Lessons of the Steel Strike
Leo Wolman

Is Inflation Necessary?
Henry Hazlitt

What Makes Adlai Run?
An Editorial

A Man Can Dream, Can't He?
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THE FREEMAN, 240 MADISON AVENUE, NEW YORK 16, N. Y.
The “Red Dean” Case

In regard to your editorial “Our Own Red Dean Case” [August 11]: Guilt cannot be established by association. The fact that a number of prominent intellectuals welcomed the Red Dean to the U. S. in 1948 does not imply that they are in any way “pink” or “red” or even in sympathy with any of the Dean’s ideas. Following your editorial line, the Archbishop of Canterbury, because he must associate with the Red Dean, must be tainted by Soviet ideology in some way.

Dr. Weltfish is, without a doubt, absolutely wrong in her charges against the U. S. Maybe she is a Red. So what? The trustees of Columbia University would be trifling with the principle of academic freedom if they dismissed her because she did not agree with popular opinion in the U. S.

Bangor, Maine
ROBERT E. CARTER

From Colorado’s Ex-Governor

I submit that the abbreviation of “Colorado” as “Col.” in a letter to the editor (your issue of August 25) is erroneous. Ever since the state was admitted to the Union in 1876, the abbreviation has been “Colo.” It is never used any differently in this commonwealth.

You are doing a good job with the Freeman. I read it regularly.

Denver, Colo.
JOHN C. VIVIAN

(Continued on page 890)
THE
Freeman
A Fortnightly
For
Individualists

Editors
John Chamberlain  Forrest Davis
Henry Hazlitt
Managing Editor
Suzanne La Follette
Business Manager
Kurt M. Lassen

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Our Contributors

In amplifying his customary column on day-to-day economics into a full-scale historical treatment of the late, unlanlmented steel strike, Dr. LEO WOLMAN has brought the events of those trying weeks freshly before us. Dr. Wolman is, of course, the widely known Professor of Economics at Columbia and staff member of the National Bureau of Economic Research. . . . TOWNER PHELAN, Vice President of the St. Louis Union Trust Company and author of its monthly “Letter,” is known to Freeman readers for his periodical communications to this magazine. . . . HENRY HAZLITT passed the summer on leave from his editorial duties at the Freeman while continuing his “Business Tides” column in Newsweek. His most recent book is the novel, “The Great Idea,” . . . DON KNOWLTON, of Hill and Knowlton, has again reported for Freeman readers on the International Labor Conference at Geneva. He has been a member of the U. S. Employer delegation to the last two conferences. “Motherhood Goes International” does the same job as “Government Pie in the Sky” (November 5, 1951). . . . HENRY E. MILLS, a member of the New York Bar, was formerly in the foreign service, served on the American staff at the Versailles peace conference in 1919 and traveled widely in Soviet Russia prior to 1933. . . . HENRY C. WOLFE, a veteran correspondent and critic, has recently been in Yugoslavia and is now in Western Europe. . . . THADDEUS ASHBY, of the Colorado Springs Gazette Telegraph, is writing editorials for the ten members of the Freedom Newspaper, Inc., chain.

Among Ourselves

We have crisp news, matching the resurgent spirit of the autumnal season, from the circulation front. A famous general of World War II has indicated his confidence in the Freeman’s future by subscribing for two years. A friend of the Duke of Windsor’s has entered his name, Paris address, on our lists. . . . The office was titivated the other day by that rarest of all Freeman phenomena: a cancellation. The man wrote, “I don’t like the Reds and I don’t like you.” We failed the nexus. The same mail brought this cheering contribution:

A wary fish, till late I swim
Past every bait set out to pot me,
Evading even Mr. Schlamm—
But now your Morrie Ryskind’s got me!
So, joy-roused all but to
I beg you, quick, take my subscription!

The author, Mrs. Caroline Boone Johnston of New York City, enclosed a check. She needn’t have. The verse would bring at least that much at space rates and we want more from her. . . . In conclusion, may we note that the Freeman’s circulation weathered the summer nicely, rising to a new high with September?

N. B.: Dr. Wolman’s article in this issue is being reprinted for wider circulation. The price is $5 per hundred, $40 per thousand. We shall be happy to quote special prices for orders in excess of a thousand.

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The case of

Ray Barber

and

American Enterprise

Ever wonder if your employees understand the principles of American Enterprise? Ray Barber does, because he makes it work for him every day of his life! Ray is the kind of man who sticks on the job a long time. He's worked for Armco in Ashland, Kentucky for twenty-two years. Like his father and grandfather before him, Ray's roots are deep in his own community. He owns his own home... right next door to the house where he was born. Like thousands of other people in the Chessie Corridor, Ray has his own little farm. Here, year in and year out, he's watched the principle of American Enterprise in action. Ray Barber knows you can't make a crop without first planting the seed. He knows it's what's put into a job that determines what comes out. We're mighty proud of Ray Barber because he's a typical example of the kind of people who live and work in C & O's Center of Opportunity.

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Finding the right spot for your new plan... the right kind of labor supply for your operation can be a costly, time-consuming job for you and your organization. Let our experts in this field make the task easy by preparing a special PIN-POINT survey to meet your requirements. For further information write The Chesapeake & Ohio Railway, Industrial Development Department, Terminal Tower, Cleveland 1, Ohio.

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SERVING: VIRGINIA • WEST VIRGINIA • KENTUCKY
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Once upon a time the left was extremely vocal about interlocking directorates and monopolistic trade agreements among collusive capitalists. We remember in particular the great fuss kicked up by the late Senator Norris of Nebraska when he assembled his famous “spider-web” charts to prove that Wall Street controlled just about everything. Well, tempus fugit and all that. Today it is organized labor that spins its web like the spider. We refer specifically to the situation in Central City, Kentucky, where the local unions are ganguing up collusively on the local storekeepers.

Central City is a coal town, and its coal mine labor is all signed up by District 23 of John L. Lewis's United Mine Workers of America. This is the normal amount of labor monopoly that one would expect to see in the coal country. Not content with controlling coal, however, Mr. Lewis has sicked his catch-all union, District 50, on the clerks in the Central City stores and the waiters in the restaurants. The method of forcing clerks and waiters into line is barefaced and ugly: it consists of threatening to cut their relatives—whether father, grandfather, uncle, brother or cousin—off the United Mine Workers pension list. Inasmuch as there are some 1500 pensioners and approximately 1100 expectant working miners in the Central City area (we get our figures from the Washington Report of the U. S. Chamber of Commerce) the pressure on the store and restaurant help has been mounting up. The local businessmen have gallantly held out against John L. Lewis's squeeze play for some months now, and they vow never to succumb. But they will be subjected to some grueling tests as winter comes on, for they are caught in a monopolistic vise that compares with anything the coal and steel barons of the nineteenth century ever managed to rig up. If the Federal government is really interested in an anti-trust philosophy, it might look into the Central City situation.

It may take time, but truth is marching on: the real victims of rent controls are of course the tenants. Truth is marching on even in Welfare England. Rent rises have been forbidden there since the outbreak of World War II, but the cost of repairs—the expropriated landlords' lasting legal responsibility—have nearly doubled. The result: no repairs and worsening slums. Thousands of landlords have simply vanished, at least legally. A survey in the London News Chronicle shows that in Salford near Manchester there are 600 houses, and in Glasgow more than 1000, for which no owner can be traced. And more pathetically abandoned than the houses are their tenants who are worse hit by the cost of repairs than they ever would have been by fair rent rises. When the lunacy of rent controls reaches its climax, the landlords can at least disappear. But the tenants are stuck with the ruins—and with the demagogues who told them that parliamentary majorities can repeal the laws of economics.

It may be symptomatic of a general decline of British political thinking that the high Tory journal of Lady Rhonda, Time and Tide, has come out against the decision of the United States Supreme Court in the steel seizure case. In attacking the court decision, Time and Tide bemoans the "eighteenth-century" character of American political philosophy. Would it do any good to remind Time and Tide that the American steel industry has developed and prospered under our "eighteenth-century" political philosophy to the point where it is now carrying most of the twentieth-century nations on its back?

Pandit Nehru, rebuffing Red Russia's and Red China's relief donations to an Indian Communist agency, may have learned the truth of a new adage: always look a gift bear in the mouth.

The death of Count Carlo Sforza removes one of the last symbols of rationalism from the public life of Europe. Although an aristocrat linked to the Borgias, the Medicis and other dynasties of the peninsula, Sforza served the liberal-nationalist causes of Garibaldi and Mazzini until nearly the end of his career. In his last years (he was nearly 70 upon his death) Sforza advocated a pan-Europeanism, a union of free peoples including the North American, as a counter-force to Soviet imperialism. It was his lot to be present as an Italian
diploam at several of the great social upheavals that convulsed our fathers: the Dreyfus controversy, the Sun-Yat-Sen revolution in China and Mustapha Kemal's forcible modernization of Turkey. Through all change he remained the same—the impeccable diplomatist, the brilliant controversialist and the engaging human being known favorably to so many Americans.

In all fairness it must be conceded that the best campaign joke to date was pulled by Vincent Hallinan, the Progressive Party's Presidential candidate. On his release from the McNeil Island Federal penitentiary, where he served a stretch for Red shenanigans in support of Harry Bridges, Mr. Hallinan demanded that the Central Intelligence reports Mr. Truman has put at the disposal of Eisenhower and Stevenson be submitted to the Progressive candidate too. But imagine what dull and repetitive reading these reports would make for the backers of Mr. Hallinan who, as it happens, were also the friends of Klaus Fuchs and the Rosenbergs!

Suppressing a journalist's professional jealousy, we herewith award the Freeman prize for the neatest summarization of the Marshall Plan to a British paper, the London Economist. Discussing recently what the Marshall Plan has done for Europe, the paper ran this gem:

Its methods had two cardinal defects. By making the European countries beg for the dollars every year, it risks corrupting both them and Congress and turning an alliance of self-respect into a confederacy of clients. And by treating each country separately, on an assessment of "need," it has put a premium on failure to achieve solvency.

But suppose Herbert Hoover or Robert Taft had dared give that definition! The many friends the London Economist has on New York's McLiberal press would have excluded them from the human race.

A report in Izvestia says that the executive committee of the Ashkabad soviet "has obliged the drivers of horse transport always to occupy the uttermost side of the sidewalk in trafficking the streets." This would appear to leave the pedestrian under the horses' hoofs, which is an old Cossack custom.

The Taminent Institute has announced that it will shortly award a scroll and a $500 check to Whittaker Chambers for writing the "best autobiography" of the year in "Witness." It chose "Witness" for the prize because the book highlights "the creative freedom of democracy as opposed to the soulless conformity of totalitarianism." Inasmuch as the Taminent Institute has been known in the past for its generally socialist orientation, we take it as a mark of great progress that it has chosen to reward a book that is uncompromising in its defense of the individual's right to be free from State domination in all the spheres of life, the economic as well as the cultural and the religious.

A Hollywood screen writer, Bernard C. Schoenfeld, has testified that the death in 1945 of Franklin D. Roosevelt, "shocked" him into joining the Communist Party. Since the news reports from Washington stress the information that Mr. Schoenfeld is a graduate of Harvard College and of the Yale Drama School, we are led to wonder again about the quality of higher education in America. We also feel obliged once more to ask Isabel Paterson's question, "Have writers brains?"

The Senate-House Committee on Internal Revenue is sending out questionnaires to various civic groups to obtain their views on taxes. "However," added the press release, "a committee spokesman said the study would not necessarily lead to any special tax-cutting measure." You don't say!

What Makes Adlai Run?

What a campaign! To judge from the liberal-leftist press there is one paramount issue, McCarthyism, and upon this both candidates seem in substantial agreement. Few persons outside the respective campaign staffs have so far extended unqualified support to either nominee. Everything is conditional. The newspapers, the columnists, the commentators almost daily warn Ike that unless he does thus and so he can not win. Twice weekly the New York Times cautions the Republican candidate that unless he turns his back on Joe McCarthy, he will lose its attenuated support. The McLiberal columnists who unreservedly endorsed Ike before Chicago now advise him that anything short of full adherence to the Truman-Acheson-Marshall foreign policy line will cost him their blessing and the election.

Nor are the organs of the middle and the right less diligent in admonishing the soldier from Abilene, Mr. Roy Howard's newspapers, noting colloquially that the General has been "running like a dry creek," demand that he haul off and man-to-man it with the Administration, naming names and fixing personal blame for our disasters. So it goes also with the Wall Street Journal and the New York Daily News. Ike is damned if he does, damned if he doesn't. The situation might almost be reduced to the bare simplicity of a couplet:

Ike Eisenhower, it seems, must choose Between the New York Times and the Daily News.

The Republican candidate has not made that choice, nor is he likely to, and so the campaign pursues an unspecific course. Because of the ambi-
valence of Ike's journalistic backing, because both candidates are novices in national affairs, and because the issues have not been defined, their utterances are being scanned with more critical attention than is usual in these matters. To a lesser degree Adlai Stevenson is undergoing the same trial by mistrust. New/Fair Dealers and unreconstructed Confederates alike eye his every syllable for evidence that he has impaired the precarious balance amongst the forces that go by the name of the Democratic Party.

The sweet singer of the Sangamon reached a sort of unearthly summit with his graceful and literate acceptance speech. Across the wasteland of Democratic convention oratory Stevenson's humble little nosegay fell upon the televiewer's ear with all the refreshment of a mountain rill.

His utterances, now that he has swung into his campaign, have disillusioned us. Don Marquis once wrote a rowdy and immoral poem about three old toss-pots. You may recall that their bawling was interrupted by the little granddaughter of one of the gaffers, who plaintively pleaded with him to go home. Netted, grandpa gave her the back of his hand, hurling her frail body into a nearby cask and moving one of his companions to ask, "Brother, don't you think you struck a trifle hasty?"

Like grandpa, we struck a trifle hasty. Upon reading Adlai's artful and disingenuous effort before the American Legion at Madison Square Garden, we were prompted to recant. When he announced that "the anatomy of patriotism is complex," he depleated our enthusiasm for his literary gifts. The literary artist, as we of the Freeman must be first to acknowledge, has great latitude when it comes to forceful imagery, but Adlai swung too wide on that one. How can the subjective emotion of patriotism have an anatomy, and what is complex about it? Nor was that Adlai's worst lapse. He went on to declare that "to strike freedom of the mind with the fist of patriotism is an old and ugly subtlety." We ask you! What can be less subtle than the blow of a fist?

