor Roosevelt. Alternate representatives were Sol Bloom and Charles A. Eaton, Members of the House of Representatives; Frank Walker; John G. Townsend, Jr.; and John Foster Dulles.

At a later date Senator Warren R. Austin, a distinguished Republican, was appointed by President Truman as our permanent representative on the Security Council, Interim Committee, Atomic Energy Commission, and the Commission for Conventional Armaments. Senator Austin still retains these important posts.

At the Paris Peace Conference, which was convened to negotiate treaties of peace with Italy, Bulgaria, Rumania, Hungary, and Finland, senatorial advisers from both sides of the aisle sat with Secretary Byrnes all through the negotiations. This was also true of the Second Council of Foreign Ministers which met in Paris in the spring of 1946, and the Third Council of Foreign Ministers which convened in New York in November and December of 1946. Among others of those advisers were the Senator from Michigan [Mr. VANDENBERG] and the Senator from Texas who is now speaking.

Mr. President, these are but a few of the many instances of the nonpartisanship that has characterized the conduct of our foreign policy during the past decade. I did not mention numerous international conferences during this period that were attended by Republican as well as Democratic Members of the House and Senate. Let me again remind the Senate, by way of summary, that such basic policies as those involved in the United Nations Charter; the Rio Treaty; the European recovery program; Senate Resolution 239, the so-called Vandenberg resolution; the North Atlantic Treaty; and, to a certain extent, the military assistance program, all emerged as the result of bipartisan cooperation.

This remarkable and harmonious association of representatives of both parties, not as partisans, but as servants of the American people, is a bright chapter in the history of American diplomacy. It was largely responsible for

the evolution of a sound and firm policy at a very critical time in world affairs.

There is some complaint in the press that Republican Senators are not consulted as much as they should be with respect to our foreign relations. There are five able, industrious, and patriotic Republican Members of the Committee on Foreign Relations. They are Senators VANDENBERG, WILEY, SMITH, HICKENLOOPER, and LODGE. These Members take part in all of the deliberations of the committee, except when they are unavoidably absent.

They have rendered useful and distinguished service both to the committee and to the Senate. They are experienced and trained in foreign relations, and are amply able to present to the committee questions and points of view with respect to problems in that field. Moreover, discussion and debate in the committee are full and complete. Any question that is raised by a Senator has the careful attention and consideration of all the members.

From time to time the committee requests the Secretary of State to come before it to discuss important matters in which the members may have a particular concern. Frequently the Secretary, on his own initiative, requests permission to appear. I do not recall any time when the Secretary refused to appear or refused to discuss any foreign policy question raised by committee members.

Allow me to suggest that Secretary of State Dean Acheson is a man of great ability who has many qualities and intellectual attainments that are very helpful to the committee and its members. He is always thoroughly cooperative with the committee, and in addition, he is always willing to confer with individual members. I am sure he does not withhold any information which would be helpful to us in our deliberations. Of course, there are occasions when he has had to ask permission to speak off the record, where the disclosure of the information involved would be prejudicial to the interests of the United States. There can be no valid ground for complaint that the Senate cannot obtain information with respect to any question of foreign policy. Other Republican Members of the Senate should consult with the Republican members of the Committee on Foreign Relations, and they will have no difficulty in knowing exactly the situation there obtaining.

As I have already pointed out, President Truman has publicly announced that he will continue to conduct our foreign relations upon a nonpartisan basis. Even in the extremely busy life of a President he freely grants interviews and conferences with Senators of both parties upon any important question relating to the foreign situation. This cooperative attitude deserves the admiration of the Senate and the public. As a former Senator, he has confidence in the integrity of the Senate. He does not desire to suppress any information upon vital questions that affect the interests of the United States.

Today, when we face so many international problems, when we are in need of unity and firmness in meeting the diffi-

culties which confront us, why should we not pursue the same course we have pursued in the past? Why should there be an injection of partisan, political issues; why should ambition or hunger for office move men to intrude such matters into our deliberations in the foreign field? Why should not the principle of non-partisanship guide us as we move into the uncharted seas that lie ahead? I earnestly appeal to Senators, to Members of Congress, to the executive branch, and to all citizens of the United States to stand together in solid support of the foreign policies of the United States which shall be the symbols of our progress toward the goals of freedom, of security, and of peace.

On the battleground, United States commanders do not order forward to the attack Republicans as a group or Democrats as a group. All are Americans. All owe to their country the same responsibility and the same allegiance. All are willing to make the supreme sacrifice in behalf of their country, its citizens, and its people.

Similarly, in time of peace, when we are undertaking to solve the grave issues which beset the world, there should be no call upon Republicans alone or Democrats alone, but upon all of the people of the United States. They should all respond. They should all serve. They should all sacrifice in the common cause for which we stand and in the development and advancement of the noble objectives of the people of the United States.

The people of the world, people in distant lands, people in great nations and in small nations look to the United States for leadership. They look to us to champion those causes that may eventually rescue the earth from the miseries and suffering under which it is staggering. How can we impress them with that leadership unless we are united—unless we stand as one man in behalf of the lofty principles which we advocate and which we proclaim to the rest of the world? Let us highly resolve that the welfare, the security, and the interests of the United States and of world peace must rise above the mists and fogs of party politics.

The United States of America has been and can continue to be a symbol to those who love free government and democracy. To be the ideal leader, it must continue to stir the hopes and aspirations of such peoples the world over.

The history of the United States is a stirring one. It enthralls the imagination and admiration of the free nations of the world. Settled as colonies along the bleak and rugged Atlantic coast, pioneers suffered and struggled to establish new homes in a wilderness. For 150 years the colonists, hardy pioneers, endured hardships, fought for their lives against the savage and gradually conquered the wilderness. Finally growing in strength, and the victims of tyrannical abuses by the mother country, they rose in arms in 1775-76 and for 7 years maintained their cause by force of arms. They declared their independence and attained it at the point of the sword.

Finally after years of confusion and difficulty, they wrote the Constitution of the United States and created a new

nation—a nation of freedom, a nation of democracy, a nation of the people.

The powerful influence of the United States upon the world and upon the minds of men cannot be overestimated. Reaching across the Atlantic to the shores of Europe, the American example kindled in the hearts of men the spirit of revolution against their sufferings and hardships under tyrannical governments. Assailed by the greatest European power, by force of arms in the War of 1812, the United States vindicated its existence, strengthened its powers and humiliated the Mistress of the Seas. The spirit of independence and freedom swept southward in the Western Hemisphere, thus stimulating and strengthening the aspirations of the people of the New World for liberty and independence. Revolutions against the power of Spain brought on a long and bitter contest. It resulted in freedom and independence for most of the nations of South and Central America.

When the Holy Alliance, seeking to extend its power to the Western Hemisphere, undertook to restore South and Central American countries to the rule of Spain, the United States, through that eloquent message of President Monroe, December 2, 1823, arrested the ambitions of the Holy Alliance and struck from its hand the sword of conquest. Through that message was established and preserved the freedom of the Western World.

The United States thus became in the eyes of nations everywhere the symbol of independence and freedom and democracy. We must preserve that symbol. We must carry it to all of the nations of the earth. We can carry it only as the American people in their foreign relations maintain unity, maintain the lofty purposes which have guided and directed it throughout its glorious and heroic history.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from Texas yield to the Senator from Florida?

Mr. CONNALLY. I yield.

Mr. HOLLAND. I should like to have the Senator from Texas state for the RECORD whether the recommendation contained in the report of his distinguished committee with reference to the pending bill, the extension of ECA, was unanimous.

Mr. CONNALLY. It was a unanimous recommendation, except that one Senator favored reducing the amount.

Mr. HOLLAND. But as to recommending the extension of the program—

Mr. CONNALLY. It was unanimous.

Mr. HOLLAND. And as to the necessity for continued nonpartisan and bipartisan handling of the program, the committee stood together on solid ground. Is that correct?

Mr. CONNALLY. The Senator is correct.

Mr. HOLLAND. Mr. President, I think it appropriate to say I feel that all Members of the Senate, on both sides of the aisle, would want to have expressed to the distinguished chairman of this im-

portant committee congratulations and grateful thanks for his leadership, for his report, and particularly for his having accentuated the need for a continuance of the nonpartisan and bipartisan handling of this most vital subject, vital not only to our Nation but to our friendly allies throughout the world and to all freedom-loving peoples. I may say before taking my seat that I am particularly happy to note that, in consonance with that nonpartisan and bipartisan approach, the next speaker who will address himself to this subject comes from the other side of the aisle. He, too, is entitled to the affection, gratitude, and appreciation of Senators, whether they have their seats upon this side of the aisle or upon the other side. I think there is very strong need of a continuance of this method of handling this vital business of our Nation and of the world.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. WILEY. Mr. President, in view of the fact that many Senators are busy in committees and that many of them wish to attend the hearing at which Mr. Budenz is testifying, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Without objection, it is so ordered.

Mr. WILEY. Mr. President, I desire to address myself to the pending bill. At the outset of the debate, I should like to say a few words regarding a very humble but a very great man, a Member of this body, the distinguished senior Senator from Michigan [Mr. VANDENBERG], the ranking minority member of the Senate Foreign Relations Committee, whose absence we have so deeply missed, not only in the Senate but in the committee. It has been my privilege to serve with him and with the distinguished chairman of that committee [Mr. CONNALLY] in committee work for a number of years. Literally speaking, I have sat at their feet and learned from them in the exchange of ideas in the give-and-take which must occur in every major debate and in committee meetings. On the Senate floor, since the end of the war, the Senator from Michigan has lent his fine mind, his tireless energy, and his devoted services to implement what has been called the bipartisan foreign policy of the United States. While we prayerfully hope today for guidance in determining the problem which is before us, we also utter a silent prayer for his complete recovery.

Mr. President, this is an uneasy world; we are in a period of world readjustment, confusion, and uncertainty, coupled with a partial sense of disappointment and futility because of what have been called our failures fully to remedy the maladjustments of political, economic, and international life.

I have in my hand a magazine, which was handed to me a few moments ago, which contains an article entitled "Leaves from a Diplomat's Notebook." The first heading calls attention to Dr.

Klaus Fuchs, a once distinguished British scientist, who has confessed to having passed atomic secrets to Moscow.

The next heading is:

A London paper headlines the story atomic secrets sold for 100 pounds.

Other headings are as follows:

Congress debates the future of the Marshall plan. Suggestions multiply for emergency economic assistance to southeast Asia.

Pandit Nehru says he will not join a Washington bloc or a Moscow bloc.

Tito says, "We will go naked rather than trade in principles."

Another heading:

President Truman directs production to proceed on hydrogen bomb. Chairman of senatorial Atomic Energy Commission proposes new Marshall plan as answer to destructive armament race. Churchill suggests meeting with Stalin.

Mr. President, these are merely headings.

Then I read the statement:

But while the western world seethes with excitement over the prospect of hydrogen bomb warfare a highly revealing leakage shows that Vishinsky said privately to east German Communist leaders in Berlin recently: "We shall conquer the world, not with atomic bombs, but with something which the Americans can't produce—with our brains, our ideas, and our doctrines." Press reports say that hydrogen bomb production may call for expenditure of several billion dollars over 3 years. How much are the democracies spending on ideological development?

Wherever we look we see uncertainty, fear, and threats to the peace. Who would have thought five short years ago that the peace and happiness that came to the free world with the victory of democracy over fascism would have been so short lived? It was perhaps to be expected that the unity which bound wartime allies together would not flower in the postwar years as it flourished in war. It was not to be expected, however, that nations so recently allies would be locked in struggle in a cold war. Instead of a world of peace, security, and opportunity, we face a world where there is much suspicion, distrust, and a cynical lack of morality. Yet in spite of all these things, Mr. President, we have hope and faith, and, contrary to Vishinsky, we have the brains, we have the ideas, and I believe we have the moral stamina. So our hope and faith are strong that we will be adequate to contribute to a rebirth of prosperity, peace, and freedom of the race.

President "Teddy" Roosevelt once said that "the laws of morality which should govern individuals in their dealings one with the other, are just as binding concerning nations in their dealings one with the other." He was right. I know the people of the world—the little people, you and I—want to live and let live; we want states to live by the moral precepts that ought to guide the actions of honorable men. Why is not this so?

For the past several weeks I have heard many representatives of a cross-section of the American people ask that their Government do something constructive to reverse the ominous trend in the relations between the free world and the Soviet Union. Our subcommit-

tee which has been considering resolutions on strengthening the United Nations and on world government has been tremendously impressed by the earnest pleas from the heart for bold action, for a goal toward which men can strive. I am sure every Senator has received letter after letter asking him to do something. There is the rub, Mr. President. What shall we do? We are really looking for the answer. Today I am talking, not about a cure-all, but a palliative. I think it is a necessary palliative. There is a goal toward which men can strive. We were bidden long ago to strive for the goal of "Peace on earth, good will toward men." Thank God, that goal is still before us. At least it is before us Americans. We are not downhearted. Who wants to live in an age in which there are no problems? However, sometimes we wish some of the problems would let up coming. We have reached toward that goal in the United States. We, and the nations of the earth, must achieve that objective before the millennium arrives. I am not one of those who think the millennium is just around the corner.

While the goal is before us like a glittering star in the heavens, the problem of man is to find a way of getting there. Just as we have inventors who can tell us how to build rockets to reach the moon, who can draw pictures of their space ships, we have people who can tell us how to reach the millennium of peace on earth. The great difficulty in reaching the stars, in reaching the millennium, is in building the machine, and getting humanity to love, not hate; work together, not at sixes and sevens or at odds. The United States must with every force at its command, with every bit of ingenuity it can muster, with every idea its people can offer, strive to build a world of peace and freedom.

We know that in this age of material splendor and achievement, we must not forget the spiritual wisdom which constitutes the real framework of our national life. We must fight decadence at every turn. The world needs spiritual splendor, spiritual ideas of honesty, purity, unselfishness, and love more than it needs our goods. Without these ideas goods will only be a palliative. Material remedies for moral ills are ineffective. Many nations are at the ebb-tide of spiritual vitality. Our age will determine which of the rival revolutionary philosophies shall sweep the generations of men. You and I cannot stand idly by. There must be no feeling of "What's the use," or a resignation to the impact of communism.

We are called to a great purpose to serve God, humanity, and country, by seeing to it that there is a spiritual rebirth, and an appreciation of the American way of life. It is a momentous hour in history, and we ordinary folk can be truly great if we do the job before us.

In endeavoring to do my small part toward building such a world, I try to be practical, recognizing that the problem is primarily one of changing the minds of men. We are concerned with the conquest of the minds of men. That is right, Mr. President. Anyone who heard

the testimony this morning by Mr. Budenz in the committee, showing how the Commies work, how they seek by propaganda, education, infiltration, and penetration to affect the minds of men, and how they worked in the past in America, could not fail to understand how necessary it is for us and for our great Nation to modify, perhaps, some of the tactics heretofore employed and to adopt the technique which makes for the conquest of the minds of men.

I try to build my part of the peace machinery so it will work. Since I believe that the Marshall plan is a part of the machinery that may move us in the direction of our great goal, I have supported it from the beginning.

I never dreamed, nor did I believe, that mere material help could accomplish our objective. But when people are starving, when men's minds are cracking, when the economic structure is going to pieces, when pressures from the outside, which deteriorate the morals, the opportunities, and the spirituality of a nation are at work, coupled with hungry stomachs, then material help is necessary, so that men can be in a condition to reason and to think.

When General Marshall first proposed the Marshall plan 3 years ago, I believe he made a proposal that was not only unique in history, but contained a rare combination of virtues.

First, it was humanitarian in the best sense of that term. It was an offer to the victims of a devastating war who had suffered not only by the sacrifice of their soldiers, but by the sacrifice of their homes, their families, their industry.

Secondly, General Marshall's proposal for aid gave the people of western Europe—the people to whom we owe much of our heritage—a chance to build their countries in the pattern of democracy and free enterprise instead of the pattern of totalitarian communism. They did not have that chance when the program began. So-called "free elections," before the days of the Marshall plan were in fact opportunities for Communist minorities in western Europe to coerce a hungry, depressed, fearful people to vote Communist. Our aid has shown the people of western Europe the way, and the rewards of the free way. On their part, they have not failed us. Every election since the beginning of the Marshall plan has been an opportunity for the people to show freely that they do not want communism. They have done so. In Norway, the Communists last fall lost all 11 seats they had formerly held in the Parliament. Election results in Belgium, Austria, and Great Britain were much the same.

Thirdly, the plan has in it a factor not always recognized. It is this: There are men operating it who are salesmen of the American idea. We know that material aid is needed, but more needed is the distribution of these quickening truths of the spirit where freedom abideth.

Fourthly, the program proposed by General Marshall has been of tremendous value to the United States. It has buttressed our security, contributed to our leadership among the free na-

tions of the world, and promoted the prosperity of the United States.

What is the general consensus as to what has been accomplished up to date?

The Marshall plan has undoubtedly stopped the march of the Russian to the Atlantic coast. It has for the time being saved France and Italy from going communistic. It has given the other nations a breathing spell so that today all our associates in the Atlantic Pact have renewed hope, and have to a large extent reconstructed their economy. It of course has not assured total victory against the onslaught of the communistic philosophy and the communistic political domination. We know there have been mistakes in the administration of the fund, not due to intentional wrongdoing but because of the complexity of the problem and because of the factors inherent in human nature.

We realize also that probably one of our great mistakes has been that we have not appreciated the significance of putting into operation great spiritual and moral forces. But it is not a time for condemnation. It is a time for renewed action. Italy, with her tremendous overpopulation, which is brought out so well in Senator McCARRAN's article in the Saturday Evening Post, presents a continuing challenge. On the economic front, we know that Europe's thousand years of hate and internecine strife and rivalry still persist and create barriers against a real federation. Then there are the old systems of taxation, the outmoded methods of production in agriculture and industry, their bureaucratic, obsolete methods in government, their underprivileged classes, and in many places their inability to produce what they need to eat, the need for redistribution of large estates, vicious tax laws, whereby those who have do not carry their equitable share of the tax burden, the constant impact of communistic propaganda, moral and spiritual deterioration as the result of the Fascist, communistic, and war experiences.

Yet, Mr. President, with all these conditions, the line has been held, due to our efforts together with efforts of millions in Europe who are striving to see the light and get somewhere. And the conclusion seems to be this—that if we fail to carry on, communism will take over.

We all know from past history that where poverty persists, where great dislocations, political, economic and moral, continue, there is fertile ground for the Fascists and Communists.

In the field of the economic, we know that there are some 16 different economies and currencies in the 16 countries. We know that most of the countries are at present importing more than they export, and that they are all reaching for the dollar, because it is still the best money in the world. They need the dollar to further build up their factories and their production plants. Because of the war, the physical needs of these countries are so great that it will be years before they are fully met.

Others have described the problems of Europe far more clearly than I have. Mountains of criticism have been heaped not only upon the job we have been do-

ing, but upon the job that the European nations and peoples also have been doing to rebuild themselves.

But I ask, where do we go from here? How are we to answer that question? I will reach my conclusion, but first I should like to linger a moment on the point of what the value of this program is to the people of the United States.

Too often we measure value in terms of how much a program costs. We have already authorized the expenditure of nearly \$10,000,000,000 for Marshall aid. Now we are asked to authorize an additional \$3,000,000,000 for Europe. This is a lot of money. What are we getting for it in terms of specific benefits for the United States?

In one sense the money we spend comes back to the United States. American dollars must come back here to be spent. If I trace the path of a single American dollar from the time it leaves the American taxpayer's pocket until it returns to his pay envelope, I believe this will be clear.

When Congress gives an American dollar to the ECA, the ECA in turn gives it to Norway, let us say. The Norwegian government finds that one of its farmers needs a condenser—or a valve of a certain type—to make his tractor run. This condenser is not manufactured in Norway or in any other European country. It can be bought only in the United States. The Norwegian farmer has enough Norwegian kroner—the Norwegian unit of currency—to buy the condenser. He does not want charity. He will gladly pay kroner for the condenser. But the American manufacturer does not want kroner. This manufacturer in, let us say Racine, Wis., wants to get paid with an American dollar.

In effect, this is what happens: The Norwegian pays his kroner to the Norwegian government, which in turn sends the dollar the ECA gave it back to the United States, where our friend in Racine gets his dollar and sends the condenser to the farmer in Norway.

Now, please note this. This transaction would not have been possible without the Marshall plan. If the Norwegian Government had not had the dollar the ECA made available to it, the farmer in Norway would have had to get along without his tractor. And, note carefully, that the manufacturer in Racine would not have sold his condenser. When transactions of this kind are multiplied by the hundreds of thousands, it can easily be seen why the prosperity of western Europe depends on our aid, and why the prosperity of the United States is closely related to the ability of the western Europe to buy essential goods in the United States.

Let us see how thousands of such transactions add up. Let us see what the Marshall plan means to industrial and agricultural America. I wish all my associates in the Senate would give a little study to that subject. I have done considerable thinking about it, especially in view of the fact that letters I receive from home are from persons on both sides of the fence. Many say, "Cut out the aid." Others say, "No, we cannot cut out the aid." Still others say,

"What will happen in relation to the Communists? Will they be able to extend communism to the Atlantic? Will they take over all of Europe?" But practically none of them follow up the chain of the dollar, what it means for employment in this country, what it means to industrial health in America. That is why I shall carry on.

I repeat: Let us see how thousands of such transactions add up. Let us see what the Marshall plan means to industrial and agricultural America. Since the beginning of the program more than two and one-half billion dollars of the money we appropriated has been spent by the Marshall-plan countries in the United States for agricultural products. More than \$2,000,000,000 has been spent for industrial products. I am not talking about total western European purchases in the United States. I am only talking about the purchases those countries made in the United States which would not have been possible but for our dollar aid. I am not talking about Marshall-plan money which these countries spent elsewhere—in South America, for example—even though the dollars spent in South America will in turn be spent in the United States for our goods.

Let us break these figures down. Since the program began \$1,153,000,000 has been spent for bread grains; \$308,900,000 for fats and oils; \$254,000,000 for coarse grains; \$120,700,000 for meats; \$111,200,000 for dairy products. I could go on. More than \$850,000,000 has been spent for cotton; nearly the same amount for petroleum; \$900,000,000 for machinery and equipment. Let me stress again that these dollars are spent in the United States. They go into the cash earnings of our farmers and into the salary checks of our working people. These dollars are all spent twice. They buy recovery for western Europe, and they buy the products of our great land.

Mr. President, I want my colleagues to weigh carefully any proposals to cut this program. When this program in the form of authorization was before the Senate last year, in view of the fact that the appropriations would come some 4 or 5 months later on, I made the statement then, and I have no objection to repeating it now, that authorization does not mean appropriation. Many times certain imponderables enter into the equation between the time the authorization is made and the time the appropriation is made. By that I mean certain facts develop which change the need. That may occur again. I know not whether it will. But I say that, in view of the changing situation in Europe, in the Far East, and in the Near East, we want to think the problem through carefully and look at all its facets, so that we may not simply see one angle and disregard all the others. After that we will arrive at our conclusion as to what the amount should be.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. CONNALLY. I wish to congratulate the Senator from Wisconsin for the fine service he has rendered in connection with the pending bill, and with re-

spect to many other measures pending before the Committee on Foreign Relations. I know the Senator from Wisconsin approaches these problems with a particularly patriotic spirit, ability, zeal, and understanding.

I thank the Senator for stressing the difference between authorization and appropriation. Congress cannot appropriate any more than is authorized. If we were to cut down the authorization below the danger point, we would be denying to all who now favor an increased amount any opportunity of securing it, because of the lack of authorization. With the authorization undiminished, we would still have a chance to get any amount within the authorization which the committee might see fit to recommend. So the system of having a sufficient authorization, with the possibility of reducing it when the appropriation is made, affords an elasticity which will meet the point the Senator was proceeding to develop.

Mr. WILEY. I thank the distinguished chairman of the committee. I believe a sort of cooperative responsibility exists. When we vote an authorization we must have the facts to justify the authorization. I agree fully with what the distinguished Senator from Texas just said, that so far as the appropriation is concerned, the top limit is the authorization. But I am one who feels—and I repeat—that we must have the facts before us to justify voting an authorization. Between the time the authorization is made and the time comes for appropriation to be made new facts may develop which the appropriate committee dealing with the appropriation has the obligation to consider. If the facts are such as to prove that a smaller sum should be appropriated, it is the obligation of the Appropriations Committee to recommend an appropriation in the smaller sum. That has always been my understanding.

I said when we discussed the bill last year that it is the common-sense approach, because we are living in a fast-changing world. Conditions change overnight. By the time appropriations are to be made in connection with the authorization we are now considering, conditions may have changed so much as to make it necessary to consider and act upon an entirely new bill providing for an additional sum. With respect to the pending bill, the amount that can be appropriated is established and limited by it.

I repeat, Mr. President, I want my colleagues very carefully to weigh any proposals to cut the program. I want to trim away the fat if we can do so without injuring this important enterprise.

If the trade of the free world is not to suffer tremendously after this program ends in 1952, Europe must be able by that time to purchase with its own earned dollars large amounts of goods in the United States. The whole ECA program during the next 2 years is to be geared toward putting western Europe in a position so it can earn enough American dollars to continue purchases here.

If we were to end this program before Europe is ready to buy in the United States with American dollars she has earned herself, we could expect a serious

decline in our exports. The manufacturer in Racine could not sell many of his condensers. The farmer could not sell part of his cotton, his grain, his dairy products. If, however, we carry the Marshall plan through to its logical conclusion, if the ECA produces the results we can legitimately expect of it, it should be possible after 1952 to establish a balance of trade with western Europe at a level where the United States and the free countries of Europe can continue to prosper and grow strong.

Mr. President, the Communists will not like this. They do not like to see a strong and independent Europe. They much prefer a Europe unable to purchase from the United States, unable to solve its economic problems. That is why the Communists have tried from the very beginning to sabotage the Marshall plan. I, for one, Mr. President, do not propose to assist them.

I have tried to show how the dollars we spend for the Marshall plan come back to the United States and contribute to our prosperity. Of course, I do not wish to be understood as believing that the United States can spend its way to prosperity, especially by spending its money to help foreign nations. There is a limit to the amount we can contribute to the foreign-aid program. We have very nearly reached that limit. However, as to the expenditures authorized by this bill, I think we must make them, not only for our own prosperity but for our national security.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. LUCAS. A moment ago the Senator from Wisconsin made a statement which I think should be emphasized over and over again; namely, that the Communists of Moscow in the first instance refused to join or have anything to do with the Marshall plan; and from that time on, up to this very moment, they have done everything within their power to sabotage and destroy the Marshall plan because of its effectiveness in the European countries we now are helping.

The Senator from Wisconsin has said—and rightly so—as I recall, "I do not propose to aid the Communists in any way whatsoever."

I think that statement should be repeated over and over again, so far as the entire United States is concerned, so that all of the people of the country will understand that those who seek to destroy the Marshall plan are the Communists of America and the Communists throughout the world, because they know, that the Marshall plan and kindred programs are helping to destroy their communistic program of advancement and expansion throughout the world.

Mr. WILEY. Mr. President, I thank the distinguished majority leader. Of course, I have stated that I do not intend to do anything to help Communists.

I think the problem is a difficult one. I have reached my conclusion after a great deal of almost prayerful consideration, in view of what might be called the conflict of authority on the subject. I feel that we have to do what is before us

and attend to the job that is before us if we wish to maintain the position of leadership into which we have been precipitated.

The other day I saw a phrase "the chosen people." I remember that as a boy we looked upon that phrase, as it was used in our Sunday schools, as meaning that the Lord reached out and selected the Israelites as the chosen people. The new interpretation is one which I like; namely, that a chosen people are chosen to do a job; and if they are adequate in the performance of that duty, they remain the chosen people.

Mr. President, whether we like it or not, it seems that we have been precipitated to the top among the nations of the world, and we are chosen to lead. In past centuries, other nations have been chosen to lead, and for awhile they led, but then they failed because they forgot some of the primary functions of leadership. They became materially minded, and thought that leadership simply consisted of getting hold of things material, of dominating the minds of men, instead of educating the minds of men. So they lost their leadership.

All of us stem from European countries. We have formed a new nation, a new breed, rather a mixture of all the bloodstreams of Europe. There are 153,000,000 or 154,000,000 of us. We have been called to a higher purpose, that of rejuvenating, so far as humanly possible, the parent roots, so that they will have a rebirth of confidence and hope. We also have been called, as the chosen people, to stem the onslaught of the Marxist-Communist dynamic movement, and it is dynamic, which seems to be sweeping over a large part of the globe. We have been called as a chosen people to keep on our shores a lighthouse whose lamp sends forth rays of liberty, freedom, courage, and hope to the downtrodden people of the earth.

We have been chosen for a wonderful job. I believe we shall be adequate. The little job which we are called upon to do today is merely a symbol of the larger job which is before us.

Mr. President, I have tried to show that the dollars we spend for the Marshall plan will come back to the United States, to contribute to our economic health and prosperity, to help create jobs, and so forth. As I have said before, I do not wish to be understood as being one who believes that the United States can spend its way to prosperity, nor do I think the mere spending of money or giving away of money to foreign nations, of and by itself, is the job we seek to do or the job we should do. I agree that there is a limit to the amount of money the United States can give away. Many a son of a rich parent has been ruined because he thought he could rely on dad. He thought the golden spoon would always feed him, and he lost his initiative.

We have told Europe that this job will be over in 1952. We Americans keep faith. Once we have given our word, we keep it. To us, the giving of our word is something more than a writing on a scrap of paper which can be torn up. The scrap-of-paper doctrine is not the American way, nor does it represent the leadership the world needs so badly, the

type of leadership which I have said is a moral responsibility.

Mr. President, we are doing the job of a Good Samaritan. The Samaritan did not set up in business the wounded man he helped. He simply saw to it that his wounds were washed, and that he had enough food to restore his strength, so that when he had recovered he could resume his job. It seems to me that that is what we must do in the world today, namely recreate in men the hope and energy to build for themselves. We hope the countries of Europe will develop, in addition, a sense of unity and a purpose to collaborate, such as they have never had before—yes, a union of European states into one great group which will collaborate with us. We hope the years of suffering those peoples have undergone will have served to burn out the dross and to bring to the surface the gold, so that they can realize that all of us have the objective of living as free people and joining together to meet the onslaught of the Marxist philosophy.

Mr. President, the money we are spending under the Marshall plan is purchasing for Europe strength which would be used on our side in the event—God forbid that it ever occurs—that the holocaust of war descends upon us again.

I believe the United States is stronger and more secure today than ever before, with strong and true friends in western Europe. Through two terrible wars the countries of western Europe have stood with us, and we have stood with them, shoulder to shoulder. In both wars they bore the first furious onslaught of a strong enemy. The billions of dollars we spend today represent a small amount compared to the cost of a war, yet these billions of dollars spent for the economic recovery of western Europe are enabling the beneficiaries of the program to build up their strength, a strength which will deter suggestion, a strength which, if aggression shall come, will give us strength and will be on our side.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. LUCAS. I wish to commend the Senator in what he said last.

Mr. WILEY. Does the Senator restrict his commendation to what I said last?

Mr. LUCAS. No; I commend the Senator for what he has said from the beginning. He is speaking my language, so to speak, so far as the Marshall plan and kindred programs are concerned. What the Senator said a moment ago with respect to the amount of money we are spending on the Marshall plan is true; it is a large sum of money, though it is but a drop in the bucket to what would have to be spent if we should fail to find peace in some way through what we are spending, and if war should come.

We find people throughout America interested in economy in Government. That is the way it should be and certainly the Senator from Illinois is in favor of economy in Government. But in the event we do not attain peace through the Marshall plan and kindred programs, which we are operating at the

present time, and should an atomic war come—and God forbid that such should happen—I remind those who are now in a critical mood about saving money that they will not be worrying about balancing the budget; they will not be worrying about the national debt; they will not be worrying about their hard-earned dollars. If atomic war should come to this country, they will be struggling and fighting for survival.

So far as the Senator from Illinois is concerned, he is willing to take the gamble, the calculated risk of spending a few billion dollars now in connection with the Marshall plan and related programs, in order to keep war from engulfing our shores. The Marshall plan is the only program which has been developed here in the Congress of the United States which offers the slightest semblance of hope that we may find the road to peace in this world. I shall continue to support it. I commend the Senator from Wisconsin for what he has said, and for the expression of his feelings on this subject. I commend the Committee on Foreign Relations for reporting unanimously an authorization of this kind.

Mr. WILEY. Mr. President, apropos of what the distinguished Senator has said, I should like to remind the Senate that in the 4 years from December 1941 to September 1945, not counting the cost in blood, in misery, and in dislocated lives, we poured into the conflict against fascism more than \$350,000,000,000, an average of \$7,500,000,000 a month for 45 months. The amount we are now being requested to appropriate for a full year of foreign aid was used up every 15 days while the conflict raged. Of course, should we be so unfortunate as to become involved in another conflict, with money depreciated as it is, the \$7,500,000,000 we spent every month would probably be trebled.

So, Mr. President, it will be seen, as suggested by the Senator from Illinois, that what we are trying to do is, so far as the human mind will allow us to conceive, to buy an insurance policy. We are paying for it to the extent of about \$250,000,000 a month, instead of \$7,500,000,000 a month. I think my figures are reliable. During the war years, we devoted almost \$90,000,000,000 a year to war, more than half our national income. The foreign-aid program, as I say, now amounts to but little more than 3 percent of that huge sum.

Mr. LUCAS. Mr. President, will the Senator yield for another observation?

The PRESIDING OFFICER (Mr. SCHOEFFEL in the chair). Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. WILEY. I yield.

Mr. LUCAS. I think the Senator will agree with me that in the event war should come tomorrow, the Congress of the United States would not hesitate to appropriate whatever might be necessary in order to win the war, as we did during World Wars I and II. My good friend from Tennessee [Mr. McKELLAR], the distinguished chairman of the Committee on Appropriations, who sits here by my side, came in one afternoon, during the war, as I recall, with an appropria-

tion of \$55,000,000,000 or \$57,000,000,000 for war. The Senate passed the bill within an hour, without a yea-and-nay vote.

While there are those who quibble about appropriating a few billion dollars now in an effort to obtain peace on the earth, yet if war should come tomorrow, and the representatives of the executive department should say to the Senator from Tennessee, the distinguished chairman of the Appropriations Committee, "We need \$50,000,000,000, overnight," the Congress would grant it. If they said they needed \$75,000,000,000 or \$100,000,000,000 for war, the Congress would grant it; and no taxpayer in America would groan one bit about appropriating such an amount of money for war. Our boys would be on the way, and the parents of those boys would want that war to end as soon as possible, in order to have their boys return.

What we are trying to do through the Marshall plan is to keep American boys from going to war in the first instance, to keep them at home. Therefore, so far as I am concerned, I do not propose to cut the Marshall plan one iota by any vote of mine on the floor of the Senate, unless I am told by those in the executive department, who are totally familiar with this program, that it is proper and in the best interests of America to do so. I firmly believe and conscientiously feel that this is the only program in existence in the world which, as I said before, has the semblance of hope of bringing peace to the world.

Mr. WILEY. Mr. President, compared to the cost of war, as indicated by the distinguished Senator from Illinois, the cost of this peace program—and I think we can call it a peace program, because we feel it has in it the elements that make for peace—is comparatively small. On the other hand, I would not accept everything the Senator from Illinois said, if it was said with the idea that the ECA program will guarantee peace.

Mr. LUCAS. No. Mr. President—

Mr. WILEY. I think, as the Senator suggested, if we may compare it to anything, we may say it is in the nature of the best kind of insurance policy we could buy. But I believe it would be a serious mistake to give the impression to the world or to our country that the mere materialistic aid which is also added to our military aid for the Atlantic Pact countries, in and by itself, can guarantee peace. Of course, we know it cannot. We know that the very purpose of it is, so far as possible, to build a barrier against the berserk group who are running the affairs of Russia. The only language they know is the language of force. If we were to show a weakening of our stand, we might not only tear down what we have already constructed in Europe, but we might, as I believe the Senator intended to intimate, be welcoming a move on the part of Joe Stalin and his gang to reach the Atlantic.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. LUCAS. I do not want to be understood in that way, and I do not believe my remarks can be so construed. I have

said all along, and I repeat, the Marshall plan, aid to Turkey and Greece, the Atlantic Pact, the implementation thereof, and all other programs devised as a means of carrying forward our foreign policy, represented calculated risks. I do not say these programs guarantee to keep war from our shores. What I am saying is, the over-all European program is the only one so far laid down which I believe will do that very thing. I believe, if anything will do it, that program will. I think the Senator will agree with me as to that.

Mr. WILEY. Yes; I agree it is the program which, if strengthened, as I believe it will be, by utilizing more of the spiritual and moral forces which are and will become available, is the best program of which we have knowledge today.

That is why I am supporting it, Mr. President. I shall support it, because I believe we are strengthening the free nations of western Europe and we are strengthening ourselves. In strengthening ourselves, we are performing the obligation which we owe to ourselves and, I believe, to the world, because we are still the lighthouse of freedom. Here liberty prevails. If I remember correctly, scripture tells us that where the spirit of the Lord is, there is liberty. So we must have some of the spirit of the Lord, because here liberty prevails. It is that which other peoples of the earth lack. I, for one, feel that that is one real reason we must prove ourselves adequate, by strengthening ourselves as the leaders of the free world.

Yes; we are engaged in a great enterprise, to strengthen others so that they can stand on their own feet. These others are our own flesh and blood because we of this continent have stemmed from them. I realize that what I am talking today is a sort of a mixture of economics and international morality, coupled with the matter of foreign relations and world politics. We cannot take one of these items out without dislocating the others. I am not an economist, but I suppose there are those who would have no trouble in showing that if we fail to continue to strengthen the economic policy and the moral fiber of our European associates with this \$3,000,000,000, it can be demonstrated economically that our national income will be reduced and that the corresponding charge upon our Government to meet unemployment and other contingencies would practically equal the expenditure.

Because of modern invention, we are geographically one world, but because of the conflict of ideas, we are two worlds. Whether we like it or not, we are called to high responsibility, as the leader of one of two worlds, and that responsibility is to protect and preserve all those things which are embodied in what we call the American way. It must be apparent that if the aid that goes to western Germany should cease, the people who have suffered so much would just automatically be thrown into the Russian orbit.