We were forced to conclude one of two things. Either Adlai is merely an overblown and pretentious varibarian or his prose style was not proof against the ministrations of Dr. Arthur Schlesinger, Jr., who, meanwhile, had been installed as principal ghost in the mansion at Springfield. Pained as we are by Adlai's cumbersome and involuted prose, we are more concerned with the sense of it. The fact that he went after McCarthy at Madison Square Garden is fairly unnoteworthy. To blister Joe is the number one plank in the platform of Americans for Democratic Action. It is the ADA faction of the Democratic Party to which Stevenson has increasingly adhered since his relatively uncommitted nomination. His choice of Wilson Wyatt, a founding father of the ADA, as his campaign manager, of young Schlesinger as his chief brain truster, and of a Chicago lawyer as national chairman who owes to Justice Bill Douglas his appointment as a House committee counsel, attest the leftist directions of Adlai's campaign. To destroy McCarthy is the aim not only of the ADA but also of the shrewd, hard-faced masters of Communist Party tactics both in Thirteenth Street, New York City, and the Kremlin. Such tactics self-evidently follow the maxim that the best defense is a vigorous offense.

Stevenson's Madison Square Garden speech did more than demonstrate this tactic. He reserved all his censure for the anti-Communists, staying his hand completely from the Hisseas, the Marzanis, the Lattimores et alia who have been the object of the country's deep concern. Here was the classic statement of anti-anti-communism. "We must take care," he said, "not to burn down the barn to kill the rats." As David Lawrence observed in the next day's Herald Tribune, "he overlooked the realistic fact that when the barn is set afire by the 'rats,' it is imperative to call the fire-fighting apparatus immediately instead of letting the barn burn."

Stevenson went on to deliver a curious homily on patriotism: "Patriotism with us is not the hatred of Russia; it is the love of this Republic and of the ideal of liberty of man and mind in which it was born and to which this Republic is dedicated." What kind of patriotism contents itself with loving the patria but not hating those who relentlessly war upon it? What a pallid, exiguous patriotism is that with which to sustain our will to survive?

It is here that we have the true Stevenson, here that he begins to express the danger that he represents to the Republic. Stevenson is a Fabian intellectual afflicted with the weltschmerz of his type; the soul-sickness that, deriving from nineteenth century romanticism and utopianism and steeled in the Marxist critique, has disarmed the West psychologically and put us at the peril of the new barbarism. He is, moreover, the first genuine intellectual, the first three-seed-in-the-spirit-predesignator leftist intellectual to get within such close call of the Presidency. Roosevelt was not a "liberal" intellectual but a practicing politician, a political adventurer on the highest level who played with leftistism as he played with other forces, supremely confident of his ability to manipulate them all. Although he was in truth more played upon than playing, he was not, in the Stevenson sense, a true believer. Nor is Truman a conscious devotee of leftistism. The accident of history placed him at the center of movements and events beyond his comprehension and, at his worst, he is merely a captive of the forces in his Administration which deliberately, we must believe, have declined accurately to appraise and resolutely to confute the Soviet empire.

A study of Stevenson's brief public career discloses that he has behaved in all respects as have Truman, Acheson and Marshall in shielding sus-
pected subversives in the public service. He has, with these men, missed the salient point that public office is a public trust, that office-holders and bureaucrats come under the common law regarding trustees and, hence, must prove themselves innocent when put under suspicion. In his veto of the Broyles Act passed by the Illinois Legislature to establish a loyalty oath, Stevenson advanced the familiar and erroneous argument that public office-holders are entitled to the safeguards that the common law, the Constitution and the statutes throw about those accused of felonies. On that occasion, he misleadingly declared that the bill

... reverses our traditional concept of justice by placing upon the accused the burden of proving himself innocent.

Stevenson may have been acting in pursuit of this doctrine when he made the deposition in behalf of Alger Hiss. He has testified to his anxiety over this act by frequent rationalizations in which he has pleaded that it would have been "cowardly" for him to withhold character testimony when asked. This might have been so had the Hiss trial been an ordinary trial. Such was not the case. Although Hiss was being tried nominally for perjury, behind that indictment lurked the dreadful image of treason. Moreover, Stevenson deposed concerning Hiss's good repute many months after Whittaker Chambers's accusations had been thoroughly aired before a Congressional committee. The intent of the character testimony which Hiss's lawyers procured from two Supreme Court justices and others was to influence a jury favorably with regard to a defendant accused of treason. For a man of the humility, the sense of propriety and spiritual insight which Stevenson's words proclaim him to be, this act was one of audacity approaching recklessness.

There has recently come to light via the McCarran Committee's published record a new linkage of Stevenson with Hiss which, while by no means conclusive against the candidate, raises questions primarily because he is a candidate. A letter, consisting of Exhibit No. 115, pages 445 and 446 of Part Two of the IPR report, was written from William W. Lockwood, secretary of the IPR, to Robert W. Barnett, in charge of the IPR's Washington office. The letter dealt with the selection of conferees to be invited to the Mt. Tremblant, Quebec, meeting of the IPR in the fall of 1942. Lockwood wrote:

Another possibility we might consider is someone from Knox's [Secretary of the Navy] office or Stimson's [Secretary of War]. Coe and Hiss mentioned Adlai Stevens [sic], one of Knox's special assistants.

Hiss needs no identification. Frank V. Coe was named by Elizabeth Bentley as one of the circle of informants reporting to her as a Soviet espionage agent. This, you may say, is a casual reference not binding upon Stevenson. It might have happened to anyone. Quite true. Yet Stevenson is not anyone, and a reference which might have only passing interest in the case of Joe Doakes becomes of genuine import when its object is a candidate for President.

Casting back upon Stevenson's public expressions for light upon his political and social bent, we come to a speech delivered by him at Northwestern University on January 21, 1951. This address merits the analysis of all who wish to understand Stevenson's approach to the crisis of our time. A major theme of the speech was that our danger arises not from the Communist world conspiracy but from the "ancient racial xenophobia and the messianic zeal to missionize the world of the Russian people." Such is the enemy, thought Stevenson; the leaders of the "new Russia" merely using the "seductive new weapons of communism to soften their victims."

It seemed to Governor Stevenson that we should, in combating Soviet aggressiveness, talk "less of communism, with all its appeal for ignorant, miserable peoples and more of imperialism, which threatens the freedom and independence of everyone and has no appeal. Communism can be a fighting faith but imperialism is subtle slavery." Again, he described communism as "an egalitarian idea that has great appeal for the miserable masses of humanity."

While no man should be held to strict accountability for occasional speeches out of his past, the Freeman must relate Stevenson's argument to Soviet apologetics. We have heretofore noted that one of the most persuasive baits of Soviet propaganda is this very doctrine, viz., that all the evil pressing upon the West from the Kremlin arises from pan-Slav imperialism, none from communism itself. This doctrine has found ready acceptance amongst the Fabians, the crypto-revolutionaries, the welfare statists and eviscerated liberals everywhere in the West because it exonerates Marxism and rationalizes the "wave of the future." That it likewise conceals the face of the foe, arousing a counter-xenophobia against the Russian people instead of arming our will and spirit against their masters, is apparently of no moment to the intelligentsia.

One does not look to the leftist-liberal intellectual of these days for sound historical insights or a true judgment of the ordeal of our times. Yet even Mr. Stevenson should know that the appeal of communism to the masses is nowhere established. Where has communism won the power of the State in free elections? Certainly not in the Communist motherland. In the last free elections in Russia (those for the constituent assembly in the fall of 1916) the Bolsheviks elected only one-fourth of the delegates, 175 to the 410 elected by the majority party, the Social Revolutionaries, with other parties splintering the remainder of the vote. Lenin, of course, dissolved this assembly and the Kremlin has never since trusted the peoples under its sway to pass judgment at the polls upon the "appeal" of communism. So it has been in all lands conquered.
by communism. None ever fell at the ballot box, all were subdued by naked force and by terror.

Where is the "appeal" which Stevenson celebrated and feared at Northwestern?

Can Stevenson not see that the struggle for world ascendancy is being pressed against us with the utmost cynicism and brutality by a truly Marxist power which never has hesitated to deceive, murder and despoil its own masses of well-being? Does he still believe that somehow communism has the evang?

We beg leave to doubt that Stevenson does understand these matters. Herein lies his danger. We believe further that his obvious entrapment in the doctrines that forbid the intelligentsia to be "beastly to the Soviets" renders General Eisenhower by far the preferable alternative in November. The Republican candidate may be to some extent—undoubtedly is—under the influence of the prevalingly fashionable liberalism of 1952. He may have Stevensons in his own entourage. But Eisenhower is not himself a true believer. Nothing in his background, his training or the disciplines of his military career suggest that he is soft toward Marxism, that he absolves it of the guilt behind Soviet imperialism or that he would, if left to himself, wish to shield those serving the Kremlin's cause in our government.

While Eisenhower may be used at times by the forces that impelled Roosevelt and Truman to calamitous decisions, he is not a prime mover among those forces. It is possible for Eisenhower to perceive the truth concerning the nature of Soviet aggressiveness, i.e., that it is Soviet, not Russian imperialism. Eisenhower needs instruction. He is not, however, as we fear his opponent is, uneducable in these matters.

Let's Compare Isms

If we did not know that he perished when Nazi Germany collapsed, we might be forgiven for suspecting that a man named Goebbels has been masterminding the Democratic campaign for the Presidency.

For the Democrats, instead of campaigning against Eisenhower on the issue of foreign policy, or domestic reform, have been vociferously campaigning against Joe McCarthy. And the Democratic issue consists of the barren refrain that it ain't right to call General Marshall a traitor.

This is simple-minded, not to say idiotic, and if the nation falls for it then we deserve to go down the drain. For the truth of the matter is that McCarthy never did call Marshall a traitor. What McCarthy said was this: "I do not propose to go into [Marshall's] motives. Unless one has all the tangled and often complicated circumstances contributing to a man's decisions, an inquiry into motives is often fruitless. I do not pretend to understand General Marshall's nature and character, and I shall leave that subject to subtler analysts of human personality."

The whole implication of Joe McCarthy's famous Senate speech, which practically nobody listened to, and of his subsequently published book, "America's Retreat from Victory: The Story of George Catlett Marshall," is that General Marshall was used by men of greater political intelligence than his own. No student of China or the Far East, he threw in his lot with those who wished to foist the Chinese Communists on Chiang Kai-shek. No student of the political implications of grand strategy, he used his influence in such a way that Soviet Russia emerged from World War II as the single great power on the continent of Eurasia. The "whys" of General Marshall's choices have never been clarified, and the General himself has refused to make a memoiristic explanation. So the historian must guess if he is seeking for logic in events. If we were to make a guess ourselves, we would rather surmise that George Marshall has no particular political judgment, and that he simply went along with Harry Hopkins and Roosevelt and John Carter Vincent and Dean Acheson when he was called upon to act or speak in a political capacity. In other words, he unwittingly allowed his reputation to be used by craftier men.

What Joe McCarthy did in his speech and in his book was to document the known circumstances of Marshall's political activity. For his source material he went to the published works of Secretary Stimson, Robert Sherwood, General Deane, Admiral Leahy, Hanson Baldwin of the New York Times, Cordell Hull, Winston Churchill, General Bradley, James Byrnes, Sumner Welles, General Clay and Jonathan Daniels. In running over this list it can be seen that Joe McCarthy hardly quoted from a single person who could be called an enemy of General Marshall. All he did was to piece together the record from the books which historians will be using from now till doomsday when they are writing the story of the war's political aftermath.

M. K. Argus, the political wit, has said that anybody who calls Owen Lattimore a fellow-traveler is either a liar or has read his books. We might turn this around a bit to explain the Democratic campaign against "McCarthyism." Anybody who says McCarthy has called Marshall a traitor is either a liar or he hasn't read Joe's book.

The Republicans, of course, must shoulder their share of the blame for allowing the Democrats to get away with their campaign against McCarthy. For if "McCarthyism" is an issue in this election, then such things as Lattimoreism and Trumanism and Achesonism and Vincentism and Hissism are far more important issues. The upshot of Lattimoreism, Trumanism, Achesonism, Vincentism, Hissism and, yes, Marshallism is that we have lost China and eastern Europe to the Communists. The
upshot of McCarthyism, on the other hand, is the mere statement of the fact that certain people in the government had a hand in losing China and eastern Europe to the Communists. The Republicans should get busy comparing ism for ism. A documented comparison would show where the Democrats are relying on the smear and the Big Lie, the Republicans are merely relying on the record. But it takes intelligence to find out what the record is, and the Republican high command has yet to prove that it knows how to read a book.

The Draper Report

The U. S. Special Representative in Europe, Ambassador William H. Draper, Jr., has not disappointed the many admirers his proven good sense has made for him throughout this country. His first report on American economic and military aid to Europe, which Mr. Draper was dispatched to supervise on the spot, is indeed the first official report—since Marshall Aid started with all the hysteria of pop-eyed improvisation—to view European predicaments and feasible American antidotes with rationality. Used to the blackmailing, high-strung language Mr. Truman's run-of-the-mill emissaries habitually apply to reports which are always meant to pressure Congress into allocating unlimited funds for European aid, we are greatly impressed by Mr. Draper's characteristically calm and judicious presentation.

And yet his report, it seems to us, stopped at precisely the point where a rewarding discussion of Europe's ordeal ought rightly to start. Ambassador Draper's thesis, unexceptionable as far as it goes, is that the "dollar gap"—that seemingly incurable European hemorrhage—is a mere consequence of a badly upset balance of Europe's trade with the U. S.; and that consequently, to make Europe recover economically and militarily, the U. S. ought to favor European exports to this country rather than continue doing out U. S. tax money. If we do not permit our European allies to "earn their way" by selling to us, contends Ambassador Draper, there will be "a real danger of a deep and perhaps disastrous fissure between the economics of Europe and America"—as much a threat to Atlantic stability as is Soviet aggression.