Mr. President, I come from a State in which probably 30 percent of the people are of German extraction. The people of Wisconsin, in two world wars,

exhibited a loyalty beyond reproach. They love the old land, but they are America. They own great factories and farms. They have contributed to the economic, moral, and spiritual wealth of the State. There are approximately 50,000,000 such persons in the western zone. Suppose they should become amalgamated with the Russians. The Russians have taken over approximately 6,000,000 of them. But supposing, through the impact of the war of ideas, that great, virile people whose kindred have meant so much to this Nation should become a part of Russia and should accept the ideology of communism. If those two peoples, under the domination of Stalin and his cohorts, should get together, the German people with their great vitality, with their great ability to do things—and they are working in Germany today—I need say nothing further. It would indeed mean a real clash of two worlds.

In everything I have said, I want it clearly understood that I am not unaware of the challenge that is presented to us Americans with this constantly growing deficit, with the inability of our Government to meet that issue head on, by cutting corners where they should be cut, whether it be in procurement, in overstuffed bureaus, or in appropriations for public works that might be deferred. I am aware of all this. I am hoping that that there will be a realization by those in Government who have the responsibility to see to it that something is done about it.

However, that is another problem. What we are talking about today—seeking to maintain a world at peace; seeking to aid those in poverty and in distress, seeking to contain the Russian from overrunning the world—cannot be neglected. I personally feel the two can be worked out together.

The hearts and the minds of the peoples of the earth are ready for peace. The common people behind the iron curtain want peace as much as we do. The people of the borderland countries want peace as we do. The peoples of the backward, undeveloped areas of this world, want peace as we do. And yet peace, if we are to achieve it, must be accompanied by freedom. The United States today stands as a symbol to the peoples of the world who aspire to peace and freedom under God. We must lead the way.

That is why I support the bill.

#### THE NONPARTISAN LEAGUE OF NORTH DAKOTA

Mr. LANGER. Mr. President, I have before me some dispatches from the news ticker in the Senate lobby. I refer particularly to one item which refers to the fact that at a hearing this morning of the subcommittee of the Committee on Foreign Relations investigating charges made by the Senator from Wisconsin [Mr. McCARTHY] the name of the North Dakota Nonpartisan League was used. Our distinguished colleague the Senator from Wisconsin had said he would prove that Mr. Lattimore was a Communist, and that he had a witness who would swear that Lattimore was a Communist.



The witness whom the Senator from Wisconsin produced at today's hearing before the subcommittee was Mr. Budenz. According to the ticker report—

Budenz gave a careful description of the 1937 meeting at which, he said, the party laid down the line that the Chinese Communists were to be pictured as agrarian reformers. He said that Earl Browder opened the session. "It was then when we got the message that the Chinese Communists, whom we had always considered the spearhead of the revolution, were nothing but North Dakota Nonpartisan Leaguers—agrarian reformers, so to speak," he said.

Another press dispatch reads as follows:

At this meeting, Budenz said, it was agreed that Lattimore should be given the assignment of representing Chinese Communists as "agrarian reformers" or "North Dakota Nonpartisan Leaguers."

Mr. President, there is a very strange coincidence in this. Last week the League, which is the official organ of the Nonpartisan League in North Dakota, contained an editorial entitled "Mud-Slinging McCARTHY." Under the rules of the Senate, of course, I am not going to put the editorial into the RECORD, but to me it is somewhat significant that within less than a week after the editorial appeared a man who, so far as I know, never has been in North Dakota, should take the name of the North Dakota Nonpartisan League in vain, and even by innuendo or insinuation try to mix it up with Russian Communists.

The truth of the matter is that the Nonpartisan League has been opposed to Russian communism first, last, and all the time. As early as a few years ago—I think about 10—it threw out of its convention six alleged Russian Communists. I might say further that when the Nonpartisan League ran candidates for office in North Dakota they were opposed by candidates running on the Communist ticket.

I believe it is due the people of this country to know exactly what the Nonpartisan League is, how far it is removed from Russian communism.

Mr. BREWSTER. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I decline to yield at this time.

Mr. BREWSTER. I wanted to clear up something.

Mr. LANGER. I yield to the Senator for that purpose.

Mr. BREWSTER. I think the question the Senator from North Dakota has raised is a very interesting one. I was present at the hearing this morning when this question was brought up. I believe there was no implication or suggestion that the North Dakota Nonpartisan League was composed of Communists. The idea conveyed was, rather, that the Communists were seeking to give to Communist operations a cloak of respectability by calling Communists, as the witness said, "agrarian reformers" or "North Dakota Nonpartisan Leaguers," with the idea that that would give them respectability, not that it would damn them. The Communists were not trying to call their own comrades bad names, they were trying to call them good names. They were try-

ing to dress the wolf up in sheep's clothing, and that was the whole implication. I am quite sure that if the Senator had heard the testimony, he would have realized that there was certainly no implication or reflection on the organization of which he is speaking.

Mr. LANGER. I thank the distinguished Senator from Maine; I am very grateful to him. I am not a member of the committee, and therefore was not at the meeting and was otherwise engaged. The press dispatches I have mentioned were called to my attention by a member of the press.

Mr. LUCAS. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield to the Senator from Illinois.

Mr. LUCAS. Will the Senator read the press dispatch again? I got the impression that they were attempting to slander the Nonpartisan League in North Dakota, and I think the implication is there, notwithstanding what the Senator from Maine may have understood as to what happened in the committee this morning. This illustrates the trouble arising from some so-called investigations. By implication and innuendo the Senator from North Dakota, at least, and all his friends in North Dakota, are now going to understand, whether it is true or not, that they have been charged with being Communists, of being at least in favor of following the Communist line. I should like to have the news dispatch read again. I think the Senator from North Dakota is proceeding along the right line, so far as the smear against his organization is concerned.

Mr. LANGER. Mr. President, one press dispatch says—and I read it:

Budenz gave a careful description of the 1937 meeting at which, he said, the party laid down the line that the Chinese Communists were to be pictured as agrarian reformers. He said that Earl Browder opened the session.

Then I quote what he said:

It was then when we got the message that the Chinese Communists whom we had always considered the spearhead of the revolution were nothing but North Dakota Nonpartisan Leaguers—agrarian reformers, so to speak, he said.

Mr. BREWSTER. Well—

Mr. LANGER. The other bears out what the distinguished Senator from Maine said:

At this meeting, Budenz said, it was agreed that Lattimore should be given the assignment of representing Chinese Communists as agrarian reformers, or North Dakota Nonpartisan Leaguers.

Mr. BREWSTER. In other words, the Communist Party in Russia, or wherever these instructions originated—I read the previous paragraph:

Budenz gave a careful description of the 1937 meeting at which, he said, the party laid down the line that the Chinese Communists were to be pictured as agrarian reformers.

As I have said, that certainly was to put the wolf in sheep's clothing. We were always told they were agrarian reformers. We never heard of this other characterization,

Then he said that Earl Browder opened the session, then said:

It was then when we got the message that the Chinese Communists whom we had always considered the spearhead of the revolution were nothing but North Dakota Nonpartisan Leaguers—agrarian reformers, so to speak.

He said that the work of carrying out the new line was assigned "to Mr. Lattimore to be contacted by Mr. Field."

I can appreciate why the Senator from Illinois might very much like to persuade the Senator from North Dakota that there was an attempt to associate the Nonpartisan League with the Communists. I am equally sure that if the Senator from Illinois or the Senator from North Dakota had been present and had heard the testimony, he would have gained exactly the opposite impression, and I think the text of the testimony will fully bear that out.

Mr. LUCAS. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield to the Senator from Illinois.

Mr. LUCAS. I did not start the argument, but I say, in reply to the distinguished Senator from Maine, that the Senator from North Dakota had a perfect right to interpret as he did the communiqué which he found on the ticker. It is very strange that the Senator from Maine should say that I was very anxious to have a certain interpretation put upon those lines. I have a right to my own ideas as to what the implication is. It is also very strange that we find the Senator from Maine striving to get out from under the implication of the statement of Budenz. I undertake to say that there was only one implication justified, namely, that when Browder opened the meeting, wherever it was, of the Communists, he definitely said, if the report is true, that the so-called Communist Party in China could be considered alongside the Nonpartisan League of North Dakota. We cannot make anything else out of it, regardless of how much the Senator from Maine may wish to get out from under.

Mr. BREWSTER subsequently said: Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BREWSTER. Mr. President, I ask unanimous consent that the colloquy which may now occur and any other colloquy concerning this matter may appear at the conclusion of the prior discussion, inasmuch as I think it very desirable to clear up this matter.

Mr. LUCAS. Mr. President, I do not know why that should be done.

Mr. BREWSTER. I thought the Senator from Illinois might like to have it done.

Mr. LUCAS. I desire to have my remarks appear in the RECORD.

Mr. BREWSTER. My request is that anything which I may say now may appear in the RECORD following the former colloquy.

Mr. LUCAS. I thought the Senator from Maine was attempting to clear up what he previously said.

Mr. BREWSTER. No; I simply wish to have all the colloquy appear together, along with any further comment by the

Senator from Illinois, if he cares to make any.

The PRESIDING OFFICER. Without objection, the further colloquy will appear in the RECORD, as requested.

Mr. BREWSTER. Mr. President, I thought it desirable to clear up this matter. I now have before me the Associated Press dispatch, as well as the United Press dispatch, printed in white and in green, respectively. I think these dispatches make the point very clear.

I read now from the Associated Press report:

Budenz went on to say, however, that he thought he had "indicated very well" that Lattimore and Barnes were involved in the campaign to make Chinese Reds appear as agrarian farmers.

In that case the word "farmers" is used.

A previous dispatch had read as follows:

Budenz said it was at this meeting that we "got the word that the Communist Reds were just North Dakota Nonpartisan Leaguers—agrarian farmers."

The United Press dispatch uses the language to which the Senator from North Dakota referred, namely:

It was then when we got the message that the Chinese Communists whom we had always considered the spearhead of the revolution were nothing but North Dakota Nonpartisan Leaguers—"agrarian reformers—so to speak," he said.

I should like to ask the Senator from North Dakota about this matter, because I think he is performing a very useful service in clarifying it, for when any gentleman of the intelligence of the Senator from Illinois considers that there is such an implication, I have no doubt that there is ample justification for the assumption that many other persons might infer, similarly, that there was an implication of identification.

That is why I want to ask the Senator from North Dakota, and also the Senator from Illinois, if he cares to comment, whether, when the words "nothing but" are used, they constitute a clear implication that an attempt was being made, not to identify the Communists as Communists, not to use that term as a term of derogation or as a term of reflection, but to say, "Why, they are just honest Nonpartisan Leaguers or agrarian reformers," such as we are very familiar with.

An attempt was being made to give the appearance that those fellows were not Communists, but were something else—something very honest. For instance, he might have said they were nothing but Republicans or nothing but Democrats, but he said they were nothing but Nonpartisan Leaguers.

I am very sure that if the Senator from Illinois or the Senator from North Dakota have time to contemplate this matter further they will realize that it is abundantly clear that the making of any implication or the casting of any reflection upon the Senator from North Dakota was the last thing in their thought, and I am sure the Senator from North Dakota will also appreciate that, so far as the approach of the Senator from Maine is concerned, it has somewhat less

of the possibility of a suggestion of either personal or political antagonism than has the approach made by the Senator from Illinois, across the aisle.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. LUCAS. Mr. President, of course, I did not commence this argument at all. The Senator from North Dakota took the floor in his own right, as a result of what he saw in the press dispatch. I did not interrupt the Senator from North Dakota, and I did not have any intention of doing so.

However, when the Senator from Maine charges that the Senator from Illinois has more political interest in this matter than does the Senator from Maine, I shall let the newspaper reporters in the press gallery here make the decision as to whether I have more interest in politics than the Senator from Maine has.

It was the Senator from Maine who interrogated the Senator from North Dakota in the first instance, trying to convince the Senator from North Dakota that the Nonpartisan League had not been slandered as a result of what Browder had said. The Senator from Maine is still trying to do that.

However, Mr. President, assuming that the Associated Press and United Press dispatches are correct, I say the Senator from North Dakota is on the right track and he should continue on it.

Mr. BREWSTER. Mr. President, I think I shall let the Senator from North Dakota determine who is the more disinterested in respect to the advice, either regarding the history of our relations or the situation we now face.

Mr. LUCAS. Mr. President, the Senator from Maine and the country know who it was who, in the first instance, attempted to get the Senator from North Dakota off the track on which he had started. It was not the Senator from Illinois who interrupted the Senator from North Dakota, but it was the Senator from Maine, who did so in the very persuasive and fantastic way he has of weaving statements on the floor of the Senate. The Senator from Maine was trying to get the Senator from North Dakota to cease and desist from what he has been trying to do.

Of course the Senator from Maine is a very brilliant man, and all of us understand him. He has these very devious and deep ways of trying to convince people that he has the panacea for practically everything.

He tried to get the Senator from North Dakota away from what he was discussing, because the Senator from Maine realized that what the Senator from North Dakota was saying was detrimental to Senators on the Republican side of the aisle, whereas the Senator from North Dakota was elected on the Republican ticket in North Dakota.

Mr. President, I do not blame the Senator from North Dakota for what he is doing. He has said that Browder, in making that statement—now seconded by Budenz, and perhaps to be supported in the third instance by someone else tomorrow—has smeared the Nonpartisan League. Of course, the Senator from

North Dakota feels that way about the matter, or he would never have taken the floor and have done what he has done.

Mr. BREWSTER. Mr. President, will the Senator yield further?

Mr. LANGER. I yield.

Mr. BREWSTER. Mr. President, I assure the Senator from North Dakota that I shall not undertake to argue the interpretation of the language, inasmuch as undoubtedly that will develop.

I would say that I made it very clear that I thought the Senator from North Dakota was performing a very useful service in clarifying this situation, since, as I said, when the Senator from Illinois interprets it as he does, I am sure many other persons might be calculated to do the same.

However, I would say that if the Senator from Illinois had had his way, the Senator from North Dakota would not be able to speak on this floor at all.

Mr. LUCAS. Mr. President, if the Senator will yield further—

Mr. LANGER. I yield.

Mr. LUCAS. The Senator from Maine is attempting to avoid the issue now. Of course, when the Senator from Maine is caught in a trap, he attempts to refer to some matter far, far back; and now he attempts to prejudice the Senator from North Dakota against the Senator from Illinois for something which happened a long, long time ago.

However, the Senator from North Dakota is not so naive as not to understand what the Senator from Maine is attempting to do. Certainly it ill behoves the Senator from Maine to try to get the Senator from North Dakota on an entirely different subject from the one he has been discussing, by referring to what the Senator from Illinois did many years ago.

The Senator from North Dakota and I are fairly good friends; we get along fairly well together here on the floor of the Senate; and of course that is what is worrying the Senator from Maine at this particular moment.

Mr. LANGER. Mr. President, the senior Senator from North Dakota finds himself in the position of the justice of the peace who had just been elected to office. When he tried his first case, the attorney for the plaintiff rose and made a very smooth, fine, suave speech. The Justice said "You know, I think you are right." Then the lawyer for the defense got up and gave almost as good a speech, if not a better one. The justice of the peace said, "By George, I believe you are right." So I am in a position where I believe we may leave it that they are both right, and I will proceed with the platform of the Nonpartisan League. [Laughter.]

Mr. President, I desire to make it unequivocally clear that there is not one single iota or taint of Russian communism among the membership or leaders of the Nonpartisan League in North Dakota.

I think it is due the Members of the Senate and due the people of the country to know exactly what the Nonpartisan League is. I hold in my hand a book entitled "The Nonpartisan League in North Dakota," dated the 7th day of

April 1948, prepared as an undergraduate honor thesis by Ray Goldberg, a student of the Department of Government of Harvard University. I ask unanimous consent that the preface of this book may be printed in full at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the preface was ordered to be printed in the RECORD, as follows:

#### PREFACE

"In practice our major political parties are primarily concerned not with framing issues and drawing up distinctive programs, but in trying to discover some way of bringing together into a reasonably harmonious relationship as large a proportion of the voters as possible. The methods employed to this end are dictated by the times, circumstances, and the kind of men in control of the organization. Principles and issues remain relative to these conditions."<sup>1</sup>

The Nonpartisan League (NPL) in North Dakota stands as a testimonial to the perceptiveness and validity of Herring's statement. On the whole, the course of development of the Nonpartisan League shows the conditions of this definition to be not only descriptive but also determining.

There is in the annals of American political parties probably no other movement which more strikingly illustrates the complexity of political action in the United States than the Nonpartisan League. Over the course of its history it answered the description of major party, minor party, pressure group, political-action group, farm bloc, third party, faction, etc.

Surprisingly, however, the league has received slight attention from students of American politics, and almost none since 1921, at which date most writers considered the league extinct. Having seen, therefore, that reliance would have to be placed in original sources, the writer undertook a field trip in North Dakota during the summer of 1947. While on this 5,000-mile trip the writer was able to interview some 50 leading representatives of every faction in every county of the State, as well as to gather opinions from various individuals along the route. The representatives of the different factions were chosen after consultation with Senator LANGER and Mr. Frank Vogel, leaders of the Nonpartisan League, and with Mr. William Stern, former North Dakota Republican national committeeman. A questionnaire was prepared to serve as a basis of comparison in interviewing the various people.

The purpose of the trip was not to gather information for a complete history of the league, or to examine one specific aspect of the movement; instead, the object was to get a realistic over-all picture of the bases, interests, internal structure, and tactics of the Nonpartisan League in North Dakota.

Mr. LANGER. Mr. President, I wish to read one paragraph from the preface:

There is in the annals of American political parties probably no other movement which more strikingly illustrates the complexity of political action in the United States than the Nonpartisan League. Over the course of its history it answered the description of major party, minor party, pressure group, political-action group, farm bloc, third party, factions, etc.

Surprisingly, however, the league has received slight attention from students of American politics, and almost none since 1921, at which date most writers considered the league extinct. Having seen, therefore, that reliance would have to be placed in original sources, the writer undertook a field

trip in North Dakota during the summer of 1947. While on this 5,000 mile trip, the writer was able to interview some 50 leading representatives of every faction in every county of the State, as well as to gather opinions from various individuals along the route. The representatives of the different factions were chosen after consultation with Senator LANGER and Mr. Frank Vogel, leaders of the Nonpartisan League.

I might add that Mr. Frank Vogel is today endorsed by the Nonpartisan League for Governor of North Dakota. He is today an outstanding, honest, capable candidate for that position, and we hope he will be elected so that North Dakota will again have good, honest, efficient government in behalf of the common people, and not a stooge who represents the large corporations from outside North Dakota.

Representatives of the different factions were chosen after consultation with Senator LANGER and Mr. Frank Vogel, leaders of the Nonpartisan League, and with Mr. William Stern, former North Dakota Republican National Committeeman. A questionnaire was prepared to serve as a basis of comparison in interviewing the various people.

Mr. President, I desire to read a portion of the introduction. Remember the article was written by Mr. Ray Goldberg as his thesis, and is printed by the department of government of Harvard University.

#### INTRODUCTION: BRIEF HISTORY

Agrarian movements are nothing new in American history. They date from at least the time of Shays' rebellion, when the farmers from the poor hill country of western Massachusetts demanded cheap paper money to pay off their debts, to the later days of the farm bloc. The Nonpartisan League reflected the background of all these organizations.

The most important of these movements preceding the Nonpartisan League were the National Grange of the Patrons of Husbandry in 1867, the National Greenback Party of 1874, the National Farmers' Alliance of the 1880's and the People's Party of 1892.

During the Granger period, the farmer attempted to increase his narrow margin of profit, or to turn a deficit into a profit, by decreasing the cost of transportation and eliminating the middleman. The program consisted of laws regulating the railroads and the trusts, better taxing laws, and the stressing of cooperative movements such as grain elevators. This same tendency and program was carried on into the Nonpartisan League ideology. The Granger movement did not succeed, partly because the organizers failed to do follow-up work on the newly organized men, but chiefly because of the failure the farmers had at attempts of business cooperation. Though the Nonpartisan League sought similar ends and policies, it remembered these mistakes and tried to correct them when the league was formed in 1916.

Mr. President, I say that today no man in America is better qualified to talk about the Nonpartisan League than the senior Senator from the State of North Dakota, because the senior Senator from North Dakota helped to organize it. He was there at the time of the first meeting of the 300 farmers who appealed to the State legislature for the adoption of remedial laws for the poor people of the State. He was elected as attorney general of North Dakota with the endorse-

ment of the Nonpartisan League. He was reelected as attorney general of North Dakota with the endorsement of the Nonpartisan League. Twice the senior Senator from North Dakota was elected governor of the State of North Dakota with the endorsement of the Nonpartisan League, once on the Republican ticket and another time running as an independent, at a time when Mr. Roosevelt was running on the Democratic ticket and Mr. Landon on the Republican ticket. The name "William Langer" appeared far off to one side of the ballot. Yet the feeling of the people of North Dakota was so strong that I was elected, in spite of the fact that I ran neither on the Democratic ticket nor on the Republican ticket.

Mr. President, I was sent to the Senate by the Nonpartisan League. I was reelected to the Senate and carried every one of the 53 counties in the last election, with the endorsement of the Nonpartisan League. I say that during all its existence there has never been any connection of the Nonpartisan League, directly or indirectly in any way, shape, form, or manner with Russian communism, or with any man who preached communism, or with any woman who preached communism. The farmers, the laboring men, and the small-business men who compose the Nonpartisan League are opposed to Russian communism in every way, shape, form, or manner. I helped organize the league.

In his thesis Mr. Goldberg writes that the Nonpartisan League was organized to help the farmers, the small-business men, and the laboring men. When the league was overwhelmingly swept into office in 1916 whom did it elect as governor of the State? It elected my own predecessor, who for 18 years, with credit to the State and honor to himself, occupied a seat in the United States Senate, Senator Lynn J. Frazier, a farmer, a man who had lived in North Dakota all his life, who had made a good record in the State. What did the league do when it came into power in North Dakota? This is what is said in the Harvard Government book from which I am quoting:

Though possessing absolute control of the State, the league was cautious in its proposals, since it knew that it alone was responsible for every act.

What did the league do? It was in absolute control.

Nevertheless, all the important changes brought about by the league were accomplished in this one legislature of 1919. The most important of the laws passed by the league legislature included the following:

1. A graduated State income-tax law.

Is that communism, Mr. President?

2. Laws setting up a home building association to encourage the owning of one's own home by the use of State loans, materials, and labor.

3. Establishment of a dairy industry commission to provide information and assistance to farmers in the establishment and running of their herds.

4. Creation of a Bank of North Dakota to handle all State funds (making North Dakota the only State in the United States to operate its own bank as a State institution. The league wanted this bank to finance the State projects; furthermore, they wanted to avoid

<sup>1</sup> Pendleton Herring, *The Politics of Democracy*, p. 102.

the political patronage that sometimes occurs when a State government divides its funds and deposits them in private banks).

Mr. President, as attorney general of the State, as a very, very young man, I was one of the three men, by virtue of my office, who established the Bank of North Dakota. It opened for business on the 19th day of August 1919, more than 30 years ago, and it has been so successful that it is the envy of every intelligent banker and economist in any State who knows anything about State finances. Not only has it made a profit of an average of one-half a million dollars a year for the benefit of the taxpayers of North Dakota, but it has prevented the brokers in the Twin Cities and in Chicago and in New York and other places from coming, for example, into a county which is destitute, in which there has been a grasshopper scourge or which has suffered from a drought, and needs some money, and lending money at high rates of interest. Instead of charging high rates of interest the Bank of North Dakota finances such a county or finances a municipality which is in need, with money at interest as low as 1 percent. Of course, the Bank of North Dakota is hated by all those who used to make enormous profits whenever the people in a county were poor or whenever a county had had misfortune.

Mr. President, as stated in the list, the fifth achievement of the Nonpartisan League of North Dakota was the creation of a State bonding fund to bond all public officials.

Only a few days ago upon this very floor I read an Associated Press dispatch, coming from the Fargo Forum, a newspaper unfriendly to the Nonpartisan League, a newspaper which always has fought the Nonpartisan League and, so far as I know, always has fought anyone endorsed by the Nonpartisan League. What was said in that dispatch? We learned from that dispatch that there is so much money in the State bonding fund of North Dakota that the legislature has passed a law saying, in effect, "Do not call for any more money from municipalities until you have used all the money you have, until only \$1,000,000 is left." We are further told that in the year 1948, instead of collecting \$176,000, which otherwise it would have been necessary for the municipalities in the State to pay to outside bonding companies, to bond public officials all of that amount, except the sum of \$292 was waived, thus making a saving of more than \$175,000 to the taxpayers of the State of North Dakota in that one year.

The sixth plank, which was adopted at a time when the Nonpartisan League possessed absolute control of the State, as stated in this book by Ray Goldberg, Undergraduate Honors Thesis, Department of Government, Harvard University, was a proposed constitutional amendment to make it possible for the State of North Dakota to provide hail insurance for various crops. I may say that that constitutional amendment was adopted by the vote of the people of the State by an overwhelming majority. If anyone is interested in knowing how much money was saved to the farmers

of North Dakota through the adoption of that amendment, I may say that as of today it amounts to a sum in excess of \$100,000,000. Most of that would have gone outside North Dakota, had the Nonpartisan League not been organized.

The seventh plank in the league program—at a time, I repeat, when the league had absolute control—was another proposed constitutional amendment providing the initiative and referendum, and the recall for all State officers. There have been only four recall elections of State officials in the United States. One of those was in Oklahoma; the other three, in the State of North Dakota; showing that the people of that State exercised their right of recall under this constitutional amendment. I may add that the people initiate laws, and we have a referendum or two at nearly every general election.

The eighth plank called for a grain-grading act. We enacted such a law. It became so important that, before we got through, the senior Senator from Ohio [Mr. TAFT] came to North Dakota at the behest of Herbert Hoover, then Food Commissioner of the United States, who was at that time the boss of the present senior Senator from Ohio. By the time the senior Senator got through, he assisted in getting the Secretary of Agriculture to adopt the larger part of the grain-grading system of the State of North Dakota for the United States of America.

The Nonpartisan League is an organization which believes that when a political party makes a promise, and when the people trust the party and elect its candidates to office, the platform promises should be kept. That is why, during the time I have been in the Senate, I have on numerous occasions protested because the Democrats failed to carry out their platform promises of 1932, and it is why I protested because the Republicans failed to carry out the promises of their platform in 1944.

The ninth thing the Nonpartisan League did was to adopt an insurance act, making it possible for the State to go into the insurance business. The State of North Dakota has been in the insurance business for approximately 30 years. It has been so successful that it has cost the farmers and businessmen of our State roughly only one-third of what similar service has cost the farmers and businessmen of other States.

In addition to that, all our schoolhouses, some 8,000 in number, are insured against fire and tornado, as are all the county courthouses, all the public buildings of the State and of its municipalities. Not only have we had this cheap rate, but, year after year, it has not been necessary to pay anything. My recollection is we have a fund of \$4,000,000 lying idle in the Bank of North Dakota, to the credit of the fund.

Tenth, the formation of the industrial commission, composed of the attorney general, the secretary of agriculture, and the Governor, to look after important State businesses, such as the mill-and-elevator.

Mr. President, I think everyone in Washington is familiar with the name of Herbert E. Gaston, who, for nearly

two decades has been one of the leaders of the Democratic Party in Washington. I hold in my hand the Congressional Directory of 1950, which, on page 428, shows that Herbert E. Gaston is at the present time Chairman and President of the Export-Import Bank of Washington, an institution which handles billions of dollars, and which enjoys the confidence of both Democrats and Republicans to such an extent that in the Eightieth Congress, and possibly before that, as I remember, Republican leaders rose to ask that the capital of the Export-Import Bank be increased by several billion dollars.

Mr. Gaston wrote a book. He is the same man who today is at the head of the Export-Import Bank. I hold in my hand the book which he wrote. He was editor of the Courier News, a daily newspaper owned by the Nonpartisan League in North Dakota, published at Fargo. Almost from its inception, Mr. Gaston was at Fargo. He knows all about this organization. What does he say about the necessity of having an industrial commission to look after the principal State businesses, such as the mill-and-elevator? I shall read from his book, to show what the farmers were up against before the Nonpartisan League came along; but before doing that, let me once and forever, upon this floor, scotch the cry that the Nonpartisan League is socialistic. When I say "socialistic," I use the term as it is used commonly by some of the Members on this floor. In his book, entitled "The Nonpartisan League," Herbert E. Gaston, now President and Chairman of the Export-Import Bank of the United States, at page 54, says:

Thus it happened that Townley was experimentally a Socialist, and thus he ceased to be a Socialist. Later efforts to prove that the league was a Socialist enterprise in disguise convinced many, but they never convinced the old-line Socialists in North Dakota. They knew better.

Mr. President, I want to read an excerpt from another book, which is entitled "The Story of the Nonpartisan League," by Charles Edward Russell. It is hard to believe some of these things, Mr. President, but they are true. If I had not lived in North Dakota myself, if I had not personally seen what farmers, small-business men, and laboring men were up against in those days, I would not believe it myself.

I turn to page 34 of this book and read as follows:

THE MAGIC OF THE MIXING HOUSE—WITH OTHER STRANGE MATTERS

If he continued in after years to follow this subject, he must have much to enlighten him as to why he was reduced to be a ranch hand and his wife to be a waitress in a country hotel. For instance, he would have found that in 1913 a bill was introduced in the North Dakota Legislature to bring down the legal rate of interest from 12 percent, which it had been for many years, to the modest figure of 10 percent. This bill was referred (with rare wisdom) to a committee composed of bankers, lawyers, and merchants. They killed it. There was an outcry and at the next session the reduction was actually made—on paper. The legal rate became 10 percent, but the law was so adroitly worded that loans were still made at 12, 14, and even higher rates.

I might say, Mr. President, that I have abstracts of title on land I own which prove that the interest rate was 12 percent.

The redress of a borrower that paid more than 10 percent was, according to this masterpiece of law making, a suit to recover. But the suit must be brought usually against the local bank to whose favor the farmer must look for his other money advances and to which he must go to get his cash when he had sold his wheat. It was about the last institution in the world with which he would wish to have a legal fight.

There were also other subterfuges. The new law was a jest. I have much understated the facts about it. In 1916, after it had been in operation a full year, Mr. John Skelton Williams, National Comptroller of the Currency and therefore an unquestionable authority, reported that he found 69 of the 100 national banks in North Dakota to be charging 12 percent or more on their farm loans.

"About a dozen banks in North Dakota," he said, "reported loans aggregating from \$1,000 to \$8,000 at rates ranging from 15 to 24 percent," and it appeared from his report that in some instances from 28 to 48 percent was charged for small loans.

Think of it, Mr. President, the best security in the world, a first mortgage on a good piece of land. According to the Comptroller of the Currency, 69 of the 150 national banks of the State were charging 12 percent or more interest.

John Evans might also have read with profit the case of Adolf Sundahl, of Jamestown, N. Dak., and learned much from that as to laws and their administration when the Government is possessed in behalf of interlocked corporations.

Mr. Sundahl was a farmer like Evans. He borrowed \$300 on which he must pay a annual interest charge of \$40.90. He figured that this was not 10 percent, as the new law said, nor 12, as the old law allowed, but between 13 and 14, and clearly illegal. He sued, therefore, taking advantage of the blessed privilege allowed him by the legislature, and recovered in the lower court.

The money lender appealed and the supreme court reversed the finding below and gave judgment to the money lender on this ground:

Interest on \$300 at 12 percent is \$36, and since the law would allow the bank to deduct this in advance, the bank could be construed as lending him (Sundahl) this much more (\$36) simply because it did not take interest in advance.

Interest on \$36 at 12 percent is \$4.32; interest on this at 12 percent is 52 cents, and interest on 52 cents is 6 cents, and the court sustained the banker in extorting this interest.

He would also learn with interest, but probably without surprise, that in these conditions farm mortgages in North Dakota totaled \$310,000,000, and were increasing so rapidly that wise men were uneasy about the figures; and he would have read with especial interest the testimony of Olaf Knutson that under the law reducing interest to 10 percent he went to his banker with a first mortgage on his farm, and the terms the banker allowed were 10 percent interest and 10 percent discount on the face of the loan; also, that when he tried to borrow \$80 on his four horses, two wagons, and harness, the loan agent demurred on the ground that the security was not enough, so to raise the money he had to sell one of his teams for \$400.

Also, if in that first year Evans had followed all of his wheat from the sidetrack at his station to the mill that made flour of it he would have found still more enlightenment.

Take, for instance, the grain that he sent to Minneapolis to be sold on commission. It traveled thither by rail and the first charge that was made against it was the freightage. The railroad company that hauled it had received from the people of the United States such rich land grants that their value more than paid for the building of the road, which became then virtually free gifts from the Nation. Next, the company had issued stocks and bonds upon this gift, and on these stocks and bonds, which represented no investment and were constantly increasing in volume, it was paying dividends and interest. To secure the money to pay these dividends and interest on a capitalization that for the most part represented no investment, but only the people's gifts, the company arranged its freight rates so as to obtain the largest possible returns and without the least regard to the service rendered or to its cost. Utterly unjust, untruthful, and sometimes illegal or criminal devices were used to augment this revenue; the pressure of the always-increasing capitalization left no other course open to the managers, no matter how good men they otherwise might be. They, too, had inherited a system and a machine to which they were as much the appendages as the whistle is the appendage of a locomotive and with which they could do nothing except go along and move up the rates as the capitalization soared.

Mr. President, I ask unanimous consent that the remainder of page 38, and pages 39, 40, 41, 42, 43, 44, 45, 46, and the first two lines on page 47 may be printed at this point in the RECORD as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

For these reasons the freight charges on that shipment of wheat were exorbitant and absurd. From Jason to Minneapolis, they were, roughly speaking, something like 5 cents a bushel more than a Canadian grain-grower would have paid for wheat hauled the same distance.

But the wheat arrived in Minneapolis and stood one morning on a sidetrack. An inspector of the Minnesota State warehouse commission now came to examine and grade it. He carried with him an implement resembling a big tin dart. This he stuck into a corner of one car, clicked a spring, and brought up some wheat. He thought he saw moisture in the grain and decided it to be "No grade on account of moisture." He had

<sup>1</sup> Taking as a basis the average wheat production of a North Dakota farm, a toll of 5 cents a bushel on its produce would amount, in 21 years, at compound interest, to \$20,000.

<sup>2</sup> No grade is good wheat, except that it is said to have a little too much moisture. It is often as good as No. 1 or No. 2, and would so grade if it were drier. Being graded "No grade" means it must go (by sample) on the table at the chamber of commerce and be sold for whatever is bid for it. If there were nothing else, this manifest injustice would be enough to breed revolt in any American community.

Rejected grade means "dirty or smutty or moldy, or having other grains in it to the extent that it cannot be graded No. 3 or No. 4," and so it is rejected altogether. As noted elsewhere, the other grains when extracted are almost as valuable as wheat.

It may not be necessary, but can do no harm to explain to the uninitiated the basis for and importance of these gradings. As we have seen, the farmer's price is determined upon them. "No. 1 hard" means wheat of a rarely fine quality, hard and clear, of a certain flintlike appearance and definite color, standing at the top of the market. Next below is No. 1 northern, No. 2, No. 3,

a great many cars to inspect that morning, and less than half enough time in which to inspect them.

Doe & Co., the commission firm to which the wheat had been sent, now took samples of it, put them into neat little tin pans, and the next morning early sent them to the chamber of commerce to be displayed.

At 10 a. m. the gong sounds for the beginning of trading on the chamber. Five minutes before 10 an able young man representing the Tidewater Elevator Co. had been along the tables, taking note of the good wheat displayed there, and the instant the gong went he bought the Evans shipment on sample at 5 cents below the market.

One cent a bushel was now assessed against the wheat for this sale. For a reason that Evans never knew and few suspected, the able young man that represented Doe & Co. on the floor was quite willing to sell the wheat below the market. It was because Doe & Co. were also the owners of the Tidewater Elevator Co. The sale, therefore, was made from themselves to themselves, but the cent-a-bushel commission was assessed, nevertheless.

The Tidewater Elevator Co. now sold the wheat at an advance of 1½ cents a bushel to the Basota Grain Co., performing no other service to society than what might be involved in making three marks with a lead pencil.

The Basota Grain Co. sold it to the Medicus Terminal Elevator Co. at an advance of 2 cents a bushel. Same service, same value, same result.

The Medicus Terminal Elevator Co. sent it to its mixing-house, where it presently underwent strange transformations.

If Evans could have pursued the matter far enough he would have found that the Basota Grain Co. and the Medicus Terminal Elevator Co. were likewise owned by Doe & Co., and that each of these sales also had been from themselves to themselves, the right hand of the institution not knowing what the left was doing, but meanwhile making sure of the 1 cent a bushel commission added to the price.

Let I shall be thought extravagant or unfair about this I will refer to the proceedings before the Committee on Agriculture of the House of Representatives, Sixty-third Congress, a hearing on House bill 14493, providing for the uniform grading of grain; testimony of F. B. Wells, a grain operator of great repute on the Minneapolis chamber; connected also with one of the greatest of the houses there.

"Question. You are the vice president of the F. H. Peavey Co.?"

"Answer. Yes, sir.

"Question. That is a line elevator company?"

"Answer. They are not engaged in the grain business in any way, shape, or form.

"Question. What is it?"

"Answer. It is a holding company.

"Question. Holding what?"

"Answer. Holding stocks of various grain companies in Canada.

"Question. What companies do they hold stock in?"

"Answer. A controlling interest in the Globe Elevator Co. of Duluth, all the stock

No. 4, according to the appearance and weight of the bushel; followed by rejected and no grade. These were the grades in use in the wheat market for more than a generation, though discarded now. Between each grade there was ordinarily a difference in price of from 3 to 15 cents a bushel.

<sup>3</sup> A "line" elevator is one in a series or chain of elevators having the same owners and stretched through station after station along some railroad. A company owning such a chain is called, as here, a "line" company.

of the Duluth Elevator Co., and hold 95 percent of the Monarch Elevator Co.

"Question. What is that?"

"Answer. Country line on the Northern Pacific and Milwaukee. The Duluth is a country line; the houses are principally on the Great Northern and the Monarch on the Northern Pacific.

"Question. Any other line elevator companies?"

"Answer. Not in that territory. They have a few elevators in Nebraska. Then there is the Belt Line Elevator Co., a terminal located in Superior, and the Globe Elevator operates terminals in West Superior, the Peavey Duluth Terminal Elevator Co. operating in Duluth.

"Question. Have you any terminals in Minneapolis?"

"Answer. The Monarch Elevator has a terminal; the Republic Elevator.

"Question. How many terminal elevators have you in Duluth?"

"Answer. Three. Not in Duluth, but at the head of the lakes, two in Wisconsin and one in Minnesota.

"Question. How many country elevators are owned or controlled by these different companies, in the aggregate?"

"Answer. Do I understand you mean Nebraska also?"

"Question. All of them.

"Answer. In Minnesota we have 64 elevators owned by the Monarch and Duluth Elevator Companies.

"Question. How many in North Dakota?"

"Answer. About 110—no, I would say about 104; about 6 in South Dakota.

"Question. Nebraska?"

"Answer. Fifty-five, I think.

"Question. Any in Iowa?"

"Answer. Yes, one.

"Question. In the aggregate, about how many country elevators have you?"

"Answer. About 225 or 230."

It appeared also that this same company had many elevators in Canada, and the leases and intertwinings between its American subsidiary companies and those in Canada were so intricate that even Mr. Wells could hardly explain them.<sup>3</sup>

Or we will listen next to the indubitable testimony of G. F. Ewe, connected with the great Minneapolis grain-house called the Van Dusen-Harrington Co.<sup>4</sup>

"Question. The capital stock of the other companies is owned by the Van Dusen-Harrington Co.?"

"Answer. Yes, sir.

"Question. Then the National Elevator Co., the Atlas Elevator Co., Van Dusen & Co., the Star Elevator Co., the Pioneer Steel Elevator Co., and the Crescent Elevator Co. are subsidiary companies of the Van Dusen?"

"Answer. Yes, sir."

Later the witness added to this list the name of the Interstate Elevator Co. as similarly owned.

He said that the thus owned National Elevator Co. owned in turn 75 or 80 country elevators (each at a station), in various parts of the Northwest; the Atlas Co. owned 75 or 80; Van Dusen Co. owned 50 or 60. In a sentence or two this witness acknowledged the ownership of more than 200 of these line elevators, but there were other concerns that exceeded even this number. Incidentally, it was this kind of ownership that explained Evans' identical experience at Jason and Brownsville, and would seem to justify some of his suspicion concerning the man at the telephone. Both of these elevators were owned (under different names) by the same parent company in Minneapolis, and of course both had, and conscientiously worked for, the same object of getting wheat as cheaply as possible.

<sup>3</sup> Hearing on House bill 14493, Sixty-third Congress, testimony, pp. 432-433.

<sup>4</sup> Ibid., p. 594.

<sup>5</sup> Ibid., pp. 338, 340.

Mr. Ewe's testimony revealed some, at least, of the processes of making money on the Minneapolis Chamber of Commerce to be a delightful simplicity.

"Question. Suppose you had an opportunity right that day to buy that wheat on the floor from a man who had consigned it to you from the West and for whom you had the right to sell it on commission. You would make the turn and get the commission for the sale and purchase both?"

"Answer. Yes, sir."

Mr. Wells made this a little clearer.

"Question. Mr. Wells, do you think it is proper for a commission house in the commission business to own subsidiary companies, terminal elevators, and sell to themselves grain consigned to them (on commission)?"

"Answer. I think so, unless it has absolute instructions to the contrary. I can see no difference."

Later he repeated that he could see no impropriety in these practices.

Mr. Ewe's testimony showed that on a certain day (October 28, to wit) the Van Dusen-Harrington Co. had sold 9 cars to its subsidiary companies, and on another day had sold 12 cars to the Star Elevator Co., then 5 more to the same concern, and then 3 cars to the Pioneer Steel Elevator Co., making 18 cars sold that day from itself to itself, or about one-half of its total sales.<sup>5</sup>

James Manahan, at that time a Congressman-at-large of the State of Minnesota, testified that the Minnesota House of Representatives had not long before investigated the subject of grain exchanges and he had been counsel for the committee conducting the investigation. He said that while acting in that capacity he got the sales cards of the Van Dusen-Harrington Co. for one day only, and found upon them a sale of 5 cars to the Pioneer Steel Elevator Co. He continued:

"The next day at the hearing I questioned the manager and he testified that the Pioneer Steel Elevator was a subsidiary company which they themselves were operating under a different name. I showed also by compelling the production on that day of the exact range of prices, minute by minute, for which that grade was selling in the pit—I showed that according to that record these five cars were sold at a fraction of a cent—about half a cent a bushel—less than it ought to have been sold for to start with. Because each of these five cars were of the finest wheat that could get to Minneapolis, No. 1 Northern, and was sold by this company to its subsidiary company within 7 minutes after the exchange opened—before anybody else had time to get away from their tables to see what they could purchase for their people and to bid for this choice wheat."

A little later the point arose as to the effect of these proceedings upon outside millers, and Mr. Manahan said:

"Do the mills down the river get the virgin wheat from North Dakota for which they are paying a commission to this Van Dusen-Harrington Co., or to similar concerns to purchase? No, indeed. When the mills down in the country want to buy wheat, the seller for the Van Dusen-Harrington Co. sells wheat—or, to put it in the other form, the purchaser from the Van Dusen-Harrington Co., representing the country miller, another man on the floor of the exchange, goes to the selling agent of the Pioneer Steel Elevator, the terminal elevator company, the subsidiary, and buys 5 carloads of wheat for the miller down the river, and charges the miller, of course, the regular commission for so doing.

<sup>3</sup> Ibid., p. 350.

<sup>4</sup> Ibid., p. 595.

<sup>5</sup> Ibid., pp. 462 and 532.

"Mr. HAUGEN, Member of Congress. In that way they get a double commission, do they not?"

"Mr. MANAHAN. Yes, and that wheat that comes out of the terminal elevator, that goes from the terminal elevator to the miller down the river, is not the kind of wheat that goes into the elevator from North Dakota. It is depreciated and doctored wheat."

Mr. LANGER. I wonder how many Senators on the floor have ever heard of doctored wheat. The Nonpartisan League put doctored wheat out of business in North Dakota, Mr. President. Not only that, but it put out of business doctored wheat all over the country. How does that sound to my friends on the Senate floor? I am quoting from page 47:

"Doctored wheat"—it sounds strange, does it not? So we turn to the records of the terminal elevators or mixing houses of Minneapolis in search of possible information, and this is what we find:

In 2 years these elevators received 15,571,575 bushels of No. 1 Northern wheat, and shipped out in the same 2 years 19,978,777 bushels of that same grade. That is to say, they shipped 4,407,202 bushels more of No. 1 Northern than they received.

Mr. President, is it any wonder that the American farmers organized? Is it any wonder that the Nonpartisan League came into existence?

I continue to read at page 47:

At the beginning of the 2 years they had no No. 1 Northern, so the excess cannot be accounted for on the theory that it was wheat left over. Where did it come from? Wheat is not ordinarily planted and reaped in elevator bins. What then was this mysterious source of production? And we find that in the same period the same elevators received of No. 2 wheat 20,413,584 bushels, and shipped out of that same grade 22,242,410 bushels, or 1,828,826 bushels more than they received. Where did all that wheat come from?

And again a record of 12 months of grain inspections in Minnesota terminal elevators revealed this astonishing productivity, in such institutions.

Mr. President, I ask unanimous consent that the table be published at this point in my remarks.

There being no objection, the table was ordered to be printed in the Record, as follows:

Grade of wheat	Received	Shipped
	Bushels	Bushels
No. 1 Hard.....	341,567	1,000,438
No. 1 Northern.....	10,070,414	16,900,917
No. 2 Northern.....	7,341,594	8,978,311
No. 3 Spring.....	1,335,830	444,041
Rejected.....	256,063	134,471
No grade.....	1,335,531	344,823

Mr. LANGER. I repeat the bottom line of the table: The elevators received during that time 1,335,531 bushels of no-grade wheat, and they shipped out only 344,823 bushels.

I read from page 48:

This seems to throw some light upon the wand-waving, spell-weaving, incantation, or whatever it is that makes the high grade multiply so marvelously after their kind, for it shows that 5,466,372 bushels of wheat went into these elevators as low grade, and came out as high.

That is not all, Mr. President.

In the course of this transformation, there was added to their value from 8 to 12 cents a bushel. If the farmer could have had this

value, it would have changed for him the raising of wheat from an unprofitable to a profitable business. But the farmer did not get this value. The owners of the elevators got it, and the spreading knowledge of that fact could result only in added bitterness in the farmer's mind. For he had raised that wheat, it was the product of his toll and his hard-won acres; and no sophistries could obscure the fact that if it was No. 1 when it came out of the elevator, it was No. 1 when it went in. Yet he had not been paid for No. 1; he had been paid for rejected or no grade, away down at the foot of the market list.

Concerning these facts and the wide prevalence of the system, there can be no doubt. It has been testified to many times in many investigations; it has never been denied. We have for it witnesses of unimpeachable veracity: including bankers.

If there be one league or society of businessmen more conservative and careful than another, it is the Bankers' Association. Yet in 1906 the North Dakota Bankers' Association, impressed with the growing discontent of the farmers and aware that the prosperity of the State was the prosperity of its farms, appointed a committee of five to investigate the farmers' complaints. The course of its investigations led the committee to Duluth, where it found the magic of the mixing house or terminal elevator rather more highly developed than even at Minneapolis. It discovered one elevator that in 3 months had made this record.

I hope every Senator on the floor will listen carefully, Mr. President. This is what one elevator in Duluth, Minn., did in 3 months. Is it any wonder why the Nonpartisan League was organized? Now we find some people, the Grain Trust and eastern bankers' crowd, calling the Nonpartisan League all kinds of names, and by innuendo still trying to wreck it.

Here is what one elevator man did in 3 months:

He shipped in No. 1 Northern wheat, 99,711.40 bushels, and he shipped out 196,228.30 bushels. He took in 141,455.10 bushels of No. 2, and he shipped out 467,764 bushels. He took in 272,047.20 bushels of No. 3 wheat, and he shipped out 213,549.30 bushels. He shipped in 201,267.20 bushels of No. 4 wheat. He shipped out none. He brought in 116,021.10 bushels of no-grade wheat. He sold no wheat of that grade. He brought in 59,742.30 bushels of rejected wheat. He did not sell a bushel of that grade.

According to the market prices current at the time, the value of this wheat as it was received at the elevator was \$875,405.66, and its value when shipped out was \$959,126.35. The elevator's profits by the changes in the grades were \$83,720.69—in 3 months.

There was also the matter of screenings to be accounted for. Screenings of the so-called dirt, the impurities, and foreign substances in the wheat for which the farmer has already suffered dockage at his local elevator. On this subject the committee reported the following.

I ask unanimous consent that the remainder of that page, and pages 51, 52, and 53 be printed in the RECORD at this point in my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

"The screenings actually taken out of the grain [in this one instance] averaged three-

fourths of a pound to the bushel. From our knowledge of the dockage taken at country elevators, and also of that fixed by inspectors at terminal points during the period named, we believe this dockage of three-quarters of a pound actually taken from the wheat to have been very much less than that taken from the shipper or farmer. These screenings sold for about \$8 a ton. After the dockage of three-quarters of a pound per bushel was taken out the grain was shipped [from the elevator] as clean grain without any dockage. What an eloquent story is told by the above figures."<sup>1</sup>

This, you will remember, is the testimony of grave and sagacious bankers and not the assertions of demagogues or reckless agitators. The eloquence of the story to which they referred is partly contained in the fact that whereas the farmer that raised this wheat was docked 2 or 3 pounds a bushel for these screenings, they proved, when actually taken out and weighed, to amount to no more than three-quarters of a pound. Also in the other fact that, although these screenings properly belonged to him, they were calmly seized by the elevator men and sold for \$8 a ton. The committee further reported on this:

"We find that all of the dockage or screenings taken from the grain has an actual value and believe the shipper should receive this value. This matter of dockage is one that could so easily be remedied, and the shipper given the benefit of the screenings actually taken from his grain, that the wonder is the present unjust custom of not only confiscating the screenings, but in addition compelling the shipper to pay the freight on them to the terminal point [such as Minneapolis or Duluth] has been allowed to prevail so long."

And as to the point made by Mr. Manahan in his testimony, the committee said:

"We find that the eastern millers want the grain as it comes from the farmer, and it is an injustice to the shipper as to the miller to prevent this, as is now done. The shipper must accept the inspection rules and customs which have been forced upon him by the powerful combination of elevator and railway interests, and the miller (meaning eastern miller) must take the grain that is offered to him by the Grain Trust so-called, and not in the condition as to mixing that he wants it."

Coming from such a source, this testimony as to the "powerful combination" to which we have before referred may be regarded as conclusive.

Besides the profits on the changing grain grades and profits from the sales of screenings, the elevator had still another source of revenue in these transactions. The committee noted that there were also "the charges for handling the grain and the proceeds of the sale of wheat and other grain taken from the screenings. For we found that all screenings are carefully cleaned over and all good grain taken out, and that the good grain taken from the screenings is shipped out as screenings in order to avoid inspection and appearing in the amount of grain shipped out of the elevator."

We can now begin to glimpse the profits involved and to understand the power they bred.

In 1 year the terminal elevators of Duluth made this record:

Grade of wheat	Received		Shipped	
	Bushels		Bushels	
No. 1 Hard.....	599,602		648,607	
No. 1 Northern.....	15,187,012		19,886,137	
No. 2.....	19,693,454		15,178,999	
No. 3.....	7,035,133		1,971,355	
Rejected.....	892,241		94,626	
No grade.....	2,561,505		468,922	

They shipped out 4,748,130 more bushels of the high grades than they received, and the source of this addition is counterbalanced by the loss of the low grades. The loss to the farmers (and profit to the elevators) on these transformations was more than \$400,000.

And I pause to point to the fact that the great world of bread eaters derived not a cent's worth of value or of service from these tricks. In not one particular was the wheat speeded to the consumer, bettered for the consumer, cheapened to the consumer. Only the trick player and never the community had gain from these jugglings.

Approximately 10,000,000 bushels of wheat in Minneapolis and Duluth every year were raised from inferior grades two, three, or four grades to No. 1 or No. 2.

The farmer was paid for rejected or no grade; the eastern miller paid for No. 1 or No. 2. Yet it was largely the same grain. The farmers still insisted that if the grain was No. 1 when it went out of that elevator it was No. 1 when it went in, and of this I have never been able to learn of any valid denial.

In yet another year the same elevators at Duluth made this record:

Grade of wheat	Received		Shipped	
	Bushels		Bushels	
No. 1 Hard.....	90,543		199,528	
No. 1 Northern.....	12,401,897		18,217,789	
No. 2.....	10,295,172		6,723,732	
No. 3.....	2,616,065		283,299	
Rejected.....	2,350,302		314,139	
No grade.....	2,586,843		256,943	

Mr. LANGER. Mr. President, I find an example at the bottom of the page.

Let me refer to the table at page 52.

In one year the terminal elevators of Duluth made this record. There was shipped in 2,561,505 bushels of no-grade wheat. Believe it or not, they shipped out only 468,922 bushels. They bought 892,241 bushels of rejected wheat, and shipped out only a little more than 94,000 bushels.

Mr. President, I ask unanimous consent that pages 54 through 63 may be printed at this point in the RECORD, as part of my remarks.

There being no objection, pages 54 through 63 were ordered to be printed in the RECORD, as follows:

It is evident that 2,000,000 bushels of rejected and 2,000,000 bushels of no grade and 2,000,000 bushels of No. 3 were transformed into 6,000,000 bushels of No. 1. Did the elevator do anything to it to change its quality? Nothing except to dry it, if it was wet, and to blow the screenings out of it. Neither of these processes could change its intrinsic quality. If it was No. 1 when it went out it was No. 1 when it went in and the farmers were defrauded on these 6,000,000 bushels of close to \$500,000. If it was No. 3 and rejected when it went in it was No. 3 and rejected when it went out and the purchasers were defrauded of a like amount. It was no wonder that in a spirit of biting irony a witness before the House

<sup>1</sup> Before the Interstate Commerce Commission in the Matter of the Relations of Common Carriers to the Grain Trade, pp. 1061-1062. The testimony at this hearing was made a public document: Document 278 (59th Cong., 2d sess.).

committee cited these facts and then read into the proceedings an account in a Minneapolis newspaper of a grocer's boy in that city that had been sentenced to 60 days in jail for selling a short-weight peck of apples.

The report of W. E. Thompson, chief clerk of the Minnesota Railroad and Warehouse Commission, contains a table showing the amounts of grain received by all the public terminal elevators in Minneapolis for the year ending August 31, 1911. From this it appears that of No. 1 Hard these elevators had received in the year 586,500 bushels, had shipped out 276,484 bushels, and had nothing left on hand. Of No. 1 Northern they had received 15,571,575 bushels, had shipped out 19,976,777 bushels, and had 114,454 bushels on hand. Of No. 2 they had received 20,413,584 bushels, had shipped out 22,242,410 bushels, and had 51,864 bushels on hand. The report showed a total transformation of 6,091,129 bushels of low-grade wheat into wheat of higher gradings. It did not explain the secret of this magic, and had no need to explain it; affidavits could not have made it clearer or more certain. The elevator operators took certain quantities of No. 1 Hard, and mixed it with 4,000,000 bushels of low-grade wheat and called the mixture No. 1 Northern; and certain other quantities of No. 1 Hard, and mixed that with about 1,500,000 of still lower grades and called that hash No. 2.

By this hocus-pocus not only was its value raised to the great profit of the mixers, but all this wheat was now made available for the filling of contracts in future tradings, a matter of vital importance to those carrying heavy speculations on the gambling side of the market.

As to which was the chief loser, the farmer or the buyer, in these extraordinary transactions at the elevators, we have plain enough testimony in the fact that under certain conditions appeals were possible from the gradings made by the State inspectors at Minneapolis. Observe then that all of these appeals were on the ground that the gradings had been too low, and the great majority resulted in the gradings being raised. That seems to tell the story. But appeals were cumbersome, slow, and tedious. Moreover, they availed nothing in the case of the wheat sold at the country elevator, and, practically speaking, they were of little advantage to the farmer.

If we go back now to the adventures of John Evans' wheat on the Chamber of Commerce and connect it with the mystic transformations of the terminal elevators, we shall see the grain industry as it really is in America.

Suppose Evans to have sent five cars of wheat direct to a Chamber of Commerce commission house, Roe & Co., and when the railroad company has had its turn at it and has charged for hauling it far more than the service is worth, the five cars go the usual way. They are inspected and graded, one car, let us say, No. 1 Northern, one No. 2, one No. 3, one rejected, one no grade. Roe & Co., as before described, get a sample of each car and before the gong sounds on the exchange that morning one of their agents has sold all five cars to another of their agents operating under another name and charged the usual 1-cent-a-bushel commission. The second agent sells the five cars to a third, and the third, maybe, represents a terminal elevator owned by Roe & Co., and sends the wheat to that

<sup>1</sup>Not more than 310,110 bushels of No. 1 Hard could have been involved in both of these transactions; a comparatively insignificant amount.

elevator, whither it might as easily have been sent in the first place.

There the contents of all five cars are poured into one bin, whence, in the course of time, it emerges graded as No. 1 Northern, and is sold for such at the top of the market. This makes the balance sheet of Roe & Co. look like this:<sup>2</sup>

Bought 5 cars of wheat at 85½ cents, average.....	\$4,275
First commission.....	50
Sold same wheat, after mixing, as No. 1, at 91.....	4,550
Profit on mixing trick.....	375
Second commission.....	50
Profit by buying under real market say.....	25
Total profit.....	500
Less legitimate brokerage if sale had been made for farmer direct to miller at price the miller paid.....	50
Total illegitimate profit, called by the farmer "gouge".....	450
Or \$90 a car, with \$8 a ton for screenings to be added.	
Meantime the farmer's account would look like this:	
1 car No. 1 Northern at 90½ cents.....	\$905.00
1 car No. 2 at 88.....	880.00
1 car No. 3 at 85.....	850.00
1 car rejected at 79.....	790.00
1 car no grade at 75.....	750.00
Total.....	4,175.00
Less commission.....	50.00
	4,125.00
Less freight at 16 cents a hundred-weight.....	480.00
	3,645.00
Less switching charges, whether any were actually paid or not.....	7.50
Net receipts.....	3,638.50

If the wheat when he sold it had been graded as it was when it passed out of the terminal elevator he would have received \$4,550, less commission and switching charge.

After the Great War began wheat prices rose, particularly in the seasons when the farmers had disposed of their grain; but labor and the prices of necessities rose likewise, so that the margin for the farmer, except at rare intervals, remained about the same. In 1917 a group of representative farmers in North Dakota worked out the acre cost of raising wheat as follows:

Seed (1½ bushels at \$3).....	\$4.50
Disking.....	1.00
Plowing.....	3.00
Harrowing twice.....	.70
Drilling.....	1.00
Twine.....	.33
Cutting and shocking.....	3.00
Threshing.....	1.05
Hauling.....	.25
Taxes.....	.32
Insurance.....	.80
Fertilizer.....	4.00
Interest (8 percent on \$50).....	4.00
Total.....	23.95

This was presently shown to be too low for the run of farms in the State. About that time the Government fixed the price of No. 1 Northern at \$2.20½ a bushel on the

<sup>2</sup>It should be noted that these prices are calculated on the market as it was at about the time of Evans' collapse.

Minneapolis market. The commissioner of agriculture of North Dakota estimated \$26.56 an acre as the average cost of producing wheat. In times of drought or unfavorable weather, such as North Dakota had in 1917 and 1915, 10 bushels averaged to the acre would be a big yield. On that basis the farmers were losing 40 cents a bushel on the Minneapolis price for No. 1 Northern. But at the local elevator they never received the Minneapolis price, because there must be deducted freight charges, commissions, and all the rest, and, under the grading system that existed, if they raised No. 1 Northern they could not hope to have it graded better than No. 2, whereas the cost of raising No. 2 was the same as the cost of raising No. 1.

The farmers pocketed their losses and raised the wheat, but it is not remarkable if they felt no burning joy over their balance sheets. They knew well enough that of every dollar paid by the retail purchaser for farm products not 40 cents went to the farmer that grew the products, and when he found the whole burden of the increased cost of living was (in some quarters) laid at his door he knew how huge was that injustice.

Dr. E. F. Ladd of the North Dakota Agricultural College, whose researches in these subjects have made him an international authority, and to whom we shall often have occasion to refer, ascertained that a barrel of flour would make 300 loaves of 14-ounce bread. Supposing a North Dakota farmer to receive an average of \$2 a bushel for his wheat in 1917 and 1918, his part in the retail price of such a loaf was 3 cents, while the purchaser paid 8 to 10 cents. Even if the farmer should get as much as \$3 a bushel for his wheat and bread remain at the same price, his share in price would be less than 4½ cents.

There is, besides, the item of wheat offal, for which the farmer gets nothing, although it is a source of golden revenue to the miller.

If we put the price of wheat as high as \$2.75, consider only what are called "mill feeds" (a byproduct of milling) and going to the limit, say that four and a half bushels of wheat are required to make 300 loaves of bread. We shall then have this showing:

300 loaves of bread at 10 cents.....	\$30.00
Mill feeds in four and a half bushels of wheat.....	1.50
Total.....	31.50
Four and a half bushels of wheat at \$2.75 cost.....	12.37
Margin.....	19.13

It is manifest that here is a huge discrepancy. The bread eaters are paying far too much; the wheat growers getting far too little.

It was not the wheat growers alone that suffered from the abnormal conditions brought about by the system that custom had imposed upon farming. In the darkest days of the Northwest, inspired preachers of the doctrine of patient submission to organized greed were in the habit of urging upon the lowly agriculturist a variation of crops as the real panacea for all this. Investigation has shown that in the regions where there was this blessing in full blast, where the soil was peculiarly fertile, and where all things ought to smile upon the husbandman, the net product of his toil for a year was less than that of a ditch-digger. If this be doubted, I take the actual records and invite comment thereon from sanguine souls that still cling to the notion that the farmers are wading knee deep in legal tender. The two counties are in the State of Minnesota; the line "labor income" means what the farmer had left after all deductions.



	Clay County, average of 56 farms at Hawley, 1915	Otter Tail County, average of 52 farms, Pelican Rapids and Erhard, 1915
<b>Receipts:</b>		
Potatoes.....	\$476	.....
Wheat.....	557	\$742
Oats and barley.....	268	.....
Hay and other crops.....	132	193
Increase feed-supplies.....	218	41
Cream and butter.....	192	330
Cattle.....	207	335
Hogs.....	167	334
Other stock.....	119	125
Miscellaneous income.....	147	51
<b>Total.....</b>	<b>2,483</b>	<b>2,151</b>
<b>Expenses:</b>		
Labor.....	353	270
Machinery, buildings, and fences.....	147	121
Feed and seed grain bought.....	94	86
Threshing, silo filling, twine.....	118	87
Taxes and insurance.....	116	78
All other farm expenses.....	116	70
<b>Total.....</b>	<b>944</b>	<b>712</b>
<b>Net income of farm.....</b>	<b>1,539</b>	<b>1,439</b>
<b>Capital:</b>		
Real estate.....	13,468	10,866
Live stock.....	1,614	1,790
Machinery, feed, etc.....	1,016	924
<b>Total.....</b>	<b>16,098</b>	<b>13,580</b>
Interest on total capital at 5 percent.....	805	679
Labor income.....	734	760

In these conditions it is easy to understand why the farmers regarded with always growing disgust the various efforts of philanthropists and others to inculcate thrift or start movements of "back to the land." When a single elevator could in 3 months, by merely shifting the grades of the wheat it housed, clear a profit thereon of \$83,000, and when commission men could easily make \$90 a car of illegitimate proceeds at the farmer's expense, it was evident that what was needed was not more thrift, but less larceny. It was also evident that farming would never be anything but hopeless drudgery so long as this system existed. Senator McCumber's estimate of \$70,000,000 a year of loss to the Northwestern grain grower by false grading alone seemed in the light of these facts to be much too conservative. An authority at the North Dakota Agricultural College figured the annual loss to the farmers of that State through the unjustifiable seizure of his screenings at \$2,000,000. It was but one item in a long list. On every side he was the prey and sport of powerful forces that stripped him, as he bitterly phrased it, to his shirt and his socks. From dockage for dirt that did not exist to charges for switching cars that were never switched, the system, to his mind, was organized against him.

Mr. LANGER. Mr. President, I particularly resent any insinuation or innuendo about the Nonpartisan League members not being good citizens because the Nonpartisan League members stand for honest American patriotism. Only a short time ago I stated on the floor of the Senate what the Nonpartisan League and the farmers of my State did during the World War.

I have that record here in my hand. Mind you, Mr. President, this was at a very time when the Nonpartisan League was at the very height of its power. I said at that time, and I desire to repeat

now, that I pointed proudly to the fact that "in the last World War a total of 58,500 young men marched away from our farms, towns, and cities to join the Nation's armed forces."

Again I said:

I point proudly to the fact that of those 58,500 men, almost one-third of them went into the service by enlistment, without waiting to be drafted. There were 42,380 North Dakota men in the Army, 14,069 in the Navy, 1,785 in the Marine Corps, and 275 in the Coast Guard. There were 607 North Dakota women in the WAVES, and several hundred more enlisted in the Women's Corps of the Army and Marine forces.

Many North Dakota men made outstanding records while in the service. Many have been awarded medals and have been cited for bravery beyond the call of duty. Of the thousands who flocked to the colors at the Nation's call, 1,938 of them marched away never to return.

Mr. President, that is the kind of a State North Dakota is.

They laid down their lives on the shell-torn beaches of Normandy and the steaming jungles of the far Pacific. I pray, with you, Mr. President, that they may not have died in vain, that the supreme sacrifice which they have made in the cause of freedom will help to bring a secure and lasting peace for all the world.

Mr. President, that is not all. I read further:

I should like also to mention at this time another outstanding accomplishment of the people of North Dakota of which I am inordinately proud. I refer to the State's record in the various Victory loan and war bond drives.

Not another State in the Union can match that record. North Dakota led the Nation in oversubscribing its quota of war bonds in three of the six drives. North Dakota ranked No. 1 among all the States in the third and fourth war bond drives and in the Victory loan drive. It ranked second among all the States in the fifth and sixth war bond drives.

In the sixth war bond drive, the people of North Dakota bought more war bonds per person than the people of any other State. They ranked second in per capita purchases during the Victory loan and the fourth war bond drives. They exceeded the national average of per capita purchases in every single one of the six drives in which there were State quotas.

North Dakota's quota in the Victory loan drive was \$10,000,000. The people oversubscribed that quota by \$9,000,000, almost double the goal and 189 percent of the State quota. In the fourth and sixth war bond drives, E bond purchases in the State were 181 percent of quota. Its quota in each of these drives was \$11,000,000; sales mounted to more than \$20,000,000. It was 123 percent of quota in the third, 143 percent of quota in the fifth, and 114 percent in the seventh.

Altogether, the people of North Dakota bought more than \$128,000,000 worth of war bonds, and that figure represents the issue-prices of the bonds, not the maturity value. Fine people—and good soil. Those are the two biggest factors which have contributed to North Dakota's progress. Our black prairie loam is the richest and most fertile soil to be found anywhere in the country.

Mr. President, I ask unanimous consent that the remainder of what I said at that time upon the Senate floor, on the 16th day of December 1947, be printed at this point in my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Give our farmers plenty of rain, and we will match our grain production with that of any other part of the globe. At the North Dakota Agricultural College, in Fargo, we have a little experimental plot on wheat research. On that piece of ground they have raised a crop of wheat every year for 65 years, without using 1 pound of commercial fertilizer.

I expect that our gross farm income in North Dakota this year will approach the billion-dollar mark. I have heard some complaining about that fact, from people who think that farmers are getting rich, from newspaper columnists and radio commentators who blame the farmers for the high cost of living. Let me say a word or two about that. It is true that the farmers are making more money than they ever did before. But so, it seems, is everybody else. The salaries of newspaper editors and radio commentators are up. The workmen's wages are up. The doctors' and the lawyers' charges are up. The profits of the businessman are up. Senators' salaries are up. Everything is up. The other day I saw some figures on 1947 profits of American corporations. They were fantastic, almost unbelievable, up 200 or 300 percent in some cases. If the farmers were making as much money as some of these corporations are, Mr. President, perhaps those who criticize the farmers would have something to be critical about. But to say that the farmer is more to blame for the high cost of living than anyone else simply is not true. It does not jibe with the facts.

First let me say that it is not the farmers' fault that you have to pay 90 cents a pound for butter, 85 cents for a dozen eggs, 89 cents a pound for beefsteak, 12 cents for a pound loaf of bread, 60 cents for a pint of cream, 90 cents a pound for bacon. In the first place, the farmer did not have anything to do with setting these prices. In the second place, he does not get prices like that when he sells his products. No; the farmer does not set the prices he gets for his products. If he did he certainly would not have let the price of wheat drop to 19 cents a bushel at Bismarck, N. Dak., in 1933. The farmer has to take what he can get.

But in between the farmer and the consumer is a whole row of middlemen—commission men, transportation men, processors, jobbers, wholesalers, retailers—and obviously they are not there for the fun of it. They are there to make a profit. They render a legitimate service, and they get paid for what they do. Some of them, in my opinion, get too much.

At any rate, by the time they get through tacking on a few cents here and a few cents there, the relationship between what the farmer got and what the consumer paid is a rather distant one. Generally speaking, the price to the consumer is almost twice what the farmer got. Many people, when they start complaining about high food prices, forget that fact. The farmer gets all the blame but only half of the consumers' food dollar. The middlemen in between get the other half, without any of the blame, the latter probably due to the fact that they hire lobbyists and fancy propagandists to point out the poor farmer as the culprit.

I have here some interesting figures from the National City Bank of New York. They throw some additional light on this question of who is to blame for the high cost of living.

The net profits of the 23 largest baking companies in the United States jumped from \$29,000,000 in 1945 to almost \$61,000,000 in 1946—an increase of more than 100 percent in a single year.

Last year the Nation's 16 leading companies handling dairy products made a net profit of \$65,454,000, as compared with \$38,989,000 profit the year before—1945—a profit gain of 68 percent.

Remember that the figures I am giving you are for net income, after deducting taxes, depreciation, interest, and reserves.

The year 1946 was the year of the meat shortage and the year when the National Association of Manufacturers sounded taps over the dead body of OPA. I remember well the scene at the grave, the solemn vows and the pious promises that prices were going to be kept down.

Let us see what the big meat packers did that year, when Government price controls went off. In 1945, the net profit of 17 leading meat packers was \$34,825,000. In 1946 that profit jumped to \$70,461,000—another gain of more than 100 percent. I do not think I can be accused of jumping to conclusions when I say that that gain might have had just a little to do with the high price of beefsteak.

Here are the figures on chain-store profits: The 19 leading food chains chalked up a net profit of \$20,398,000 for their stockholders in 1945. But in 1946, after OPA had died a lingering death, the stockholders were able to split a profit melon of \$45,446,000. That is a profit gain of 117 percent in a single year. It is just possible that that, too, might account for part of the rise in the cost of living.

Remember, Mr. President, these are the profit figures for just one set of middlemen, the processors. In addition, the farmers' products pass through four or five other handlers before they reach the consumer, and each one of them has to get paid and make a profit, too.

To those who think the farmer is largely to blame for the high cost of living, and think that the farmer is making an exorbitant profit, I want to point out this fact, taken from a report of the Bureau of Agricultural Economics: Out of the average dollar that the consumer spent for food in 1947, the farmer got only 53 cents. The other 47 cents went to somebody else—to processors and distributing agencies.

All right; the farmer gets just a little better than half the price the consumer pays for food. Let us consider for a moment what the farmer has to do with the 53 cents he gets out of each food dollar. Like anyone else who works, he is entitled to a fair wage. Nobody should expect him to put in 12 to 14 hours a day just for the fun of it, or to get up at 5 o'clock on a frosty morning to milk the cows just for the pure joy of it. So out of his 53 cents the farmer has to get his own wages and pay the wages of his help. He finds that the hired man will not work today for what he would a few years ago. His wages are three times what they were a few years ago.

The farmer wants to buy a tractor. The tractor that he could have bought for around \$1,100 back in 1939 now costs \$1,600 or more. A two-bottom tractor plow that used to cost \$120 now costs \$170. He pays \$350 for a corn binder that he used to buy for \$230. He pays \$253 for a grain drill, instead of \$163.

A 10-gallon milk can costs \$7.43, although it used to cost \$4.75. If the rope on his hay sling wears out, he pays 51 cents a pound for it, instead of 25 cents a pound. His hardware dealer now charges \$8.80 for a leather horse collar that used to cost \$4.85. If his well goes dry and he needs new pipe, he cannot get it. But if he could, he would pay 30 cents a foot for it, instead of 18 cents. A spool of barb-wire now costs \$6.50, compared to \$3.40 a few years ago.

The farmer's wife also finds out that she needs a lot more money to run the house and keep the children clothed and fed. She pays \$5 for a pair of shoes that used to cost \$2.50. A 9 by 12 rug for the living room that used to cost \$31.60 now costs \$67. The same mattress that she paid \$9.92 for in 1939 now costs her

\$22.80. A dining-room set costs \$184 now, instead of \$56. A 10-pound bag of sugar is \$1.04, instead of 55 cents.

Work socks are priced at 27 cents a pair compared to 13 cents a few years ago. Bedsheets which she used to buy for 97 cents now cost \$2.78. A pair of overalls today costs \$2 more than they did in 1939. Seventy-cent work shirts are now \$1.85. A washing machine costs \$129 compared to \$59 a few years ago. Paint is \$5.20 a gallon instead of \$2.92.

So it goes, all down the line. Farm prices are up, but so is everything the farmer has to buy. He pays more taxes, more for upkeep and repairs, more for operating expenses generally.

It cost the North Dakota farmer \$10.50 to raise an acre of wheat in 1940.

In 1945 his production cost per acre was \$18, and for 1947 it probably amounted to around \$20 per acre.

Translating that into production costs per bushel of wheat, in 1939 it cost the farmer 84 cents a bushel, but in 1945 the cost had jumped to an average of 95 cents a bushel.

So it can be seen that when we take everything into consideration, the farmer is not the bloated profiteer he has been painted. As I pointed out, he has nothing whatever to say about the price he gets for his product. He has to take just what he can get, come depression or boom, supposedly in accordance with the old law of supply and demand. When that law operates to ship thousands upon thousands of tons of food out of the country, when it operates to triple our exports of wheat in a single year, obviously the prices are going up, just as the price of any other commodity would rise in a comparable situation.

A word now to the ladies and gentlemen of the press and radio corps before I leave this particular phase of my subject. I hope I have not bored them with my facts and figures. I hope they will join me in righting the grave injustice that has been done to the American farmer in trying to saddle him with most of the blame for the high cost of living. I hope they will use the facts and figures I have given them in their news and radio dispatches, to counteract the misrepresentations and the distortions that have gone out, and to give the American people the true picture of the situation as it actually exists.

In this connection, Mr. President, I may say that every Senator on this floor, I am sure, is aware of the fact that my distinguished colleague, the junior Senator from North Dakota [Mr. Young], time and time again has risen in the Senate and has called the attention of his colleagues to the fact that as a member of the Committee on Agriculture and Forestry he has made investigations abroad. He has made visits to other countries investigating the conditions in those lands, so that as a result of what he learned on his trips opportunities for farmers in the United States might be better. It can readily be seen that one who is a farmer himself, and is intimately acquainted with the conditions existing in this country, can go abroad and make a more thorough examination of agricultural conditions in the countries he happens to visit than could a man who had not had that hard personal experience.

I desire now to give the facts behind the story of prices, and also to point up the fact that the man who is shouldering the greatest responsibility in our current program for aiding Europe is the American farmer.

The people of North Dakota have every right to be proud of the record they have made of the food, men, and money they contributed toward the winning of the war, and the help they have given since the war in feeding the hungry people of the world.

I want to emphasize, however, that North Dakota is not living in the glories of the past. Her people are looking forward to an

even greater future. They are looking forward to the day when they will play an even larger part in contributing strength and greatness to our country.

A moment ago I mentioned North Dakota's incomparably rich soil as the State's greatest natural resource. I now wish to call attention briefly to two other State resources which are of vital importance in our long-range planning for a better America.

The first of these resources is our tremendous deposits of lignite coal, more than 600,000,000,000 tons.

Our second great natural resource is a mighty river, the Missouri.

North Dakota has lagged behind other western States in the development of her water resources, due partly to the reluctance of Congress in granting the necessary funds required for such development. We North Dakotans have realized for a long time the possibilities of developing the Missouri and other rivers in the State. We never gave up hope that some day others would see the value of such development. I remember, for example, that when I was Governor of North Dakota, back in the early 1930's, I appointed the State's first water conservation commission, and got the State legislature to make an appropriation to start work on the survey and construction of small irrigation projects. At that time, as I remember, my distinguished colleague was a member of the Senate of North Dakota, and of its committee on appropriations.