The one commendable aspect of this thesis is that at least one of our official representatives abroad has learned to connect Europe's troubles with her normal structure rather than the dramatic but extraneous postwar calamities. Europe's economic woes are indeed due to her unfavorable position in world trade. But much as we are willing to endorse the sensible abolition of any existing impediments to trade, we submit that the main obstacle to an expansion of European trade with the U. S. is by no means the U. S. tariff. It is, of course, Europe's relatively declining productivity.

To give an example (which Mr. Draper might have profitably included in his report), British steel experts recently returned from extended efficiency studies in the U. S. have just scared the pants off their industry with a figure that tells everything: per man-hour, British steel production compares with U. S. steel production as 1 to 3.5. In other industries and other European countries the comparative indices may be less staggering. But the undeniable and basic fact to determine any sensible discussion of increased European exports to the dollar area is not the dollar gap but the incredible and widening gap in productivity.

And what is to be done about it? Suppose the U. S. tariff were completely abolished. How are European goods to compete with U. S. goods in U. S. markets if Europe's per-item costs, plus transport, are clearly so much higher than ours? To make them competitive, the European governments would have to subsidize their exporters directly or indirectly. In either case the subsidizing fund would have to be reimbursed, via U. S. aid of course—not to speak of the intolerable fact that, in permitting such a policy, the U. S. government would discriminate in U. S. markets against U. S. industry. This remains the central problem—and the Draper Report did not touch it.

Europe is potentially a tremendous powerhouse of resources, capacities and skills. What keeps the Old World from attaining magnificent productivity is her nationalistic prejudice against unified large areas of domestic markets and, above all, her traditional contempt for mass production. We do not claim that a mass-production mentality is necessarily superior to any other. In fact, we are perfectly willing to concede the human attractiveness, and perhaps even cultural superiority, of a happy-go-lucky, provincial, unhurried mode of life. But Europeans can not have it both ways.

It is entirely their own business if they prefer handicraft ways to conveyor-belt civilization. Only, if they do, they must not expect our superior material standards of living too—which is another way of saying that the dollar gap is of course unbridgeable: the Europeans will never be able to buy all the U. S. goods they so understandably desire because, and so long as, they do not produce sufficient competitive goods for export to the U. S.

This is what a rational U. S. policy ought to tell the Europeans, honestly and patiently. It ought to tell them that America neither feels obliged nor can afford to pay the difference between European appetites and European habits. Our European friends are entirely welcome, and have our kindest blessings, to continue with the pace and the prejudices they enjoy. On the other hand, we are perfectly happy to trade with them once they can sell for a price we are willing to pay. The choice ought to be theirs, not ours. And theirs, too, ought to be the consequences of a free decision.
The Economics of Freedom

Lessons of the Steel Strike

By LEO WOLMAN

The steel strike, which ended July 26, made lots of history. It lasted 54 days, affecting directly more than a half-million steel workers and, indirectly, probably several times that number working in industries dependent for their operations on an adequate supply of steel. The sympathetic strike of the iron miners, called as part of the strategy of Philip Murray, President of the United Steel Workers, has endangered the flow of iron ore into next spring. The strikers gave up two months' wages, amounting to an average of $600 per employee. The country lost from 15 to 20 million tons of steel with the result that the production of munitions was drastically cut at a time when the very security of the United States was held to rest on a large and increasing output of munitions and equipment for the armed services.

These are some of the material losses of the strike. Great as they are, they are far exceeded in importance by the moral losses this country has suffered from the misuse of the powers of government. For there is convincing evidence that what the Federal government did during all stages of the steel labor controversy succeeded in provoking, instead of averting, the strike and prolonged it once it was ordered by the union of steel workers. This has been an episode marked by mistaken public policy, uninformed and incendiary statements by public officials, and by what the record suggests to be open disregard for the public interest. If these assertions are correct, it would be a pity to allow the strike and its antecedents to pass out of mind before drawing from them the lessons they so obviously contain.

The roots of the steel situation run back into the development of our present labor policy. The railroad unions have been involved in unresolved disputes with the railroad companies ever since they found it profitable in 1941 to reject the findings of an emergency board and turn to President Roosevelt for aid, comfort and better terms. From that time on it has proved harder and harder to negotiate peaceful settlements on the railroads. What President Truman has come to regard as the obduracy of union leaders in this industry has frequently aroused his ire and has led him to seize the railroads, to use injunctions against the striking unions, and, in one instance, to propose to Congress the drafting of strikers into the army. In similar situations in other industries the unions think they fared better than the railroad men. But the results are everywhere much the same—reluctance to settle differences on the spot, appeal to the government for intervention and support, and, more often than not, calling a strike to force a government decision on an unwilling employer.

Paving the Way to Disagreement

Reinforcing this trend to appeal to government was a decision made in Washington early in 1951. It was this decision which paved the way for the steel strike. The decision was made by an advisory committee appointed by Mr. Truman to lure the labor leaders back to the defense boards from which they had previously resigned in a huff. The committee accomplished its purpose, but it paid a big price for its achievement—the conversion of the Wage Stabilization Board into a disputes board. To a layman this would seem a most innocuous transformation. But what is innocuous in ordinary circumstances becomes fraught with unsuspected possibilities in Washington. What the change meant was that the new board would be less concerned with stabilizing wages than with preventing strikes. In its new guise, therefore, it was a plain invitation to unions not to agree to anything at home, but to bring their grievances to Washington. The invitation was all the more appealing, for the board now had jurisdiction not alone over wages but over any other matters in dispute. Among these matters was, of course, the union shop, or compulsory membership—an issue which a sensible board would have avoided like the plague but one which also stood high on the list of union demands.

It was against this background that the steel situation unfolded. The existing contract between the United Steel Workers and the steel companies terminated on December 31, 1951. It is customary to begin new negotiations for a new contract sometime before the old contract ends. Such negotiations began on November 27, when Philip Murray pre-
sented numerous demands, including the guaranteed annual wage and the union shop, and a wage increase, variously estimated, but anyhow a rather substantial figure. These demands the companies rejected, arguing that wage increases would be followed by price increases, a process which would benefit no one. Whatever the reason, it soon became clear that there would be no settlement through negotiation. On December 22, therefore, in order to prevent a strike scheduled for January 1, 1952, the President referred the case to the Wage Stabilization Board (WSB).

The next step in this procedure continued until March 20, 1952 when the WSB announced its recommendations. They were, in brief, a wage increase aggregating 26.5 cents an hour and the union shop. The recommendations were promptly accepted by the union and turned down by the companies. There followed a succession of meetings between the parties in the course of which the total wage increases offered by the companies was raised to 21.4 cents an hour on June 9. This was substantially the offer on which the strike, beginning June 2, was settled on July 26. Meanwhile, however, the union had yielded some ground on the union shop, a concession which it had refused to make in early June.

Throughout this protracted dispute the union announced a series of strike dates, each of which was canceled so long as the case was in the hands of the WSB. On April 8 the President warded off a strike by seizing the industry's plants. This truce lasted until April 29 when Judge David A. Pine found the seizure to be unconstitutional. The union struck again, this time ordering the men back to work on May 2, following an appeal by the President and a ruling by the Federal Court of Appeals which returned the steel mills to the government. The next and final strike started June 2, immediately after the U. S. Supreme Court upheld the ruling by Judge Pine. It was this strike which ran for 54 days until July 26.

Why Murray Did Not Negotiate

This in bare outline is what happened over eight months in what was after all a usual difference of opinion over the terms of a labor contract between employers and a union which have had joint dealings for nearly fifteen years. The leading representatives of both sides were men of considerable skill and experience in labor negotiation. Why, then, did it prove impossible in the first stage to effect a meeting of minds without submitting the issues to a government board, and why, after the board had ruled, did it take another four months, including a two months' strike, to reach an agreement?

There were in the course of this episode many accusations and counter-charges—that the employers had refused to bargain, that there was a deal between the union and agents of the government, that the industry could have well afforded to accept the decision of the WSB. Whether, or to what degree, any of this is true is beside the point. The trouble lay in the attempt to mix national labor politics with labor relations. Labor issues that arise between strong national unions, like the United Steel Workers, and the employers are hard enough to settle by the interested parties, left to themselves. But the difficulty of their resolution is multiplied many times when either party is led to believe that it will fare better before a board than through direct negotiation. This was surely the case in the steel situation. For Philip Murray knew two things which were calculated to persuade him to submit his demands to the WSB instead of attempting to knock out an agreement with the employers. The first was that the WSB, now acting as a disputes board, would interpret the wage stabilization regulations loosely and hence favorably to the union, and the second was that the board would give him more by way of the union shop than he could possibly have wrested from the industry. These considerations must have had great weight with him, as they would have with most union leaders. And, in fact, subsequent events proved him to be quite correct.

Mr. Murray, moreover, was not working altogether in the dark with respect to the policies of the WSB. He knew, of course, what the board's formal jurisdiction and powers were. But he also knew something about the attitude and thinking of Nathan Feinsinger, chairman of the WSB, which "settled" the steel case. Appearing before the CIO national convention early in November 1951, some weeks before the steel union presented its demands to the industry, Mr. Feinsinger "took issue with the notion that wage rises were necessarily inflationary." Since this is also a favorite idea of the union's, Mr. Feinsinger's public acceptance of it must have encouraged the union to entrust its wage demands to the board. This was not his only allusion to wage stabilization. In the same speech to the CIO he said:

I see by the newspapers, Phil, that some of the experts from Washington have been here in your hall making speeches and arguing in behalf of wage stabilization. Your convention has before it a resolution which does not exactly endorse these arguments. This resolution does not come as a surprise to me.

Whatever this statement may mean, coming from the chairman of a board charged with the duty of stabilizing wages it must have deeply affected the thinking and hopes of the union representatives who heard it.

The decision, or recommendations, finally made by the WSB on March 20 justified the hopes of the union. It is not too much to say that the total increase in wages specified by the board, something more than 26 cents an hour, came as a surprise to
everyone except the public and labor members of the board. Mr. C. E. Wilson, then Director of Defense Mobilization and presumably responsible to the President for administering the policy of stabilizing wages and prices, said he failed to learn of the board's decision until March 21, the day it was made public. This in spite of the fact that he had expected Mr. Feinsinger to give him advance notice of the board's intentions. Mr. John C. Bane, Jr., an industry member of the steel panel, testified before the Senate Labor Committee that until late on March 20 "no industry member of the board or panel had heard of this proposal" to raise wages by the amount of 26 cents. "In spite of that," he went on to say, "the wage recommendation . . . was approved at once, without discussion, by the votes of the public and labor members of the board."

However the figure of 26 cents was arrived at, those who determined it were clearly nullifying any practical policy of wage and price stabilization. It was the largest increase granted in many years, exceeding even the rise of 18.5 cents granted in 1945-46 to compensate employees, among other things, for their loss in income through the reduction in the large overtime earnings they had received during the war. Moreover, the employment cost to the industry of the proposed increase was closer to 30 than 26 cents because established labor charges, such as social security, had now to be computed on a higher wage base. The employers were also correct in claiming, and past experience supported them, that before long the increased accorded steel workers would spread to other industries and would be reflected in higher costs to the steel industry of the materials and services it buys. In the face of such substantial additions to the cost of doing business, it was certainly a profound error to believe that the recommended wage advance was non-inflationary or that it could be absorbed by the companies without increasing their prices. On the contrary, what the WSB proposed was highly inflationary not only in the degree to which it raised costs but because it would increase income just when the Administration was clamoring for higher taxes in order to reduce income.

The board's decision on the union shop involved an altogether different issue. At stake here is the use of the extraordinary powers of government to force free men and women into unions against their will and to require employers to deny employment to men and women who refused to join unions. At stake also is the right of minorities to survive even within the labor movement. With labor so thoroughly unionized as it is today in American industry, compulsory membership, either in the form of the union or closed shop, means keeping people out of work who, for whatever reason, decide not to join organizations of labor. The unions themselves do not hesitate to identify compulsory membership with compulsory citizenship in an industrial society of which they are the government. This contentious question has been debated over many years and it has never been conceded to be a proper function of government to force Americans to compromise the fundamental right to determine the conditions under which they will work and earn a living.

With these invaluable concessions in hand, it was only natural that the union should seize upon the board's findings not as recommendations subject to negotiation with employers, but as a mandate from the government which it could not be expected to turn down or amend. It was equally natural that the employers would reject the board's wage terms as excessive and the union shop as contrary to the principles they were determined to defend. It was crystal clear, therefore, and should always have been so to the board and the Administration that, barring some authoritative attempt to moderate the board's terms, a strike was inevitable.

The President Invited a Strike

Instead of counseling moderation, Mr. Truman jumped into the fray, accused the steel companies of refusing to bargain, and said that the "steel companies are recklessly forcing a shutdown of the steel mills." This strong public support of the union's position by the President of the United States was all that Mr. Murray needed. If he was before the President's statement determined to stand by the board's award, he now was adamant and any chance there was of preventing a strike was effectively destroyed.

Except, then, for brief strikes, stopped by the President's seizure of the mills and the succession of proceedings before the Federal courts, the long strike began on June 2. Thereafter, an Administration concerned with the public interest would have done everything in its power to shorten the strike and thus mitigate its effects. That there were good chances for an early settlement was clear from the offer of 21 cents which the industry made on June 9, and on which substantially the strike was settled on July 26. What sharp difference there remained appeared to be primarily on the issue of the union shop. Again a golden opportunity was lost as the President, joined in demagogic utterances by Vice President Barkley and Secretary of Labor Tobin, reinforced Mr. Murray's determination not to yield. Matters were made still worse by the President's refusal to invoke the emergency strike provisions of the Taft-Hartley Act. Indeed, Mr. Truman had long before promised Mr. Murray not to use that statute. For, talking to the strikers in Gary, Indiana on June 22, Mr. Murray is reported to have said:

I remember distinctly just about the day before Christmas, 1951, President Truman communicated with me and in the national interest he suggested
that the original strike scheduled for January 1 be postponed. He at that time said that "if you willingly and voluntarily agree to a suspension of the strike, I believe you need have no fear of the courts imposing upon your membership the so-called Taft-Hartley injunction process."