Before 1941, when I came to the Senate, not one single dollar of Federal money had been appropriated to build a major dam in North Dakota. The only Federal funds we got for that purpose came from the WPA to build small dams for stock-watering ponds. Up to that time, 1941, not one large dam had been built in the entire State of North Dakota.

I am very happy to say that that situation has changed. Today there are four major dams under construction, or on which work is about to start. One of these dams, the Garrison Dam, will be the biggest dam ever built anywhere in the world. The others are smaller dams—Baldhill Dam, Park River Dam, and Heart River Dam.

We are grateful that the "go ahead" sign has been posted on these four projects, and on behalf of the people of North Dakota I wish to thank the Members of the Senate and the House who have made it possible to undertake these developments.

Garrison Dam, in addition to providing the water for ultimate irrigation of more than a million acres of land in North Dakota, will speed the industrial development of the State through the generation of low-cost power. It will also do much to eliminate the disastrous floods which have ravaged the lower valley, with losses running into millions of dollars.

From the standpoint of future industrial development, however, our most valuable natural resource is coal. Imagine, if you can, 600,000,000,000 tons of coal. That is more than one-fifth of our total coal reserve in the whole United States. It is more coal than can be found within the borders of any other State.

It is enough coal to take care of the coal requirements of the United States for 1,000 years.

At the present time we have barely scratched the surface in developing this big coal deposit. But I make a prediction here this afternoon that the day is coming when that coal will be more precious to the people of the United States than gold. That it will become the foundation for the establishment of a great many new industries, and help this country to maintain its position as the greatest power on earth. That development will not come about in my lifetime, and probably not in the lifetime of

anyone else in this Chamber. But I am certain it will come eventually.

Already the experts are becoming alarmed at the rapid rate at which our reserves of petroleum, gas, and hard coal are being depleted. There is a shortage of gasoline and fuel oil in several parts of the country. We may have to go back to a rationing system for these commodities. In some sections of the country there is also a shortage of electric power to meet the expanding needs of industry and farm electrification.

That is where our North Dakota lignite coal comes into the picture, and why some day it is going to be of such vital importance to the Nation's economy. From lignite coal we can make gasoline, we can make fuel oil, we can make power alcohol.

C. Girard Davidson, Assistant Secretary of the Interior, tells me that our lignite is one of the most promising sources for synthetic liquid fuels that we have in this country. He said that the coal fields of North Dakota, South Dakota, and Montana could be converted so as to yield more than 500,000,000,000 barrels of gasoline. We get a better idea of what that means when we remember that our present total proved reserves of petroleum in the United States amount to only about 21,000,000,000 barrels.

I can foresee the day when western North Dakota will be dotted with giant extraction plants over our big coal beds, converting lignite into gasoline, fuel oil, power alcohol, and other products. I can foresee the day when another big-inch pipe line will tap this buried treasure in North Dakota to bring oil and gasoline into the heart of industrial America.

The products we can get from lignite coal are almost endless. It can be converted into gas for use in firing huge furnaces. It can be used to make plastics of all kinds. It can be made into nylon, into activated carbon and hydrogen gas. It will be used in developing sponge iron from the low-grade ores in the Minnesota iron range. It can be pulverized and made into briquettes that have just about the same heating value as eastern hard coal. From lignite coal we can manufacture synthetic ammonia for fertilizers. Lignite can also be processed into a whole series of coal tars for use in making paints, creosote, disinfectants, dyes, and many other products.

Scientists at the University of North Dakota have done a great deal in lignite research, aided by the United States Bureau of Mines, which has several laboratories and experimental plants working out various processes for the development of our lignite resources.

No one realizes better than the American petroleum industry that we are rapidly reaching the bottom of our oil barrel in this country, and that our coal reserves will become increasingly important as a source of synthetic liquid fuels. Just last spring, the Standard Oil Co. of New Jersey announced tentative plans for the construction of a \$120,000,000 plant for the conversion of bituminous coal. An experimental pilot plant is also going to be built near Pittsburgh.

So Senators can see why North Dakota, with 600,000,000,000 tons of coal in the bank, looks forward to the future with such confidence. It will continue to be "the breadbasket of the Nation," but it is also destined to become of tremendous importance in sustaining the Nation's industrial economy.

As I have said, North Dakota is a young State. We have been so busy plowing up our prairies that we have not had much time to think about industrial development. Neither have we had the capital required. And it has been only in recent years that the country has come to realize the importance or the need for industrial expansion in the West.

Some who have never been out to North Dakota may be thinking to themselves that

I should not be promising all this coal for industrial development. From the various stories they have read in the newspapers, they may be thinking that we are going to need all that coal ourselves, to keep us warm during the winter months. I should like to say a few words about that.

Many persons, particularly here in the East, have a great many simply fantastic ideas about North Dakota weather. Most of them get those ideas from the fact that it sometimes gets a little cold there. The newspapers carry a story once or twice a year that the temperature at some North Dakota point dropped to 25 or 30 degrees below. People say "B-r-r-r-r," and jump to the conclusion that it is that way all the time, that from November through May North Dakota is just one big ice box, with snow drifts 20 feet high.

Personally, I believe that many persons in the East nurse along such ideas because they want to, because they want to think that we are worse off in North Dakota, because it is the only way they can reconcile themselves to the lousy winter weather that Washington, Philadelphia, New York, and Boston have to put up with.

It is going to come as something of a shock to these persons when I reveal that we really have some lovely winters in North Dakota. Our cold is a dry, crisp cold that sets the blood tingling. It is not the damp, soggy, bone-chilling cold that is experienced on the Atlantic Coast. I have seen many a winter day out in North Dakota with the temperature in the forties, a gentle chinook wind blowing and the sun brightly shining, when a jacket or light topcoat was plenty warm enough.

To be sure, there are generally 3 or 4 days of freak weather every winter, when it gets cold enough to get into the papers. And every once in a while a rip-snorting blizzard comes whipping in off the prairies. These extremely cold days and occasional winter storms are, however, the exception rather than the rule. But unfortunately, like the man who bit the dog, it is these exceptions that make the news. We publicize divorces in boxcar letters, but the only way a happily married couple ever gets any publicity is by winning a quiz program.

Weather records kept at Bismarck, the State capital, for a 71-year period show that the average snowfall per winter amounts to only about 31 inches. The average January temperature varies from 14 above in the southwestern part of the State to 2 below in the extreme northeast corner. At Bismarck, on the average, the temperature is above zero on all but 17 days in January, all but 13 days in February, 5 days in March, 3 days in November, 11 days in December.

One thing we can always count on in North Dakota is plenty of sunshine—winter, summer, spring, and fall. We practically have a guaranteed delivery of sunshine at the rate of about 2,800 hours a year. Other States which compare very favorably with North Dakota on that score are California, Florida, and Texas. The average annual hours of sunshine in most parts of these States is about the same as that we get in North Dakota.

The people for whom I feel sorry are those who feel sorry for us. We North Dakotans marvel at the strength of character and the endurance of the people of New York, Philadelphia, and Washington. We marvel at how well they have managed to survive all their dreary, dark, and drizzly winter days, and how stoically they accept their fate of living in a land of wet feet and perpetual sniffles. For our part, we will take clean white snow and a dazzling sun, thank you.

The fact is—and the record proves it beyond the slightest shadow of a doubt—that North Dakota has one of the most zestful, healthful climates of any State in the Union. Anyone who is lucky enough to be born in North Dakota and live there has a pretty good

chance of living to ripe old age. Our death rate and infant mortality rate are among the lowest in the Nation.

North Dakota is a grand State, a State of wide horizons. Our people live close to nature. They are not too busy to enjoy the beauties of nature and the simple things of life. And let me say that there is no more beautiful sight in all this world than a North Dakota sunset, or the moon coming up over a waving field of grain on a quiet, peaceful summer night.

I think that James W. Foley, our North Dakota poet, has come closer than anyone else to putting into words the spirit of our people and the love they have for their State. Here is the way he expressed it in his poem *A Letter Home*, telling the story of a young man in North Dakota who writes back home to his father in the East:

#### "A LETTER HOME

"Like to come and see you, daddy, and perhaps I will some day;  
Like to come back East and visit, but I wouldn't care to stay.  
Glad you're doing well, and happy; glad you like your country best,  
But, for me, I always hunger for the freedom of the West.  
There's a wholesomeness about it that I couldn't quite explain;  
Once you breathe this air you love it and you long for it again;  
There's a tie you can't dis sever in the splendor of its sky—  
It's just home to you forever and I can't just tell you why.

It's so big and broad and boundless and its heaven is so blue;  
And the metal of its people always rings so clear and true;  
All its billowed acres quiver like the shudder of the sea  
And its waves roll, rich and golden, in upon the shore for me.  
Why, your farm and all the others that we used to think so fine  
Wouldn't—lump 'em all together—make a corner lot of mine;  
And your old red clover pasture, with its gate of fence rails barred,  
Why, it wouldn't make a grass plot in our district schoolhouse yard.

"Not a foot has touched its prairies but is longing to return,  
Not an eye has seen the sunset on its western heavens burn  
But looks back in hungry yearning, with the memory grown dim,  
And the zephyr of its prairies breathes the cadence of a hymn  
That is sweet and full of promise as the 'Beulah Land' we knew  
When we used to sit together in the queer, old-fashioned pew,  
And at eventide the glory of the sun and sky and sod  
Bids me bare my head in homage and in gratitude to God.

"Yes, I love you, daddy, love you with a heart that's true as steel,  
But there's something in Dakota makes you live and breathe and feel;  
Makes you bigger, broader, better; makes you know the worth of toil;  
Makes you free as are her prairies and as noble as her soil.  
Makes you kingly as a man is; makes you manly as a king;  
And there's something in the grandeur of her seasons' sweep and swing  
That casts off the fretting fetters of your East and marks you blest  
With the vigor of the prairies—with the freedom of the West!"

Mr. President, I hope that in the 45 minutes I have taken this morning I have been able to emphasize once more the great State whose people I have tried faithfully to de-

scribe. I believe Senators will know them better, as the result of what I have said about them. I hope my remarks will make every Senator zealous in seeing to it that 1 State out of the 48 States is not discriminated against in the matter of appointments. I hope it will be conceded, in view of the fine record North Dakota has made during 57 years of statehood, that certainly the people of that State are entitled to recognition by the executive department.

In conclusion, I simply repeat what I said on a former occasion, that no matter what the future may bring forth in this great Nation, the people of the State of North Dakota may always be counted upon by the President, whether or not they ever get a Federal appointment.

Mr. LANGER. Mr. President, the Nonpartisan League stands for clean government. There was plain, honest, efficient government in North Dakota during Nonpartisan League control. Its efficiency and good government has never been equaled.

It is a terrible thing that if the editor of even one large newspaper sets his mind to it, he can almost wreck the reputation of any man, if he lies about him often enough and long enough. People read that kind of stuff and finally many of them get to believe it.

I merely wish to say in passing that in the 35 years of its existence in North Dakota, no man elected to public office with the endorsement of the Nonpartisan League, either State office or United States office, has ever been convicted of any crime of any kind or character. I say that is a record of which to be proud. The opponents of the league can smear all they desire, print all they wish about this organization, but farmers and the laboring men and the small-business men out there know the truth, they know the facts.

Mr. President, the Nonpartisan League was organized to help the farmers, the laborers and the small-business men. They proceeded to keep their promise.

I now desire to go back to No. 10 of the Harvard book list. In North Dakota we organized a State-owned mill and elevator. It issued bonds. The senior Senator from North Dakota had the privilege of appearing before the Supreme Court of the United States to argue whether or not those bonds were valid, and by unanimous decision of the Supreme Court of the State the validity of the bonds was sustained. So you see I know all about the preliminaries.

The mill and elevator business is a success. It costs the State of North Dakota perhaps \$3,000,000, today it is worth perhaps \$10,000,000. But that is not all. Two years ago the profit was over \$865,000, last year about half a million dollars.

Oh, it is said, the States cannot go into business. Mr. President, I say that when private enterprise does not take care of the common people, when private enterprise will not give the people that to which they are entitled, and what their votes show they want, it is the duty of the State to see that the common people are protected.

When the big bankers of the East were charging North Dakota, as was proved here a few minutes ago, all the way from 12 to 24 percent on first mortgages on farms, and on small loans, why was it

not the duty of the State of North Dakota and the people of the State to organize the Bank of North Dakota and get the loans down to 5 percent? We got them down to 5 percent. That is one reason why the big financial system has been fighting some of us from the day we organized the Bank of North Dakota down to the present time. And we relish the fight and will keep on whipping them.

Only day before yesterday there was an article in the Daily News of Washington stating that the senior Senator from North Dakota had given his mailing frank to an alleged subversive group, and that the alleged subversive group was mailing out literature under the frank of the senior Senator from North Dakota. There was not one single iota of truth to it. Not a frank has ever gone out of my office to be used by anyone else anywhere. The frank is used either in my own office in Washington or in my branch office in the State of North Dakota. The statement was absolutely untrue. Yet hundreds of thousands of people read it. People would be led to believe that the senior Senator from North Dakota handed out thousands of his franked envelopes to be used by an organization which is alleged to be subversive but which I understand has never been so proven in any court.

Mr. President, referring again to the thesis written by Ray Goldberg, as the eleventh point, he says that at the time the Nonpartisan League was in full control of the State of North Dakota Legislature, the legislature established a board of administration to administer all State institutions not under the jurisdiction of the industrial commission.

Twelfth. The legislature, while the Nonpartisan League was in full control, established an 8-hour law for women. Before that law was passed, little girls 14 years old worked in restaurants from early morn until late at night. They were worked 7 days a week. They were paid what the employers chose to give them. There was no provision for minimum wage at all. The Nonpartisan League said that little girls could not begin to work until they were at least 16 years of age. It said they should not work more than 8 hours a day nor more than 48 hours a week. As attorney general, I had the pleasure of enforcing that law. I found a large department store in which, before the enactment of the law to which I referred, young girls were paid \$2 a week, and they had to board, clothe, and feed themselves out of that \$2 a week. The Nonpartisan League wiped that kind of thing out in North Dakota. I am proud of the record the league made in wiping it out. I am proud of having had a part in doing it.

Thirteenth. We passed a law insuring full crews on trains going through North Dakota. At that time trains of over 100 cars would be made up, or two engines would be hooked onto it if it was desired to haul more cars, and only three men composed the train crew. When ice and snow came, it was natural that some of the members of the crews would lose limbs or their lives. We provided that if a train was composed of more than 70 cars, that is, 70 cars or

more, at least 5 crew members should operate the train.

Mr. President, we took care of the laboring men. There has not been a single law passed, to my knowledge, in North Dakota for the benefit of the laboring men which was not passed by the Nonpartisan League when it was in power in the State of North Dakota.

Fourteenth. According to the thesis written by Ray Goldberg, we passed a law making it possible for the State to establish a light, heat, and power plant in the State of North Dakota. That is a story by itself, and I could speak for hours and hours and hours on the subject. I can accomplish the same result, Mr. President, by placing in the RECORD a chapter which appears in the book entitled "The Land of the Dakotahs," written by Mr. Bruce Nelson, who received a scholarship from the University of Minnesota. It is printed by the University of Minnesota Press. In it there is a chapter entitled "The Revolt of the Farmers." I ask unanimous consent that the entire chapter may be printed at this point in my remarks.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. LUCAS. What was the title of the chapter to which the Senator just referred?

Mr. LANGER. The title of the chapter is "The Revolt of the Farmers."

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

The chapter is as follows:

#### CHAPTER 17

##### THE REVOLT OF THE FARMERS

During the 1880's a young Englishman traveling in the American Northwest boarded a train which was to take him through Montana to Yellowstone Park. He was dowered with a quick eye and a gift of vigorous expression that have preserved for us a revealing glimpse of the western scene of that day. But let the youthful Rudyard Kipling tell it in his own words:

"We were a merry crew. One gentleman announced his intention of paying no fare and grappled the conductor, who neatly cross-buttocked him through a double plate-glass window. His head was cut open in four or five places. A doctor on the train hastily stitched up the biggest gash, and he was dropped at a wayside station, spurt-ing blood at every hair, a scarlet-headed and ghastly sight. The conductor guessed that he would die, and volunteered the information that there was no profit in monkeying with the Northern Pacific Railway."

Had Kipling known it, he was witnessing an allegorical illustration of the railroads' treatment of all the citizens of the Upper Missouri Valley in the days when the railroads were kings. Protest as they might against discriminatory freight rates, threaten as they might not to pay, the men of the Northwest usually learned in the end what Kipling's gentleman learned: That it didn't pay to monkey with the Northern Pacific Railway or any of its colleagues.

But while their heads were often bloodied, they remained unbowed. And they found, in time, a means of curbing to some extent the arrogant dominance of their corporate masters: The railroads, the chain elevator companies, and the grain trust. It is a story with undertones of tragedy and over-tones of comedy; and it should perhaps begin with some account of the problems Northwest

farmers found themselves facing as a result of the growth in their number and the rich increase in their harvests.

As early as the 1870's, Ignatius Donnelly, of Minnesota, first of a distinguished succession of middle western liberals, was pointing out the inequities of the grain exchange: "When a thousand men are found at work producing results for the common good, there will be found a score of fellows sitting on the fence devising schemes to steal the reward of their efforts, and they generally succeed. \* \* \* In Minnesota the wheat ring has got the market monopolized in this way. Twenty-five years ago when a farmer took his load of wheat to market he was beset by a dozen buyers competing for it. Now he will generally find one and sometimes two elevators at each station. The price is the same at both places, and if you inquire they will tell you that they have received a telegram from the Minneapolis fellows telling them what to pay."

Concluding with a rural illustration shrewdly aimed at his farmer listeners, Donnelly likened the practices of the grain exchange to that of a farmer who, when gathering eggs, leaves one in the nest to encourage the hen to lay again. The parallel was not entirely accurate. Northwest farmers often found that the market manipulators did not leave them even enough profit to enable them to plant again the following year.

It was in North Dakota that the hand of the railroad and milling interests lay heaviest, for it is more completely dependent upon agriculture than any other State in the Union. It was only natural that the farmers of that State should be among the first to organize in the fight against exploitation; it was there the fight was most successful; and it was there the Nonpartisan League arose, to spread to 14 surrounding States before World War I broke the back of the organization.

From earliest days North Dakota, like neighboring Montana and South Dakota, had been governed from the East. With the coming of statehood in 1889 conditions were scarcely altered, for the State's legislatures and its executive machinery continued to be dominated by eastern interests. Peopled as the State was by large numbers of foreign-born immigrants who were not yet familiar with American political ways, it was ripe for outside domination of the boss type.

Without capital for the most part, North Dakota's farmers were dependent on the cities of St. Paul, Minneapolis, Duluth, and Chicago for markets for their grain. They were dependent on the railroads for the transportation of their products to the distant terminals. And in the matter of fair treatment they were at the mercy of both. Prices for North Dakota wheat were arbitrarily fixed by the chambers of commerce or boards of trade of the big milling centers; and the farmer, faced with the necessity of selling his grain if he was to exist, had to learn to take it—even if he never learned to like it.

The actual seat of North Dakota's government was for many years among a little group of industrialists and political bosses who met at the Merchants Hotel in St. Paul. True, a set of State officials and a legislature existed in North Dakota, but they took their orders from their bosses, chief of whom was Alexander McKenzie of Bismarck, New York, Seattle, and a number of other places—the boss of North Dakota, of whose activities we have heard before.

McKenzie, since his capital-city intrigues in the eighties, had grown in power and political influence. He represented not only the railroads, but the banking and insurance companies, the milling and elevator companies, and the large lumber firms which conducted business in the State. It was his job to see that legislation curbing the exploitative activities of these companies was

defeated in the North Dakota legislatures—and he performed the task with consummate skill for a quarter of a century.

For decades the farmers of North Dakota were powerless in the grip of the McKenzie ring and the invisible government behind it. Even such enemies of the Nonpartisan League movement as Andrew Bruce admitted freely that the farmers of the upper river valley were pitilessly exploited. The league had ousted Bruce from his position as chief justice of North Dakota's supreme court, so he could hardly be considered biased in its favor; yet he testified in his book, *Nonpartisan League*, that not even a postmaster could be named in North Dakota without the approval of the powers in St. Paul.

The economic injustices the farmers suffered were numerous and unbearable. From the early days of the valley's settlement farmers had been aware that the market prices for their grains were arbitrarily fixed by the elevators in their communities. It was not long before they learned too that the elevators were members of great chain systems, owned and controlled by interests in the cities to the east. The solution seemed simple. A group of farmers would band together and construct their own co-operative elevator, store their grain, and later sell it in the terminal markets where reasonably fair prices might be assured. The scheme was partly successful. Under the stress of competition, the company elevators were forced to raise their local prices and to discontinue the more flagrant of their thefts.

But the old-line companies were more than a match for farmers unused to the cut-throat game of high finance. In those towns where a farmers' elevator existed, the companies offered prices well above the market. Farmers living from hand to mouth were naturally tempted away from their own co-operatives to the companies' elevators, where they could get several cents a bushel more for their grain. They did not realize, of course, that their good fortune was being paid for by their neighbors in those towns where no cooperatives existed. In those places the chain companies made up their deficits by paying prices ruinously below actual market values. And the farmers were helpless, for they were unorganized and without capital to combat the ruthless practices which were impoverishing them.

The human element was a factor, too. Many of the cooperatives which started out with high hopes soon fell into the hands of a few individuals or a single individual—as a result of hard times, lack of interest, or dissatisfaction with the firm's management. Often the cooperative came finally into the possession of one of the chain companies, which blithely continued using the name "Farmers' Cooperative Elevator."

Aside from the local price problem, it was not long before the grain growers of the Northwest began to observe that the great terminal markets were not open marts in which the law of supply and demand produced a price equitable alike to seller and buyer. Instead, the markets were in the hands of chambers of commerce or boards of trade which were in effect close corporations. The price of grain was willfully and efficiently depressed during the period of harvest when the farmer must sell, and was skyrocketed upward once the harvest was in the terminal elevators of the big grain buyers.

The tide of liberalism that swept the Northwest from the time of Ignatius Donnelly to that of Arthur C. Townley in the second decade of this century, cast up a multitude of liberal leaders and an equal multitude of agrarian panaceas. From Bryan to La Follette, from Weaver to Loftus, men who were helping the common man and the farmer and the laborer in the fight for social betterment proselytized vigorously, each for his own particular form of Utopia, as if only it could usher in the new day.

The Grange, one of the earliest of the great farm movements, failed because it did not believe in political action; Greenbackism, with all its odd variations, proved a will-o'-the-wisp; the Farmers' Alliance, which preceded the wave of populism, proved no more effective than its predecessors. But Northwest farmers climbed eagerly aboard all these band wagons. They had nothing to lose but their red flannels, and they had the frontiersman's love of adventure and change and new horizons. One of the Populist national conventions was held at Sioux Falls, S. Dak., and in North Dakota the year 1892 ushered in a Populist administration, with Eli C. Shortridge for Governor.

Shortridge's single term produced much progressive legislation. As early as 1892 these Populists were toying with the idea of establishing a terminal elevator of their own, where farmers might receive fair prices for their grain. Maximum freight rates on coal mined within the State were fixed despite the protests of the railroads. Public scales were ordered established by county commissioners at convenient locations, and farmers no longer had to depend on the dubious integrity of the chain elevators' own weighing system. Laws fixing the responsibility of railroads for prairie and grain fires caused by their locomotives were passed, usury was outlawed, and an extension of time for the payment of personal property taxes was granted in certain cases. But the Populists' reign was brief; the panic of 1893 toppled them from power after a single 2-year term, and opened the way for another 20 years of rule by the McKenzie forces.

The Populist idea of a State-owned grain terminal did not die. But the McKenzie ring effectively blocked any legislation toward that end, and the farmers were defeated in their attempt to obtain a seat on the Minneapolis grain exchange.

The Minneapolis chamber, which had been authorized by the Minnesota Legislature to make its own rules and regulations with the force of law, had set up some almost insurmountable obstacles to be hurdled before a seat could be obtained on the chamber. A fee which might be as high as \$25,000 was required, the applicant's credit rating must be approved by the board, and he must charge the regular commissions as well as abide by all the rules and regulations of the chamber.

In the face of this ironclad means of keeping out any member who might be inclined to give the farmer a square deal, the growers of North Dakota naturally found themselves unable to obtain a seat. They were thus prevented from offering their samples on the floor of the exchange. Only one course remained open to them: The establishment of their own terminal elevator. And in 1911 the Equity Cooperative Exchange was formed for that purpose.

Although the farmers did not yet have sufficient capital to achieve this major end, the work of the equity exchange in educating the Northwest grain growers to the abuses of the grain trust was not without a salutary effect. They learned, for example, of the infamous "switching fee"—a fee of a dollar and a half for each car of grain that was switched on the tracks. Equity members discovered that while the fee was real the switching was nonexistent.

The huge spread between the price which the grower received for his grain and the price of finished flour or bread was sufficient to open the eyes of Northwest farmers to the fact that middlemen and speculators were extorting huge profits from both producer and consumer. As men who toiled on the farms throughout the upper river States perceived these things, there gradually arose among them a belief that State-owned terminal elevators where their produce would be fairly graded and priced would solve their problems.

Largely responsible for the growth of this belief in North Dakota was the work of a

little group of college professors at the North Dakota Agricultural College in Fargo. President J. H. Worst, of the college, and Edwin F. Ladd, head of its chemistry department, were two of the leading men in making North Dakota farmers aware that they were the victims of a vicious and costly system of grain grading and dockage. An interesting table was circulated among grain growers showing the amounts of various grades of wheat received and shipped out during a single season by one Duluth elevator:

Grade of wheat	Bushels received	Bushels shipped
No. 1 Northern.....	99,711	196,288
No. 2.....	141,455	467,764
No. 3.....	272,047	213,549
No. 4.....	201,267	None
No grade.....	116,021	None
Rejected.....	59,742	None
Total.....	890,245	877,512
On hand, estimated.....		12,733
Grand total.....		890,245

That which was rejected had become the cornerstone of the temple, so to speak. Hundreds of thousands of bushels which the elevator had graded as No. 4, No Grade, and Rejected and bought for ruinously low prices had miraculously become No. 1, No. 2, and No. 3—top grades of the finest wheat produced in America. It did not take an overly intelligent farmer to see that the company was shamelessly robbing him of his just grades and the higher prices he should have been paid for those grades.

Experiments at the agricultural college had also revealed that the low prices paid for lightweight wheat were not often justified. Loaves baked from the lighter weights often made just as high quality bread, and the high protein content of the lighter weight grain was sometimes as great as that of heavier wheat.

This work of the Fargo professors furnished the grain growers of the State with some of their more cogent arguments for reform in the methods of grain grading and price fixing, but it was primarily the work of George S. Loftus of the Equity Exchange which brought about a practical program aimed at correcting the abuses.

Loftus was a forceful and dynamic individual, an effective platform speaker who could talk to his farmer-stockmen audiences in their own language. His experience at Minneapolis in the grain and commission businesses had given him a shrewd insight into the methods of the Grain Trust. His forceful, pithy addresses before enthusiastic North Dakota audiences soon earned him the hatred of the established operators, who at once put pressure on their North Dakota underlings—the bankers, merchants, and elevator operators—to oppose Loftus' dangerous doctrines. He was denounced as a radical and an agitator who would set class against class, and halls were closed to him in many towns; but the farmers of the State knew what they wanted and they listened to George Loftus.

At last the growers had a program. And in 1912 an amendment to the North Dakota Constitution was adopted by the people of the State—an amendment empowering the State to purchase its own terminal elevator in one of the eastern cities where the grain exchanges were located. A McKenzie-dominated legislature did nothing to put the measure into effect. Two years later a second amendment, empowering North Dakota to construct its own terminal elevator within the State boundaries, was adopted, and a legislative committee was named to investigate the best method of carrying the mandate into effect.

The will of the people apparently meant nothing to the committee, for it committed

a breach of duty unparalleled in the State's history. Instead of reporting on ways and means of accomplishing the project as it had been ordered to do, the committee after long procrastination brought in a report opposing the entire scheme—which had just been overwhelmingly adopted by the people of the State. It developed that the committee had talked to such men as James J. Hill, E. P. Wells of the Russell-Miller Milling Co., and Julius Barnes, a large exporter, before coming to their astounding conclusion. This was all the people of the State needed to convince them that the project was a good one.

North Dakotans were angry and embittered. The Equity Exchange shortly afterward called a convention in Bismarck while the legislature was in session there. The timing was deliberate. It was hoped that delegations from the convention might put pressure on the legislature to enact the people's will. Instead, the farmers met with a rebuff that has become famous in North Dakota's political history.

Treadwell Twichell, a member of the legislature from Cass County, politely inquired of a delegation by what right "a bunch of farmers come down here to browbeat the legislature." Then he advised them contemptuously: "Go home and slop the hogs."

Twichell ever after denied having said any such thing, but the farmers were convinced that he did say it, and the phrase became a potent rallying cry on the lonely prairie farms and ranches, where hard-working men and women who felt they were being cheated did not relish the suggestion that they were fit only to slop the hogs while their betters ran the affairs of the State. The farmers were ready for action.

In the crowd that witnessed the farmers' rebuff at Bismarck early in 1915 was a lean, intense young man of 35. Arthur C. Townley was born on a farm in northwestern Minnesota in 1880. Like other farm lads he attended country school and later enrolled in the high school at the little town of Alexandria. There was nothing about his youthful career to indicate that he was one day to become the leader of the most controversial political movement in the history of the Northwest. "I was a Sunday-school boy," he said later.

His only trait that might have pointed the way he was later to follow was an interest in debating and forensics, an interest encouraged by an elderly friend he had made in the town. This was a tailor young Townley had met when he went to have a suit pressed for an oratorical contest in which he was to appear. The old man took an interest in the quiet lad and introduced him to two of his cronies, a carpenter and a jeweler of the town, who shared the tailor's interest in philosophy, religion, and mysticism.

Young Townley spent fascinating evenings listening to these three humble philosophers discuss the works of Herbert Spencer and the essays of Ralph Waldo Emerson. In their company he learned to think and question, and to discuss the meanings of life and the foundations of society. Almost without realizing it the young high-school student was becoming a rebel against the conventional and accepted forms of social and economic thought. Spurred by the ambition these teachers had awakened in him, he began to read omnivorously during the 2 years following his graduation from high school—years spent in teaching a country school near his farm home.

"Finally I grew sick of books," he said later. "I had read until I felt I never wanted to see another book. I was tired of writing and theory. I wanted action. I was then as impractical as a man could be. I didn't know anything about business. I didn't know anything about dealing with men. I was a hopeless bookworm."

Dissatisfied with his sedentary life, Townley determined to go out into the world and

make a place for himself. Westward he went into North Dakota and took up farming in Golden Valley near the Montana-Dakota border. His unorthodox and progressive ideas began to assert themselves almost at once, and it was not long before he had talked a number of his neighbors into pooling their resources and forming a farming syndicate. With the capital acquired by this merger, the group purchased steam tractors and plows and began extensive operations.

But the weather, the unpredictable factor in their rosy dream, upset the whole plan. When it began to appear that there would be little or no crop, the group agreed to break up and go their individual ways, each man trying to salvage what he could. Bitterly disappointed, Townley returned to Minnesota. It was an untimely departure, as it turned out, for after he had gone the long-awaited rains came, and the other members of the syndicate had a fairly successful season.

The next year young Townley became an itinerant plasterer's helper, traveling throughout the entire West, but the call of the soil was too strong for him and he came back again to Golden Valley, afire with plans for a new venture. A new wilt-resistant flax had been developed at the agricultural college and the linseed-oil industry was calling for all it could get. With characteristic energy Townley plunged into the business of flax-growing, and within 2 years had vastly increased his holdings. He did things in a large way, acquiring the most modern machinery and constantly expanding his operations by the purchase or the rental of additional acreage.

In 1912 the empire of the young farmer, who had become known as the Flax King, disintegrated under a series of misfortunes. Rainfall was scant, his yield was small, and most important of all, the price of flax fell off disastrously as a result of market manipulations by speculators. Townley, under contract to pay for expensive machinery and heavy land purchases, found himself bankrupt and facing liabilities of nearly \$100,000. It was at this time, judging from his later remarks, that his hatred for the market manipulators and speculators crystallized.

"A few months before I had been a good fellow and an able farmer," he said, "but after the failure nobody in town wanted to speak to me or see me. I was a fool, a dub, and a crook, and everybody had always known that I was going to blow sooner or later. All because somebody in Chicago or Minneapolis sought to break somebody else who was buying flax."

The next few years were difficult ones. Townley toyed for a time with North Dakota's minuscule Socialist Party, making speeches and doing organization work, but he soon became impatient with the debating-society methods of the timid liberals who made up the party. "In method they were as conservative as the old parties," he declared afterward. "Offer them a plan by which they could really accomplish something instead of merely talking, and they were afraid of it." He broke with the Socialists and went to Bismarck, where he witnessed, early in 1915, the rebuff of the farmers of the Equity Exchange by the State legislature. He saw that the grain growers were ripe for revolt. And in February of that year he conceived the idea of the farmers' organization that later became known as the Non-partisan League.

It was a bold conception. Coming as it did from a man who had nothing but the clothes on his back, it might have seemed laughable. But Arthur Townley had something else too: he had a vision, and the force of speech and conviction to awaken other men to that vision. He began by sounding out leading men at the Equity convention on their reactions to his hastily sketched plan. From several he got an enthusiastic response. One of them was Fred B. Wood, a

prosperous farmer who was able to offer the bankrupt Townley the financial assistance he would need. In a speech years later, describing the beginning of the league, Wood said: "I had told Townley that he could come to our farm when spring broke and I would help him get started. But the snow wasn't off the ground when one day he showed up. He told me he couldn't wait."

Townley's organizational plans were perfected in a series of talks with Wood and his sons. The program of the organization was written out in five brief planks by Townley himself. Simple and terse, they struck at the very heart of the farmers' grievances: State ownership of terminal elevators, flour mills, packing houses, and cold-storage plants; State inspection of grain and grain dockage; exemption of farm improvements from taxation; State hail insurance on the acreage tax basis; and rural credit banks operated at cost.

In his book, the Nonpartisan League, Herbert Gaston has shrewdly pointed out wherein Townley's program differed from other plans which had preceded it. It was not that Townley's ideas were new; it was that his approach was different. "Practical salesmanship, a program of immediate and forceful action, and the use of the Ford automobile," wrote Gaston, "are the factors principally explaining the rise of the Nonpartisan League."

It remained only to begin the actual work of organization, and Townley and Wood set about the task at once. Wood took Townley to meet several neighbors of his in the community, introduced him to the farmers, and then sat back while Townley did the talking. Results were gratifying during the first few days of their trial work; farmers were eager to join a group which promised them the things they had been fighting for for a quarter of a century. On the spot they paid their dues of \$2.50 each into the treasury—which was nothing more than in Townley's pocket at the time—and hoped for the best. Things went so well, indeed, that several of the first members, meeting at Wood's home a few days later, signed notes that enabled Townley to purchase an automobile and set up State headquarters at Minot, N. Dak.

With the success of the organization seemingly assured, Townley set about developing his staff of organizers, which was to cover the entire State and spread the nonpartisan program throughout the grass roots. The technique to be followed was essentially the one Townley had already worked out with Wood. A prominent farmer would be approached, sold on the league idea, and would then act as an introductory wedge in the organizer's visits to surrounding neighbors.

The league's first organizers were recruited from the ranks of farmers who showed unusual ability in speaking and organizing, and from Townley's old friends of the Socialist Party. These latter were especially able advocates of the league's cause, for they had at their fingertips the economic and social abuses of the day, and many of them had been burning with a desire to do something practical, instead of merely holding weekly meetings.

As the organizers spread the gospel of the league over the State and the group began to grow by leaps and bounds, Townley found that he had achieved a success beyond his wildest expectations. By summer's end he had enrolled 26,000 North Dakota farmers in his mushrooming organization. Dues had been increased to \$6 a year to support the huge headquarters staff necessary to keep up with correspondence, the training of new organizers, and the direction of the large force already in the field.

But looming dark on the horizon were the first faint clouds of opposition to the new militant farmers' organization. Townley had carried on his work with a minimum of publicity. The approach had been direct and personal; organizers had even been

instructed to avoid towns and cities. But inevitably the word got about, and soon the press of the State was commenting on the new organization.

North Dakotans were warned against "slick young outsiders" who were swindling farmers with promises of better days to come. Several papers commented on the fact that no persons living in towns had been approached—a sure sign, according to these journals, that the scheme was a swindle. Here is a fair sample of these editorial comments in the country weeklies:

"Recently the Ozone referred to the presence in the State of a number of solicitors for membership in some kind of party which was to be of special advantage to farmers, and who also offered a year's subscription to some paper or magazine as material inducement for joining. A fee of \$6 was collected from each subscriber. It is more than ever evident that the farmers who took stock in the smooth strangers were too easy victims of a confidence gang. In no case have the strangers sought to interest anybody in towns where they have stopped, and it has been noticed that in making even a trifling purchase they always tender \$6 checks, cashing them in that way. They never go to a bank. As before stated, the Ozone believes, with the Fargo newspapers, that this is only a scheme for fleecing the unwary. Our belief is that they are operating a questionable scheme, as there is no public knowledge of such a farmers' protective party as they affect to represent, and their avoidance of association or contact with townspeople, and advance dating of checks are suspicious."

The implication that townsmen were not approached because they were sharp enough to see through such a crooked affair was not a particularly fortunate one. Indeed, the real reason was that the farmers were often forced to operate on credit advanced by the local banker—who in turn was controlled by his eastern creditors—and cases had arisen where local bankers had refused to honor checks made out to the league. This pressure was something Townley wanted to avoid. If possible, dues were paid in cash; in other cases they were made out by check in the name of the individual organizer, instead of the league, so that the local banker could not recognize what the check was for and consequently applied pressure to his farm debtors. Even postdated checks were accepted, and the amount of defaults was surprisingly small—about 12 percent.

The subscriptions referred to in the editorial quoted were for Pearson's magazine, and were offered with each membership the first year, during which the magazine published several favorable articles by Charles Edward Russell, the well-known Socialist. But by the fall of 1915 the league had successfully founded its own newspaper, the Nonpartisan Leader, and Pearson's was no longer offered, although Russell and Walter Thomas Mills, another Socialist leader, continued to aid the movement and did much work on early editions of the new Leader.

"You have launched in a just and honest way a just and honest cause," wrote Russell. "Do not believe anything you read about it unless you read it in your own journal or in journals that you know are absolutely with you."