The truth is that the President’s references to Taft-Hartley are misleading and unfair. The law simply requires an 80-day cooling-off period, during which there is an opportunity for negotiation, and a secret ballot of the strikers at the end of the period on the employers’ final offer. The injunction provision of the law, to which Mr. Murray and Mr. Truman took such violent exception, is a simple administrative expedient to be employed only after a board, appointed by the President, had found that an emergency affecting the nation’s health and welfare existed. In substance there is very little difference between these emergency provisions of Taft-Hartley and the analogous provisions of the Railway Labor Act. Yet the President has not hesitated to appoint numerous emergency boards under the latter Act, not to speak of the times he has backed injunctions, contempt of court proceedings, and fines imposed on unions in railroad and coal-mining disputes.

Mr. Truman’s argument that he would not ask the steel workers to forego striking for 80 days after they had already postponed their strike for 99 days is equally specious. When Mr. Murray elected to put his case before the WSB, he knew from past experience with such hearings that he was in for long-drawn-out proceedings. The reason he postponed the strike was that he expected to get favorable terms from the board. These he got, and they immeasurably strengthened his bargaining power in his subsequent dealings with the employers. Far from losing by the delay, he gained from it. An additional waiting period of 80 days would surely not have harmed the members of his union. For, if nothing else, they would have been working at a high rate of wages, instead of losing all their earnings by striking. Also, the employers’ offer of June 9 made the proposed wage increase retroactive to April 1, a date later pushed back to March 16 and in the final settlement to March 1. The steel workers obviously had much to gain and little to lose by again postponing their strike. In addition they were afforded the opportunity to vote at the end of 80 days on the employers’ last offer, when they were enabled to decide for themselves whether they were willing to turn down 21 cents and resume striking in order to win a tight provision for the union shop.

Any careful and thorough reading of the records in the steel case leads to the conclusion that political considerations loomed large in the handling of this labor dispute. For what appears to have been political advantage, the public, the strikers and industry suffered heavy and unnecessary losses. Throughout the episode high public officials, from the President down, behaved as if they were unaware of or indifferent to the public interest. It is doubtful whether the chairman, or public member, of an important government board is observing the amenities and responsibilities of public office when he discusses before an assembly of one of the leading litigants in a dispute he is about to hear the substance of the issues he knows he will shortly adjudicate.

Military Production Was Sacrificed

Nowhere, also, is the absence of official responsibility more forcibly disclosed than in the relations between the strike and the country’s rearmament program. From the beginning of the Korean war Mr. Truman and many of his associates repeatedly stressed the urgent need for increasing the capacity of the steel industry. The government even threatened to get the additional capacity itself if the industry failed to do so. On October 3, 1950, Mr. Stuart Symington, then chairman of the National Security Resources Board, said, “If the steel industry doesn’t act promptly to expand production, the government will take the lead .. . we’ve got to have steel and President Truman intends to get it.”

This assertion is only one of a series of equally plain and strong warnings. The industry, in fact, was increasing its capacity and in July 1950 planned to expand capacity by 9,400,000 tons at the end of 1952. It did better than that. But when the steel strike sacrificed a good deal more than all of the added tonnage, the disaster was received quietly. There were no public protests out of Washington against Administration policies which contributed to great losses in military production. Only C. E. Wilson spoke up in favor of a sound solution of the steel dispute, and when his proposals were rejected, he resigned.

This country has gone to great lengths since 1933 to make peaceful collective bargaining the accepted method of labor relations. In the process the government has played a critical part in building up a number of powerful national labor organizations which have jurisdiction over the majority of our basic industries. With the passage of time these unions, individually and collectively, have sought and acquired not inconsiderable political power. These developments have made politicians and the government increasingly sensitive to the demands of these organizations and have caused them to replace bargaining and negotiation with the various forms of intervention which are at the government’s disposal. This way of handling labor relations impairs the machinery of peaceful negotiations and invites strife, as the steel strike clearly shows. Long continued, such policies are bound to lead to compulsory arbitration of labor disputes and extensive regulation of the practices and policies of private business.
Against Labor Blackmail

By TOWNER PHELAN

To prevent labor dictatorship from paralyzing our economy and destroying individual liberty, Mr. Phelan suggests eight essential measures.

Appeasement may be defined as yielding to the threat of force, as paying blackmail. Paying blackmail does not stop blackmail, but always results in more being demanded. Appeasement will no more work with the powerful labor monopolies for which Mr. Roosevelt served as midwife, than it did with Hitler. If we continue to appease industry-wide union labor monopolies, it will end either in civil war or the submission of the United States government to an unofficial labor dictatorship.

The Wagner Act was sold to the American public on the basis that it would give labor equality of bargaining power with industry. If it had been drawn honestly to accomplish that purpose, little quarrel could be found with it. But that was not the revolutionary purpose of Lee Pressman, the Communist who drafted it. However praiseworthy the motives of the late Senator Wagner and the millions of sincere people who hailed the Act as an important milestone in human progress, it was still a Communist measure. Its purpose was to make labor unions so powerful as to be able to dictate terms to the government of the United States. The Communists hoped to capture these unions and use them at the appropriate time to spearhead the revolution and establish a “dictatorship of the proletariat.” This Communist goal may be remote, but the threat to our liberties posed by the illegitimate power of industry-wide labor monopolies is immediate and dangerous.

Equality of bargaining power means that the employer and his employees will have equal power. It does not mean that either will be in a position to dictate to the other. If all, a majority, or in many cases a significant minority, of the employees of a single corporation are in a union, they will have equal power with the employer. By going on strike, they can close his plants. He can not get along without his employees, nor they get along without him. A prolonged strike will not only inflict losses on the employer but may undermine his position in the industry. He is therefore under great pressure to reach an agreement. Labor is under similar pressure to settle. A prolonged strike inflicts great hardships upon the worker. It cuts off his income during the strike and may even cause him to seek employment with competing businesses or in other lines of work. Both sides have equality of bargaining power and both sides are under great economic pressure to come to an agreement.

The situation is entirely different if a single union has a nation-wide monopoly, or near-monopoly, of labor in an entire industry. There is then no equality of bargaining power. By shutting down a vital industry, such as steel, coal mining, or the railroads, irreparable harm is inflicted upon the public. Industry may be able to hold out, but the public can not.

The Blockade of America

An individual company does not suffer as much from an industry-wide strike as from a strike against itself alone. Although any strike would affect its earnings, an industry-wide strike would not undermine its competitive position, whereas a prolonged strike against it alone would help its competitors at its expense. Therefore labor would have a weaker bargaining position in an industry-wide strike than in a strike against a particular company, were it not for the fact that in an industry-wide strike it wins its demands by blackmailing the government of the United States and the public. Today the big industry-wide national labor monopolies have the power to hold the people of the United States for ransom, to cut off their livelihood, to starve them, and to strangle the economy. Even such a partisan of labor unions as President Truman said of a railway strike: “Food, raw materials, shipping, housing, the public health, the public safety—all will be dangerously affected.” John L. Lewis said of one of his perennial coal strikes: “Our economy is gradually being stagnated. As the days progress, tonnage will go off the railroads, factories will close, and distress will come to the American people.”

A strike of this character is “levying war against the United States,” which our Constitution defines as treason. It employs one of the oldest forms of warfare—the siege and blockade—against the American people.

If we are to prevent unions from winning their demands by paralyzing the economy and blackmailing the people, a number of steps must be taken. Industry-wide unions must be broken up into smaller unions and prevented by anti-trust laws from acting collusively in restraint of trade. If the industry is one of large nation-wide corporations like the steel industry, there should be a separate union for each such corporation. Where
the industry consists of many small producers, as in coal mining, the unions should be broken up into smaller unions on a regional basis.

It has been suggested that we can meet the problem of strikes that threaten the public safety by prohibiting industry-wide bargaining. Such a solution would merely require a change of union tactics; it would not do away with monopolistic control by a single union of the right to work in a great industry. A series of coordinated strikes, successively shutting down first one large segment and then another of a basic industry, would strangle our economy just as surely, if somewhat more slowly, as would an industry-wide strike.

The most important requirement for an effective solution is amendment of the anti-trust laws to outlaw industry-wide unions and to prohibit separate unions from acting in concert to impose their demands upon an industry. Permitting separate unions to act collusively in a conspiracy in restraint of trade would destroy the effectiveness of any break-up of industry-wide unions.

Amending the anti-trust laws to outlaw union conspiracies in restraint of trade means drawing a sharp line between what a union does in a labor dispute to which it is a party and what it does to help another union. Men should be permitted to strike for better wages and working conditions, but not to help another union. Sympathetic strikes, secondary boycotts, and refusal by members of one union to cross the picket lines of another, are actually conspiracies in restraint of trade. They should be prohibited under our anti-trust laws.

The outlawing of industry-wide unions would meet the problem of industry-wide strikes which endanger the public safety. But it would not meet the problem of other strikes against the public safety such as a strike against a light and power company on which a great city depends. Strikes which threaten the public safety should be prohibited. In such cases machinery should be set up for impartial, non-political, compulsory arbitration of strike issues.

Illegal Strike Violence

The illegitimate power of labor to paralyze our economy is strengthened by official tolerance of illegal violence in strikes and by the many special privileges granted labor under the law. If we are to prevent unions from winning their demands by blackmailing the American people, we must repeal these special privileges and penalize illegal violence.

Men are coerced into joining unions by threats, intimidation and violence. The use of the strike, boycott and picket line to control men's choice of a union is an infringement upon individual liberty. These, however, are the customary means used to organize unions, compel men to join unions whether they want to or not, and compel them to remain in unions.

Our courts have upheld the right of peaceful picketing, while deliberately closing their eyes to the fact that in strikes affecting large industries picketing is nearly always accompanied by violence or the threat of violence. Mass picketing and picketing that depends for its effectiveness not upon persuasion but upon violence and intimidation, is an infringement upon liberty. Picketing characterized by violence and intimidation should be prohibited by law.

The problem of illegal use of violence and intimidation is much more difficult to handle in the case of strikes involving tens of thousands of employees than in strikes involving a comparatively small number of employees. For example, in 1937 the Automobile Workers Union engaged in illegal sit-down strikes in which they seized the plants of the automobile industry. They defied the courts, and local law enforcement officers were too few to evict the thousands of strikers from the plants they had illegally seized. Local officials called upon Governor Murphy of Michigan for help. But the Governor refused to enforce the law because he said it would result in bloodshed. If we were unwilling to shed blood in order to enforce the law, there would be no law except that of the jungle.

Governor Murphy's action was typical of the cowardice that is an occupational disease of public officials. In most instances officials condone and encourage illegal strike violence and destruction of property if it is on a sufficiently large scale. Retail crime is severely punished, wholesale crime is condoned and encouraged. Since 1932 the United States government has consistently encouraged the use of violence, "goon squads," brass knuckles, mayhem and murder in labor disputes. Its first act of encouragement to violence was the Norris-LaGuardia Act which changed the law of agency to provide that labor unions and their officials would not be liable for the acts of their agents unless they had authorized such acts or ratified them. This meant that, from the practical standpoint, unions and their officials could not be held responsible for illegal strike violence.

President Roosevelt rewarded Governor Murphy's refusal to enforce the laws of Michigan by elevating him to the Supreme Court. This was an invitation from the President of the United States for labor unions to violate the law. The National Labor Relations Board consistently ruled that union members who had been discharged after being convicted of misdemeanors arising out of strike violence, should be reinstated. Mr. Truman's recent statement to Congress that it would be unfair to invoke the Taft-Hartley Act in the steel strike and that he did not think it would be effective, was an invitation to unions to defy the law.

Nor can the Supreme Court be held blameless. In New York the teamsters' union, according to the Court, "conspired to use and did use violence and threats" to levy tribute on all trucks entering
New York City. But the Court upheld the practice and held that labor unions are not subject to the Federal anti-racketeering law. Justice Stone, in his dissenting opinion, stated: "Such an answer, if valid, would render common law robbery an innocent pastime."

The extent to which union power depends upon the use of illegal violence is illustrated by an exhaustive study of the conflict between the United Mine Workers and the Progressive Miners Union made by Harriet D. Hudson, Assistant Professor of Economics, University of Illinois. Pointing out that the struggle was carried on by violence, dynamiting, murder and small pitched battles between the rival forces, she said:

The hostility between the two groups of miners became so great that neither the Government nor the individual was able effectively to guard persons and property against harm, and the interunion conflict therefore took place in an environment of fatal shootings and frequent bombings. By 1932, carrying arms had become such a usual custom in some villages that at least one company had put up a so-called "gun board" where miners could place their guns before going below the surface.

One of the most flagrant illustrations of the UMW’s dependence on illegal violence, and of the tyranny and near-slavery involved in compulsory unionism, is provided by the suit of Charles Minton against that union. Minton was discharged as an officer of the union and is suing for damages. He alleges that he was ousted and deprived of his means of livelihood because he refused to murder two coal operators upon the order of the union. He admitted having bombed non-union coal mines on union orders.

This illegitimate union power has so corrupted labor that even the rank and file sincerely believe they have a right to use illegal violence and to engage in strikes that paralyze our economy and threaten our people with starvation. The rank and file of labor, as distinguished from its leadership, are just as patriotic as any other element of society. But power is a heady wine. We have witnessed repeatedly the extraordinary spectacle of men threatening their country with economic paralysis in the honest conviction that their actions were entirely within their rights.

Twenty years of official encouragement of illegal labor violence are reflected in the arrogance of labor leaders. The UMW contributed $450,000 to aid in Roosevelt’s election and when the President would not do his bidding, John L. Lewis castigated him in these words:

It ill behooves one who has supped at labor’s table and who has been sheltered in labor’s house to curse with equal fervor and fine impartiality both labor and its adversaries when they become locked in deadly embrace.

Phil Murray’s statement that “the Taft-Hartley law doesn’t manufacture steel” was a thinly-veiled threat that if Mr. Truman used the Taft-Hartley Act the Steel Workers would defy the law and refuse to obey the injunction. This is not surprising in view of Mr. Truman’s statement that “the Taft-Hartley procedure would be unfair, harmful and futile,” and that “there is no assurance that it [an injunction] would get the steel mills back in operation.”

How far the Administration has gone in making itself a mere servant of labor was underlined by Mr. Truman’s handling of the steel strike and by Secretary of Labor Tobin’s statement to the Steel Workers’ Union Convention that “I don’t feel any obligation to be impartial” and that he is “heart, soul and spirit” behind the union. This suggests that the Administration has descended to the humiliating role of being the front and mouthpiece for a labor dictatorship.

The Threat of Union Dictatorship

The issue is this: we must either break the illegitimate power of labor or face the alternative of civil war or submission to a labor dictatorship. The minimum program to accomplish this objective would include the following:

1. Make labor unions subject to anti-trust laws, outlaw industry-wide unions and prevent separate unions from acting collusively in restraint of trade.
2. Outlaw, as conspiracies in restraint of trade, sympathetic strikes, secondary boycotts (now prohibited under the Taft-Hartley Act), and refusal of members of one union to cross the picket lines of another union.
3. Outlaw every form of compulsory unionism.
4. Since the Federal government has assumed jurisdiction over labor disputes, it should make acts of violence that are crimes under state laws Federal crimes when committed in connection with labor disputes.
5. Unions should be made subject to the Federal anti-racketeering act.
6. The “paper” prohibitions against unions making political contributions should be made effective. Today they are only a sham.
7. Unions should be subject to injunctions under the same circumstances as corporations and individuals.
8. Unions should be required to account for receipts and expenditures and to file financial statements along the same line as the SEC requires of corporations. Their accounts should be open to public inspection, and they should be required to hold regular conventions and elections with secret ballots. Otherwise, the rank and file of union members will be helpless against the dictates of labor czars.

In a free country compulsory unionism, which is a form of slavery, can not exist. In a free country, all men are equal under the law. In a free country, an organized attack upon society by means of an industry-wide strike in a basic industry is an act of war, which is treason. In a free country, the legally constituted government is not a mere facade for a labor dictatorship. Measured by these yardsticks, our country is no longer free.
Foreign Trends

Schuman Plan Paralyzed

The inside news from Luxemburg, where the Schuman Plan's High Authority has set up housekeeping, is that there will be very little news for the foreseeable future. Europe, in deplorable truth, discounted this keen attempt at continental unification the moment it started. The trend is going against it, for the European trend goes against the only true supporters of the project—the three right-of-center Catholic parties of France, Germany and Italy.

Paul Spaak, to Americans perhaps the best-known propagandist of European unification, happens to be a Socialist, but he is clearly untypical of his ideological brethren. Europe's Socialists have, if anything, hardened in their unrelenting opposition to any political step that may bring about a large area of free trade. That this should be the attitude of a movement which programatically professes internationalism will surprise no one who has grasped the nature of socialism. Because it seeks, above all, statist regimentation of every national economy, it is of necessity national socialism.

The Schuman Plan, in particular, will either fold or it will remove the shackles which keep the individual European economies under planned controls. Consequently, the only reliable supporters of the Schuman Plan are the political parties which genuinely believe in free enterprise and the free movement of goods throughout large areas of free markets. By the same token, the influential Socialist parties, represented by British Labor and German Social Democracy, are increasingly reckless in their resolution to torpedo the Schuman Plan rather than see their protectionist Welfare States reduced in regimenting powers.

While the Catholic parties of France, Germany and Italy were in the ascendency (roughly from 1945 to 1949), their dedication to a broad European concept favored such projects as the Schuman Plan. True, these parties, too, were infected with the hazy statism that befell all of Europe in the backwash of the war; but they were also heirs to the supra-national tradition of continental Catholicism. But the Schuman Plan emerged three years too late: all three Catholic parties (the Christian Democrats in Germany and Italy, and the Popular Republicans in France) are today on the decline, fighting for their political lives against the swelling nationalism which, all over Europe, wears the fashionable Socialist make-up.

All three countries expect parliamentary elections next year and are in no mood to counteract their probable results (Socialist victories) with a bold support of the Schuman Plan. Consequently, its High Authority will remain paralyzed.

Frank Language on NATO

This is how the London Economist, in a recent spell of melancholy frankness, summarized the current European sentiments toward NATO: "In London and other capitals there has emerged a definite tendency to run away from NATO's plans to defend Europe."

General Naguib's Brain Trust

The new master of Egypt, General Mohammed Naguib, is getting a remarkably good Western press. But in all that friendly publicity, a few relevant facts remain strangely unreported—for instance, the fascinating military brain trust that surrounds Naguib. It consists mainly of former German officers, old hands in Rommel's campaign, who at the collapse of his desert war escaped to Egypt rather than return to the defeated Reich. In a few years of busy underground existence they found and trained the winner. Among them are S. S. General Fahrbacher, Naval Captains Baron Theo von Berchtolsheim and Sprecher, General Muenzel and S. S. Police Major Tiefenbacher.

In addition to this astute German group, altogether about 500 men, General Naguib's entourage contains a great number of Egyptian intellectuals who do not even try to hide their devoted sympathies for Soviet communism. People who know the Cominform's penetration methods are amazed how much this Egyptian coalition of former Nazi officers and fellow-traveling intellectuals already resembles the set-up in eastern Germany.

350 Years After Shakespeare

The stock-in-trade of "neutralist" anti-American propaganda in Britain being haughty references to America's low level of erudition, notice should be taken of a report just issued by Colonel Jones, the Staff Officer of Army Education in Wales and the Midland counties of the Western Command. Between 20 and 25 per cent of the National Servicemen now joining the British Army were found to have a reading standard below that of a child of twelve. In the British Pioneer Corps about 80 per cent of the National Servicemen were classed "educationally backward," and 18 per cent "totally illiterate."

500 Years After Gutenberg

No less than 14,098 new books were published last year in western Germany—about 3000 new titles more than in last year's U. S. book production. As to quality, this is what Friedrich Sieburg, one of Germany's leading literary critics, had to say in a recent sermon, starkly titled "Crawling Literature": "Of all the books published in Germany since the end of the war, I could not mention a dozen which I would consider worth reading."
Motherhood Goes International

By DON KNOWLTON

Working mothers everywhere must be taken under government's protective wing, the recent ILO Conference resolved. An American delegate wonders why our government representatives voted for this and other socialistic programs.

When women in labor are in labor, government must serve as financial midwife, according to a Convention passed by the International Labor Organization, arm of the United Nations, at its Annual Conference held last June in Geneva.

Government, Worker and Employer delegates from more than sixty nations voted on this draft of an international law, which will stand as a treaty among member nations ratifying it. Employer delegates from most of the countries voted against it but as usual were snowed under by the Socialist Labor government majority. It is interesting to note that Employer delegates from Czechoslovakia, Poland, Yugoslavia, Chile and Iraq voted in favor of the Convention.

As a member of the U. S. Employer delegation, I sat in the committee which drafted the document. Entitled "Maternity Protection," and constituting a revision of an earlier Convention on this subject, it prescribes, among other things:

1. An employed pregnant woman is to get at least twelve weeks off to have her baby.
2. During this time she gets from the government cash equal to at least two-thirds of her pay and free medical care, free medicine, free hospital if needed, etc., etc.
3. This is to be financed by a pay-roll tax covering all employed people, both male and female, levied partly on employees and partly on the employer, or on the employer alone or paid directly out of public funds.
4. A woman can not be fired while on maternity leave.
5. Work interruptions to nurse babies ("in cases in which the matter is governed by or in accordance with laws and regulations") are on "company time" and paid for by the employer.

The text, believe it or not, was debated for three weeks in French, English and Spanish. A few sidelights are of interest:

A Chinese employer, reading the proposed Convention for the first time, turned to me and exclaimed, "Don't they have families over here? In China the family takes care of babies." Some of the same archaic philosophy must have been in the mind of an Australian who suggested that a woman living with her husband at the time a baby was born should not be entitled to maternity benefits. He was indignantly voted down.

Nursing was apparently a fascinating subject. The men on the committee were certainly not ex-
perts and even most of the women appeared singularly unqualified. Yet hours were consumed, starting with a breast-vs.-bottle debate and winding up with a spirited argument as to whether the Convention should prescribe two daily half-hour “nursing breaks” or a single “break” of a full hour. The issue was confused when it was discovered that some of the delegates were talking about the mother going home to the baby and the others were talking about keeping the baby at the factory. They compromised on nursing “at a time or times to be prescribed by national laws or regulations” and agreed that the woman should be paid for the time by the employer.

But this in turn led to a complication. At its previous session, the ILO had passed a Convention prescribing “equal pay for men and women for equal work.” The point was raised that payment for nursing would violate the “equal pay” Convention. Again a long debate ensued. But there was no resolving the dilemma—so they finally had to dismiss it as a “technical matter” and go on to other things. They missed one simple solution—for the fathers to get paid for changing the diapers while the mothers got paid for nursing the babies. This would provide the final touch required to give this document its proper standing as a solemn international treaty.

The Planners’ Ideal

In addition to the Maternity Convention, the Conference also enacted a Recommendation, attached thereto, which might serve as a guide to the more enlightened countries. It seems that the Convention is only a first step—the Recommendation envisions the full flowering of Maternity Protection, and provides a key to the Socialist mind. The Government-Labor majority who dominate the ILO, coming from all over the world but led chiefly by European Socialists, apparently conceive of motherhood as a function which should be managed by the State, in coordination with general economic planning.

As indicated by the Recommendation (and by committee discussions concerning it) the ideal system is for each working place (factory, office, or what have you) or neighborhood to be equipped with a nursing center to which women bring their babies when they come to work. When and as prescribed by “National Authorities,” they leave their machines, rush up to nurse their babies (on company time) and then hurry back to work.

However, the government of the United States points out,

Facilities for nursing or day care should be provided out of public funds or through non-profit sources in locations convenient to women workers ... rather than have them provided in the undertakings where the women are employed, since the United States is opposed to placing on the individual employer the full burden of providing such facilities as representing a wasteful form of providing the desired services. . . . The public or non-profit facilities promise greater economy as well as sounder standards of construction, staffing and maintenance.

Sure, government always does it cheaper. It takes competitive private industry to waste money.

Apparently most women are expected to work in the Socialist Utopia, and the production or service group will replace the family as the social unit. Since illegitimacy is on a par with legitimacy, and the economic reasons for the home disappear, the reasons for marriage itself seem a bit nebulous. For the State will certainly take care of Mother. She should get, says the Recommendation, not twelve weeks maternity leave but fourteen—not cash equal to two-thirds of her pay, but to 100 per cent. She should receive, at government expense, general practitioner and specialist out-patient and in-patient care, including domiciliary visiting; dental care; the care given by qualified midwives and other maternity services at home or in hospital; nursing care at home or in hospital or other medical institutions; maintenance in hospitals or other medical institutions; pharmaceutical, dental or other medical or surgical supplies, etc. Other benefits in kind or in cash, such as layettes or payment for the purchase of layettes, the supply of milk or of nursing allowance for nursing mothers might be usefully added to the benefits.

Nice touch there. If a woman supplied her own milk, she would get paid for it by the government, and paid by her employer for the time spent in dispensing it.

Blueprint for Utopia

The Maternity Convention was by no means the only Socialist Utopian proposal enacted by the ILO. The most significant item on the entire agenda was one entitled “Minimum Standards of Social Security,” which, following preliminary discussion last year, was passed this June as a Convention. This is a draft of a proposed international law providing that government should pay people “benefits” for practically all the ills the flesh is heir to, such as: any sickness requiring medical care—even a “morbid condition”; unemployment; old age; employment injuries; bigger families (each new baby gets you an increase in income); pregnancy and confinement (emphasis on medical care); invalidity (too tired to work); death (life insurance).

Since the simultaneous inauguration of all of these benefits would probably plunge any government in the world into bankruptcy, it was ruled that any member country could “ratify” the Convention by adopting only certain portions of it. Governments could then tell the voters they had “put the Convention into effect,” without any obligation to fulfill more than a fraction of its provisions. Despite such political expediency, however, the Convention stands literally as the Socialist
blueprint of social security *minimums* in the world of tomorrow. Tabled for the time being, but in the offing for possible future discussion, are "advanced" standards of social security!

The provision for socialized insurance contained in last year's draft of the Convention on Minimum Standards of Social Security was modified—but the medical provisions enacted, though scattered throughout the document, add up to a full-fledged program of socialized medicine.

The member of the U. S. Employer delegation on this committee endeavored to have included in the document the principle of free and voluntary association between physician and patient which is embodied in the "Bill of Rights" of the World Medical Association. He was not successful. Comes Utopia, you'll get the doctor and the hospital the government selects for you, and like it.

Now here is the inexplicable fact: Our Government delegates voted in favor of both the Social Security Convention and the Maternity Protection Convention and Recommendation. By supporting these Conventions on the floor of the Conference, they gave the impression that our country as a whole would favor them. This is what I call outright international hypocrisy.

Why? Are our Government delegates under instructions from Washington to misrepresent the facts in the interest of "foreign relations"? Or is the present Administration really in favor of socialized medicine and socialized maternity? Has it "joined up" with the rest of the international Socialists? Does it intend to supplant our free competitive system by the planned economy and the regimented State? Some people might like to know before November.

**Men of Principle**

Shaw ate no meat
And that's a fact.
What did he eat
When he felt weak?
Steak?
No, he'd take
Liver extract.

Another Socialist,
Attlee, hates
The economic system
Of the United States.
On what stratagem
Did he rely
When his exchequer
Ran plumb dry?
Did he put his hope
In the Fabian cabal?
Nope.
He liquidated the capitalists' capital.

**THADDEUS ASHBY**

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**This Is What They Said**

The United States is cognizant that the present National Government of China is a "one-party" government and believes that peace, unity and democratic reform in China will be furthered if the basis of this Government is broadened to include other political elements in the country.

_Harry S. Truman_, statement on U. S. Policy toward China, December 15, 1945

In the struggle against the forces of tyranny, the names of these two men, Churchill and Roosevelt, together with that of Generalissimo Stalin, will ever be linked in achievement.

_Clement Attlee_, address of November 13, 1945

In the countries where there are well-established governmental institutions and a reasonable degree of political experience—Finland, Hungary and Czechoslovakia—the Russian influence has waned most rapidly, and the evidence of Russian withdrawal from interference in local affairs is most evident. . . . The bogey-man of "Red domination" in eastern Europe appears to be collapsing under the hard impact of emerging facts.