That policy has been quite faithfully followed by Nonpartisan Leaguers ever since; and at various periods in North Dakota history the Leader has reduced the opposition press of the State to virtual impotence. More than once league candidates have been elected to office despite the bitter and united opposition of almost the entire North Dakota press—a direct result of the Leader's constant campaign against the "kept" and "venal" newspapers that opposed it.

As the league's membership grew toward the 50,000 mark, the daily papers of the larger cities began to take alarm and attack

the organization and its methods. J. D. Bacon, of the Grand Forks Herald, and L. T. Guild, of the Fargo Courier-News, were particularly venomous foes, charging that the whole plan was a swindle and that Townley was a dictator who had never been elected to head the party. Later the newspapers of the State made such ridiculous charges as that the leaders of the league were "Socialists," "atheists," "free lovers," "pro-Germans" (during World War I), and "Reds."

"Who elected Townley president?" queried the Grand Forks Herald. Townley had his answer ready, and in a 1917 address he replied to his critics in typical fashion:

"I want to be very frank with you this afternoon. The Grand Forks Herald \* \* \* and all the fellows that oppose this organization, say that I was not elected president of the league.

"They want to know by what right I call myself president of the Nonpartisan League. I am going to be very frank with you and explain what right I have. When Howard Wood and his father and two or three more of us found that this thing would go \* \* \* we saw that it would be necessary to have some kind of committee to take care of it.

"We didn't have automobiles and gasoline enough to go to all the farmers in the State, and to Jerry Bacon and the Grand Forks Herald, to ask them who this committee should be.

"So we got busy and picked out a committee. The old gentleman [Mr. Wood] named five men that we knew, and asked this little group of farmers if they thought these men would be all right. \* \* \* Mr. Wood was suggested as treasurer and vice president. So we took a piece of paper and wrote the league program on it; and wrote the names of this committee up at the top; and because I had the idea, they named me chairman of the committee and wrote my name on there as president. \* \* \*

"And this fellow and that fellow [pointing] and every one who joined the league read the program and those names and signed up and paid his money. And I have got a kind of foolish idea that all of those men who signed that paper voted for me at that time. I don't know of anyone that voted against me.

"And we have got the names of 40,000 farmers, in their own handwriting, on this paper, subscribing to this program and to these men to carry out this program. I think that was a pretty fair election.

"About as good as we could accomplish at that time, with the machinery we had. Of course it might have been better to have got 4,000 or 5,000 farmers to come down to Grand Forks and hold a convention; but we could not have convinced them at that time that they ought to come.

"I will tell you who would have been there if we had tried to do that. There would have been about half a dozen politicians and corporation lawyers and a newspaperman or two. But you farmers would not have come. We had to show you first that something could be done before you would come. Now that is how I came to be president of the committee and how these other men came to be members of the committee."

Townley's position on this point was doubtless well taken. True, he was vulnerable to the charge of dictatorship, but he well knew that an election would disrupt the league before it was fairly begun. It would have been easy for league opponents to find a defaulter in the ranks of the organization and then sponsor an election to defeat Townley—and this development would have split the party hopelessly.

It was inevitable that the growth of a movement like the league should attract innumerable quacks, crackpots, and opportunists as well as sincere liberals and honest farmers. Opponents of the organization charged that it was socialism in disguise, and

the charge was not without a certain credibility, since many of the party's early speakers and organizers were Socialists or had been affiliated with that group in the past. Full-page advertisements appeared in the opposition newspapers asserting that the league meant to make "occupancy and use" the only standard of land ownership in North Dakota.

The State-owned mill and elevator plank in the party's program was certainly socialistic, but the league was far from espousing any program that a real Socialist would recognize as similar to his own. Many leaguers were restless reformers or progressives who welcomed the chance to throw their energies into a fight which promised real results, but the great mass of the membership was made up of ordinary hard-working farmers and ranchers.

As the movement grew, though, there came into being a sort of lunatic fringe recruited from all over the Nation. From New York, from Washington, from every State in the Union, men of varying degrees of chicanery, liberalism, honesty, and dishonesty came to plague or assist the new revolt against the old order. North Dakota herself furnished numerous examples of many kinds. But in the beginning their influence was little felt; it was only later that such remarkable schemes as fish hatcheries in the Bering Sea, sisal plants in Florida, real-estate ventures in Mexico, and other equally fantastic enterprises began to be advanced as league programs. The party was founded on a strong and sensible basis; its aims were the aims of the great mass of North Dakota's farmers, most of whom had nothing to do with the hodgepodge of crackpot schemes which later made the league a temporary laughingstock in the eyes of the voters and caused its partial eclipse for a number of years.

The league organization, in the beginning, brought for the first time the processes of actual democracy to the voters. It advanced a plan that was admirably devised to strip of their opportunity for control the politicians and others who dominate the machinery of conventions and elections. Even today the principle that the office must seek the man and not the man the office is a cardinal tenet of league political philosophy. Ways have been found to circumvent this principle in the past, but on the whole its effect has been salutary.

At the time the idea was first advanced, it was a revolutionary step in political methods. Politicians who incautiously announced their candidacy for office found themselves repudiated by the party, and usually turned in anger to the opposition. The system was simple. In each of the State's 1,800 precincts a local caucus of league members was held to elect delegates to the 49 district conventions. And Townley advised his followers:

"Avoid the politician who seeks office, for he usually, though he may not admit it, seeks it for himself and not for the good that he may do for all the people. Avoid also the men who may be too friendly with bankers, middlemen, and big business, for they may betray you."

This was demagogery and an appeal to class hatred, but Townley knew who he wanted—the solidarity of North Dakota's farmers. And he was shrewd enough to see that one means of achieving that solidarity was to give the farmers a personalized enemy against which to fight. This vague opponent of human rights and justice became widely known as "big biz" during the early days of the league. If Townley angered a few bankers, businessmen, politicians, and lawyers, he cared little. More than three-fifths of North Dakota's voters were farmers; they were the men Townley wished to reach, and he knew precisely how best to reach them.

Hear him: "If you put a lawyer, a banker, and an industrialist in a barrel and roll it

downhill, there'll always be a ——— on top!" The average farmer was delighted at this attack upon bankers, businessmen, and lawyers, for he was usually indebted to all three of them. The quip expressed in a striking way something he had always felt vaguely to be true but had never quite known how to say.

I talked to Arthur Townley in 1946. He is aging now, in his late sixties, and the aims of his movement have long since been achieved, while his organization has fallen into other hands. But he is not bitter, nor has he lost his sense of humor. When I asked him about his famous barrel statement, which had been repeated to me by an old North Dakotan, he mused for a while. "It's hard to remember everything you said 30 years ago," he told me finally. Then, with a sudden smile: "But put it in your book anyway; if I didn't say it, I wish I had."

Such statements were scarcely calculated to endear Townley to the gentlemen named in his indictment. Opposition to the league was fanned to an even higher pitch. But the results of the farmers' caucuses were at once apparent. In virtually every precinct in the 1916 election delegates were selected from the rank and file of the working farmers. Many had never before attended a political meeting or held any public position. The same condition prevailed at the district meetings. The professional politicians were not only terrified, they were helpless; and their yelps of anguish could be heard even in the throne room at St. Paul.

It was not Townley's intention originally to sponsor a third party. He welcomed members from all established political parties and from the ranks of independents. The league leaders chose, rather, to operate within the framework of the Republican organization and attempt to capture the party by nominating their candidates in the primary elections.

It was a shrewd political device, and as the league district and State conventions began to arouse tremendous enthusiasm the opposition became thoroughly frightened. They charged Townley with "bossism" (this from the McKenzie ring!), with "hand-picking" the candidates, and with attempting to foist a Socialist regime upon the unsuspecting voters of North Dakota.

The first charge was undoubtedly well founded, for Townley did exercise a considerable measure of influence and control over the party tactics and program; but the two latter accusations were completely without foundation. Indeed, it is doubtful whether a less controlled selection of delegates had ever before occurred in the State. As for the charge of socialism, not a single member of the league ticket endorsed at the State convention belonged to that party.

The ticket was headed by a Pembina County farmer named Lynn J. Frazier, who later served for many years as United States Senator from North Dakota and achieved some measure of national fame for his co-sponsorship of the Frazier-Lemke farm moratorium bill. Frazier was a graduate of the University of North Dakota and was 41 years old at the time of his nomination. He was almost unknown outside his own immediate community, had never held a public office of other than local significance, and was completely unversed in political tactics.

His farming interests had absorbed his life since his graduation from college. He was plain, blunt, honest—all in all, a quite average substantial and solid citizen. Despite the fact that he was chosen almost unanimously at the State convention—which he did not even attend—he was loath to serve; he had not made a public address since his debating-team days as an undergraduate.

Among the other league candidates—of whom only four had been active in politics before—WILLIAM LANGER, the candidate for attorney general, was by far the most color-

ful. He was just 28 years old. Recently elected State's attorney of Morton County, he had dedicated his first day in office with such a burst of energy as the county had never seen. One hundred and sixty-seven warrants for the arrest of vice operators and bootleggers were issued from his office before his job was 24 hours old. Then, with the petty racketeers out of the way, LANGER turned toward bigger game.

He brought suit against the Standard Oil Co., the Northern Pacific Railway, the Occident Elevator Co., and several large lumber firms in an attempt to put on the tax rolls some \$30,000,000 worth of property which those companies had placed on railroad right-of-way lands in order to escape State and county taxes.

Arrayed against the boy prosecutor was some of the finest legal talent in the land, but LANGER was successful in his suits. The property went on the tax rolls and the supreme court ordered the companies to pay back taxes to the extent of \$1,250,000. His sensational victory over the enemies the farmers had been fighting unsuccessfully for years assured him a place at once on the league ticket.

League candidates campaigned that spring of 1916 to enthusiastic audiences of farmers at rallies, picnics, and crossroads gatherings of every description. Toward the close of the campaign a special train was chartered to carry the candidates and the league program into every corner of the State. But the day of the primary election proved to be scarcely an auspicious one for the league's hopes.

Heavy rains fell throughout the day, turning the dirt roads of the countryside into rivers of mud. It seemed scarcely possible that rural voters would be able to get to the polling places in country schoolhouses and farmhouses scattered over the storm-lashed prairies. Faces grew long at Townley's campaign headquarters when the first returns, principally from the cities, indicated heavy majorities for the opposition candidates. But broader returns the next day swept away all doubts. The entire league slate had been nominated.

In North Dakota, Republican endorsement is tantamount to election, and the primary returns were sufficient to guarantee a victory at the general elections in the fall. It was a smashing victory for the new militant farmers' group of amateur politicians. Their opponents, temporarily confounded, were unable to make a convincing summer campaign, and in the fall the entire slate of candidates, with one exception, were elected by substantial majorities.

The league's rejoicing did not last long. They had a majority in the house of representatives, but in the senate, where the terms were staggered, the opposition still held control. They found their program effectively blocked, despite a clear mandate from the electorate, by this opposition majority in the senate, as well as by several recent decisions of the outgoing supreme court concerning the method of amending the constitution. The initiative process for amending the document, which had been adopted by the people, was held to be inoperative until made otherwise by the legislature. Other methods of amendment meant a delay of at least 3 years. It began to appear that the party's program would be successfully blocked by the minority for so long a time that there was danger of the organization's falling apart for lack of interest and achievement.

League leaders then came forward with a daring proposal—that the legislature draft a new constitution for the State and present it to the people for immediate popular approval. The screams of their opponents rose to a new high pitch at this "anarchistic" suggestion. Competent legal opinion was not lacking, however, that the process suggested by the league was quite proper,



if a bit unusual, and the new constitution was accordingly introduced as House bill 44.

Actually, the new constitution was not dissimilar to the old one except for changes which would enable the legislature to finance the program just approved by the people. It provided that the State could engage in business for public purposes and that it could issue bonds to finance the proposed State-owned industries. It made provision for a tax to support the State hall-insurance program. Means of amending the constitution were simplified, the terms of State officials were increased from 2 to 4 years, and all State offices aside from governor and lieutenant governor were made appointive instead of elective—just as they are in the Federal system.

The attacks on the proposed constitution in the legislature were of a peculiarly vitriolic nature, despite the fact that they often dealt with trivialities. Not wishing to attack openly the important changes in the constitution which the people had approved, opponents of the bill had to limit themselves, often with amusing results, to scolding certain minor changes that had little to do with the matter in hand.

A change in a paragraph concerning education evoked an especially bitter attack from Representative A. G. Divet, of Wahpeton. The text of the original constitution read: "A high degree of intelligence, patriotism, integrity, and morality on the part of every voter in a government by the people being necessary to insure the continuance of that government and the prosperity and happiness of the people, the legislative assembly shall make provision for the establishment and maintenance of a system of public schools which shall be open to all the people of North Dakota and free from sectarian control. This legislative requirement shall be irrevocable without the consent of the United States and the people of North Dakota."

Under the new constitution this article had been amended to read: "The legislative assembly shall make provision for the establishment and maintenance of a system of public schools which shall be open to all the children of North Dakota and free from sectarian control."

The Honorable Mr. Divet was horrified at this underhanded attack upon intelligence, patriotism, integrity, morality, and obscurity. Or perhaps it was because Mr. Divet was fond of excess verbiage that he objected to this simplification. His speech might lead one to believe so:

"I say this change in this section was made designedly, and I cannot pass it by without making the statement that to my mind these changes represent the malicious cut of a poisoned dagger of treason and licentiousness held in the secret hand of disloyalty and hate; that the hand that penned these lines and deliberately made that change would put poison in the wells in front of the country's armies, or would lead a little sister to the brothel."

Such outbursts came not only from enchanted orators in the legislature; they were repeated by soberer and more authoritative observers. Andrew Bruce, former chief justice of the Supreme Court of North Dakota and professor of law at the University of Minnesota, made the same charge in somewhat more restrained language in his book *Nonpartisan League*. Mr. Bruce gave it as his considered opinion that the Socialist leaders of the league had deliberately changed this passage because they did not believe in patriotism. Mr. Bruce was doubtless smarting under his recent defeat for chief justice by the league forces, but his legal training should have made it clear to him that the reduction of a clumsy and involved paragraph to a simple statement of law scarcely constituted an attack on American institutions.

Despite the violent opposition encountered in the legislature by the proposed constitution, an overwhelming majority of the lower house voted for the bill. The count was 81 to 28. Some of those favoring it were opponents of the league. But in the senate, where the hold-over members had the whip hand, the measure was beaten by nine votes. Under the existing constitution it was impossible to carry the party program into effect. The terminal elevator project was feasible, since the people had approved that by a previous amendment, but the constitution prevented the issuance of bonds to provide for its construction. The league was temporarily baffled.

Yet there were many progressive measures enacted under the party's sponsorship. An amendment providing for woman suffrage was passed; rural school appropriations were increased by 300 percent; a law guaranteeing bank deposits was enacted; a Torrens title registration act was passed; laws aimed at reducing freight rates were made; a State highway commission was created; and most important of all, a State grain-grading law was enacted. This law produced immediate beneficial effects, not only in the more honest grading which resulted, but in the prices paid for the farmer's produce.

WILLIAM LANGER, the youthful attorney general, was meanwhile continuing his attacks on the McKenzie gang and the chain elevators that operated in the State. The capital city of Bismarck had been suffering periodic outbreaks of typhoid fever, and the source of the infection was traced to the privately owned waterworks controlled by McKenzie. LANGER promptly brought suit to force McKenzie to install a filtering system; McKenzie protested that the cost of such an improvement would amount to virtual confiscation of his plant. Too bad, said the attorney general, and went ahead with the suit until the condition was remedied.

To combat the chain elevators' system of offering prices below market value in towns where there was no cooperative elevator and prices above the market where there was such a cooperative, LANGER one day sent out 20 trucks loaded with wheat of the same weight and grade. Sale of the grain to various chain elevators scattered throughout the State proved that the companies' prices varied by as much as 20 cents a bushel—depending upon the amount of local competition. LANGER immediately brought suits against the companies, which were still pending when he went out of office in 1920.

That was the extent of the reforms achieved by the league. Hamstrung by the old guard minority, the legislative session of 1917 ended in an impasse. But the league was not beaten. On the contrary, its leaders were more determined than ever to carry the fight into the enemy's territory. They set their eyes on the elections and the legislative session 2 years hence.

Early in 1917 the league announced that it had opened a national headquarters in St. Paul and that organizers were already at work in the neighboring States of Montana, South Dakota, and Minnesota. By the end of the year the movement had spread also to Washington, Idaho, Nebraska, Kansas, Texas, Oklahoma, Iowa, Wisconsin and Colorado. Without the peculiar conditions that had made the farmers of North Dakota ripe for the league movement the party organization progressed more slowly in those States.

In Montana, particularly, the league found strong influences at work against it. The Anaconda Copper Mining Co., which dominated the State, fought with every weapon at its command to prevent the dissemination of the league's propaganda. Burton K. Wheeler, long a United States Senator from Montana, and Jeanette Rankin, first woman Member elected to the National House, were supported by the league in their early races for office. Senator Wheeler, indeed, was

dubbed Bolshevick Burt and was smeared so freely and unfairly by the copper company's kept press that he has had a hatred of trusts and corporate power ever since—despite the fact that his natural bent is toward the conservative side.

Another avenue of attack against the league was opened with the rapid growth of the party's membership. When more than 100,000 members were paying \$8 a year each in dues, the opponents of the organization began to circulate charges that Townley and other league leaders were lining their pockets at the expense of gullible farmers. Actually, there was never a surplus in the league treasury. The staff of organizers and other necessary employees made the financing of the party a source of continual worry. Townley, in petitioning the courts for a discharge from the bankruptcy into which he had been forced by his failure as a flax king some years before, was given a clean bill financially by Federal Judge Amidon:

"The trustee has been permitted to go through the record of all these concerns as with a lighted candle. He has found no trace of any grant of any of the funds or property of the Nonpartisan League or its subordinate agencies to Mr. Townley, except a salary of \$300 per month. On the contrary, the record shows clearly and affirmatively that the Nonpartisan League and its subordinate agencies have never granted to Mr. Townley any part of their funds or property as his personal estate and that he has never used them for any purpose except that of a political leader, devoting them honestly to the achievement of the objects of his party. The record is full and has been honestly kept and it shows an honest purpose to give an account of an honest stewardship."

As the year 1917 moved toward the day in April when the United States would enter World War I, the league in North Dakota had endorsed its first candidate for a national office. Thirty-year-old John Baer, cartoonist for the *Leader*, was chosen to run as a congressional candidate for the unexpired term of W. T. Helgesen, who had died in office. Baer made the race successfully, and the league had its first representative in Washington. But opponents of the farmers' movement saw now, in the emotional tension produced by America's entry into the war, an opportunity to strike a lethal blow at the organization that was threatening their established dominance. They began, first guardedly, then openly to attack the league as an anti-American movement.

Their tactics were simple and unscrupulous. The league had seen that the war was providing opportunities for certain interests to make unconscionable profits, and it had come out forthrightly for heavy taxes on war profits and for Government control of railroads and Federal fixing of prices. This was, in simple terms, a suggestion for an office of price administration such as experience has since taught the Nation is necessary, but to opponents of the league it offered a heaven-sent opportunity. The league opposed the Government's current program. Hence, said the league's enemies, the league must be a friend of Germany's.

This was illogic at its worst, but it had serious effects in the States where the league was not yet well known. Townley's speeches calling for the National Government to take the profits out of war were not only misquoted by the daily press, but served as a peg on which to hang charges that the league was "disloyal and pro-German." League members were referred to as "kaiser-lites" and "the Hun in our midst." That they were also called Bolshevists and Reds did not seem illogical to the gentlemen making the charges. A quotation from the *Fargo Forum*, referring to a contemporary speech of Townley's, will serve to illustrate the sort of incitement to riot engaged in by the press:

"The Forum hopes that when Mr. Townley comes to Fargo the members of the Home Defense League, 100 or 150 strong, will march into the hall, stand at attention during his address, and give him a chance to repeat those remarks or others in the same vein. If there isn't a public officer in the State with backbone enough to put the speaker behind the bars, there is enough spirit in the Home Defense League to prevent him from repeating the offense."

Not even Townley's worst enemies ever accused him of lack of courage, however, and the Fargo speech was duly delivered despite the presence of the Home Defense League. It was simply too difficult to convince North Dakotans that 50,000 of their friends and neighbors—men whom they knew personally and whose lives were as open to scrutiny as are all rural lives—were traitors and pro-Germans.

But in other States, where the movement was not as well established or as well known the "patrioteers" of the day committed acts of almost unbelievable ferocity and unparalleled ignorance. In North Dakota the sniping was confined to such petty acts as refusing contributions to the Red Cross from league groups, or refusing league speakers the right of access to halls and other forums. Elsewhere it was a different story.

In Winlock, Wash., two league organizers, Alfred Knutson and M. L. Edwards, were dragged from their rooms, severely beaten, and tarred and feathered. They recognized and identified their captors, but could get no action from the local authorities. In Glencoe, Minn., N. S. Randall, another league speaker, was mobbed and beaten, as was Nels Hokstad, near Hinckley. Hokstad was afterward tarred and feathered.

J. A. McGlynn, a Montana organizer who attempted to speak at Miles City, was abducted and forcibly held in the Commercial Club, then forced to take the next train out of town. Other Montana speakers were attacked by mobs armed with shotguns and forbidden to carry out their meeting plans. In South Dakota, league meetings were broken up by armed hoodlums concealed behind the famous last refuge of a scoundrel—patriotism.

And in Texas, where league speakers were attempting to organize the farmers against the brutal exploitation of the Ginnners' Association, H. L. Higdon, A. R. Cother, and H. F. Hoover were kidnaped near Quitman and after being stripped naked, were horse-whipped. Salt was then applied to their bleeding backs and they were driven out onto the prairie while the mob fired over their heads. Two of these men were native Texans; the third was an elderly minister. Yet the Greenville, Tex., Banner gloated: "The three organizers learned by bitter experience and to an extremely painful degree that pro-German propaganda will not go in Texas."

The Montana Loyalist, a newspaper sponsored by antileague elements in the State, explained in a brilliant flash of economic inspiration why the league movement promised a false utopia. "There will always be riches—there will always be poverty," declared this organ of the Copper Trust magnates—as if a multimillionaire were somehow an elemental force of nature, rather than a taxable individual, subject to whatever laws society may see fit to pass.

League organizers in virtually every State where the party was operating were arrested, indicted, and otherwise harried by local authorities, who charged them with everything from vagrancy to draft dodging and spying for Germany. Townley himself was indicted and convicted in Minnesota for discouraging enlistments in a pamphlet setting forth the party's aims. He was later acquitted by the supreme court of the State in a decision overruling the action of the lower court.

Said the high court, in part: "The resolutions taken as a whole appear to be nothing more serious than a rhetorical and somewhat flamboyant platform upon which a certain class of citizens are solicited to join an organization whose avowed purpose is the amelioration of the alleged evils of present economic conditions, and to bring about a more equitable distribution of the wealth of the world among all classes of mankind. The pursuit of this object does not violate the statute in question."

Local groups who wished to use the war as a club with which to crush the league appealed to national authorities to scotch the serpent in their midst. George Creel, chairman of the Federal Committee on Public Information, brought down the wrath of league opponents on his head when he made a public statement on the question. Said Creel, in a letter to a national farm group:

"It is not true that the Federal Government is pressing the Nonpartisan League in any manner, or that the Federal Government considers it an act of disloyalty to be a member of the league.

"The Federal Government is not concerned with the political, economic, or industrial beliefs of any organization at a time like this, insisting only that every individual stand behind this war, believing absolutely in the justice of America's position.

"The Nonpartisan League, by resolution and organized effort, has given this pledge of loyalty. North Dakota, controlled by this organization politically, has as fine a record of war support as any other Commonwealth in the Union. Mr. Baer, its representative in the lower House, has never even been criticized for a single utterance that might be termed disloyal.

"Mr. Townley is under indictment in Minnesota, and there is a very bitter fight being made on the league in that State by certain groups. With this the Government has nothing to do, refusing absolutely to take part in these local differences."

The wartime speeches of league leaders, castigating the huge profits that were being made by certain groups, at length awakened eastern corporations to the fact that the spreading philosophy of the league might be dangerous to them. They began to take action by bringing pressure to bear on their smaller allies in the Northwest.

In the State of Montana a special group known as the Loyalty League was organized by a representative of the Anaconda Copper Mining Co. to combat the Farmers' Party. Chambers of commerce and employers' groups were urged to destroy the league before its "socialism" destroyed the Nation. Townley's speeches, it is true, were sufficient to scare the briches off conservatives. When he began to urge the confiscation of war profits and advocate Government control of food distribution and transportation, the howls of the industrialists could be heard even above the jingle of their wartime cash registers.

It is noteworthy that the Federal Government later adopted several of Townley's suggestions during World War I—Federal control of prices and of the railroads, for example. History has borne out in a large measure certain other views expressed in his speeches.

Townley pulled no punches. He was a master of sarcasm and of the "homey" platform manner. His tall, thin, angular figure, hunched over as if he were peering into the face of each individual member of the audience—with perhaps a thumb thrust through one suspender—might seem amusing at first, but he was a master of crowd psychology and a shrewd judge of farmer nature in particular.

His methods and phrases were sometimes demagogic at its most flagrant, but the

speeches were only too often fundamentally true, and his enemies winced under his attacks. Here are a few extracts from one of the "seditious" addresses which he delivered throughout the Northwest in the year 1917. After citing figures showing the huge increases in profits made by Swift & Co., United States Steel, du Pont, and other large corporations, he proceeded to the attack:

"I want to say to you that this Nation can never succeed in war unless this, your Government, instead of serving the interests of the United States Steel Corp. and the Sugar Trust and the Beef Trust—this Nation can never succeed in war until it governs the business of transporting your products and wipes off the face of the earth the gamblers in food products and the necessities of life.

"Now here is the seditious and treasonable and unpatriotic part of my discussion. We respectfully suggest, and then we demand, that this Nation, instead of serving the interests of the gentleman it must be serving now—or it would not permit these gigantic corporations to rob you of so many millions a year—I am afraid it must be serving them, because I can't figure out from these reports how they are serving us—and so as a war measure we respectfully suggest and demand that the United States Government shall do the one thing first of all necessary, and take over, before they send one single boy to Europe, take over the railroads and the distribution of food into their hands, and kick the gamblers into the sea or send them to war.

"Last Tuesday about 10,000,000 young men—I see them in the crowd here, and here, and here—about 10,000,000 young men went to the registration booths and there pledged their lives in the defense of their country's honor, went to the registration booths and there said in effect: 'I will serve my country in any capacity that she may demand. I pledge you here my life. Take it and use it as you will \* \* \* That is what these young men said in effect.

"This is the acme of patriotism \* \* \* And it is right that they should have done it. I believe in the conscription of life in time of war, because it is not right that the burden should be shouldered upon those few who have the courage in their blood to go and fight \* \* \*"

"But the Steel Trust makes two or three hundred million dollars of profit; the Sugar Trust makes profits; the Harvester Trust makes profits; the Railroad Trust makes profits; the Lumber Trust makes profits; the Shoe Trust—the Whisky Trust—the Grain Trust—the Beef Trust—every trust makes an enormous profit \* \* \*"

"And I say to you that the first thing this Government should do is take the profits that they are making today to pay the expense of the war.

"Is this treason?"

"Is this anarchy?"

"More than that, if by the duration of this war, those war profits are not enough to pay the cost of the war—if we must go so far as to exhaust these profits, and need more money, there is still another reservoir; and that is the millions that they piled up before the war. We will take that, too."

One can readily conceive the effect these words had upon the farmer-worker groups to which they were addressed—to say nothing of their effect upon the corporations named in Townley's indictment. But Townley's words here were not idle demagoguery. In 1916, in Minneapolis alone, the Grain Trust which Townley excoriated had made a profit of \$7.19 a barrel on the staggering total of 18,000,000 barrels of flour. Herbert Hoover has never been charged with being a radical, yet in a 1917 address, while he was Secretary of Commerce, he delivered an attack against

the Grain Trust that amply backed up Townley's assertions:

"With righteous manufacturers' and distributors' prices, the price of flour should not have been over \$9 a barrel, yet it averages \$14. In the last 5 months, on the item of flour alone, \$250,000,000 has been extracted from the American consumer in excess of normal profits."

But despite the words of Hoover, Creel, and others, the campaign of vilification and abuse triumphed, and almost before the war was ended, the back of the movement was broken in every State except North Dakota and Minnesota. No charge was too vicious or fantastic for the league's enemies to make against the party leaders. But even charges that they were "free lovers" who were about to corrupt the morals of the Nation and debauch its womanhood could not break the party's power in North Dakota. In the elections of 1918 the league candidates again swept the State ticket and elected at last a majority of the members in both houses of the legislature. Now the last barrier to the enactment of their program was removed.

Nor was the organization entirely powerless in other States. During the years of its greatest strength, the league endorsed and helped to elect such officials as the late famous Senator Borah, of Idaho; Congresswoman Jeanette Rankin, of Montana, foe of the Anaconda Copper Co.; Senator Wheeler of Montana; Senator Nugent, of Idaho; and many other men who have since become well known nationally. Congressman Lemke of North Dakota as well as Senators Frazier, Langer, and Nye were all originally elected with league endorsement, although Nye was later repudiated by the party. Congressman Lindbergh, of Minnesota, father of the famous flyer, also benefited from league support.

When the 1919 legislature met in Bismarck to enact the league program into law, national attention was focused upon the farmers' revolutionary party, and newspapers and magazines of the day were filled with comment and prophecy—much of it dark and gloomy. The files of such magazines as the Literary Digest, the Nation, and the World's Work contain numerous articles about the mysterious A. C. Townley—the Digest was unable even to obtain a photograph of him—and his new radical movement in the agricultural Northwest.

Townley himself was in great demand as a speaker all over the United States. He visited the President in Washington and addressed a large crowd in famous Cooper Union in New York, where he was apparently something of an enigma to the citizens of the State that was even then the home of Franklin Roosevelt. They did not seem to understand what Townley was talking about, although they understood well enough when Roosevelt addressed them on the same general subject a few years later.

Townley's program, as amended by the league throughout the years, was, in simple terms, a New Deal two decades before Roosevelt. It advocated, in 1919, such dangerous innovations as a workmen's compensation law, regulation of working conditions and hours of employment for women, a State-hall insurance law, a plan of distance tariffs to eliminate railroad rate discrimination, a home-building program, a graduated income tax, a mine inspection law to provide safe working conditions for miners, exemption of farm improvements from taxation (designed to penalize speculators who allowed land to lie idle), and most important of all, its three cardinal points: the creation of a State bank, the establishment of a State-owned elevator and flour mill, and the creation of an industrial commission made up of the governor, the attorney general, and the secretary of agriculture to administer the State-owned institutions.

In North Dakota a bond issue of \$5,000,000 was provided to establish working capital for these enterprises. The farmers' program was on its way. The funds, at long last, were provided. But now, with the party firmly in the saddle, the gentlemen who were to bring about the organization's downfall and temporary eclipse began to creep from their hiding places, each with his own particular bag of tricks. Some were political mountebanks, some were plain crooks, others were cranks. But they all seemed to have one thing in common: they wanted to use the league's name and power and prestige to develop their utopian schemes.

The league was to suffer now from a weakness inherent in all revolutionary parties: liberals, farmers, workingmen, and intellectuals are not always good businessmen or administrators. Most of the league officials had had little or no experience either in politics or business; they were easy marks for every glib-tongued promoter with a plausible scheme to offer.

For a time it was a three-ring circus whose fantastic performances tended to overshadow the party's real accomplishments. Besides sisal enterprises in Florida and fish hatcheries in the Bering Sea, North Dakota farmers were persuaded to invest their money (a postdated check was usually good) in Mexican lands, consumers' cooperative stores, league banks and exchanges, and almost every other activity that offered an opportunity of separating a farmer from his money.

The league leaders and the promoters were not entirely to blame. The farmers had the bit in their teeth; they were ready to try anything. It was partly their own attitude which made it easy for shrewd and fast talkers, masquerading under the name of the league, or through some vague league affiliation, to bring about a period of buffoonery and high comedy such as North Dakota and the Nation had not seen for many a day. But there was a less amusing side to the matter: The frenzied financing infected even the regular league projects and brought about a financial debacle that discredited the farmers' movement and forced it temporarily out of power under particularly humiliating conditions.

Banks crammed to the eaves with postdated checks and similarly inert paper were commonplace. North Dakota farmers who owned stock in any of the dubious corporations which mushroomed overnight were resentful of any suggestion that some of these crackpot enterprises might be unsound. They were only too ready to characterize as a villain anyone who tried to warn them, suspecting, perhaps, that he was an agent of Wall Street or the ogre "big biz," against whom they had been repeatedly warned.

And then entered the villain, in the person of WILLIAM LANGER, young attorney general for the league and later United States Senator from North Dakota. Not that LANGER was actually a villain in the matter. He merely suggested that some of the so-called farmers' banks, notably the Scandinavian-American Bank of Fargo, were tottering institutions in which no farmer who wanted to save his red flannels should place his money. LANGER was bitterly attacked by league leaders and officials of the bank, who were using the institution as a reservoir from which to finance many of their doubtful enterprises.

Governor Frazier, a member of the State banking board, refused to believe the charges, and LANGER was unable to have a satisfactory audit of the bank taken. But LANGER was a resourceful character. He arranged that the chief auditor of the State should be called out of North Dakota on business; then, with two deputy auditors, armed with the proper credentials, he descended on the bank to examine its books and assets.

"Mr. LANGER emerged," wrote Walter Davenport in Collier's, "crying at the top of his voice that the bank was so crammed with such collateral as postdated checks and uncollectible notes that the doors of the vaults could scarcely be shut."

There was little if any exaggeration in LANGER's charges. Officials of the league and the bank attempted to reorganize the institution, but their efforts were futile. The bank collapsed; shortages of \$216,378.09 were discovered before the investigation was completed; Townley and LEMKE, along with several officials of the bank, were charged with embezzlement and indicted. Says Mr. Davenport: "The indictments seemed to include everybody of importance and everything that can happen to a bank short of arson—indictments for false reports to the bank examiners, for receiving deposits while insolvent, for false statements to the depositors and false entries, for perjury \* \* \*"

A number of the bank's officials were sent to prison, but the indictments against Townley and LEMKE were later dismissed on the ground that they were improperly executed. "Anyway," as Mr. Davenport concludes, "there was no evidence that Messrs. Townley and LEMKE had the \$216,378.09."

The unsound financing which marked some of the league's projects—such as the Scandinavian-American Bank, for example—was not a result of improper practices in all cases. If the league was sometimes forced to embark upon dubious financial schemes, it was in large part because regular loaning and credit agencies boycotted the league projects in the hope of wrecking the organization. Said the Nation on October 19, 1921: "The pith of the whole contest in North Dakota is financial. The carrying out of the Nonpartisan League industrial program has depended upon money, which for the past 2 years it has been impossible to obtain."

North Dakota's State bonds were being rejected by investment firms and banking circles in the hope of smashing the Socialist regime which was threatening their dominance of the Northwest. The program of the league's opposition in smearing its leaders never abated. WILLIAM LEMKE, the league's attorney, became known as Commissar LEMKE. New York newspapers sent reporters to the fastnesses of North Dakota to report on the activities of the "free lovers" who desired to divide up all the women of America among themselves and establish seraglios on the plains.

When league legislatures met, breathless reporters were present to flash to the Nation the break-down of the American way of life and the triumph of bolshevism. Needless to say, they went home disgusted upon discovering that the legislatures were made up for the most part of staunch Lutherans and Roman Catholics, who would as soon have thought of founding a harem as of cursing Martin Luther or the Pope.

While native North Dakotans did not believe the more extreme charges made against the league, there nevertheless arose in time a storm of such bitter feeling that the thunder of it echoes in the State to this day. There was no longer a question of political parties; there was only the question whether one was league or antileague.

"It is doubtful," wrote the North Dakota historian, Lewis Crawford, "whether any society has experienced a more bitter partisan strife since the days of slavery than North Dakota passed through in the period of about 10 years following the legislative session of 1917. Almost our whole social and business life was influenced by the continuous turmoil into which all were drawn. The league and its doings formed the chief topic of conversation wherever men gathered: On the street corner, in the cross roads, in the barber shop, or business office. We had league picnics, women's auxiliaries, public debates, newspaper controversies, independ-

ent voters' associations, special legislative sessions, house bill 44, farmer-owned banks, newspapers, stores, and what-nots, injunctions, initiatives, referendums, and recalls that consumed the energy and disturbed the peace and quiet of every citizen, from the mere voter to the Supreme Court. This controversy was not confined to officials, candidates for office, or professional politicians. The daily life of even the common citizen was a round of bitter political acrimony in which each freely backed up his beliefs, however ill-founded many of them were, with his time and money."

The bitterness and political acrimony extended to even lower levels than the mere voter. Children barely able to talk—but quite able to hear—knew which side of the fence they were on in North Dakota's political revolution. In 1920, when Townley traveled over the State by airplane, he attracted great crowds, not only because of the intense interest in league affairs, but because of the then novel means of transportation he employed. Says Walter Davenport: "From round-up to round-up he flew, swooping from the skies upon startled audiences, who, properly coached by livelier imaginations, hailed Mr. Townley as a winged messenger from heaven. Gabriel over the wheat fields. Michael putting Wall Street to the sword."

Even children of six or seven, despite the awe and admiration they felt for these daring aviators, spat fiercely on the wings of the plane when they learned that it carried A. C. Townley, of whom they had heard so much. I can verify this, for I was one of those children. It is not to be wondered at, either; there is an old story that North Dakota mothers sometimes frightened their errant offspring into decorous behavior with a paraphrase of the old bogeyman story: "Townley will get you if you don't watch out."

Postwar deflation struck devastating blows at the northwest farming country just at the period when the league was getting its start. In the 1920 elections the opposition had a strong, if invalid, talking point in the increase of the cost of government, which had risen to \$20,000,000 during the 1918-20 biennium. The increase was a direct result of wartime inflation rather than of league squandering; in the single year 1918-19 property valuations in North Dakota had leaped from four hundred million dollars to one and a half billion dollars.

The league was nevertheless successful once more in its campaign to return its candidates to office. But as the first months of its third consecutive term passed, drought, deflation, and mismanagement of league affairs provided potent ammunition for its enemies. Legislative committees appointed to investigate the party's State-sponsored projects—as well as opposition auditors—brought charges that the affairs of the State were hopelessly muddled and mismanaged. Huge deficits were alleged to exist in the affairs of several State enterprises.