_Major George Fielding Eliot_, newspaper column of November 13, 1945

I think it would be well for all of us to stop talking about keeping communism from spreading and talk about making democracy a success.

_Eleanor Roosevelt_, "If You Ask Me," _Ladies Home Journal_, December 1948

Peaceful co-existence of capitalism and communism is quite possible if there is a mutual desire for cooperation, if there is a readiness to fulfill the undertaken obligations, if there is observance of the principle of equality and not interference in internal affairs of the other states.

_Joseph Stalin_, April 2, 1952, in response to questions of a group of American editors

As beef is served almost every day in the average American home, we will discuss first the common rib roast, the flavor of which is spoiled by the removal of the bones.

_Mrs. S. T. Rorer_, "New Cook Book," 1902
It is one of the ironies of inflation that as its depredations increase so do the number and vehemence of its apologists. Read the history of the French assignats of 1790-96, or of the German inflation which culminated in 1923, and you will be astonished to find how many “eloquent theorists arose to glorify paper” and to warn against the dangers of bringing inflation to a halt.

In the existing American inflation the latest and most astonishing example of this is the article “How Bad Is Inflation?” by Sumner H. Slichter, Lamont professor at Harvard University, in the August Harper's. Because of the high reputation and influence that its author enjoys (he was President of the American Economic Association in 1941) his article deserves analysis at some length.

Professor Slichter begins by dismissing the conclusions on inflation of the American Assembly as “uncritical and almost hysterical.” The American Assembly is a group of distinguished public men and economists. What it concluded was that “inflation is a continuous and serious threat to the stability of the American economy and to the security of the entire Western world.” This judgment is far from hysterical; it is a sober statement of the truth.

It is Slichter’s own argument that is fantastic. He begins by telling us that an “extreme” inflation is “not easily started.” He never tells us at just what point he would begin to consider an inflation “extreme.” In the Germany of 1923 the mark went to one-trillionth of its previous value before the inflation came to an end. In Nationalist China the yuan had dropped by 1949 to 425,000,000 to the dollar. In Greece today, even after a series of rescues, the drachma is officially 15,060 to the American dollar.

None of these countries found it in the least difficult to start its inflation. Perhaps the present inflations in western Europe are not extreme, in Dr. Slichter’s estimation. But in Great Britain prices are three times as high as they were in 1938; in France, more than twenty-five times as high; in Italy, more than fifty times as high.

These countries, of course, have the excuse of their involvement in the second World War. But in Mexico today prices are four times as high as in 1938; in Brazil, six times as high; in Chile, seven times as high; in the Argentine, five to eight times as high.

Not a single one of these countries found it at all difficult to get into this position. Nearly all of them, on the other hand, are finding it almost impossible to get out.

Assumptions Refuted by History

Blithely oblivious of all this (he never refers to the statistics of any foreign inflation in his article, or even of our own) Professor Slichter thinks that “what is likely to happen in the United States is a slow rise in prices.” (His italics.) And that, he goes on, is exactly what we ought to try to bring about.

How such a slow, controlled rise in prices could be brought about (he seems to favor a rise of something like 2 or 3 per cent a year) he never tells us. But we can come back to that later.

He begins by admitting, at this point yielding to arithmetic, that even “a rise [in prices] of only 2 per cent a year will reduce the purchasing power of the dollar by 45 per cent in thirty years”; so that a pension or life insurance, for example, would lose nearly half its purchasing power in that time. Yet:

At the risk of being called an irresponsible and dangerous thinker, let me say that in the kind of economy possessed by the United States a slowly rising price level is actually preferable to a stable price level. . . . The maintenance of a stable price level in the long run would require that the country considerably relax its efforts to keep business recessions as mild as possible. Furthermore, the maintenance of a stable price level would require the acceptance of chronic unemployment or drastic intervention by the government in the relations between employers and employees. Finally, the policies necessary to keep prices stable would severely handicap the United States in its efforts to contain communism by building up the economies of the free world.

This argument rests on unstated, unproved and untrue assumptions. The two principal assumptions are: (1) that a stable price level (not a declining but a stable one) means “chronic” unemployment and recession; and (2) that a “slowly rising” price level would automatically cure this. Dr. Slichter doesn’t bother to state his reasons for believing either of these assumptions. Common
sense and economic history amply contradict them. The great American boom from 1925 to 1929 occurred in spite of a falling price level. (The wholesale price index fell from 103.5 in 1925 to 95.3 in 1929.) England, France and Italy since World War II have been staggering from crisis to crisis with rapidly rising price levels. Heavy unemployment frequently occurs even in the midst of hyper-inflations.

Dr. Slichter's argument assumes a rising or falling price level as an arbitrary point of beginning. He takes everything else as a consequence of this. But falling and rising prices themselves are as often consequences as they are causes. They are most frequently the result of government monetary and credit policy. But prices may fall or rise because business confidence has already fallen or risen, or because maladjustments of other kinds have been created or corrected. Prices reflect economic conditions as often as they create them. They are links in a continuous chain of causation, not starting points.

Dr. Slichter's whole article completely begs the main question at issue. He assumes before he starts that "full production" and "full employment" are only possible with inflation. There is no tenable theoretical basis for this assumption. It has been refuted again and again by historical experience.

What Causes Depressions?

Slichter goes on to a conclusion or assumption that is even more untrue and, moreover, self-contradictory:

The policy of keeping recessions as mild as possible is incompatible with the ideal of long-run stability of the price level. In order for the price level to remain stable in the long run, the fall in prices that accompanies each recession must be great enough to cancel out the rise in prices during the preceding boom.

Now if the price level has been kept "stable," where did the previous "rise" come from? Slichter is not talking about a stable price level at all; he is talking about an undulating price level, a fluctuating price level, a lurching price level, a highly unstable price level.

But in the course of this discussion he does stumble over a truth—without, however, recognizing it. This is that the chief cause of a depression is usually the preceding boom; that the chief cause of a deflation is the preceding inflation.

At this point it may be well to explain what inflation really is; for Slichter never does. Inflation is an increase in the supply of money and credit in relation to the supply of goods. The rise in prices is not the inflation; it is merely the main and most obvious consequence of the inflation.

A "price" is an exchange ratio between the value of a monetary unit and the value of the commodity for which it is exchanged. If you increase the supply of a particular commodity you cheapen the value (i.e., you "lower the price") of that commodity in terms of other commodities, or in terms of money. Similarly, if you increase the supply of money you cheapen the value of the monetary unit; you lower the value of the dollar, which means that it takes more dollars to buy other things—which means that their "price" (in terms of dollars) goes up. It is not goods going up in "real" value, but dollars going down in "real" value, that causes the general rise in prices that accompanies or follows monetary inflation.

Importance of the Money Supply

Now the advance in prices is very roughly in proportion to the increase in the money supply. In the United States the money supply has increased 281 per cent since 1938; wholesale prices have increased 118 per cent. (The main reason why prices here have not increased as much as the money supply is not "price control" but the fact that the rate of industrial production, for example, has also increased 141 per cent in the same period.) In Great Britain the money supply has increased 205 per cent since 1938; wholesale prices have increased 224 per cent. In France the money supply has increased 1866 per cent since 1938; wholesale prices have increased 2661 per cent. In Italy the money supply has increased 6961 per cent since 1938; wholesale prices have increased 5063 per cent.

Though Slichter advocates a "slow rise in prices"—say "2 or 3 per cent a year"—as a policy, he nowhere explains in his article how he proposes to bring this about. He nowhere mentions the money supply as the chief determining factor, or even clearly acknowledges that it is a determining factor. Yet it is only through a constant increase in the money supply that a constant rise in commodity prices could be sustained.

It does not follow, however, that a government could bring about a constant slow rise in commodity prices, of the sort Dr. Slichter has in mind, by deliberate monetary manipulation. Even if it were possible to bring about an increase in the money supply of just 2 or 3 per cent every year, it by no means follows that prices would rise by just 2 or 3 per cent every year. There is a very rough correlation between price levels and the money supply, as we have just seen, when the amount of the increase is substantial. But as the foregoing figures show, the correlation is anything but perfect. It would be ridiculous to count on it within any such narrow margin as 2 or 3 per cent a year. A rise in the money supply of 2 per cent in a year might be accompanied or followed, say, by an actual fall in the price level of 3 per cent, or by no important change in the price level at all, or by a rise of 10 per cent. All these things have happened under similar circumstances. They can not be predicted or controlled in advance.
Nor would it be possible for a government to retain a reasonably free private banking system and to achieve, even with a combination of skill and good luck, a steady increase in the money supply of, say, 2 per cent a year. For under a free system, money and bank credit are brought into being, not by the arbitrary decision of a government dictator, but by changes in the demand for and supply of private commercial credit.

By skilful and well-timed purchases and sales of securities by the central bank managers, and equally skilful and well-timed increases and reductions in the rediscount rate, the resulting money supply could, it is true, be kept stable within reasonable limits during the course of a year. But it is doubtful whether the central bank's policies could control the money supply within any such narrow margin as 1 or 2 per cent. It is just as doubtful, in fact, whether this should be the primary aim of central bank policy. In fact, it is extremely doubtful whether central bank policy at any time should aim at such a purely academic result as one in which prices on a mathematical average, as determined by an arbitrary government index number, go up by just 2 or 3 per cent or any other preconceived figure. Prosperity, full production and economic health, it has been shown, can often be maintained even with a slightly falling price level.

Inflation Can Not Be Planned

Now what Dr. Slichter advocates is a planned, a managed, a controlled, permanent inflation. But inflation, by its very nature, can not be planned or controlled over any long period. The government, in fact, can not afford to let its citizens know that it is planning a "gradual" inflation. If people knew that prices were going to be 3 per cent higher next year, for example, they would immediately try to take advantage of, or to protect themselves against, that very outcome. The eagerness of buyers to protect themselves now against the price rise they expected next year, the reluctance of sellers to part with goods now that they expected to get more for a year from now, would cause prices of durable goods to be bid up by the full 3 per cent (less storage costs) right away. If creditors know in advance that the purchasing power of the money they are being asked to lend today is going to depreciate 3 per cent within a year, they will add 3 per cent to the going interest rate. (Dr. Slichter ought to find out what has actually happened to interest rates wherever the continuance of inflation has been taken for granted.) It is this anticipatory quality of the human mind, plus a general distrust of the omniscience and good faith of bureaucrats, that causes even the most cunningly planned inflation to get out of control.

Sometimes it is hard to decide whether Dr. Slichter is advocating a permanent slow inflation because he really wants it, or because he has decided that it is inevitable, that anyhow he doesn't know how to stop it, and that therefore the manly course is for all of us to pretend to want it. "At some point short of full employment," he writes, "the bargaining power of most unions becomes so great that they are able to push up money wages faster than the engineers and managers can increase output per man-hour."

In the long run, and for most unions, this is simply not true. If it happened in a particular industry, the marginal firms would merely go broke; the higher wage would merely lead to unemployment. If the industry raised its prices in order to pay the higher wage, it would sell fewer goods. Again the result would be unemployment. The only thing that would make the higher wages and the higher prices sustainable would be an increase in the money supply. Then the public would have the increased monetary purchasing power to enable it to pay higher prices for the same volume of goods as before. But this simply means that unless the money supply were increased the "wage inflation" would not be possible. Soaring wages and soaring prices are both the consequences of inflation.

The problem of how to curb unions from making excessive wage demands that unstabilize and disrupt the economy is outside the scope of this article. But I may point out that the fatalistic acceptance of these excessive demands that Slichter recommends would merely aggravate the evil. If union leaders feel strong enough now to ask 3 per cent more than the existing price level can support, then announcing that we plan to raise the price level 3 per cent to take care of this would only encourage the union leaders to ask an increase of 6 per cent in wages. And so ad infinitum. We can't solve the problem by trying to run away from it. We would merely increase its dimensions.

But the most incredible of all Dr. Slichter's arguments is that a continuous inflation in the United States is the way to combat the growth of communism. Of course the truth is exactly the opposite. As the late Lord Keynes wrote a generation ago:

"Lenin is said to have declared that the best way to destroy the capitalist system was to debauch the currency. Lenin was certainly right. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose.

Amen. And Dr. Slichter is not that one man."

Modern Learning

If the great Professor Porson were now alive, He'd take one squint at scholarship, and go in for jive.
More certain than taxes, and as inescapable as death, a new Broadway season is approaching. What it will be like I know but scarcely dare tell. For if I were to predict the obvious and true (namely, that it will make us fondly remember the depressing season just past), I would stand accused of frivolous skepticism, if not downright irony. For in our genteel age to see and name the worm that eats away at the core is unforgivably bad form.

In this genteel age, which has no longer even a derisive smile for the dogma of Original Sin, the only respectable dogma is that of "creative" man's original virtue. The artist, as type, is assumed to be perpetually talented, perpetually promising, perpetually innocent of guilt, even when the artifact is indisputably unspeakable. And the critic is expected to nourish unending expectation from one catastrophic opening night to the next. Like the mythical bird who surged unscathed from every fire, the critic is supposed to emerge with serenity from the periodical cremations on Broadway, full of buoyant optimism for the next bout with death. This is called "unswerving dedication to the eternal promise of the stage" and must be worn in the lapel by every well-dressed critic.

So they all shall soon gather for a full ten months, waiting for a miracle that can not happen. And how do I know? Because I, indeed, am dedicated to the true promise of the stage. Which means that I see in it a meaningful dimension of an age; and that therefore in ours, opening nights unseen, I remain positively bearish.

But the reader, who from time to time will receive on this page regress reports on the "serious" drama, has a right to learn the source of the unabashed gloom that, I am afraid, will mark these reports. In a nutshell, I expect the new season to be worse than the last because the intellectual emptiness from the periodical cremations on Broadway, full of buoyant optimism for the next bout with death. This is called "unswerving dedication to the eternal promise of the stage" and must be worn in the lapel by every well-dressed critic.

The authentic writer—and the other variety, the literary manufacturer, should be discussed on the financial rather than the literary page—is now a self-displaced person. Today, as throughout the ages, the artist needs a posture of defiance. But, as I pointed out in discussing James Thurber's confessions to Earl Wilson (issue of July 28), the contemporary writer is trapped by his farcical misunderstanding of the last three decades. Still equipped with yesterday's vocabulary of protest, he is rooting for those in power—the collectivists, the statist, the professional wardens of the "common man." Instead of defying the modish mob, and so recovering his creative powers, he tries to retain his traditional posture of protest in a position of topical conformity. And dries up.