The leaders of the league were ousted from State office under most humiliating conditions, and under the terms of a law which they themselves had initiated. Liberals all over the Nation had praised their enactment of a Recall Act which provided that any elective official could be removed from office by vote of the people in a special election. Now, by a curious quirk of fate, league leaders were the first officials against whom the law was directed. It was, indeed, the first time in the history of the United States that a recall election had been successfully brought against a governor of a State.

It is almost impossible, even today, to estimate how much of the people's antipathy was founded on actual fact, how much on distorted propaganda of the opposition, and how much on unavoidable economic conditions for which nobody could properly be held responsible. The disastrous deflation of the postwar years was bringing hard times

to the northern plains, and it is a political truism that the party in power invariably suffers—or benefits—from current economic conditions, regardless of what influence it may have had in bringing about those conditions.

It is beyond doubt, however, that the political inexperience and confused administration of the league's leaders had a great deal to do with their own downfall. The projects of the party, however laudable they might have been in theory, were badly administered; but this was not always the fault of the league officials. They were hamstrung and opposed at every turn by a particularly violent opposition whose only interest was to smash the league—even if it had to smash the State's economy and credit at the same time.

In the special election called to attempt the ouster of the Industrial Commission, the opposition sought also to repeal the entire league program of State-owned industries. But the people of the State indicated that they still knew what they wanted. Two hundred thousand voters expressed their will in this bitter contest, which ended with the peculiar result of the people voting to continue the league program, while ousting the league officials and placing opposition officials in their places to conduct that program. The results were quite naturally not notable for their success.

That the people of the State later felt they had erred in the action is indicated by their subsequent treatment of the men they had ousted. Governor Frazier was later nominated by the party for United States Senator and elected for three successive terms; WILLIAM LEMKE, the ousted attorney general, has been repeatedly returned to the United States Congress by the people of the State; and John Hagan, the ousted commissioner of agriculture and labor, was later given a league endorsement for governor of the State.

But at the time, the issues were so clouded and the feeling so bitter that the Independent Voters' Association, as the league opposition was called, was able to reelect its gubernatorial candidate, R. A. Nestos, in 1922. In 1924 the league made a partial return to power with the election of Governor Sorlie; but from the session of 1919, when the league completely dominated the government and began its program, to the 1930 session, when the IVA forces completely dominated the legislature and the State offices, there ensued a seesaw for power between the two forces.

As the decade of the 1920's progressed, political differences began to seem less threatening and political activity less important. Men discovered more frightening enemies than their political opponents, as the prophetic words of John Wesley Powell began to come true on the northern plains. The thousands of settlers whom Jim Hill had induced to come into the northwest prairies found themselves embroiled in a desperate fight for existence that left them little time or energy for political struggles. The battle of the farmers against economic spoliation resolved itself now into a war against the implacable forces of nature.

Mr. LANGER. Mr. President, in further reference to the fourteenth point, as to the law which was passed by the North Dakota Legislature, when the Nonpartisan League was in absolute control of the State, making it possible for the State to establish a light, heat, and power plant, I ask unanimous consent, in order to show exactly what was done under that law, to have printed at this point in the RECORD, as a part of my remarks, chapter VII of the book entitled "The Fighting Governor."

There being no objection, the chapter was ordered to be printed in the RECORD, as follows:

#### CHAPTER VII

BILL LANGER's story moves toward a climax now.

For years he had battled the forces of special privilege and graft. Since he first held public office in Morton County and stepped on the toes of the railways and milling corporations in the tax suits, BILL LANGER had been making enemies among the highly placed.

Those enemies, growing through the years as he lambasted one set of plunderers after another, had one burning ambition—to "get" BILL LANGER. They hoped primarily to remove him as a constant menace to their schemes for shady profits and exploitation of the North Dakota public. They hoped in accomplishing his downfall to discredit the Nonpartisan League, which represented true democracy and threatened their old rule by an oligarchy of grain barons, milling kings, and railway princes.

The farmers had seized power, through the league, in the 1916 elections. They had not maintained power long. But by 1932 conditions under the political bosses had become so flagrant that the farmers again revolted and sent BILL LANGER to the Governor's chair.

After his successful attack on the corrupt capitol building commission, all the forces of special privilege in North Dakota joined hands to encompass the downfall of the fighting Governor who wrecked their most potent schemes for profit at the expense of the State.

Before their conspiracy could function, BILL LANGER had given them another reason for wrath. Balked in his efforts to obtain an investigation of power rates in 1917 when the United States entered the war and everything was sublimated to the military needs of the day, BILL LANGER remembered his unfinished chore. His hands free after cleaning up the capitol mess, BILL LANGER moved against the Electric Light and Power Trust.

He was convinced these companies were evading their fair share of taxes. He believed their rate structures were based on unfair valuations. Most of the power companies in North Dakota were subsidiaries of the powerful national holding companies, lately the target of Federal legislation. In taking them on for a finish fight, BILL LANGER was again adding to his list of powerful enemies.

Swiftly LANGER marshaled his attacking forces. The power companies had for years been escaping taxes by paying taxes on an ad valorem base, enabling them to conceal assets and turning in valuations of their own fixing. The new taxation law abolished the ad valorem base and substituted a flat 12 percent levy on the gross operating income of the utilities. Governor LANGER backed the measure through to passage. LANGER was approached by a power company executive before he was to sign the measure. The man attempted to persuade LANGER to veto the measure. BILL refused, and was bluntly told that the power companies would institute recall proceedings unless he changed his mind. The measure became law over LANGER's signature.

Another Langer-backed law was the statute empowering the State railway commission to investigate the books of the utility companies, and to reevaluate their properties, the better to fix a fair rate base.

Finally, neglecting no angle to attack the utilities monopoly, LANGER opened fire on the rates charged the State for electric power and light in State buildings. Three experts were named by LANGER to report on the State's electric power purchases. The committee found that the State was paying 5 to 9 cents per kilowatt-hour for power in

the penitentiary, the State training school, Statehouse, and other State buildings. LANGER held these charges were grossly excessive, and at his insistence, the legislature authorized expenditure of \$350,000 for construction of a State-owned power plant to furnish electricity to the State buildings.

The mere announcement that BILL LANGER was preparing to build a power plant brought the power companies into line. The corporations had learned by this time that BILL LANGER doesn't bluff. Hat in hand, the utilities companies agreed to a drastic reduction in rates charged for power supplied the State. They agreed to furnish all power required by the State at a flat rate of 1 cent per kilowatt-hour.

Governor LANGER's initial victory over the Power Trust saved the State \$40,000 annually. He insisted that the power firms contract to supply power at the 1-cent figure for 10 years, and today the North Dakota taxpayer continues to enjoy the savings engineered by LANGER's first-round knockout of the Power Trust. The \$400,000 saving, over the 10-year period, was an important contribution to his economy plan.

The effort to force the power companies to pay a 12 percent gross revenue tax went into the courts. Six power companies, representing the major power interests in the State, joined in the suit against the law.

The fight to make the power companies pay an increased share of State taxes was based on an official report of the State tax commissioner which showed that the six companies, in 1932, paid out more money in interest and dividends than it cost to run the whole State government. The league legislators argued that any firms able to pay such handsome returns could afford to pay a larger share of the cost of government in the State where they made their profits.

A three-judge Federal court in November 1934 ruled that the 12-percent tax was unconstitutional, on the technical ground that the State board of equalization and not the legislature had the sole right to determine tax rates, and also that the rates must be computed and based on ad valorem methods.

The State at first planned to appeal the decision to the United States Supreme Court, but abandoned the move when it was decided it would be easier to amend the offending law. The legislature of 1935 ratified a State constitutional amendment designed to overcome the legal objections to the move, and the Langer-inspired drive on excess profits seems likely to come to fruition.

LANGER's administration continued to carry the fight to the utilities. The Northern States Power Co., after a costly court battle, was forced to pay \$83,000 in additional taxes after reevaluation by the State board of equalization had increased its tax load.

The law passed by the 1935 legislature empowering the State railway commission to investigate utility values on which rates were based also began to bear fruit.

The railway commission moved into Grand Forks, largest city in the State, to appraise and evaluate the properties of the Red River Power Co. Henry G. Owen, fighting city attorney, cooperated with the railway commission investigators to disclose that Red River Power valuations were heavily padded to serve as a basis for excessive rates. The board, after a thorough probe, slashed valuations by more than \$500,000. The board also ordered sharp reductions in power rates, netting Grand Forks residents annual savings of more than \$72,000.

Savings to residents of Fargo, largest city in North Dakota, were estimated at \$200,000 a year in lowered rates after the railway commission investigators struck "water" in their drilling into the valuations set on their properties by the Union Light, Heat & Power Co., a subsidiary of the Northern

States Power Co. The citizens of Minot, third largest city in the State, benefited by an estimated \$60,000 a year in electric bill savings after the administration was through wringing the "dampness" out of their valuations.

Likewise, residents of 60 towns in southwestern North Dakota, including the capital city of Bismarck, derived important savings when the railway commission ordered a flat 25 percent reduction in rates after the company refused a suggestion to slash rates by 15 percent.

The "direct action" clauses empowering the railway commission to regulate utility rates, which Governor LANGER signed into law after the 1933 legislature, has proved an effective club to bring power rates down to a fair level.

The State moves against excessive rate structures brought reductions not only from the investigated concerns, but other utilities came forward with voluntary reductions when the LANGER administration made it clear that the day of excessive rates was over in North Dakota.

Besides the power utilities, Governor LANGER opened fire on the three major railway lines traversing the State, the Great Northern, the Northern Pacific and the Soo Line.

In 1933 the State board of equalization fixed their combined taxes at \$3,139,391. The railways immediately took the valuation case to court, and upheld payment of all taxes pending adjudication of the issue. The companies asked a combined reduction in taxes totaling \$1,250,232. When the legal battle was over, the taxpayers of the State had another reason for patting the LANGER administration on the back. The railways were ordered to pay more than \$1,000,000 of the amount they sought to have canceled.

The LANGER administration continued the sharpshootings at the utilities by instituting a move to obtain lowered freight rates on intrastate shipments. Later the railways sought freight increases which would have added \$4,000,000 annually to the State's freight bill, a payment which would have come out of the profits of the farmer on his grain to a large degree.

Ben C. Larkin, president of the State board of railway commissioners, and F. P. Aughnau, commission rate expert, represented the State before the Interstate Commerce Commission, and the people of North Dakota won another smashing victory. The ICC rejected the grain rate increase and also a proposed boost in the dairy produce freight rate. It was simply another interest where the "divine right to profit" at the expense of the farmer and common man was denied the big corporations by the Langer administration.

Illustrative of the need for an alert State administration, always vigilant to detect corporate efforts to secure unfair advantages, is the fact that the total valuation of the railways, for tax purposes, was set at \$171,633,448. Governor LANGER was chairman of the tax equalization board which set this figure. The next year, under the administration of Acting Gov. Ole Olson, after BILL LANGER had been harried temporarily out of office by trumped-up charges, the railways obtained a \$34,000,000 reduction in assessed valuation, their 1934 taxable valuation being set at \$137,296,862. The common man's millage rate went up that year, because there was no BILL LANGER around to keep that \$34,000,000 on the State tax rolls.

These constantly reiterated attacks on the power companies, the railways, the money-lenders, and securities companies specializing in livestock loans were bitter enemies of BILL LANGER. Old guard politicians, who had enjoyed soft pickings as the pets of the corporations were enlisted in the ranks of his to-the-death foes. The milling companies had long memories, and LANGER's battle against them, as a spearhead of the 1916 league fight, aligned them in the enemy camp.

They were to become even more bitterly inimical to the battling governor when, in 1933, he invoked his wheat embargo, a move destined to perpetuate his name in history along with his mortgage moratorium as two of the greatest and most humane moves ever made by a governor in defense of a stricken people.

Mr. LANGER. I ask unanimous consent to print at this point in my remarks chapter 18 of the Land of the Dakotahs, by Bruce Nelson, published by the University of Minnesota Press.

There being no objection, the chapter was ordered to be printed in the RECORD, as follows:

#### CHAPTER 18

##### THE GRAPES OF WRATH

In the days following World War I, when crops were so hard hit by drought and black stem rust that they were scarcely worth harvesting, a Dakota farmer was visiting friends in Minneapolis in the hope of finding a city job to tide him over the winter. One day he received a telegram from his wife announcing the birth of a child—a prematurely born infant who weighed only 3 pounds and was being kept alive in an incubator.

Since it was his first-born, the farmer was very proud and passed out the cigars as expansively as his meager means permitted. A couple of his friends, however, kidded him a bit for being so thrilled over the birth of this tiny mite of humanity.

"Listen, fellows," the farmer told them, with a weariness born of grim experience. "Out in Dakota these days we're thankful if we even get our seed back."

There is scarcely less of truth than earthiness in this Dust Bowl tale which gave Northwest farmers one of the few chuckles of an otherwise humorless period. There actually were times when the harvest was less than the grain they had seeded; in other cases, where the yield was moderately high, prices in the eastern markets were so ruinously low that the check the farmer received for a grain shipment was less than the freight charges he had paid to the terminal market.

During the early years of World War I the men who had come west on Jim Hill's trains in the decade of the 1900's saw bumper crops come up on the trans-Missouri prairies. In 1915 North Dakota raised the staggering total of 151,000,000 bushels of wheat—a record that was not to be attained again until the wet and successful years of the middle 1940's.

Then disaster struck. In 1916 the yield dropped to 37,000,000 bushels; in 1917 it was 50,000,000 bushels, only a third of the 1915 crop. Drought such as had never before been seen by most of the homesteaders, coupled with a disastrous black rust epidemic, found the State's farmers losing money even at the price-pegged figure of \$2.20 a bushel, as the average per acre yield dropped from 18.2 bushels to less than 5 bushels.

South Dakota farmers who had settled on the west-river benches suffered in like measure with their northern neighbors, while in Montana conditions were even worse than in the Dakotas. Montana's dry-land farms, which had produced an average yield of 25 bushels to the acre in the early years of the century, dropped in 1919 to a low of 2.4 bushels. All over the upper river valley there was a series of disastrous failures as the drought persisted through 1918-20.

But despite all this, Northwest farmers continued to expand their holdings under the war-inspired program of increased acreage and greater food production. Much sub-marginal land that should never have been broken was torn up and planted to wheat in answer to the Government's plea for more wheat production. Credit was easy to obtain, because men remembered the bumper yields of the preceding decade, and specula-

tive capital was flowing into the country. A few wet years with big yields and high prices could make a man moderately wealthy if he had sufficiently large holdings. Land values soared to inflationary heights as northern plains farmers reached out to purchase additional acres and began to mechanize their farms for extensive operations. Like the new lands they bought, most of the new machinery was purchased on credit at war-inflated prices, while they waited for the rains to come.

And instead of the rains came the first of the dust storms. The wind lifted the loose, powdery top soil and blew it in choking clouds over the parched fields. Northwest homesteaders gaped at the unprecedented phenomenon. This year they would not even need to harvest their crops, for the wind scoured deep into the soil and blew away the very seed they had sown.

Land that they had summer-fallowed and plowed deeply, as Jim Hill's scientists had advised them to do, drifted away now before the ceaseless urging of the wind, leaving gaping holes in the sun-dried fields; the exposed edges of the holes wore outward under the constant erosion until entire quarter sections were stripped of inches of precious and irreplaceable topsoil. Land fertility that had been created through countless centuries of growth and slow building was being ripped away by the fist of the wind in minutes and hours. Exhausted lands where reckless soil mining had been practiced were among the first to wear away under the continual drilling of the wind. Then neighboring fields exposed to the wind's abrasive action began to suffer. Once begun, the terrible denuding continued despite everything the desperate farmers were able to contrive.

Out on the range lands of the cattle country years of drought brought destructive prairie fires, and what growth the fires did not destroy, the fierce rays of the sun parched and stunted until western cattlemen were forced to sell their herds or ship them eastward where feed was available. Special freight rates to enable them to import hay were finally inaugurated, but speculators who saw an opportunity to profit from their desperation sent the price of hay to \$50 a ton. Boxcars loaded with moldy grass were shipped as hay at these prohibitive prices. The cattle industry, like the wheat industry, was rapidly disintegrating.

In 1920 railroad rates went up 17 percent throughout the Northwest; the price of farm machinery doubled between 1916 and the early twenties; and the cost of clothing and other necessities which stockmen and farmers must buy increased sharply. But the prices of wheat and livestock slid steadily downward after the war years, until by 1921 wheat had reached a low of 92 cents a bushel, instead of the \$2.25 of the war period. The farmer, who had bought on credit more land and machinery to produce the war abundance which the Government asked of him, found himself heavily in debt, with the cost of living rising and his market steadily falling.

In effect, the farmer's debt had doubled as a result of the changed conditions: at current prices it took two bushels of wheat to pay the debt that one bushel would have paid a year or two before. And his credit, which had been advanced so liberally during the war years, was now to be taken from him.

The large banks of the Northwest, pursuing the stated policy of the Federal Reserve System, commenced a program intended to deflate the wartime boom in land values, a boom that had been caused largely by their own previous program of reckless extension of credit. This was supplemented by a policy whose purpose was to drive down the too high prices of Northwest agricultural commodities. Northern plains farmers, scourged by drought and crop failure, who were actually losing money even at war-inflated

prices, could only shake their heads at this curious reasoning.

The Government's banking policies, which during the war years had encouraged Northwest bankers to advance credit beyond normal limits in an effort to induce farmers to buy more land, produce more food, and, incidentally, buy more Liberty bonds, were turned now toward curbing inflationary borrowing by forcing the Liberty bonds out of the banks. This the Federal Reserve System achieved in masterly fashion by a drastic curtailment of credit throughout the farming country. The Liberty bonds came out of the banks all right, at 80 cents on the dollar. Not only had the Government broken faith with the purchasers of war bonds; it had, by this same gesture, deprived the Northwest of its only remaining liquid assets.

Northern plains farmers, many of them with unpaid notes for 1, 2, and 3 years in arrears as a result of drought and crop failure, were utterly unable to meet their obligations. Thousands of them, despairing of ever being able to pay their debts, gave up and let their farms and homes revert to the mortgagees. In the decade from 1920 to 1930 there was an exodus from the upper Missouri States of 72,000 persons from North Dakota, 71,000 from Montana, and 42,000 from South Dakota. One-half of Montana's farmers lost their homes through mortgage foreclosure before 1925, and one-fifth of the State's farm acreage, which had been settled so hopefully by Jim Hill's drylanders, was left lying idle. The price of farm lands through the Northwest dropped 50 percent.

But the Federal Reserve System had not done yet with Northwest's tottering economic structure. The rediscount rate of its banks were raised from 4½ percent to as high as 7 percent in some cases. Agricultural paper was forced out of the country's banks until the institutions ceased to be of service to the communities in which they had been designed to function. And next came the additional collateral policy, under which Northwest bankers were arbitrarily driven to put up additional security for previous loans.

The system sought to justify this astonishing plan with the statement that the value of agricultural paper was rapidly dropping under current market conditions. Northwest bankers were well aware of this fact themselves, but they also knew that a farmer's note which may be worth little in a drought year will be perfectly good a short time later. Bankers who sent in notes for rediscount to the Twin City banks found, in certain cases, that the notes were being held as additional collateral for previously discounted notes. At last the Reserve banks refused altogether to rediscount individual notes, and the banker was forced to make a direct loan—submitting a number of notes as security, of which the Reserve bank coolly took its pick in an amount sometimes equaling three times the amount of the banker's loan.

Now, with the sources of credit dried up, the farmer and the livestock producer were forced to sell their grain and cattle to keep alive and to pay up notes which the Reserve banks were calling in. The smashing of high commodity prices which the Federal Reserve System had set out to achieve in the Northwest was accomplished. But in the process it had smashed, too, the economy and the banking system of the States on the northern plains.

By the middle twenties banks were bursting like popcorn throughout the Northwest. Montana lost one-third of her banks by 1924; in 1926, North Dakota lost 59 national banks and South Dakota 115, wiping out millions of dollars of the meager savings of stockmen, farmers, and small-business men.

There is a considerable body of evidence to indicate that the brutal policies of the Federal Reserve system in the Northwest were

not entirely the result of shortsightedness or stupidity. Congressman USHER L. BURDICK, of North Dakota, charged in the National House of Representatives that the Twin City bank gang had controlled the administration of the War Finance Corporation in violation of the purposes and intent of the laws under which the Corporation was established. Under the management of the Twin City crowd, BURDICK asserted, "not a cent of the money lent went to aid agriculture as the act intended." The loans, he said, were made "to country banks holding farmers' paper, but which paper the First National Bank of Minneapolis and the First National of St. Paul were holding as collateral to loans secured by the country banks to which this money was loaned."

The loans, in short, were made only to those country banks which could be forced to endorse the check and return it to the correspondent bank in the East. "When it became apparent that the Twin City bankers were milking the Government and that the losses of this Corporation would be amazing," BURDICK continued, "this same group secured a set-up known as the Agricultural Credit Corporation, established in February 1924, to rediscount paper of the War Finance Corporation, and it worked overtime \* \* \* but was soon taken over by the Federal Reserve Bank of Minneapolis. It was not intended that any cash should be sent to small banks to keep them from closing."

In the tragic case of one North Dakota banker, BURDICK's assertions proved to be quite accurate. This man was able to obtain from the War Finance Corporation a loan of \$25,000, which would have tided his bank over the depression period. But the Minneapolis bankers who held the man's collateral learned of the loan and brought pressure upon him to turn the check over to them. If he refused, they would crack down and close his bank. The banker had to accede to their wishes. Later, when his bank was forced to close, he was given the appointment of deputy receiver and managed to support his family for several years, until some 60 percent of the bank's losses had been repaid. Then the receivership was terminated. Unable to rebuild his life, with a wife and six children to support, his only assets being the insurance he had kept through the years, he took his own life in order to provide for the future of his family.

So, under the cold and ruthless treatment meted out to the smaller banks and the men who depended on those banks for credit, the economy of the Northern Plains States crumpled in bankruptcy and disaster, while the rest of the Nation was busily engaged in an economic joy ride.

Most Americans—unless they happened to live in the Northwest during the years following World War I—will scarcely recognize the foregoing as a picture of the postwar years. Montana and the Dakotas have had little time or leisure to develop writers who make an impact on the national consciousness. The Northwest and its affairs do not loom large on the national horizon. And newspapers and magazines of the day had stories aplenty that were better circulation builders than the dreary affairs of poverty-stricken farmers and ranchers.

For this was the decade of the Roaring Twenties, the decade of Al Capone and Insull, of sheiks and flappers and bathtub gin and jazz, of bulls and bears and "normalcy" and the big money. When New York City brokers were gleefully hailing Andrew Mellon as the greatest Secretary of the Treasury since Alexander Hamilton and were extolling the virtues of capitalism triumphant, nobody troubled to look at the Northwest, where a miniature preview of the coming national debacle was being enacted.

In the Upper Missouri Valley men had another name for the greatest Secretary of the Treasury since Alexander Hamilton, as they

saw their farms and the fruits of lifetimes of toil stripped from them for want of a little sound financial foresight on the part of national leaders. Elsewhere in America it was still a time of Coolidge and Hoover prosperity, of well-filled pockets and miniature golf, of mahjong and gang murders and millionaire bootleggers; in the Northwest—although one can find scant mention of it in the newspapers of the day—it was a time of exodus and desperation, of broken banks and broken hopes and broken lives.

Then, as the roaring twenties merged into the threadbare thirties, something more than a credit drought struck at the northern plains. There began in 1930 a cycle of dry years that were the worst in the experience of the oldest residents. Blinding dust storms that made those of the early twenties seem trifles by comparison swept over the upper Missouri States. Automobiles drove with headlights turned on even at midday to pierce the darkened atmosphere. Dust sifted through the frames of tight-shut windows until it lay drifted a half-inch deep on the sills. Whole farms were carried bodily eastward and dumped into the streets of far-off cities. It is estimated that 12,000,000 tons of rich topsoil fell on the city of Chicago alone in one of the great storms. Soil from the distant farms of Montana and the Dakotas enveloped cities of the Atlantic seaboard with great dark clouds, and ships far out at sea found a dust film settling on their decks. It began to look as if the warnings of John Wesley Powell had not been grave enough; it seemed, to red-eyed farmers who scanned the skies in vain for rain clouds, that their land was in danger of becoming a second Sahara—for wind erosion carries away only the precious and fertile humus, leaving the sand to lie in heaped and furrowed desert windrows.

And it was not only the drought the farmers had to contend with. Even where they were able to produce scanty yields, it benefited them little, for the price of wheat dropped to 40 cents a bushel and lower. Once again the stage was set for agrarian revolt. And once again the revolt came about most effectively in North Dakota, where a resurgent Nonpartisan League returned to power in 1933, during the most trying period in the Northwest's history.

Gov. WILLIAM LANGER, who had taken Arthur Townley's place as the league's recognized head, was largely responsible for the organization's new dominance. For the first time since the famous 1919 legislature the league had complete control of the executive and legislative branches of the State government. Its officials had, too, a decade and a half of political experience to draw upon. But even so, the party's task was no simple one.

The outgoing administration of Governor Shafer had left a bonded indebtedness of \$40,000,000. (It is perhaps pertinent to add that only \$10,000,000 of this amount had been incurred under league administrations; the remaining legacy of \$30,000,000 had been left by antileague governors.) The Bank of North Dakota was carrying \$2,225,000 in interest coupons on these bonds which the State could not meet. The State's bonds were selling at 84 cents on the dollar, and its people were suffering, in many cases, from actual hunger and want. Thousands were leaving for other parts of the Nation in hopes of finding employment. There were \$25,000,000 in unpaid taxes outstanding, school teachers were being paid by warrant; insurance companies and other mortgagees were gathering in North Dakota farms by the score as a result of foreclosures; banks were closing right and left as they had closed in the middle twenties; there had been three successive years of drought and crop failure. And into this seemingly hopeless situation came the league and its new governor on January 1, 1933.

Governor LANGER—later elected to the United States Senate—was soon to occupy a unique position in North Dakota political affairs. In the early days of the league, men were classified as leaguers or anti-leaguers; under Governor LANGER's regime they came to be known as pro-LANGER or anti-LANGER; there was scarcely any other political designation of importance. That situation obtains even today.

LANGER has been called every known variety of scoundrel by his enemies, who number roughly one-half of North Dakota's 640,000 people. But this situation has its compensations, for his followers are as fanatical in their devotion to him as his enemies are in their opposition.

For a clear understanding of WILLIAM LANGER and his career, it is necessary to go back to his early associations and personal history. Born on a farm in North Dakota, he learned early the problems of an agricultural State from first-hand observation and experience. His flair for politics was perhaps acquired from his father, Frank Langer, who was a member of the State's first legislature.

Young LANGER whizzed through high school and the University of North Dakota's law school at such a dizzy pace that he found himself a full-fledged lawyer at 18—3 years too young to practice legally. So the gangling farmer boy packed his bag, dusted off his yellow shoes, and set out for Columbia University in New York City. His political talents were beginning to show themselves even then. Before he was through at Columbia he was elected class president, won the Roelker award for outstanding scholarship, and—for the third time in his life—was graduated as valedictorian of his class. Incidentally, he was chosen by his classmates as the man most likely to succeed.

His brilliant work as the youthful State's attorney of Morton County and his subsequent affiliation with the league as its attorney general have already been told. During the desperate days of the late twenties and early thirties, it was chiefly his work in reorganizing the party that brought him into the governor's chair in January of 1933.

"We must balance the State budget," declared Governor LANGER in his inaugural address. "North Dakota goes into the coming year with unpaid borrowings of \$2,500,000. We have arrived at a point where expenditures of taxpayers' money consume approximately 50 percent of the cash farm income of the State. Continuation of these policies can mean only one thing: bankruptcy. Unless some immediate drastic remedy is adopted to equalize taxation with income, complete ruin faces the farmers of North Dakota."

Such words are often heard from politicians in times of stress, particularly just before an election, but the Governor and the league legislature soon demonstrated that they were not engaging in mere campaign oratory. The biennial budget of the previous administration had been approximately \$10,000,000. Under the league's economy program this was slashed to less than \$5,000,000—and as a result North Dakota led every State in the Union in reduction of the cost of State government in 1933.

With the exception of the elementary schools, every department received such a paring and pruning as had not been seen since statehood. The squawks of jobholding politicians were loud and prolonged, but they were not the only ones to suffer. The State's underpaid college professors suffered further reductions of pay as well; yet there were few complaints from them. The spectacle of an administration which was really balancing the budget—after an election—was too refreshing to cause much criticism except among professional politicians who were being nudged away from the public trough.

When the legislature failed to pare appropriations sufficiently, Governor LANGER seized

his red pencil and vetoed an additional \$500,000. This was, very likely, an illegal use of the veto power, for North Dakota law prohibits the vetoing of appropriations bills in part; but LANGER had always been an advocate of the direct approach. Constitutional limitations did not mean much to him or to the desperate people of the State at the time, as will be seen. At any rate, nobody objected to the further reduction, whether it was legal or not.

Before the 1933 administration the State had been paying from 5 to 9 cents a kilowatt-hour for power furnished its public buildings by private companies. Governor LANGER called in rate experts and had them do a bit of figuring. Their report was illuminating, and a few days later the league legislature approved an expenditure of \$350,000 for the construction of a State-owned power plant. The mere threat was enough. The power companies capitulated and signed a 10-year contract to furnish the State power at 1 cent per kilowatt-hour—a saving of some \$400,000.

Next, with a fine disregard for the United States Constitution which specifically prohibits any embargo, the legislature enacted into law a bill empowering the governor to declare an embargo on the State's produce whenever, in the Governor's opinion, prices became "confiscatory." This astonishing measure was a result of the fact that the Grain Trust had reverted to its old ways in the years of the league's impotence. Arrogant and powerful, it again depressed prices at will, and poverty-stricken farmers, forced to sell their grain if they were to exist, had to dispose of it at any price the syndicate saw fit to offer. But the new administration had a trick or two up its sleeve.

North Dakota produces some 85 percent of all the durum wheat grown in the United States—a fact which gives it a practical monopoly on the product. But an uncontrolled monopoly is as ineffective as none at all. It was this situation that LANGER set about remedying under his embargo powers. The milling and grain interests, which had chuckled at the farmers' unconstitutional law and predicted that it would never be invoked, were startled when LANGER abruptly ordered the cessation of all wheat shipments from the State. Aside from the effect on the supply of durum wheat, which could be obtained nowhere else, the milling terminals found that the withholding of North Dakota's huge hard spring wheat crop—largest of any State in the Nation—had completely upset their plans and schedules.

The price of wheat on the Minneapolis exchange jumped 5 cents the day the embargo was announced and another 5 cents the following day—while the Grain Trust howled bloody murder and brought legal proceedings against the State. LANGER, however, had foreseen what would happen: the processes of the law were slow but the rules of supply and demand were quick and constant. While the case dragged through the Federal courts the price of wheat continued to rise until it had reached a point where Canadian growers could afford to pay the high duty and still ship to the United States at a profit. At this point the Governor lifted the embargo. He would have had to do so soon anyway, for the millers shortly afterward obtained a permanent injunction preventing the State from engaging in any such unconstitutional shenanigans in the future.

"What if it was unconstitutional?" said Governor LANGER. "It worked, didn't it?"

And North Dakota's farmers, who had themselves been trimmed frequently by the grain trade, were more than glad to see the tables turned for once. A hundred Sargent County farmers telegraphed the Governor: "Your action in placing an embargo on wheat is the best thing that has been done in this State in 40 years. We are with you until hell freezes over."

Two days before the embargo took effect, No. 1 dark northern spring wheat was selling at 49 cents a bushel; 5 weeks later the price had gone to 72 cents—a rise that put millions of dollars into the pockets, not only of North Dakota farmers, but of the growers of the entire Northwest. Durum wheat, because of North Dakota's near monopoly, rose to 92 cents a bushel.

There were indirect benefits, too. The league administration's courageous and unprecedented action, even though it was unconstitutional, dramatized for the whole Nation the desperate plight of the farmer and hastened the passage of national legislation for agrarian reform. The Governors of Minnesota, Montana, South Dakota, Iowa, Nebraska, and Kansas wire their commendation of LANGER's stand—though none of them found the courage to emulate his action.

The league turned its attention next to the problem of mortgage foreclosures and evictions, and in April 1933 Governor LANGER issued his famous moratorium edicts. Despite bitter criticism and heavy pressure from certain groups the Governor called a halt to farm foreclosures and evictions, thus keeping thousands of honest but unlucky farmers from being dispossessed for the crime of poverty. His action, labeled by many a travesty of the sacred rights of property, was supplemented by the calling out of the National Guard to enforce the edicts.

"The big-business interests know," declared LANGER, "that as long as I am Governor, until we have good crops and fair prices, the moratoria are going to remain in effect, even though I have to keep on calling out National Guard men three times a day, as I did last Saturday. As Governor I am not going to permit eviction or oppression of debtors, whether they be farmers or small-business men; and if the only way the big business interests figure they can get rid of the moratoria is to remove me, they are right. I knew the penalty that would be inflicted when I declared the moratoria, and I am fully prepared to pay it."

North Dakota farmers breathed easier now. Had some such moratorium on debts been given them in the 1920's, it would have saved thousands of them from losing their homes and farms—for good years always come sooner or later on the northern plains. As a result of the moratorium measures hundreds of farm families were able to keep their homes and farms and pay off their indebtedness soon afterward; there were no savage mortgage riots such as occurred in other States when harried and desperate farmers blasted away at sheriffs with shotguns in a vain effort to stave off eviction; and, largely because of the moratoriums, North Dakota produced but few of that miserable clan that was to become known as Okies.

With the success of their suits to restrain North Dakota from declaring an embargo on wheat, the milling interests had again grown confident. During LANGER's second term they attempted to return once more to their old methods, but this time they found the league men ready. They now had powerful weapons with which to fight for their rights. The work of the 1919 legislature, with its program of State-owned credit facilities and a State mill and elevator, bore rich fruit in the hard years of the middle 1930's.

Black-stem rust ravaged North Dakota's wheat crops in the year 1937. While the scourge did not always ruin the grain it attacked, it invariably resulted in a harvest of lightweight wheat. The work of Dr. Ladd of the State agricultural college 20 years before had shown northwest farmers that lightweight wheat often had a high protein content and was of excellent quality for milling purposes.

Farmers had forgotten these lessons in the years that had passed, and they were totally unprepared for the action of the Grain Trust when, on the evening of July 22, 1937, the price of 37-pound wheat was suddenly

reduced from 89 to 37 cents a bushel—a drop of 52 cents in a single night. Millions of bushels of the State's crop were of lightweight quality that year, and the action of the grain trade meant a loss of millions of dollars to farmers of North Dakota and the whole upper-river valley.

But the men of the Nonpartisan League had not forgotten the early days of the party's organization. Governor LANGER at once called a meeting of prominent State and farm leaders at Fargo, and men were dispatched throughout the State to secure two-pound samples of wheat, which were rushed to the State Mill & Elevator at Grand Forks, where the grain was threshed, milled, and baked into bread. Three days after the trust's reduction of the price of lightweight wheat, the governor had his answer: the wheat was ideal for the making of high-quality flour.

Through the Industrial Commission, which the league had originally established to conduct the State-owned enterprises, the State Mill & Elevator at once offered 37 cents a bushel above market price for the lightweight wheat. A day later the price on the Minneapolis market zoomed upward to meet the mill's offer and in some cases went even higher, a tacit admission that the milling interests had been planning a gigantic robbery.

Now if ever the league's long and bitter fight for a State-owned grain elevator and mill was justifying itself. For 60 days the price was kept up, with the grain trade meeting the State's prices, and this brought to the farmers of North Dakota alone an estimated \$10,000,000 which would otherwise have found its way into the pockets of market speculators. The total amount invested by the State was \$12,000, the sum expended in buying wheat before the grain trade raised its price to correspond with that of the State Mill & Elevator.

In 1938 the State's leaders, recalling the attempt of the previous year, watched carefully for a repetition of the grain trade's tactics. But the syndicate capably refrained from quoting any price at all on 37-pound wheat. Instead, it drove the price of durum wheat down to 48 cents in a minor variation of its former procedure. Governor LANGER, recalling the Federal court injunction of several years before, again turned to the State Mill & Elevator to rescue the price from these unprofitable depths. The mill announced that it would pay 65 cents a bushel instead of the quoted market price of 48 cents.

"I am not going to monkey with any embargo," LANGER declared. "We will buy the wheat outright. We have the money and the credit, and the wheat is worth twice what we will pay for it." It was worth at least 65 cents a bushel, at any rate, for the Minneapolis market at once rose to meet the mill's offer, and again northwest farmers benefited to the extent of millions of dollars.

Good times were coming back to the northern plains as Governor LANGER and the league administration went out of office on January 1, 1939. Eighteen million dollars of the bonded indebtedness of forty million which LANGER had inherited was paid off by the close of his second term. North Dakota bonds, which had been selling at 84 cents on the dollar when the league administration took over in the bleak days of 1933, were selling at a dollar and a quarter on the dollar when the league went out of power in 1939.

An unbiased observer will discern a curious paradox here. He will be inclined to wonder why an administration with such an excellent record as the league established during the 1930's should be voted out of office to be replaced by its opponents. The question is puzzling even to North Dakotans.

It is axiomatic in the State's politics that the league prospers in times of agrarian adversity and invariably loses ground in times

of prosperity. Beginning in 1940, North Dakota had an unbroken cycle of wet years with high prices which brought to the State the greatest prosperity it had ever known. The years 1940 to 1946 yielded the longest straight succession of bumper crops since the white man first sank his plow into the earth's cover. The average gross income per farm in North Dakota in 1945 was almost eight thousand dollars. And since the league thrives on adversity and agrarian discontent, there was little fertile ground for it to exploit.

But John Wesley Powell's "years of disaster" will come again. When they do, if history is a true teacher, the farmers of the State will turn again to the Nonpartisan League as they have done in the past. Whether or not this condition is a healthy one politically, it would be idle to debate. The State's administrations are usually about equally divided between leaguers and nonleaguers, and the government suffers from the factional pulling and hauling that results. This is unfortunate, of course, but the benefits the league has brought to North Dakota in the way of progressive legislation far outweigh any inconveniences which have resulted from a divided political system.

Today in North Dakota the league is just another party. The extreme bitterness and violence of early days is gone, although the State's political fights are still heated and strongly contested. Farmers no longer look upon every businessman, lawyer, and banker as a tool of Wall Street and a greedy agent of Big Biz. Nor do reactionary businessmen, bankers, and lawyers any longer refer to Leaguers as "free lovers," Bolsheviks, anarchists, and Reds. Not even an archconservative would dare advocate today the abolition of the State-owned mill and elevator or the Bank of North Dakota. The men who fought these projects as socialism 20 years ago are today forced to approve of them publicly if they wish to be elected.