A corollary to this thesis, which was more fully discussed at the occasion cited, is the apparent fact that the contemporary writer has lost taste as well as subject matter. For what is at the bottom of the crushing sameness, the imitative boredom that reigns over stage and literature? The contemporary writer's loss of esthetic direction, I think. Traditionally, he could depend on a rather crude but, on the whole, workable compass: look at the taste of his social masters—and turn more or less exactly the other way. Whatever one may think of être le bourgeois as an esthetic directive (and I certainly do not sympathize with the dadaistic fops of yesteryear), the artist's revulsion against the smug, the arrived, the successful, the comfortable, was not just normal; it was indispensable in originating the new.

But here again the contemporary writer is trapped. A few generations ago, he discovered and aligned himself with the masses, the people, the common men, or whatever the hazy phrase was at a given moment. Since then each artist's declaration of esthetic war against the reigning vulgarities found its rationale in his desire to liberate his art from social captivity and carry it back to the people. And no matter how distressingly fast the innovators found out that "the people" had usually even less use for the innovations than its rulers—the motive power of the artist's desire was tremendous and, on the whole, beneficial.

But see what has happened since! The smug, the arrived are today "the masses." It is their taste that prevails, their preference the market caters to, their vulgarities that mark our civilization. The bourgeois today's artists would have to être is unionized, the statistical average, the mass-man himself. It is he against whom the writer would have to change his position in the social universe. His compass points away from the multitude.

To move ahead in the esthetic cosmos, the artist must be perpetually talented, perpetually promising, expected to nourish unending expectation from one dramatic season than to locate the wound of the contemporary writer.

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But a stupid loyalty to outdated vernacular keeps him chained to a senseless position.

This, I realize, is quite a mouthful to welcome another Broadway season which, I hasten to add, is likely to bring some enjoyable musicals and the growing craftsmanship of indefatigable performers. These pleasures I shall report along with the anticipated atrophy of the drama. And should a dramatic genius get loose this year and prove me wrong, I shall stand ruefully corrected. But I am afraid that the turkeys will come home to roost.
In the early days of the war, whenever the quality of Soviet resistance to Hitler was being discussed in Washington, the names of two American army officers were cited as sources of information. Those who believed that Stalin could stand up against Hitler usually quoted the optimistic statements of Colonel Faymonville. Those who believed the Nazis would demolish the Russian armies based their conclusions on the pessimistic reports of Colonel Ivan Downes Yeaton.

Yeaton knew a lot about Russia. But he reckoned without two things. One was the effect of great distances and extreme cold on the supply problem of the Nazi armies. The other was the stiffening attitude of the Russian peasants as the Nazis increased their insane barbarities against the civilian population in conquered territory.

It so happened that Harry Hopkins, Roosevelt's intermittent deputy to the court of Stalin and the lord of Lend-Lease, sided with Colonel Faymonville. That was his privilege, and he happened to be right about it. Both General George Marshall and Harry Hopkins considered Russia as the key to the war, and, with Roosevelt concurring, the orders went out to help Stalin in every possible way. Speaking at a Russian Aid Rally at Madison Square Garden, Harry Hopkins cried: "The American people are bound to the people of the Soviet Union in the great alliance of the United Nations. . . . We are determined that nothing shall stop us from sharing with you all that we have and are in this conflict, and we look forward to sharing with you the fruits of victory and peace." After the war was over, Hopkins, according to Jimmy Byrnes, reminded Stalin "of how liberally the United States had construed the [Lend-Lease] law in sending foodstuffs and other non-military items to their aid."

There was never any mystery about Harry Hopkins's extreme pro-Russian partisanship; he gloated in it. But when Major George Racey Jordan, a business-

man who had served as wartime liaison officer with the Russians at Great Falls, Montana, chose in 1949 to tell via a Fulton Lewis broadcast what he knew about the liberalizing of Harry Hopkins's construing of the Lend-Lease law, the journalistic roof fell in on him. There seemed to be a taboo about stating the obvious. Jordan was accused of blackening and slandering the name of a great patriot. If Senator McCarthy had been anything more than an obscure Wisconsin politician at the time, Racey Jordan would almost assuredly have been damned from coast to coast as a practitioner of that crime of crimes, "McCarthyism."

Why all the heat about Racey Jordan's citations from the diary he had kept during the war years as an "expediter" at Great Falls, the staging base for the Alaska-Siberia air "pipeline" for Lend-Lease? Quite obviously the 1949 hue and cry against the Major arose for one reason: the desire of very powerful forces to maintain an "official" history of the war that will admit of no mistakes in judgment on the part of Roosevelt, Marshall and Hopkins. It is noteworthy that in his book, "From Major Jordan's Diaries: The Inside Story of Soviet Lend-Lease—from Washington to Great Falls to Moscow," done in collaboration with Richard L. Stokes (Harcourt, Brace, $3.50) and published this month, Racey Jordan makes no "McCarthyite" charges. He sticks to what he knows and remembers, producing from a documentation that was made on the spot when he was on friendly terms with the likeable Soviet Colonel Kotikov at Newark, New Jersey, and Great Falls. If the sum total of Jordan's revelations tends to bear out the view that Harry Hopkins made a disastrous miscalculation about Russian postwar intentions, the blame should be placed on Hopkins, not on the Major.

What Racey Jordan saw during the war was horrendous from a long-term view. He knew nothing at the time about the atom bomb, nothing about the Manhattan Project, yet from 1942 on he was aware

Lest You Forget

SOME OLDER BOOKS FOR LIBERTARIANS

Human Action, by Ludwig von Mises (Yale)
Ordeal by Planning, by John Jewkes (Macmillan)
Where Are We At, by Thomas H. Barber (Scribner)
As We Go Marching, by John T. Flynn (Doubleday)
Power in the People, by Felix Morley (Van Nostrand)
1984, by George Orwell (Harcourt, Brace)
that Colonel Kotikov and the Russians were intent on getting something called "bomb powder" out of the United States. In 1942, through the Lend-Lease pipeline, graphite, aluminum tubes, cadmium metal and thorium, all of them useful in atomic experiments, started moving to Russia. The amounts may have been negligible, as were the amounts of uranium nitrate and uranium oxide of Canadian origin that later moved through the Great Falls pipeline at American expense. But the important thing to note about the shipments of atomic materials to Russia in 1942 and 1943 is that they indicated a very thorough early awareness on the part of the Soviets of virtually everything that was going on in American atomic research laboratories. Moreover, on the basis of Major Jordan's evidence, Harry Hopkins knew that the Russians knew far in advance about the Great Secret which was officially not divulged to Stalin until Potsdam in 1945.

It was in April of 1943 that Colonel Kotikov, who was at the Great Falls end of the Washington wire, handed the phone over to Major Jordan with the statement: "Big boss, Mr. Hopkins, wants you." Said "Hopkins": "Now, Jordan, there's a shipment of chemicals going through that I want you to expedite. . . . I don't want you to discuss this with anyone, and it is not to go into the records. Don't make a big production of it, but just send it through quietly, in a hurry." Naturally Major Jordan did not see Hopkins standing at the other end of the line, and it is theoretically possible that he might have been talking to a Soviet agent who was pretending to be the boss of Lend-Lease. But if it was a Soviet agent disguising himself as Harry Hopkins, how come the random question, "Did you get those pilots I sent you?" The probability is that only Harry Hopkins himself would have known enough about those pilots to ask about them.

Quite legitimately, the Great Falls-Alaska-Siberia pipeline carried lots of military material, and hundreds of Bell Airacobras, the small fighting planes which enabled the Russians to turn back the German Messerschmitts. But there were also the "black suitcases" that moved under "diplomatic immunity." Major Jordan opened some of these suitcases. They contained a variety of things, ranging trial plants ("Westinghouse" and "Blaw-Knox") which enabled the Russians to turn back the Germans, how come the random question, "Did you get those pilots I sent you?" The probability is that only Harry Hopkins himself would have known enough about those pilots to ask about them.

Major Jordan kept his copies of the Russian lists of Lend-Lease shipments, which carry with them an itemized notation of the dollar value of every category. The grand total for four years came to some $9.6 billion. Major Jordan calls the lists "the greatest mail-order catalogue in history." The significant thing about the $9.6 billion of Lend-Lease aid is that virtually a third of it consisted of material which could not possibly be of use in stampeding the Nazis out of Russia. Under Harry Hopkins's admittedly "liberal" construing of the Lend-Lease law the Soviets received vast quantities of industrial material which they wanted for strictly postwar purposes, including the purpose of abolishing freedom in Europe and Asia. They even got such things as lipsticks, dolls, bank vaults, antique furniture, calendars, false teeth and "one tobacco pipe" worth ten dollars, under the general heading of "defense" necessities. They also got enough telephone wire to circle the globe some fifty times.

Major Jordan admits that he has only his word to offer about the alleged Hopkins note and the Hopkins telephone call. But he has documents to prove virtually everything else. There are the bills of lading to prove uranium shipments. Finally, there is a chapter called "Clouds of Witnesses," wherein other people bring corroboratory evidence to bear on what happened along the various pipelines to wartime Russia. If Major Jordan is telling the demonstrable truth about a thousand-and-one items, why should there be any reason to suppose him a prevaricator in one instance or two? For my money, his book carries the air of complete authenticity, and I am happy to see that the reputable "old-line" publishing house of Harcourt, Brace has had the courage to bring it out.

Teen-Age Refugee

The Diary of a Young Girl, by Anne Frank.
Translated from the Dutch by B. M. Mooyaart.
New York: Doubleday. $3.00

Anne Frank, like many another teen-ager, resorted to clandestine jottings when the emotional going got rough and dreams began taking a beating from reality. But hers is no mere "Dear Diary" affair. Even taking the tragic and fantastic conditions under which it was written into consideration, it might well have turned out to be not much more than that if Anne, at the immature age of thirteen, had not already been a writer. Not only that but aware of it.

The circumstances were tragic and fantastic enough. Being Jewish, the Frank family left Germany after Hitler came to power and settled in Holland where, for a time, they led normal lives.
Mr. Frank engaged in business, Mrs. Frank was immersed in housekeeping and the children, Margot and her younger sister Anne, attended school. When the Nazis occupied Holland and they were forced once more to consider flight, they decided to stay in Amsterdam, hiding in an abandoned half of the office building where Mr. Frank had worked. They were joined by a Mr. and Mrs. Van Daan, their sixteen-year-old son, Peter, and later by Mr. Dussel, a middle-aged dentist. They lived there two years while Dutch friends provided them with food, clothing and books. Then they were discovered by the Gestapo and sent to a concentration camp where Anne died a few months later. After the raid her diary was found among some books on the floor of the hideout.

It is a remarkable document. With penetrating observation and keen wit she describes the daily life of eight people of diverse interests and temperaments forced to live in constricted quarters and constantly threatened by hunger, discovery and even death. Her antennae (and they are unusually sensitive) are always out. She gives it all and it is life itself—a melange of shoddiness, nobility, boredom, generosity, rapacity, fear, courage, laughter and despair. "Living here," she comments wryly, "is like being on a vacation in a very peculiar boarding house." And she is candor itself about herself. "The trouble is I have a dual personality—one half embodies my exuberant cheerfulness, making fun of everything. This includes not taking offense at a kiss or a dirty joke. This side is usually lying in wait and pushes away the other which is much better, deeper and purer. No one knows my better side and that's why most people find me so insufferable." She hadn't been cooped up there a week before she realized she hadn't much in common with her mother and sister and that it was only through her father she could retain a remnant of family feeling. She took an instant dislike to Mrs. Van Daan, who pigged the best potatoes at table, criticized the way she had been brought up and tried to flirt with her father. "It is difficult," she confesses, "to be on model behavior with people you can't bear. Mrs. Van Daan is an unspeakably disagreeable person. I could write whole chapters about her and, who knows, perhaps I will some day?"

Even worse than air raids and the fear of discovery was the boredom. She sums it up, "What it boils down to is this: if one of the eight of us opens his mouth the other seven can finish his story for him."

But the touching and illuminating thing about the document is Anne's clinical and, at the same time poetic reaction to the physical and emotional changes taking place in herself. It is a miracle, this becoming a woman, one she hugs to herself and yet can't keep quiet about. Then the inevitable happens and she falls in love with the boy Peter. "I would really adore him to be my superior in almost everything," she cries, "and when we are sitting together on a hard wooden crate in the midst of rubbish and dust, our arms about each other, he with one of my curls in his hand—oh, then, I wish for so much! Every evening after the last kiss I would like to dash away, not to look into his eyes any more—away, away, alone in the darkness. . . ."

She also experienced disillusionment. Peter was weak and Anne had no respect for weakness. He clung to her when what she wanted was to be able to cling to him. So little by little the lyricism went out of it and the dream died.

But through it all she was continually aware of her real destiny. She wanted above everything else to be a writer. "I am living a great adventure," she says, "and must make the most of it. Anyone who doesn't write doesn't know how wonderful it is. I can't imagine leading the same sort of life as Mummy and Mrs. Van Daan and all women who do their work and are then forgotten. I must have something besides a husband and children. I want to go on living after my death."

She has done just that. 

**All-Out for Tito**

The Eagle and the Roots, by Louis Adamic. New York: Doubleday. $5.00

Published posthumously, this last of Adamic's books voices his all-out championship of Tito and his regime. It is an ecstatic effort to put before the world Tito's side of the Yugoslav story and to explain and defend Yugoslavia's position in world affairs. It is also a revealing picture of the author and of his attitude toward his adopted country, the United States.

Born in the Yugoslav republic of Slovenia, Louis Adamic became an American citizen, wrote several widely read books and was a fairly frequent contributor to American magazines. He was always an ardent advocate of the Yugoslav Left. From the early days of the civil war in his native land he gave powerful propaganda support to the Tito movement. Because of his contacts and prestige in high places in Washington he was able to influence American sympathy away from Mikhailovich to Tito.