Antipathy between leaguers and nonleaguers is today largely based upon force of habit. There is no longer anything radical about the Nonpartisan League—for with the passage of the years the radicalism of yesterday has become the accepted governmental philosophy of today. Nonetheless league opponents maintain their opposition, which is no longer without valid foundation, while on the other hand, the league continues to arrogate to itself a liberalism which it is no longer alone in possessing. There are many men in the league today who could be classified as conservatives, although they were progressives when they became leaguers 30 years ago. They have not moved forward since that time, while the world has—but they are unaware of this fact and still think of themselves as progressives.

The Bank of North Dakota has been a consistent success, despite gloomy predictions that it would fail; it turns over a neat half million dollars a year in profits. The State Mill & Elevator was for many years, under both league and antileague administrations, mismanaged and packed with faithful pay-rollers. But since it has been taken out of politics and efficiently managed, it too has been steadily profitable; it likewise made a profit of half a million dollars in 1945. And its intangible savings to the State's farmers have been inestimably greater than that.

The most important work, perhaps, that is being done by the league today is its attempt to maintain the family-sized and self-owned farm against the rising threat of huge estates operated by hired hands. The Farmers Union, the most powerful farm group in the upper Missouri Valley, is a leader in the fight for the family sized farm union. Upon the efforts of these twin groups in North Dakota rests the social and agricultural future of the State. Vast mechanized farms run by skilled personnel are admittedly more efficient; whether they are socially more desirable is the question at issue. Until recent



years tenant farming had increased alarmingly in the Northwest; today, with good crops and high prices, it is again on the wane.

But the issue must be met in the near future. Whether the northern plains will be a land of self-owned farms operated by independent and free men, or whether it will be, in Sinclair Lewis' phrase, a land of "placid châteaux ringed by sullen huts"—that is the question. The league and the Farmers Union are willing to sacrifice a modicum of efficiency for an economy of free and independent growers. Tenant farmer is only the northern term for sharecropper, and the lot of the northern serf is little better than that of his Dixie counterpart.

Strong and practical steps have been taken under the Nonpartisan League and the Farmers Union to see that it does not happen in North Dakota. An anti-corporation-farming law, which prohibits any corporation of any kind from engaging in farming activities in the State, has been passed and upheld by the Supreme Court of the United States. A graduated land-tax measure, which would discourage the accumulation of huge holdings by wealthy exploiters, has been sponsored by both organizations. It will be interesting to see where the struggle ends: Whether, as in unluckier industries than agriculture, efficiency triumphs over independence.

Not only in political matters did the Northwest wake up to the threats it was facing during the terrible twenties and early thirties. Out of the struggle of man against the elements during the drought and the dust storms grew a hard-won and specialized body of knowledge that will make future periods of agricultural depression infinitely less difficult to bear.

The policies of the United States Soil Conservation Service and the work of the Reclamation Bureau, which were considered revolutionary 15 years ago, are eagerly accepted today by farmers who didn't want anybody telling them how to farm in the days before the agrarian tragedy of the thirties. Conservation of rainfall and the control of wind and water erosion, measures urgently needed in the upper river valley, are now being carried out on an extensive scale. The methods are many and varied: the replenishing of organic matter in the soil; balanced livestock and farming operations; the use of protective vegetation in the form of grass, legumes, stubble mulch, and windbreaks; stock-water ponds; proper distribution, rotation, and deferment of grazing; and adjustment of the animal population to the capacity of the land.

Strip and contour farming—two inestimable boons to the Great Plains—also grew out of the desperation of the drought days. Contour farming, the process by which the natural formation of the land is followed in cultivation, not only has proved easier on men and machinery in working the soil, but has had valuable effects in conserving moisture and arresting erosion. It is strip farming, though, an agricultural device as old as agricultural man, that has provided at least a partial answer to the problem of wind erosion on the dryland plains of the Northwest.

In strip cropping, the land is plowed in narrow strips, with a band of unbroken soil left between each two cultivated strips to bind down the earth. Set broadside to the wind, the breaks serve as an effective check to its insistent gnawing. As the ancient terraces of China's rice fields serve to prevent water erosion, so do the protective bands of strip cropping prevent erosion by the wind through offering a series of successive checks as it sweeps westward over the plains.

Never again, even in case of drought as severe and protracted as that of the thirties, can the disaster to the economy of the northern plains be as appalling as was that of the Dust Bowl days. New methods, intelligent planning, and bitter experience have left the farmers of the Northwest in a far

better position to meet any future dry and barren periods which may come—as they surely will come sooner or later. And most important of all, the harnessing of the mighty Missouri which is even now taking place in the upper river valley will transform the land and mold its future as nothing has done since Thomas Jefferson purchased it from Napoleon almost a century and a half ago.

Mr. LANGER. Mr. President, we come now to the last law which was passed by the Nonpartisan League when it was in full control of the State of North Dakota, law No. 15, a law against immoral teachings in the schools. All of the proposals proved to be politically, if not always economically, successful except for the home-building association.

I now ask unanimous consent to have printed in the RECORD an article which appeared in the CONGRESSIONAL RECORD on March 4, 1950, entitled "Bonding Unit Makes Money While Giving Services Free."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**BONDING UNIT MAKES MONEY WHILE GIVING SERVICES FREE**

BISMARCK, N. DAK.—The North Dakota State Bonding Department is making money while giving its services away.

For the past 2 years the department has written bonds for State, county, and municipal officials which called for fees of more than \$176,000.

All but \$292 of the fees were waived, but the department fund still has more money now than at the beginning of 1948.

During the 2 years the department's fund has gained more than \$55,000, almost all of it from interest on investments.

The 1947 legislature passed a law providing that premiums for bonding State and local government officials could be waived as long as there was more than \$1,000,000 in the fund.

State Insurance Commissioner Otto Krueger points out that last year's operations cost only about 24 percent of the interest earned from the department's investments.

The department now carries bonds, he said, totaling more than \$33,470,000, with its assets at the end of 1949 amounting to \$1,424,863.

Mr. LANGER. Mr. President, I also want to call the attention of the Senate to the fact that under the Nonpartisan League, the first old-age-pension law in the entire United States was passed in 1933, this was before the Townsend plan or any other old-age-pension plan had ever been heard of. Likewise, Mr. President, North Dakota, under the Nonpartisan League, was the first State in the Union, so far as I know, to give free education to high-school graduates wanting to go to college, letting them borrow from the Bank of North Dakota, at 1 percent interest, \$300 for each of the 4 years of their education, a total of \$1,200. All we did was to take the note signed by the minor, sometimes also signed by the parents, relying upon the honesty and integrity of the boy or girl. One thousand two hundred of those young boys and girls became dentists, lawyers, farmers, graduates of agricultural college, and school teachers, or have graduated to enter other professions, by reason of the fact that the Nonpartisan League organized the Bank of North Dakota, which made it possible for them to get the money at 1 percent

interest, to be paid following graduation, at some time in the dim and distant future. I remember the cry that went up all over the State. It was said that the money would never, never be paid back. Yet the record today shows that following graduation, 96 percent of those young men and women have repaid the loans to the Bank of North Dakota, showing that the young men and women are honest. Also, when we consider the 1 percent interest, it shows the Bank of North Dakota had no loss at all.

Mr. President, from its inception, the Nonpartisan League has fought monopolies and cartels of all kinds and descriptions. It has been the best friend the small-business man in the State of North Dakota has had.

In conclusion, I want to say I regret that at the hearing today, an opportunity was given to the enemies of the Nonpartisan League again to sneak around and tie up, if they possibly could by false innuendo, the Nonpartisan League and Russian communism. In the old days, we heard the cry about being bolsheviks, and I remember many other names which were applied to the farmer-labor movement in North Dakota and to small-business men. I only hope that if any of the Senators become aware of any attempts to blacken the name of the State of North Dakota, or of the Nonpartisan League, they will get the speech I have given them today, which truly represents the facts as they honestly and truly are, and that they will do the best they can to overcome the testimony, if we may call it that, by Mr. Budenz, before the Committee on Foreign Relations. If it was done to scare the people of North Dakota in the election on June 27, it will not succeed. You see, Senators, our people are too smart politically—we have had our eye teeth cut.

**LEGISLATIVE PROGRAM—ORDER OF BUSINESS**

During the delivery of Mr. LANGER'S speech,

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. LUCAS. When the Senator from North Dakota concludes the interesting address he is delivering now, the Senate probably will take a recess until tomorrow at 12 o'clock.

Today we have had two speeches upon the ECA bill. Apparently no other Senator is ready to speak today on this important measure. I hope all Senators who plan to make speeches on the European recovery program bill will be ready to deliver their speeches in the near future, so that at least some of them will be ready to speak on that bill tomorrow, in order that we may move forward as rapidly as possible to the point where we shall have a vote upon some of the amendments to the bill.

In other words, Mr. President, if no speeches are to be made tomorrow on the bill, then I shall propose that we begin the reading of the bill and begin to take action on the committee amendments; and if we do not do that tomorrow, then on Saturday,

It is my understanding that some Senators plan to leave the city tomorrow. I hope that Senators on both sides of the aisle who are to make speeches on the bill will be prompt in making them. Certainly we should conclude action on the bill next week, at the very latest.

As I have said before, much important business is awaiting action by the Senate. The calendar is heavy with important measures. So I should like to have the Senate conclude action on the ECA bill by the end of next week, if not before.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BREWSTER. Has the majority leader as yet formed any conclusion as to what measure might follow the ECA bill?

Mr. LUCAS. When we conclude action on the ECA bill, I may say to my friend the Senator from Maine that a motion will be made to take up the fair employment practices bill.

Mr. BREWSTER. Period?

Mr. LUCAS. Period.

Mr. WILLIAMS. Mr. President, will the Senator yield to permit a question?

Mr. LANGER. I yield.

Mr. WILLIAMS. I understand that tomorrow the business of the Senate will be confined to the ECA bill. Is that correct?

Mr. LUCAS. No; I would not say that. For instance, there is awaiting action a bill involving daylight saving for the District of Columbia. That is an emergency measure; but the consideration of that bill was objected to yesterday, during the call of the calendar, by the distinguished Senator from Virginia and the distinguished Senator from Arkansas. We should be able to dispose of that measure in several hours. I know of very little objection to it. We might take it up tomorrow.

I had hoped we might take up the bill for the extension of the Commodity Credit Corporation Act, which is on the calendar. I know that the Senator from Delaware [Mr. WILLIAMS] has told the Senate that he wishes to be away tomorrow; and I know that the Senator from Massachusetts [Mr. SALTONSTALL], who is interested in that measure, cannot be here then. Therefore, certainly I shall not insist that it be taken up when those two Senators are away, because both of them are interested in it.

Mr. WILLIAMS. I thank the Senator from Illinois very much.

Mr. LUCAS. I hope the Senator from Delaware has a good time while he is away, and I hope he will make a good speech, and will return to the Senate next week in a cooperative spirit, so that we can expedite action on the Commodity Credit Corporation bill, because I wish to do what I can in that respect.

Mr. WILLIAMS. I assure the Senator from Illinois that it will be a good speech, and I wish the Senator from Illinois could accompany me, so that he could enjoy it.

Mr. LUCAS. If I did not have another engagement, I would be happy to accompany the Senator from Delaware and to listen to the kind of speech he makes when he goes home.

Mr. President, I should also like to announce that if we run out of something to do tomorrow afternoon in the way of making speeches on the pending measure, the so-called Kefauver resolution is on the calendar awaiting action, and it is very possible we shall take that up. In other words, the Senator from Illinois is not going to take a recess in the middle of the afternoon, if Senators run out of words with respect to the pending measure.

#### COMMUNIST PROBLEM IN HAWAII

Mr. BUTLER. Mr. President, the statement regarding the Communist problem in Hawaii, attributed to Representative VELDE, of Illinois, a member of the House Un-American Activities Committee, now in Hawaii, seems almost unbelievable to me. According to this morning's newspaper, Mr. VELDE said that the hearing had so far demonstrated that the Communist problem in Hawaii was no more serious than elsewhere in the United States.

To the contrary, evidence already collected by the committee bears out conclusively every statement I made regarding the danger of communism there in my report on statehood of last year.

Already 39 witnesses before the House committee have chosen to hide behind their constitutional immunities rather than answer the committee's questions on communism in a forthright manner. Numerous Hawaiian Communists have been definitely identified as such by testimony that is thoroughly convincing. The charges against specific Communists which I made in my report have been backed up repeatedly by the evidence presented to the House committee.

Testimony before the committee has indicated strongly that the entire top leadership of the one big union in Hawaii, the International Longshoremen's and Warehousemen's Union, is Communist. Certainly in none of the United States is there any such situation where virtually all labor-union activity is under Communist control.

The House committee has already exposed as Communists or former Communists two members of the Hawaii constitutional convention, and there may be others to come. Each day brings new testimony about high Territorial officials and other influential persons who are or who have been Communists. Communism is the extreme exception "elsewhere in the United States," but it seems to be almost the rule in Hawaii.

#### REVISION OF LAWS RELATING TO IMMIGRATION (REPT. NO. 1515)

Mr. McCARRAN. Mr. President, on July 26, 1947, the Senate passed Senate Resolution 137 which directed the Senate Committee on the Judiciary, or any duly authorized subcommittee thereof, to make a full and complete investigation of our entire immigration system. Pursuant to this resolution which was subsequently amended and extended, a subcommittee of the Senate Committee on the Judiciary has, over the course of the last 2½ years, been engaged in an intensive investigation and study and is today submitting to the Senate its report and recommendations.

I feel that this is a most thorough study. In the development of this study literally tens of thousands of pages of testimony have been taken from our immigration officials, consular officers, and representatives of various organizations interested in our immigration system. The report not only gives a clear picture of the problems of immigration but goes further in pointing out the leaks in our present system.

As chairman of the subcommittee, I am also introducing an omnibus bill which constitutes a complete revision of our immigration and naturalization laws.

In the preparation of this omnibus bill the subcommittee has been materially assisted by the experts of the Immigration and Naturalization Service and of the Visa Division of the Department of State. This bill has not been hastily conceived. It has evolved only after careful study of the many complicated facets of our immigration and naturalization system and after thorough study of the hundreds of enactments which constitute the body of our present immigration and naturalization law.

I sincerely feel that this proposed legislation, prepared from the findings of the subcommittee, is designed to eliminate the weaknesses in our immigration and naturalization laws and will put our immigration and naturalization policy on a sound basis.

While the new bill embodies many of the provisions of the previous laws it also presents several major changes in policy which are:

First. Simplification of the quota system, but maintenance of approximately the same basic formula for determining the number of people allowed to enter the United States.

Second. Establishment of a principle of selection, within the quota system, that is geared to the economic needs of the United States.

Third. Removal of racial discrimination by permitting quota immigration from Asiatic Pacific areas from which persons of certain races were previously excluded.

Fourth. Tightening of the screening procedure for applicants for admission and clarification of deportation proceedings under which undesirable aliens may be deported.

Fifth. Plugging of the loopholes in the present law through which subversive elements have been gaining admission into the United States.

The bill further provides many important changes in naturalization, among which are:

First. Provision for more thorough investigations of applicants for citizenship.

Second. Tightening the requirements for citizenship.

Third. Provisions which would give greater assurances that citizenship shall not be promiscuously endowed on subversives and other undesirables.

Mr. President, the last general investigation of our immigration system was made by the Congress beginning in 1907 and continuing until 1911. As a result of this investigation there evolved a series of enactments which were designed to

meet the problems of that era. It is my sincere hope that the fruit of the labors of the subcommittee will meet with the approval of the Senate. I trust that every Senator will study the report and the provisions of the omnibus bill, to the end that we may shortly establish a fair, just, and sound immigration and naturalization system, designed to meet the problems of this era.

Mr. President, I offer the resolution which I send to the desk, and I also submit the report. The resolution would provide for the printing of the report. I should like to have the resolution considered by the Senate at this time, if that is agreeable to the majority leader. If it is not agreeable, I shall gladly postpone the request for its consideration.

Mr. LUCAS. Mr. President, I should like to know what the resolution provides. I assume that it will be perfectly satisfactory, but I should like to know what it contains.

The PRESIDING OFFICER. The resolution will be read, for the information of the Senate.

The resolution (S. Res. 262) was read, as follows:

*Resolved*, That the Committee on the Judiciary be authorized to have printed for its use 1,100 copies of Senate Report No. 1515, a report pursuant to Senate Resolution 137, Eightieth Congress, first session, as amended, relative to an investigation of the immigration system.

Mr. LUCAS. Mr. President, let me inquire of the Senator about the cost.

Mr. McCARRAN. The cost is within the rule and within the regulation prescribed. Another rule would require that the resolution be referred to the Joint Committee on Printing if the cost and the number of copies proposed to be printed exceeded the other limitation. However, as I understand, the resolution need only be referred to the Committee on Rules and Administration, for approval.

Mr. LUCAS. Has it been approved by the Joint Committee on Printing?

Mr. McCARRAN. Not as yet, but it has been approved by the subcommittee of the Judiciary Committee.

Mr. BREWSTER. Is the resolution the subject of the Senator's recent remarks in the Senate?

Mr. McCARRAN. I have been reporting on Senate Resolution 137, adopted in the Eightieth Congress, providing for an investigation of the immigration and naturalization laws of the United States. This is a report of the committee, pursuant to that resolution.

Mr. BREWSTER. How extensive is the report? Is it what the Senator from Nevada has just been reading?

Mr. McCARRAN. No; I just submitted the report and sent it to the desk. We are asking to have the report printed.

Mr. BREWSTER. As I understand the Senator, he says it is within the rule. Is that correct?

Mr. McCARRAN. Yes; the number of copies we are asking to have printed comes within the rule.

I wish Senators to understand that this resolution must be referred to the Committee on Rules and Administration, and we must receive from it au-

thority to have the copies printed. If request were made for the printing of a greater number of copies than the number now being requested, the resolution would have to go to the Joint Committee on Printing.

Mr. BREWSTER. Will the Committee on Rules and Administration report the resolution to the Senate?

Mr. McCARRAN. The Committee on Rules and Administration will report it to the Senate, if I am correctly informed.

The PRESIDING OFFICER. The Chair understands that the Committee on Rules and Administration would report the resolution to the Senate.

Mr. McCARRAN. Yes.

Mr. BREWSTER. At that time the Senate would have an opportunity to consider the resolution further. Is that correct?

The PRESIDING OFFICER. The resolution would have to be adopted by the Senate before the permission sought could be granted.

Mr. BREWSTER. Would that be after the Committee on Rules and Administration had reported or after the Joint Committee on Printing had reported?

Mr. McCARRAN. After the Committee on Rules and Administration had reported.

Mr. BREWSTER. Very well; I have no objection.

The PRESIDING OFFICER. Of course the Committee on Rules and Administration would act upon the resolution and would report to the Senate, as in the case of all similar matters. The resolution will be received and referred to the Committee on Rules and Administration.

The report will be received and printed.

The resolution (S. Res. 262) was referred to the Committee on Rules and Administration.

Mr. McCARRAN. Mr. President, I now ask unanimous consent to introduce for appropriate reference a bill relating to revision of the laws relating to immigration, naturalization, and nationality.

There being no objection the bill (S. 3455) to revise the laws relating to immigration, naturalization, and nationality; and for other purposes, introduced by Mr. McCARRAN, was received, read twice by its title, and referred to the Committee on the Judiciary.

#### TREND OF EMPLOYER OPINION ON TAFT-HARTLEY LAW—ARTICLE BY LUIS A. IRELAND

Mr. MORSE. Mr. President, there are just a few words I want to say in regard to certain trends of employer opinion in America in respect to the Taft-Hartley law, as a basis for asking unanimous consent to have published in the body of the RECORD an article by the manager of the industrial relations conference at San Francisco, Mr. Luis A. Ireland, on the subject Whence Came the Taft-Hartley Law, and Whither Are We Going?

It has been interesting to me as one who was among those who led the fight against the passage of the Taft-Hartley law in 1947, to notice the shift of opinion which has occurred among American

employers generally in respect to that law. It is interesting to note that, while in 1947 a great many employers thought that the Taft-Hartley law was the great panacea to meet the employer's need for protection from labor abuses—and they had such need in 1947, and they still have it—many of them have now come to recognize that the Taft-Hartley law is in need of great revision. In fact, I have been reading the writings of a good many employers during the last 2 years and I have had discussions with them in regard to what they now recognize to be the shortcomings of the Taft-Hartley law. It is interesting, and somewhat satisfying, too, to note that many employers now are saying some of the very things some of us who opposed the Taft-Hartley law in 1947 said on the floor of the Senate before that final and most unfortunate vote was cast.

Mr. Luis A. Ireland is a representative of that type of employer opinion. He is a man who for a good many years has worked in very close relationship with employer groups in handling industrial relations in behalf of employers. I should like to read a paragraph or two from his article. He says:

None but a blind partisan would deny that it was public resentment toward the extremists in organized labor that resulted in the passage of the Taft-Hartley law with its mixture of good, bad, and uncertain provisions. Just as all employers in interstate industry were brought under the good, bad, and uncertain provisions of the Wagner Act, which became law because of the extremists among employers ignoring a liberal-minded public's desire for a new deal for the masses, so all of labor came under the rain which fell on the just and unjust alike from the storm their own extremists created.

Mr. President, quite a few of us during the debate in 1947 and during the Senate committee hearings which preceded that debate forewarned American labor leaders that they were getting outside the framework of public opinion, and urged them in the hearings in the caucus room in the Senate Office Building that unless they sat down and cooperatively worked with the members of the committee in the development of a labor law which would be fair to both sides, they were bound to wake up some morning and discover that the Congress of the United States had passed extreme legislation. They would not listen to our advice, Mr. President. Their answer to every question we asked them as to what proposals they thought ought to be adopted to check what the record showed very clearly were labor excesses and abuses was a dogmatic "No"—no legislation at all.

So, Mr. President, Mr. Ireland is quite right when he points out in this article that the Taft-Hartley law was the product of extremists in the field of labor. I should like to say, Mr. President, that I think it was also the product of extremists in industry as well.

Mr. Ireland is also quite right when he points out in his article that the Wagner Act was as extreme from the standpoint of its broad labor tendencies as the junior Senator from Oregon is satisfied the Taft-Hartley law is extreme from the standpoint of its discriminatory features in favor of employers. There is a tend-

ency in the law which places the Government on the employers' side of the table.

Thus the junior Senator from Oregon, in agreeing with at least the objectives of Mr. Ireland, once more, for the Record, says that we still have a great job to do in the Congress of the United States with respect to passing labor legislation which will meet what I think is the basic test, namely, to have a law which will be equally fair to employers and to labor, which will give to each the same procedural rights and safeguards, which will protect the public by seeing to it that the same rules of the game are applied to both teams, and which will also minimize, to the extent possible in the public interest, Government interference in the field of labor relations. I hold firmly to the view that we cannot have a sound system of voluntary, good-faith collective bargaining unless it is recognized that Government interference through any provision in a statute which is unnecessary limits and handicaps voluntary collective bargaining, because such legislation causes one party or the other to come to rely upon the legislation if he thinks that through it he can gain some advantage over the other party.

One of the serious charges against the Taft-Hartley law—and I think there is much evidence to support the charge—is that the employers believe, or are coming to believe, that in certain types of cases, at least, it gives them an advantage over labor. Thus I believe we need to reexamine the law—would that we could do it at this session of Congress, as I think we should—to the end of seeing to it that there is eliminated from it any and all procedures which any factual study will show discriminate in favor of one side or the other, and then try to write a law which really makes the public interest paramount.

I agree with Mr. Ireland's statement that the Wagner Act violated the same principle of fairness and nondiscrimination for which I am now pleading. For example, the Wagner Act did not give to the employers the same procedural rights and protections which it gave to labor. They could not even protest and have a hearing on a complaint against the unfair labor practices of unions.

There is another paragraph in Mr. Ireland's article which I think is worthy of reading, because in this article he gives a brief survey of some of the conditions which existed in the beginning, between 1900 and the 1920's, showing the need for a fair attitude on the part of employers. He points out that there were extremists in the period from 1900 to 1920 whose actions gave rise to some of the demands on the part of unions which, in turn, developed into excesses. He says:

It was only as far back as on July 31, 1919, that the Portland Oregonian, a Republican paper, said in an editorial:

"The report of the Inter-Church World Movement on the steel strike contains a lesson for both the steel corporation and its employees \* \* \* Public opinion does not approve of shifts 11 to 14 hours long, nor of arbitrary power of bosses, nor of absolute denial of the right to organize."

Then the article goes on to say:

The churchmen had reported, "If the 12-hour day is bad for the country, the Government is to blame and as long as it fails to tackle the 12-hour day it imposes upon the trade-unions alone the humane task of moving the steel corporation in the direction of reform. Moreover, the conclusion is inescapable that a real cause of the persistence of the 12-hour day and the 7-day week is the defenselessness of the unorganized immigrant worker. Again the Government, as much as the steel corporation, is to blame, and again the Government has seen fit to leave the field of reform to the trade-unions."

Of course we have gone a long way, Mr. President, since those days of exploiting labor, since those days when American workers were considered as commodities to be bought and sold on the labor market of America. Yet it is well, as Mr. Ireland does in his article, to reflect every now and then upon some of the abuses in the American labor scene which gave rise to some of the demands on the part of the workers of the country for legislation, such as the Norris-LaGuardia Act, which is one of the great pieces of legislation passed by my party. In my opinion is one of the greatest pieces of labor legislation, so far as protecting the rights and freedoms of workers is concerned, ever passed by the Congress. I include legislation such as the Wagner Act, which, in my opinion, as I have said so many times, was defective because it did not provide for equality of treatment and a fair and equal application of the rules to both the employers and the unions.

I should like to read one other paragraph from this article:

On June 26, 1947, Prentice-Hall in their Labor Report on the passage of the Taft-Hartley bill under the headline "The morning after," asked: "Feeling happy about the new law? Or do you think labor-management relations have been set back 20 years?"

Then Prentice-Hall went on to say:

Every single right given to management is a potential headache.

I digress from the quotation, Mr. President, to say that both management and labor should never overlook the fact that when they permit conditions to arise in the field of labor relations because of which the public says, as it has a right to say to its elected Representatives, "These abuses must now be corrected to the extent that they can be corrected by legislation, since the parties have evaded their responsibilities to correct them by way of voluntary, good-faith action through collective bargaining and voluntary procedures for peaceful settlement of disputes." Thus there is caused a public demand for legislation. Let both American employers and workers always remember that whatever legislation may be enacted, they buy some headaches for themselves, too, because legislation necessarily means some restriction upon voluntary action, which was privileged, had they wisely used it prior to the passage of the legislation.

I think it is unfortunate that it became necessary, because, as Mr. Ireland points out in his article, some extremists within the employing class of America became so guilty of abuses that legislation such as the Wagner Act, which

turned out, in my opinion, to be unfair in some respects to employers, was passed. Likewise, I think it is equally unfortunate that some extremists in the ranks of labor became guilty of abuses which put all of American labor in January, February, and March of 1947, or by those dates, outside the framework of public opinion, resulting in the passage of the Taft-Hartley law.

Many restrictions were placed on the freedom and the privilege of voluntary action on the part of both employers and workers by the Taft-Hartley Act. The Taft-Hartley Act is not all one-sided, Mr. President. It has some restrictions in it on employers, too, which I wish American employers and American labor leaders had been able to avoid by their own voluntary action prior to the arousing of public opinion which demanded action in the field of labor legislation, as that opinion had become aroused by January 1947, when we convened in that session of Congress.

I go back to the reference in the Prentice-Hall articles:

Then Prentice-Hall went on to say: "Every single right given to management is a potential headache. The law is riddled with ifs, ands, buts, whereas, and provideds. It will be years before these are cleared up." To this Prentice-Hall added: "Long-established shop practices will have to be changed right away. Many smoothly working contract provisions—the result of years of collective bargaining—are now outlawed. A well-meaning employer—trying to get along with the union—may find he has unwittingly committed a crime."

Mr. Ireland says:

Congress could not have written the ban on the closed shop; the ban on the freedom of the labor press; the affidavit provision; the political-contribution provision; the ban on foremen being part and parcel of a collective-bargaining agency, even though some line should be drawn in this case; nor would they have written the union-shop provision or the provision regarding elections, had the one and only thought been to promote peace in Nation-wide industries, or industries affecting interstate commerce.

At another point in his article Mr. Ireland says:

Statutory law is a poor substitute for decent human behavior.

Frequently many of us have argued on the floor of the Senate, when labor-legislation proposals have been pending, that good-faith behavior cannot be legislated. Nor can legislation change the human factors involved in labor relations.

Mr. Ireland says:

There are some industries where behavior on both sides of the bargaining table has been anything but rational for a very long time. That is largely because the legal representatives (who ought to know better) of both employers and employees have had so little confidence in their cause that they have indulged in name-calling and other tactics not conducive to promoting harmonious relations.

Then, referring to certain articles which appeared in both Life and Business Week, Mr. Ireland says:

Life is a conservative publication, yet it had a full-page editorial (November 29, 1948) headed "The Taft-Hartley Act—It is no 'slave-labor law'—but there are good reasons for changing it."

In my opinion, that editorial is one of the first pieces of writing in any great periodical, Mr. President, which started to show the shift in attitude among many groups in this country to the effect that there was a need for revision of the Taft-Hartley law.

Then Mr. Ireland quotes that now well-known editorial in *Business Week*, as follows:

*Business Week*, voice of big business organization, December 18, 1948, said in an editorial: "The Taft-Hartley law has failed \* \* \* it went too far. It crossed the narrow line separating a law which aims only to regulate from one which could destroy."

Mr. President, before closing my remarks, I ask unanimous consent to have printed at this point in the *RECORD* the complete article by Mr. Ireland entitled "Whence Came the Taft-Hartley Law—and Whither Are We Going?"

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

WHENCE CAME THE TAFT-HARTLEY LAW—  
AND WHITHER ARE WE GOING?

(By Luis A. Ireland, manager, Industrial Relations Conference, San Francisco, Calif.)

Luis A. Ireland, for more than a score of years secretary of the Printers' Board of Trade in San Francisco, which organization disbanded just before the war, has since been operating as a labor-relations consultant chiefly for firms in the Graphic Arts Industry. He still acts as secretary of the Employing Printers' Association of San Francisco, to whose individual members he renders service.

Between 1939 and 1944 Mr. Ireland was chairman of the industrial relations section of the Commonwealth Club, during which time the section made reports on *What Is Happening to the White Collar Workers* and on *Labor Relations in Peace and War*, following 2 years or more of study in each case by the section, which was addressed by many prominent representatives from business and labor organizations in the United States and from several foreign countries.

Mr. Ireland was asked by the Allied Printing Trades Council to address the business agents of the A. F. of L. union. About 100 representatives of San Francisco unions were present. Mr. Jack Goldberger, president of the San Francisco Labor Council presided, and William S. Hogan, secretary of Bookbinders' and Bindery Women's Union No. 31-125 was chairman of the day. Mr. Hogan, in introducing the speaker, said:

"The gentleman we have asked to address you today is well known to many present, some of you not in the printing trades have met him in contract negotiations. He is an employer representative in labor matters and represents a group of firms that employs the majority of the membership of the printing trades unions forming the Allied Printing Trades Council, your host council today. Our relations with that group have been friendly for so many years that it taxes the memory of our oldest members to recall the time when it has been otherwise, my own particular union, the Bookbinders' and Bindery Women's Union has not had a strike affecting any member firm of this association, or its predecessors, since 1903 and the record of the other constituent unions of the Allied Printing Trades Council has been an amicable one for most of the same period. A record such as this could only be established when there is a sensible approach made to common problems by both sides. Our guest speaker today has been in no small way responsible for this record. He has been fair, honest, and forthright in all of his dealings with us. He has never hesitated

to tell either employee or employer representatives that they were wrong when he thought they were wrong. He has had the courage of his convictions at all times, even to the extent of taking a stand contrary to that of employers in general, on public issues such as the State Hot Cargo Act and the Taft-Hartley law. While we have disagreed with him many times in negotiation, during which he has never failed to do a thorough job for those he represents, we have respected and admired him. We have not suggested any particular topic for him today, but we believe his subject will be both interesting and entertaining. Brothers and sisters, may I present to you Mr. Luis A. Ireland, secretary of the Employing Printers' Association of San Francisco."—William Hogan, secretary, Bookbinders' Local, San Francisco.

(We are privileged to present to our readers Mr. Ireland's address as given before the Industrial Relations Section of the Commonwealth Club recently, and sent us by Brother Clyde Bowen, secretary of San Francisco Newspaper Pressmen's Union.—Editor.)

None but a blind partisan would deny that it was public resentment toward the extremists in organized labor that resulted in the passage of the Taft-Hartley law with its mixture of good, bad, and uncertain provisions. Just as all employers in interstate industry were brought under the good, bad, and uncertain provisions of the Wagner Act, which became law because of the extremists among employers ignoring a liberal-minded public's desire for a new deal for the masses, so all of labor came under the rain which fell on the just and the unjust alike from the storm their own extremists created.

In the fall of 1946 I arrived in New York City one Sunday morning. There were no newspapers to be had, the hotel was picketed, stores and restaurants were bare. Let me quote from Dorothy Thompson's description of what was happening then:

"Hitler and Mussolini had been defeated and dead for more than a year. Japan unconditionally surrendered in August 1945. The United Nations has been established. A peace conference is in progress. Everything for which the entire wealth, resources, and manpower of the Allied world was mobilized; everything which had become their sole objectives and fondest hope has thus been realized. And where are we now?"

"As I write, our greatest metropolis is as paralyzed as though blockaded by a foreign army. A few thousand truck drivers, who their own leaders admit are out of control, are closing down the working places of tens of thousands of other workers. Construction is at a standstill; offices are closing; the garment trades are strangled; the food shops are empty; and the city's determination to run the blockade—for that is exactly what it is—anticipates clashes, possibly armed clashes. Armed clashes in the roads and streets are civil war.

"Trade-unions have become, in effect, private armies, which can be mobilized against the population at will. Congress has adjourned without doing one thing to bring labor-employer relations within the framework of law. Organized labor, like organized capital before it, has fought and succeeded in keeping itself outside and above law. Now the workingman himself is helplessly caught in the resultant chaos.

"In chaos the scum rises. The agitator replaces the statesman; the honest merchant gives way to the black-market peddler; the speculator replaces the enterpriser; the propagandist-hireling succeeds the poet and philosopher; the people sit helpless while the mob shrieks in their name.

"America, America. God send His grace o'er thee."

No friend of labor could endorse the hot-headed bungling which not long before the Taft-Hartley law was enacted brought to Oakland and other East Bay cities the general

strike which tied up all transportation, retail business and industry, and which ignored no-work-stoppage provisions of a number of mutually satisfactory wage agreements. Certainly the public welfare was forgotten by East Bay labor.

Neither domestic tranquility, the blessings of liberty, or the general welfare will be insured, secured, or promoted if the people of the United States and their Government, acting for them, permit selfish, organized interests, financially powerful or numerically strong, to resort to coercion or to force to gain their ends. Even the War Labor Board, with all of its behind-the-scenes horse-trading methods, would be an improvement on any system which allows selfish interests to upset domestic tranquility and ignore the public welfare. Neither the Wagner Act nor the Taft-Hartley Act provided for peaceful means of settling lock-outs or strikes, or clashes between the Avers, the Rands, and their admirers on the one hand, or the Bridges, the Lewises, the Randolphs, and their like on the other. These men with their violently differing views should be encouraged to present and argue their cases before a public tribunal, but they should not be allowed to close down services to the public or be granted the veto powers of a Molotov. If we are to have domestic peace and good will we must provide the machinery to insure it. When we have done that we are more likely to find ways and means of meeting and mastering arrogance from abroad. However, all is not black, for when we look at labor relations throughout past ages we all ought to be much more grateful than we are for the exceptional progress which has been made in our lifetime and for all that we enjoy here in the United States of America. Instead of realizing and appreciating the present greatly improved standards of the relationship between the great majority of employers and the employees, all too many representatives of employers and employed would have us turn toward discord and strife rather than to peace and good will.

A glance at the past history of man's relations with man may give us a better perspective from which to view the Taft-Hartley Act.

We have all read the Bible's story of Pharaoh's troubles with the chief of his butlers and the foreman of his bakers; how in his autocratic anger he threw them into jail; how a wise young Hebrew lad was sent to the same jail with the butler and the baker; soon after came the dreams, and as interpreted by the young Hebrew lad, the foreman of the butlers was reinstated in his job and the foreman of the bakers was beheaded. Then came the fascinating account of how the young Hebrew lad again won the ruler's favor; how he became the world's first national recovery administrator; how he established the first planned national economy; how, setting a pattern for more recent administrators, he looked after those near and dear to him, granting them special privileges, and later persuading Pharaoh to permit a mass migration of a whole people into the land as refugees. So it would seem that even today we behave very much as the ancients behaved, and even though theirs was not the age of industrialism and capitalism. Then, too, the late Franklin D. Roosevelt may have gotten some of his ideas from ancient Athens, where, according to the *Encyclopedia Britannica*, came the first attempt in the fifth century, B. C., to fuse the principles of imperialism and democracy. Pericles, the article says, "was being sorely hampered by his adversaries. The orthodox conservatives and some democrats were jealous of his influence, while afraid to beard the great statesman himself, combined to assail his nearest friends." The *Britannica* continues, "There were in Athens political parties, oligarchs and democrats, conservatives and radicals, a peace party and a war party, according to the burning

questions of the day. The first 'labor member' proper is a lyre maker (411-404 B. C.). They belonged, however, not to the land-owning but to the industrial classes; they were distinguished from the older race of party leaders by a vulgar accent and by a violent gesture in public speaking, and they found their support among the population of the city and its port rather than among the farmers of the country districts. In the fourth century the demagogues, though under another name, that of orators, have acquired entire control of the ecclesia," an assembly in which every free citizen had a right to vote. However, the Britannica adds: "The evils incident to the ancient form of democracy do not include the 'boss,' the caucus, and the spoils system."

At this time there were curious differences in Greece in the earning power of freemen. The common laborer who carried dirt received about 9 cents a day; agricultural laborers and gardeners, 11 cents a day; a carpenter, 13 cents a day. Boeckh's Public Economy of the Athenians says: "Persons in higher stations who labored with the pen, were according to genuine democratic principles not better paid. The architect received no more than the carpenter. The under secretary of public buildings received 14 cents daily. Judges and those who attended the assemblies were paid at least 9 cents a day. The pay of senators and ambassadors was higher. Persons engaged in the liberal arts and sciences, and prostitutes, were paid the highest prices." Compensation of musicians and theatrical performers was very high. One singer received \$1,000 every time he sang in public. Flute players demanded high prices for their services. It would appear that Mr. Petrillo had his counterpart in the Athens of 410 B. C.

England throughout her history, and long before she was industrialized, has had her labor troubles. In a pamphlet published in 1669 quoted by Webb in his History of Trade-Unions we read: "The general conspiracy amongst artificers and laborers is so apparent that within these 25 years the wages of joiners, bricklayers, carpenters, etc., are increased (against all reason and good government) from 18 and 20 pence a day 2/6 and 3/-. Nor has the increase of wages amongst us been occasioned by quickness of trade and want of hands (as some do suppose) which are indeed justifiable reasons, but through an exciting and evil disposition in our people \* \* \* that so they may live the better above their station, and work so much the fewer days by how so much the more they exact in their wages."

In another pamphlet dated 1681 we read: "We cannot make our English cloth so cheap as they do in other countries because of the strange idleness and stubbornness of our poor, who insist on excessive wages," and this state of mind, said the author, was due chiefly to relief measures and the prevalence of almsgiving. Shades of WPA.

An anonymous lover of his country in a pamphlet dated 1741 described the closed shop that prevailed in the woolen trade, wrote: "These wool combers decreed: 'That no man should comb wool under 2/- per dozen; that no master should employ any comb that was not of their club; if he did they agreed one and all not to work for him \* \* \* and oftentimes were not satisfied with that, but would abuse the honest man that would labor, and in a riotous manner beat him, break his comb pots, and destroy his working tools.'"

In eighteenth century London our own great Benjamin Franklin, the printer, was compelled to make his peace with the typographical closed shop. He had worked in the plant as a pressman, being duly initiated, but when transferred to the composing room another initiation fee was demanded of Franklin. Of this he writes in his autobiography: "I thought it an imposition as I had paid below; the master thought so too, and

forbade my paying it. I stood out 2 or 3 weeks, was accordingly considered an ex-communicate, and had so many little pieces of private mischief done me by mixing my sorts, transposing my pages, breaking my matter, etc., if I were ever so little out of the room, and all ascribed to the chapel ghost which they said ever haunted those not regularly admitted, that notwithstanding the master's protection, I found myself obliged to comply and pay the money, convinced of the folly of being on ill terms with those one is to live with continually. I was now on a fair footing with them and soon acquired considerable influence. I proposed some reasonable alterations to their chapel laws and carried them against all opposition."

Well do I recall the passionate discussions resulting from the passage of the factory acts in England in the nineteenth century which continued to be fought with much bitterness through Queen Victoria's reign. Good men and true argued with much heat about fundamental principles, the right of contract, freedom to run one's business in his own way, the right to take children from the poorhouses and work them without limitation of hours. This was not the period of financed capitalism. Nevertheless, the essentials of the struggle for and against change seem to be much the same as those of today.

Lord Hinchingbrooke, a conservative M. P., addressing the Commonwealth Club of California recently, said: "The conservatives in the nineteenth century were in favor of state interference while the Liberals or Whigs, the manufacturers and commercial men were for a free economic order. Both parties made the mistake of neglecting the needs of the rising masses."

The great John Bright, free-trader, reformer, statesman, Quaker, and cotton-mill owner, an admirer of these United States and of Lincoln, was no heartless wretch. Bright found against the corn laws, appealing for a free breakfast table for the people; declared force is not a remedy for dealing with the Irish problem, said of Lincoln: "If there be on earth and among men any divine right to govern, surely it rests with the ruler so chosen and so appointed." Speaking in Rochdale, November 1861, Bright said of America: "I should say that if a man had a great heart within him, he would rather look forward to the day when, from that point of land which is habitable nearest to the Pole, to the shores of the great Gulf, the whole of the vast continent might become one great confederation of states, without a great army and without a great navy, not mixing itself up with the entanglements of European politics, without a customhouse inside through the whole length and breadth of its territory and with freedom everywhere, equality everywhere, peace everywhere, such a confederation would afford at least some hope of heaven and that the future of our race may be better than the past."

Yet that great John Bright, Quaker, reformer, humanist, could challenge the attempt to enact the first factory acts dealing with child labor on the ground that to do so violated a political principle, the right of every man to do exactly what he pleased with himself and his own.

Writing of these conditions existing in the English factory system before 1870, H. B. DeGibbons in Industrial History of England, says: "Wages of workmen were reduced to a starvation level, forcing them to consent to their children and wives being employed by the mills; children were often worked 16 hours a day, by day and by night, and this in stench, in heated rooms amidst constant whirling of a thousand wheels, where little fingers and little feet were kept in ceaseless action, forced into unnatural activity by blows from the heavy hands and feet of the merciless overlooker and the infliction of bodily pain by instruments of punishment

invented by the sharpened ingenuity of insatiable selfishness."

And what did the seventh Earl of Shaftesbury—Tory, landowner, economic royalist, if you please—a lord by inheritance, a south-of-England gentleman from Dorsetshire—say of this sort of thing in the House of Lords in the year 1873? Here are his words: "Well can I recollect, in the earlier periods of the factory movement, waiting at the factory gates to see the children come out, and a set of sad, dejected, cadaverous creatures they were. In Bradford, especially, the proofs of long and cruel toll were most remarkable. A friend of mine collected a vast number together for me; the sight was most piteous, the deformities were incredible. They seemed to me, such were their crooked shapes, like a mass of crooked alphabets."

Nevertheless, any change by action of the Government was met by the loud cry that "freedom of contract must be protected."

We see then that the progress man has made in our industrial relations has not always been due to the dreams and the power of organized labor. Many reforms have first been brought about by statesmen having a vision of a better world. Many of the measures being advocated by unions today are but practices and policies which have been established by forward-looking and very hard-headed, intelligent employers in manufacturing and mercantile establishments where no labor organization existed or was threatened. Many employers have been anxious to improve all standards and some of them have done far more in advancing the standard of living for employees by their methods than can be expected to result from extreme and untimely pressures inspired by mere theorists in some sections of labor.

Men, and nations, and the people of this world, regardless of their affiliations, have yielded but slowly to the Christian philosophy—expounded some 2,000 years ago—that the laborer is worthy of his hire. But there is satisfaction to all Americans that we were the first people to declare that "We hold these truths to be self-evident; that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness." Yet progress is so slow and compromises are so necessary that the framers of our Constitution had to include in the very first article this provision: "The migration or importation of such persons as any of the States now existing shall think proper to admit, shall not be prohibited by the Congress prior to the year one thousand eight hundred and eight (1808) but a tax or duty may be imposed on such importation, not exceeding ten dollars per person." It took more than half a century and a bloody civil war before article XIII could be incorporated into the fundamental labor laws of the Republic to the effect that "neither slavery nor involuntary servitude except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction" and to provide that "Congress shall have the power to enforce this article by appropriate legislation."

Another century passed before Congress was willing to give to those who labor the right to seek life, liberty, and happiness through the process of collective bargaining—a right which perhaps most present-day employers recognize as desirable.

We may be less troubled about present-day problems if we look at what was happening in San Francisco nearly a hundred years ago, as told by B. E. Lloyd in Lights and Shades in San Francisco, published by A. L. Bancroft & Co. in 1876.

In the chapter on foundries we read: "The workmen (of the Union Iron Works) rely on merit alone for promotion, and discipline is

maintained with a firm hand, the rules being thoroughly understood. \* \* \* In these works the idlers and loafers are closely looked after and weeded out as soon as possible. \* \* \* The firm receives boys at the age of 17. \* \* \* The boy learns a respectable trade and obtains the means of earning a good living, while the advantage to the community is that every boy who labors faithfully in the establishment has inducements to become a respected citizen, for while it is the aim of the proprietors to make a first-class mechanic, they also seek to train an intelligent and peaceful member of the community."

In a chapter dealing with San Francisco of the 1870's, Lloyd writes: "Corporations, generally are said to be 'soulless' and as street railway companies are, as a rule, incorporated societies, the natural conclusion would follow, that they are unsympathetic, as well as soulless institutions. This conclusion has some foundation in fact. \* \* \* There is, perhaps, no class of intelligent laborers subjected to more continual abuse, both from their employers and the public, than the employees of the street railroad companies. The drivers and the conductors are the more unfortunate victims. They work under the most rigid rules. A penalty or fine is attached to the most trivial violation of any regulation. \* \* \* They are insulted and cursed by every person who feels that his dignity is not respected, if the car starts before he is seated, or does not stop the exact moment he jerks the bell strap. They are constantly under the ban of, in many cases, unjust suspicion, and numerous crafty tricks are practiced upon them to expose their supposed dishonesty. \* \* \* They are compelled to remain on duty, from 15 to 18 hours a day, and are allowed only 20 to 30 minutes for dinner and supper; and for all this they receive the paltry sum of two and a half dollars. Lost time is also always deducted. A cruel and barbarous rule prevails with all street railways, that of compelling the driver and conductor to stand while on duty—even the privilege of reclining against the dashboard being a forbidden luxury. The conductor is the 'standing' fraud of the directors, and various ingenious stratagems are employed, to detect him in his speculations. A spy, in the person of a beautiful and fashionably dressed lady, boards the car and when the unsuspecting conductor requests her fare, he is blandly informed in the sweetest tones, that she has already paid the requisite amount. To dispute this information from such a source would certainly be a breach of gallantry, unpardonable under any circumstances, so he accepts the lady's statement as correct, and the next morning finds that his place is vacant or filled by another."

In the chapter on the San Francisco Chronicle, Lloyd writes: "Mr. Charles De Young, one of the brothers who owns the Chronicle, came to California in 1854 when 9 years of age, and 2 years afterward obtained employment in a wire factory at \$4 a week. His next move was to make cigar boxes, but disliking this trade apprenticed himself to a job-printing office. So quick was he with the art preservative and so soon did he become proficient, that it was not long before he was foreman of the typesetting room itself. \* \* \* His first venture on his own account was the printing of the School Circle, a miniature journal containing contributions from the public schools. The venture was a success, in a small way, but Mr. De Young had an uncongenial partner, and after something of a dispute, was forced to sell, he having no money to buy. He then worked at job printing again, but in less than 2 years came in conflict with the restrictions of the Typographical Union. Although he was a first-class printer, he was too young to become a member, being then but 16 years of age. The union allowed but one appren-

tice to five compositors, and as the office had its allotted number, he was compelled to quit."

Lloyd's description of the press of San Francisco may not be quite as true today as it was when he wrote this in the 1870's.

"The California public look upon the press as a power, whose strength it were better not to test; with a sort of reverential awe. \* \* \* Did the power of the press consist in the number of public journals and periodicals that are regularly issued, San Francisco would present a most formidable front.

\* \* \* It would therefore follow, as a natural sequence, that the individuals composing the community in which these publications most do circulate, would be, and are, the nearest approach to perfect, intelligent mortals that claim a habitation on this terrestrial sphere. \* \* \* However, San Franciscans are still prone to err. \* \* \* Yet in face of this dreaded power and independence (of the press) wealthy corporations," Lloyd continues, "have grown thrifty, and today, threaten to rise in their strength and dictate to the masses what they shall or shall not do. There has been no country more prolific of monopolies than California, and unless they are held in check by legislation, the oppression that results from their tyrannical power when given unbridled sway, will become intolerable. The spirit of communism, that is occasionally manifest among the laboring classes, is enkindled and fed by the blighting influence the monopolies exert, and will develop into a power that will, by sheer force, establish an equilibrium, even though a period of anarchy would result, unless some protection be extended to the working men. \* \* \* The press of California therefore has much to contend with. It is essential that the leading journals possess and maintain a true independence, such as gold will not neutralize nor influence bend, for the masses accept them as leaders, and have faith that they will lead right."

From pioneer days until the First World War American employers and employees had their ins and outs. Employers resorted to lock-outs, spies, special policemen, yellow-dog contracts, and propaganda; labor to strikes, riots, coercion, and even dynamiting. There was all too often violence and even murder by extremists on both sides. Yet by and large, for native Americans and for thousands of those who came to these shores, that period meant opportunity, contentment, and confidence. The trouble spots were days instead of hours away from most of us. Even the costly periodical warfare between the United Mine Workers, the Amalgamated Clothing Workers, the steel workers, the shipping industry unions and their employers, over hours of work, wages, and other conditions and the right to organize were not as important to the average American as strikes in the same industries are today.

Dr. Frank Tracy Carlton, professor of economics of De Pauw University, in *Organized Labor in American History*, tells us that a Philadelphia publisher, one Matthew Carey, in 1830 estimated that there were between 18,000 and 20,000 workingwomen in the four cities of New York, Boston, Philadelphia, and Baltimore, and that at least 12,000 of them by constant employment for 16 hours out of 24 could not earn more than \$1.25 a week.

The writer of the staid *Lynn Record* (1836) stated the case of the young women employed by paternalistic mill owners thus: "These ladies have been imposed upon agregarily by the aristocratic and offensive employers, assuming to be their lords and masters and dictating to them not only what they shall eat and drink and wherewithal they shall be clothed but when they shall eat, drink, and sleep, and how much they shall pay for it."

It was only as far back as on July 31, 1919, that the *Portland Oregonian*, a Republican paper, said in an editorial: "The report of the Interchurch World Movement on the

steel strike contains a lesson for both the steel corporation and its employees. \* \* \* Public opinion does not approve of shifts 11 to 14 hours long, nor of arbitrary power of bosses, nor of absolute denial of the right to organize."

The churchmen had reported, "If the 12-hour day is bad for the country, the Government is to blame and as long as it fails to tackle the 12-hour day it imposes upon the trade-unions alone the humane task of moving the steel corporation in the direction of reform. Moreover, the conclusion is inescapable that a real cause of the persistence of the 12-hour day and the 7-day week is the defenselessness of the unorganized immigrant worker. Again the Government, as much as the steel corporation, is to blame, and again the corporations and the Government have seen fit to leave the field of reform to the trade-unions."

Following the collapse of our economy in 1929 the Government did do something, for many pots were chickenless and garages were a luxury; Americans sold apples on street corners; banks closed their doors; businesses failed; men over 40 years were has-beens; men, women, and children lived in sewer pipes, subways, and in tunnels; unions lost members and recognized for a while that you cannot put chickens in pots or cars in the garages unless all the forces which make up our economy do teamwork—cooperate—and that happiness can only be won where men recognize and obey the spiritual law of good will among men.

Some of us will never forget the uplift that came in the midst of the depression from the President's reemployment agreement when in response men were voluntarily restored to former jobs, hours of labor were reduced (voluntarily), wages were increased (voluntarily), in a great united effort to destroy the pessimism that was then rampant among the people of all classes in this country.

Some may remember the Senate's passage of the 30-hour-workweek bill, but before the act could be passed on by the House, the dream of President Henry I. Harriman of the United States Chamber of Commerce, the National Recovery Act, was made the law of the land and was acclaimed by the public generally, except for the few who objected to section 7 (a) which, incidentally, was not part of Mr. Harriman's dream. Writing of this law in the *United States News* after it had been declared unconstitutional, David Lawrence said: "The essence of the NRA was that each industry could work out its own problems, while the measures that have been adopted since are so general that exceptions are not permitted to take care of special conditions. There were many excellent features in the NRA and many which were impractical, but the chief trouble was that the whole administrative plan did not conform to constitutional principles. Many of us at the time urged that the administration rewrite the law so as to meet the objections raised by Supreme Court opinion. If the New Deal had kept the code system and developed it, maybe by today American would have been a better organized democracy and maybe within the industrial system there would have been democratic and fair controls by this time, exercised by employers and employees with the cooperation of Government."

It was before the war that David Lawrence wrote that while we were still involved with the unemployment problem. We failed to solve that problem. The war did temporarily. But in the light of what we are spending today to keep others from going communistic, it might be interesting to recall the prophesies made in some quarters to the effect that the Nation would be bankrupted if we continued to pour dollars into an effort to deal with the unemployment of several million, including those not wanted be-

cause they were beyond the 40 age limit. In that atmosphere the Wagner Act was passed and was promptly declared unconstitutional by some prominent lawyers. Few industrialists or their representatives were bold enough then, as was President Almon Roth, of the Employers Council of San Francisco, not long ago, to proclaim that today employers were sold on the theory of collective bargaining. After a while the Supreme Court decided that the Wagner Act was constitutional and more and more it became recognized as the law of the land. But like so many of our laws, it was written by men who had a blind eye and who therefore could not see—no more than those who wrote the Taft-Hartley law could see—that employers as well as employees had rights—among which were freedom of speech, the right of petition, the right of equality before the law, the right to boycott those who had been judged by Government to be guilty of engaging in violence, threats of violence, and intimidation, and the right to refuse to bargain with such, and finally, the right to have decisions rendered promptly. The administrators of the Wagner Act in those days also had blind eyes and deaf ears at times and some of those industries where the law was most needed found themselves involved in industrial strife which interferes with the normal flow of commerce. The Wagner Act was passed to guarantee to labor the right to organize and to bargain collectively, and to eliminate the causes of certain substantial obstructions to the free flow of commerce. Had it stopped with bringing labor and management to the conference table for the purpose of bargaining with each other, and had the Taft-Hartley law done no more than that, the law would have put the job of reaching agreement where it belongs and perhaps have brought about the kind of agreements that will serve individual industries. In such circumstances if the parties then fall in their responsibilities, the Government of the people should step in and say to them "You cannot have all of these rights for collective action unless you keep the peace, and if you will not think more of the public interest than you do of your own selfish interests, the people's Government will not allow you to fight it out by disrupting the free flow of commerce, but will require you to submit your difference to an impartial board which you can agree on between yourselves, or failing which, the Government will appoint it." But until we, the public, are willing to vote for those to represent us in our Government who place the public welfare ahead of service to special interests, whether of labor or of capital, laws will continue to be passed that will not achieve their expressed purpose. Selfish, self-willed, and arrogant minds do not accept peace on equal terms willingly, any more than a horse will necessarily drink when led to water. And really there is not a great difference between a horse that will not drink water when led to it and an Avery who is carried out of his office by soldiers or a John L. Lewis who takes a walk.

On June 26, 1947, Prentice-Hall in their Labor Report on the passage of the Taft-Hartley bill under the headline "The Morning After" asked: "Feeling happy about the new law? Or do you think labor-management relations have been set back 20 years?" Then Prentice-Hall went on to say: "Every single right given to management is a potential headache. The law is riddled with if's, and's, but's, whereas's, and provided's. It will be years before these are cleared up." To this Prentice-Hall added: "Long established shop practices will have to be changed right away. Many smoothly working contract provisions—the result of years of collective bargaining—are now outlawed. A well-meaning employer—trying to get along with the union, may find he has unwittingly committed a crime." Congress could not have written

the ban on the closed shop; the ban on the freedom of the labor press; the affidavit provision; the political contribution provision; the ban on foremen being part and parcel of a collective bargaining agency even though some line should be drawn in this case; nor would they have written the union-shop provision or the provision regarding elections had the one and only thought been to promote peace in Nation-wide industries, or industries affecting interstate commerce.

It has been said by labor representatives that the Taft-Hartley law is designed to destroy the unions; that it is a slave labor law and that it is an attempt by organized large employers to put over a wage-cutting program in order to weaken unions; that it is a full employment bill for lawyers. Employer spokesmen have said that the law, depending on conditions, has no effect on practical personnel problems; that the public demanded unions stay out of partisan politics; that the bill was the result of reaction by the people of this country against production stoppages and slow-downs caused by strikes; that the primary benefit of the act is to decrease the participation of Government in collective bargaining; that the law constitutes our first real attempt to establish a national labor policy; that labor's political power has been curtailed but labor's economic power is unchanged.

As a Republican candidate for President, Stassen told a big press association that it should fight the Taft-Hartley provision depriving the labor press of its freedom to say what it likes. Republican representatives investigating the ITU strike in Chicago declared it was not the intention of Congress to ban closed shops such as provided by agreements with publishers and printers. Senator Taft also a candidate for President, is said to have suggested that under some circumstances the closed shop should be maintained—but as a good lawyer would he agree that graduation from a seaman's school in the shipping industry or from a bakery school in the baking industry as provided in agreements in San Francisco were proper and legal clauses as a substitute for the closed shop? It may be assumed that Mr. Hartley—a former expert in industrial relations—very positively would agree that such clauses do not comply with his concept of the law any more than other clauses do which he has frowned on and which appear in agreements made by some of our big national industries. At least it may be said for Farmer Hartley—he is not hypocritical, nor does he attempt to make anything labeled black he voted for in Congress appear to be lily-white when he goes traveling.

The union-shop clause is something of a humbug. It is another case of trying to force people to be good by law—just like we tried to stop people drinking hard liquor which they liked. Now they want to make union men like to work alongside those they do not like and who are just as objectionable to them as it would be for any of us to have Joe Stalin or an Adolf Hitler for a boss.

Statutory law is a poor substitute for decent human behavior. There are some industries where behavior on both sides of the bargaining table has been anything but rational for a very long time. That largely because the legal representatives (who ought to know better) of both employers and employees have had so little confidence in their cause that they have indulged in name calling and other tactics not conducive to promoting harmonious relations. In San Francisco we have all suffered as a result of that sort of industrial relations.

Those who seek refuge in laws have far too little confidence in the fundamentals of the Golden Rule. Most of us have learned that a bad settlement is far better than a good lawsuit. A bad settlement may be corrected, but you may have to live a very long time under legalistic and unsatisfactory 5-to-4 rulings by the courts, and with the

feeling of bitterness which opposing lawyers often arouse in getting a decision. That sort of thing does not result in good relations, especially in the field of industrial relations, nor does it serve the public interest. Another deterrent to good relations is the trying of false issues in the public press instead of doing some real collective bargaining.

The controversial anti-Communist affidavit provision of the Taft-Hartley Act has been condemned by saints as well as by sinners. That provision, of course, has nothing whatever to do with the right to bargain. Yet in San Francisco, undoubtedly with legal advice, the Waterfront Employers used it. They insisted that before they would negotiate, the union officials must sign the affidavit. By doing so, they cost the public, who pays all the bills in the final analysis, according to an editorial in the San Francisco Commercial News, "between \$300,000,000 and \$600,000,000," and the editorial adds: "All casualties have not yet been counted and probably won't for some time to come. However, there have been plenty of injuries—far more than we will ever hear about." The conservative Portland Oregonian, under the heading, "Costly, Phony Strike" editorialized: "The Waterfront Employers Association went out on a limb when it demanded that Mr. Bridges and other union officials sign non-Communist affidavits, which the Taft-Hartley Act does not require unless unions desire to use the services of the National Labor Relations Board. This demand was dropped when the votes were tallied in the national election. The issues in the waterfront strike were not sufficiently important to either side to justify the economic blow to the West. The agreement at San Francisco could have been reached in August." So said the conservative Portland Oregonian.

Life is a conservative publication, yet it had a full-page editorial (Nov. 29, 1948) headed "The Taft-Hartley Act—It is no slave labor law—but there are good reasons for changing it."

Business Week, voice of a big business organization, December 18, 1948, said in an editorial: "The Taft-Hartley law has failed . . . it went too far. It crossed the narrow line separating a law which aims only to regulate from one which could destroy."

All can decide for themselves the meaning of the votes cast on November 2 by citizens who were free to make a choice.

Some of the beneficial changes in the law it seems to me would be:

(1) Acceptance of the union shop without an election where approved by the employer, just as an employer can now recognize a union without an election or certification by the NLRB. The 30-day waiting period before union membership is required also should be abolished where agreed to by union and management.

(2) In a union-shop election require only a majority of those voting to qualify for certification.

(3) Provide for discharge for good cause at union request if the employer consents, or if determined to be good cause through the grievance procedure or by arbitration.

(4) Recognize that publication of political information in union newspapers and other regular union organs of communication is legal.

(5) Require affidavits affirming support of the Constitution by employer officials as well as union officials, or, as an alternative, the present affidavit requirement should be discontinued.

(6) Provide that it shall be an unfair labor practice for unions to require by unilateral action limitation of the number of apprentices, payment for services which are not performed, and compliance with work rules, manning of equipment, or the performance of unnecessary work. These should be decided by collective bargaining.



(7) Encourage unions and management to accept the principle of voluntary arbitration as a corollary to the privilege of free collective bargaining.

(8) Require fact-finding boards to make recommendations to the President.

Had Congress followed the recommendations of the Commonwealth Club of California made in 1939 and 1944 and on other occasions, our industrial relations might have been in better shape today. There would have been no ITU strike in Chicago; no need for the expenditure of thousands upon thousands of dollars by both sides to give employment to lawyers who formerly held jobs in the National Labor Relations Board or Labor Department bureaus; and there would have been no need to resurrect the class warfare indulged in all too recently. Slogans and epithets will not make the Taft-Hartley law a slave-labor law because no individual as such is required by it to render involuntary service; nor will refusal to sign an affidavit make John L. Lewis or Philip Murray Communists. Even an oath to support and defend the Constitution of the United States of America, which has been taken by many of our friends in the past—by some of them before 1918—did not mean that when their appetites for strong drinks or their selfish interests were involved that they would comply with that solemn obligation. We were recently told by an eminent lawyer, a former chairman of the section on industrial relations of the Commonwealth Club of California, that even oath-taking Congressmen who vote for laws involving corrupt practices sometimes forget some of their expenses incurred while running for office—or even where the money comes from. Perhaps if we were all a little less hypocritical and a little more willing to practice what we teach in Sunday School or were taught there or in church, or by a good mother, maybe we would pass fewer laws and rely more on common sense rather than bureaucratic and legalistic interference in problems we should solve between ourselves. Yet as long as this Government of ours is our Government—and if we want to keep it that—employers and employed and the Government should be one team, indivisible, working cooperatively in the public interest. Perhaps, after all, what we really need is a code system such as that suggested by David Lawrence and others. It should not take another apple-selling period to bring into being such cooperation as the system requires if our industrial machine is really to work in and serve the public interest. Had President Franklin Roosevelt not allowed his resentment toward certain sections of business—who never represented the main stream—to bias him against all business, we could have had what Lawrence and others suggested—a general law instead of another piecemeal attempt to deal with the problems of industrial relations. Then employers and employed by now could have been cooperating in a united peacetime effort to limit inflation, prevent unemployment, avoid depression, and by good example help to banish all thought of another world war. Many of the world's wars and revolutions have been caused by strains imposed upon the social structure by an economy that failed to meet the needs of the masses. It is no coincidence that the period when Mussolini in Italy, Hitler in Germany, John L. Lewis in Pennsylvania, and Harry Bridges in San Francisco came into power was the moment when great masses of discontented humanity were looking for a panacea as a way out of their suffering. The conditions in each case had called for a remedy which both the industrial and social systems had failed to provide. Whenever society remains callously indifferent to the consequences of its own shortcomings and fails to remove the temptation, the discontented may be expected to turn to the programs of visionary idealists, on the one hand, or follow self-

seeking opportunists—intoxicated with a desire for power—on the other hand.

If we are ever to win the peace at home or abroad, it will require of all of us the same sinking of selfish interest, the same teamwork, the same solid front against common perils as we all put into the winning of the recent war when we astonished the world—and ourselves even more so—by our astounding achievements. If we are to make this world safe for workers, for industry, for investors, widows and orphans, and for democracy, we must change our mental attitude just as we did after the bombs were dropped on Pearl Harbor. As Dorothy Thompson would say, "America. America. God send His grace o'er thee."

Mr. MORSE. The distinguished Senator from Ohio [Mr. TAFT] introduced a bill, which was passed by the Senate, providing certain revisions in the Taft-Hartley law. I agreed in principle with many of those provisions, and I shall always be exceedingly fair in respect of them. I think the Taft-Hartley law would be better with most of those provisions in it. I disagree with some of them. I voted against the bill because I did not feel the Taft bill of the first session went far enough. I could not agree with my good friend from Ohio in regard to the provisions which he had in the bill concerning injunctions. Yet in fairness to him I desire to point out that many of the principles embodied in the amendment to the Taft-Hartley law which he offered in the form of a bill in the first session of the Eighty-first Congress are identical in fundamentals with many of the principles which the senior Senator from New York [Mr. IVES] and I urged in 1947, in what became known as the Ives-Morse bill, which was the committee report bill which came out of the committee in 1947.

Mr. President, in the first session of the Eighty-first Congress I think we came pretty close to reaching agreement at least on the skeleton outline of modifications which should be made in the revision of the Taft-Hartley law. I refused to go along with the report which produced the Taft bill in the first session of the Eighty-first Congress, because of the differences I expressed at that time in committee concerning the proposals which were left out of the bill, and concerning certain differences which I had with certain provisions contained within the bill.

I do not like unfair criticism, and I have read in recent weeks what I think are some very unfair criticisms of the motivation of the Taft bill of the first session of the Eighty-first Congress. The Senator from Ohio does not need me as a witness to testify in his behalf, and whenever I testify in behalf of anyone I do it on a completely volunteer basis, but I wish to say to those who are criticizing the motivation of the Taft bill of the first session of the Eighty-first Congress that along with the senior Senator from New York [Mr. IVES] I held a series of conferences with the Senator from Ohio in the early weeks of the first session of the Eighty-first Congress to see to what extent we could at least narrow the differences which developed among us in 1947 in respect to various provisions of the Taft-Hartley law. As a result of those conferences, as the Senator from

Ohio himself stated, in effect, on the floor of the Senate when he offered his bill in the first session of the Eighty-first Congress, those differences were narrowed, and I hope that in due course of time we can narrow them further.

This is not the appropriate time or occasion to discuss in detail the differences and the particular issues involved. It is well known that one of our great differences was over the matter of injunction procedure. I have felt that in this session of Congress we are getting a little closer together in regard to that. I felt that our recent discussion over the coal case showed that there was a possible area of compromise.

Mr. President, I make these remarks this afternoon for three reasons. First, once again I want the RECORD to show that I believe opinion is shifting very rapidly among American employers themselves about the need for some drastic revision of the Taft-Hartley law. Second, I wish to pay what I think is a deserved compliment to a well-known employer representative in the field of labor relations, Mr. Ireland, of San Francisco, for his article on the Taft-Hartley law. Third, I desire to let the RECORD show that I do not join in any criticism of the Senator from Ohio [Mr. TAFT] in regard to the motivation which led to his offering the so-called Taft bill in the first session of the Eighty-first Congress, because I know, as the result of my conferences with him and the senior Senator from New York at the time, that he was acting in good faith, and out of a sincere motivation to make modifications in the Taft-Hartley law on the basis of what he thought the facts showed as a result of some 2 years' experience in the administration of the Taft-Hartley law.

The Senator from Ohio and I do not agree in our interpretation of some of the facts, and we do not agree in regard to certain amendments which I think ought to be put into the Taft-Hartley law in order to make it a law which will meet the standards I laid down in the beginning of my remarks, namely, that we should have a law about which there could be no question as to the equality of application of procedures to both sides in a labor dispute.

I repeat, in closing, that I am still of the opinion that the best way to meet the Taft-Hartley issue is to repeal the law and write a new one, and write it along the general outlines and principles and provisions of the Ives-Morse bill of 1947.

#### EXECUTIVE MESSAGES REFERRED

As in executive session,

THE PRESIDING OFFICER (Mr. SCHOEPFEL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### CONFIRMATION OF NOMINATIONS

Mr. MCFARLAND. Mr. President, I ask unanimous consent that the last two nominations of the Executive Calendar be confirmed as in executive session.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the nominations.

#### UNITED STATES ATTORNEY

The legislative clerk read the nomination of Ernest A. Tolin to be United States attorney for the southern district of California.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of Nan Wood Honeyman, of Portland, Oreg., to be collector of customs, customs collection district No. 29.

The PRESIDING OFFICER. Without objection, the nomination is confirmed, and without objection, the President will be immediately notified of both confirmations of today.

#### RECESS

Mr. McFARLAND. I move that the Senate take a recess until noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess until tomorrow, Friday, April 21, 1950, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate April 20 (legislative day of March 29), 1950:

##### EUROPEAN COORDINATING COMMITTEE

Lt. Col. Charles H. Bonesteel, United States Army, to be executive director of the European Coordinating Committee, pursuant to the authority of section 406 (e) of the Mutual Defense Assistance Act of 1949 and Private Law 412, Eighty-first Congress.

##### TAX COURT OF THE UNITED STATES

The following-named persons to be judges of the Tax Court of the United States for terms of 12 years from June 2, 1950 (reappointments):

Charles R. Arundell, of Oregon.  
John W. Kern, of Indiana.  
Clarence V. Oppen, of New York.

##### IN THE NAVY

The following-named officers of the Navy for permanent or temporary appointment to the grades and corps indicated, subject to qualification therefor as provided by law:

FOR TEMPORARY APPOINTMENT TO THE GRADE OF CAPTAIN

##### Medical Corps

Robert B. Brown  
Bishop L. Malpass  
Charles M. Parker

##### Supply Corps

Robert M. Bowstrom  
John F. Castree  
Paul W. Clarke  
Marshall H. Cox  
John W. Crumpacker

##### Chaplain Corps

George A. Rosso

##### Dental Corps

Hubert F. Delmore  
Alvin H. Grunewald  
George D. Odiorne

Robert W. Wheelock  
Wilbur N. VanZile

##### Civil Engineer Corps

George K. Brodie  
Ralph N. Ernest  
William A. Zobel

FOR TEMPORARY APPOINTMENT TO THE GRADE OF COMMANDER

##### Medical Corps

James A. Addison	Jack C. McCurdy
James H. Boyers	Charles S. Mullin, Jr.
Robert H. Bradshaw	Clyde W. Norman
James A. Brinson	John A. O'Donoghue
William C. Cantrell	James W. Packard, Jr.
John F. Chace	Arthur G. Rink
Joseph R. Connelly	William A. Robie
William A. Dinsmore, Jr.	Ralph D. Ross
James D. Hague	James A. Turner
William G. Lawson	Haskell Wertheimer
Leo S. Madlem, Jr.	Karl R. Whitney
	William A. Wulfman

##### Supply Corps

Herbert C. Borne	George S. Lofink
Forrest P. Brown	William L. Thorpe, Jr.
Charles J. Hawkins	James E. Tining
Donald J. W. Hos	Chester W. Utterback
William C. Humphrey	Roy O. Yockey
Raymond E. Johnson	

##### Chaplain Corps

Charles D. Beatty	Raymond F. McManus
Joseph C. Canty	Henry J. Rotrige
Robert W. Coe, Jr.	David A. Sharp, Jr.
Charles J. Covert	Edward A. Slattery
Otto D. Herrmann	Marion O. Stephenson
James W. Kelly	James A. Whitman

##### Dental Corps

Clayton L. Bohn	George T. Moore, Jr.
John H. Cathcart	Paul A. Moore
Joseph M. Clements	Kenneth L. Morgan
Silas D. Cunningham	Walter H. Peat
Frank D. Dobyns	Louis J. Rhen
William T. Faulconer	Duane R. Shiffert
Walter F. Hanley	Albert L. Vogel, Jr.
George E. Madden	John E. Wiseman
Von Rue McAtee	Frank S. Wozniak, Jr.
Gordon L. Miller	Robert B. Young

##### Civil Engineer Corps

William J. Byrnes  
Thomas J. Doyle  
Chester J. Kurzawa

##### Medical Service Corps

Chester S. Fay	Clarence J. Owen
Fay O. Huntsinger	Max E. Zimmerman
Daniel J. O'Brien	

##### Nurse Corps

Margaret C. Jensen  
Gladys Smith  
Anna L. Welsko

FOR PERMANENT APPOINTMENT TO THE GRADE OF COMMANDER

##### Medical Corps

Frances L. Willoughby

##### Medical Service Corps

Margaret M. Diehm  
Mary T. Sproul

The following-named officers of the Naval Reserve on active duty to the grades and corps indicated subject to qualification therefor as provided by law:

FOR TEMPORARY APPOINTMENT TO THE GRADE OF CAPTAIN IN THE NAVAL RESERVE

##### Supply Corps

Joseph F. Deegan  
Casper T. Fredrickson  
William E. Max

FOR TEMPORARY APPOINTMENT TO THE GRADE OF COMMANDER IN THE NAVAL RESERVE

##### Medical Corps

Arthur V. Miller, Jr.  
Lewis D. Williams

##### Supply Corps

Robert S. Davison  
John A. Johnson, Jr.  
Francis T. Mullin

##### Dental Corps

Ronald C. Dove  
Nighbert W. Sutphin

#### Chaplain Corps

William L. McBlain

#### CONFIRMATIONS

Executive nominations confirmed by the Senate April 20 (legislative day of March 29), 1950:

##### UNITED STATES ATTORNEY

Ernest A. Tolin to be United States attorney for the southern district of California.

##### COLLECTOR OF CUSTOMS

Nan Wood Honeyman to be collector of customs for customs collection district No. 29, with headquarters at Portland, Oreg. (Reappointment.)

## HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 20, 1950

The House met at 12 o'clock noon. Rev. John H. Hanger, Park Temple Methodist Church, Fort Lauderdale, Fla., offered the following prayer:

Almighty God, our Father, illuminate our minds, give courage to our convictions, and tenderness to our hearts. Help us to discover for ourselves how blessed is the "man that walketh not in the counsel of the ungodly, nor standeth in the way of sinners, nor sitteth in the seat of the scornful, but his delight is in the law of the Lord, and in that law doth he meditate day and night."

May the law of our lives and the law of our land express the love of Thy law. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment bills, a joint resolution, and a concurrent resolution of the House of the following titles:

H. R. 33. An act to authorize Joe Graham Post, No. 119, American Legion, upon certain conditions, to lease the lands conveyed to it by the act of June 15, 1933;

H. R. 633. An act for the relief of Mrs. Victor V. Greg;

H. R. 715. An act for the relief of Manuel Uribe;

H. R. 1481. An act for the relief of the estate of Julius Zaffareni;

H. R. 1487. An act for the relief of Lt. (sg) Giacomo Falco;

H. R. 1600. An act for the relief of Gustav Schilbred;

H. R. 1699. An act for the relief of the estate of William Kraus;

H. R. 1726. An act to authorize the Secretary of the Interior to convey to the city of Hot Springs, Ark., a perpetual easement for the construction and operation of a water-main pipe line;

H. R. 1871. An act for the relief of Hilde Flint;

H. R. 2554. An act to amend the District of Columbia Credit Unions Act of 1932;

H. R. 2591. An act for the relief of Giovanna Parisi, Michelina Valletta, Yolanda Altieri, Generossa Tamburi, Carolina Picciano, and Giovanna Turtur;

H. R. 3010. An act for the relief of Walter E. Parks;