"The Eagle and the Roots" is an intensive report on Adamic's 1949 visit to Yugoslavia in the course of which he traveled 11,000 miles, questioning, conversing, listening, taking verbatim notes. Apparently, by the time he was planning the trip, he had become disillusioned with Moscow. He describes an interview with Soviet Embassy officials in Washington that took place in 1948 when he was vainly endeavoring to obtain a visa to the USSR. Un doubtedly there were developments in his relations with the Kremlin which he does not go into fully.
The denouement was his mysterious death in a burning New Jersey farmhouse in 1951. Tito's men with whom the reviewer has spoken about the weird death have openly hinted that there was a direct connection between Adamic's break with Moscow and the flaming home in which his bullet-pierced body was found.

Will his book make friends for Tito in the United States? Hardly, among average readers here. Adamic lauds the Tito seizure of power as “that awful un-American revolution in Yugoslavia.” On page 16 he says of the United States: “Traditionally isolationist, inexperienced in international affairs, inclined to be self-righteous, America might blunder more than was safe for world peace and her security.” He deplores the “tidal waves of misinformation, misconceptions and hysteria beating on the American mind.” Among the elements threatening everything from speech censorship to atomic war, there are the “super-patriots in the United States,” the “turncoat Communists,” “American international adventurers.” Then there is the “Pacelli-Churchill-Baruch-Dulles-Vandenberg-Spelman American foreign policy.” Mr. Adamic suggests that if it had not been for the efforts of Henry Wallace we might have embarked in 1947 on a “preventive war.” Such a point of view is likely not only to alienate the average American reader, but to give the reader abroad a distorted idea of the United States.

Although the author had many admirers in the land of his birth, it is doubtful that the Yugoslavs completely share his adverse opinions of the United States. On two trips abroad—1950 and 1951—the reviewer found the Yugoslav public very friendly toward Americans. In some respects Yugoslavia is the friendliest country in Europe toward American visitors. Its citizens admire our technology and our standard of living and regard us as free of imperialist designs on their country. This attitude has been fostered by the countless emigrants who found the American way of life worthwhile. Mr. Adamic, unfortunately, was hardly an ambassador of good will for the land of his adoption.

“The Eagle and the Roots” contains a good deal of new material on Tito’s life and considerable information about the tough, loyal men around him. A rather interesting admission is made to the effect that, as late as the spring of 1949, Tito and some of his closest associates still hoped that the feud with the Cominform might “dissolve.” Adamic does not go so far as to suggest that, in that event, Tito would have turned against the West. He implies that Tito wanted to be master of his own house, that Stalin would not hear of such a thing. Hence the split.

As a matter of fact, the Yugoslav leader is a strong, colorful man who is an expert student of nationalism. In defying Moscow, he was assuming a popular position in the eyes of the overwhelming majority of his fellow countrymen. It was in our own self-interest to help him maintain that position. If one satellite could successfully break away from the Kremlin’s empire, why not others? Titoism would be a constant threat to Stalin. Furthermore, Yugoslavia’s shift from East to West changed the military balance in southeastern Europe and erected a buffer between the Soviet empire and the valley of the Po.

Adamic would have been far more convincing and would have made more friends for Tito if he had only admitted a few mistakes of the Partisans, attributed some worthy motives to some of the other Yugoslav factions and inveighed less bitterly against Old Yugoslavia. In his apologia there is no middle ground. He recognizes only heroes and villains, the latter being those inside and outside Yugoslavia who do not go all-out for Tito and his policies. As polemic, “The Eagle and the Roots” may be just what the author intended. As an appeal to the consideration of the fair-minded, it is an abysmal failure. The book badly needs an index.

HENRY C. WOLFE

Farewell Appearance

Matador, by Barnaby Conrad. Boston: Houghton Mifflin. $2.75

To invite comparison with “Death in the Afternoon” and “The Brave Bulls” was an act of audacity on the part of Mr. Conrad equal to any of his hero’s exploits in the ring. But the author has acquitted himself creditably—and he possesses one piquant advantage over Hemingway and Tom Lea. A Yale graduate who has worked and lived in Spain, Barnaby Conrad has himself fought professionally, and once appeared on the same program with the great Juan Belmonte—surely a major accolade. It is not surprising, therefore, that “Matador” is sharply real and credible—except perhaps for its final passages. Not only does it enable one to share the agony of an aging bullfighter who has begun to lose his grip, but it vividly depicts the world in which Pacote moves, and the pressures to which he is subjected.

As for the story, its scene is Seville, where the unfortunate Pacote—one of Spain’s greatest matadors—has been goaded into making a farewell appearance after he has already, and wisely, retired. Sick with fear, aware that his good days are over and that he is almost bound to disgrace himself, Pacote assuages his torture with drink just before the bullfight, and his resulting performance, at first, is even more humiliating than he had dreamed in the blackest of his nightmares. Ultimately, however, he casts aside his fear of death, summons up his old powers, and responding to the cruel urgency of the crowd which has made a hero and a legend of him, performs prodigies and miracles which can...
Partisan Research

The General and the President, by Richard H. Rovere and Arthur M. Schlesinger, Jr. New York: Farrar, Straus & Young. $3.75

Since Arthur Schlesinger, Jr. has become a research adviser to Adlai Stevenson, this book takes on a certain measure of importance that it would otherwise lack. What it proves is that Professor Schlesinger is a most partisan "researcher."

The publishers themselves concede that the authors are biased. In their advertisements one may read the following:

In this brilliant collaboration you'll find an objective, but by no means neutral, report on MacArthur, his past, his second coming [sic], and a forecast of drama to come.

How authors can be un-neutral at the beginning of a study of events and persons and at the same time remain uniformly objective throughout such study can only be explained by Neo-Semanticists and those who believe that words should no longer have their common or accepted meanings.

As a matter of fact, there is neither neutrality nor objectivity in this opus. Its text and its timing were clearly designed to discredit General MacArthur and to disperse his vast following among the voting public. The book glorifies everyone with whom MacArthur has disagreed, and exonerates every Democratic politician, fellow-traveler and ersatz statesman who has had any part in framing or implementing the nation's disastrous foreign policy, particularly as it affects the Far East. The volume could easily have been prepared in close consultation with the State Department and other members of the Acheson-Lattimore-Service Axis.

Misrepresentations of fact, fallacies of reasoning, constant contempt for the record, and ignoring of most primary source material, are so numerous that the task of a reviewer is not easy. The authors are ridden by the Roosevelt Myth, the Truman Myth, the Marshall Myth, and the Acheson Myth. Although the catastrophic results of Yalta, Potsdam and the Truman-Acheson collaboration are staggeringly obvious, the authors insist by implication that these results were uncursed. They protest too much. They make hypothetical deductions from unwarranted assumptions in order to reach foregone conclusions.

The paramount foregone conclusion is that MacArthur has been almost 100 per cent wrong at all times. Significantly enough, there is hardly a word of sympathy for the casualities in the Korean War. It would seem that men in the front lines are completely expendable for the schemes of the Acheson apparatchik.

The real issue of the MacArthur hearings last year never was the technical question of insubordination nor the conduct of the Korean War. The real issue was the maintenance of the Roosevelt Myth. It is still the ambition of both New Dealer and professional Democrat to ride into office forever on the flying coat-tails of plaster saints. Hence the frantic zeal on the part of the Administration and its journalistic followers to suppress the truth about the causes of all our national tragedies since 1933.

The truth about the fight to maintain the Roosevelt Myth is virtually conceded by the authors on page 19, when they say that the Congressional investigation of MacArthur's dismissal was "in fact and in essence a battle, possibly a crucial one in a war—a contest for the power the American people are able to bestow."

Probably the most flagrant sophistries of the entire volume are to be found on page 206 and thereafter. Here the authors speak of the solicitude of the State Department for American lives, and in the very next sentence they say that the Yalta concessions were made out of hard-boiled military calculation. This is the favorite alibi of the fanatical worshippers of the Roosevelt Myth. Far more lives have been lost because of Yalta than were ever saved, and the worst is yet to come.

General MacArthur, the Supreme Commander of the American Far Eastern forces at the time of Yalta and Potsdam, was never even consulted about the surrenders to Russia at both conferences. The Yalta concessions were made against the considered opinion of Admiral Leahy. General Marshall had his way, and those who disagreed with him had no effect on the issue.

Rovere and Schlesinger have either forgotten or deliberately failed to state that at Teheran (October 30, 1943) Stalin categorically promised to come into the Pacific War without compensation. The authors are referred to the Hull memoirs published in 1948, from which we quote:
He [Stalin] astonished and delighted me by saying clearly and unequivocally that, when the allies succeeded in defeating Germany, the Soviet Union would then join in defeating Japan. . . . The Marshal's statement of his decision was forthright. He made it emphatically and he asked nothing in return.

Significantly, Rovere and Schlesinger do not even acknowledge the existence of the Hull memoirs and avoid almost all reference to the man who was Secretary of State from 1933 to 1945.

There is complete absence of any reference to the authoritative General John R. Deane and his book, "The Strange Alliance." Deane was the head of the U. S. Military Mission to Soviet Russia from 1943 to October 1945, and by virtue of his direct experience a far greater authority than any Johnny-come-lately journalists.

On page 215 of the Rovere-Schlesinger work comes the most colossal sophistry of all:

The people of the world had to be convinced of the aggressive nature of Soviet purposes before they could be mobilized against Soviet aggression.

This, with or without context, is an insult to any man's intelligence. How could any reasonable person doubt Soviet intentions after the bloody suppression of minorities in Russia after 1919, after the trials and purges of 1937-1938 in Moscow, and after the invasion of Poland by Russia as Hitler's ally in 1939? Have the peoples of the world been unaware of the Soviet aggressions against their own racial and religious minorities? How about the liquidation of the kulaks? How about the overseas kidnappings and murders of Trotsky, Krivitsky and others? How about Russian slave labor camps? How about the NKVD and the MVD? How about the massacres in the Katyn Forest? All of these predate Yalta. They were certainly known to Roosevelt, Marshall, Acheson, et al., and to all the foreign offices in Europe. Yet Schlesinger and Rovere discount them almost completely when they deal with the opinions of the people as a whole.

HENRY E. MILLS

Brief Mention

Of God, the Devil and the Jews, by Dagobert D. Runes. New York: Philosophical. $3.00

Dagobert D. Runes did a Spinoza Dictionary a short while ago. Now he presents a book on anti-Semitism. Though Hitler was defeated, the hatred of the poor, torn race from central Europe continues. This virulence is so omnipresent that the wonderfully talented Wyndham Lewis wrote a book titled "Are Jews Really Human?" Alas, such malice is even present in Christopher Marlowe's "The Jew of Malta." Maybe one should read Mr. Runes's rather ordinary book on a heartstirring theme just to understand one of the most baffling curses in human history.

A Quest for Gandhi, by Reginald Reynolds. New York: Doubleday. $3.75

This Gandhi book is worth a perusal. It is not a profound volume, but Mr. Reynolds has no patrician hauteur, and he writes in the humble, plain prose of Gandhi himself. Reading this, we realize how much we need regular habits, a god to worship, and ceremonials to observe if we are to renew ourselves as a nation.

John Sloan, by Lloyd Goodrich. New York: Macmillan. $3.00

Lloyd Goodrich has been in the picture business for many years. It is a good business, for people would rather look at a reproduction of Picasso or Derain or Paul Klee than read "Paradise Lost." There are some rather appealing, bucolic seascapes in this book; there is the "Wake of the Ferry," and the picture of Sixth Avenue and 30th Street in 1907, when New York resembled the republican Rome of Numa Pomphilus rather than the clickers of Dante's fifth circle.

Ezra Pound and the Cantos, by Harold H. Watts. Chicago: Regnery. $2.75

This is another critical estimate of the gifted Ezra Pound. We have had a plethora of books on genius by men with little knowledge or even good sense. Mr. Watts writes of "blocks of ideograms" in the Cantos, and it is impossible to understand how one may be able to read Pound with more wisdom after stumbling over such a gawk's phrase. The critical treatises of these academics are disastrous: another lustrum of such books and nobody will read Melville, Poe, Pound. People will just stop reading altogether.

The Single Woman of Today, by M. B. Smith. New York: Philosophical Library. $2.75

The female bachelor in the United States is a national disaster: as a result of her existence the sexes have become somewhat scrambled. The Greeks give us the most witty beginnings of the different genders, but M. B. Smith has neither Plato's intellectual celerity, nor is he an Aristophanic wag. Still, some may read this tract with interest and benefit.

Journey Through Utopia, by Marie Louise Berneri. Boston: Beacon Press. $3.75

This is a mock textbook; there are fragments of the Utopias of Plutarch and Campanella and William Morris. There are also arcadian visions by Andreae and Huxley which many readers will not know. This alone would give value to the book. Thoughtful human beings have the greatest appetite to know what Diderot or Bacon or Rabelais regarded as a golden age. For all our lives we yearn for what we can not attain, and this, too, is Canaan.
Letters
(Continued from page 860)

The Issue on Russia
Your Soviet number [August 11] is very fine, and the cartoon on the cover is enchanting. What an artist to be able to put so many expressions into the drawing of one face—I mean the silly smugness, the sly stupidity and the contented craftiness!...

How easy it would have been to defeat the Bolsheviks if only a little help had been given to General Deniken, to Baron Peter Wrangel in the Crimes, and, above all, to Baron von Ungern-Sternberg who at the same time and with such fearless ferocity fought the Bolsheviks in Mongolia. I mention this because Mr. W. H. Chamberlin in your Soviet number also speaks of the ease with which the Bolsheviks could have been "liquidated."

Lucile Markham Zu Hardt
New York City

"Hecate County" Not Sent Abroad
An editorial note in the Freeman of June 30 begins, "Why do so many sincere anti-Communists hate Senator Joe McCarthy?" I could make some major comments on this note, but I'll confine myself to a minor correction of fact.

You seem to accept McCarthy's allegation that "Bill Benton and the State Department" sent to England Edmund Wilson's book "Memoirs of Hecate County." The fact is that the book wasn't sent to England or anywhere else. Back in 1945 or 1946 the title of the book appeared in a State Department "order list" for review. Practically every book published in this country and given major attention by leading reviewers appears on this list, for consideration as to whether it should be sent to the U. S. Information Libraries overseas. This particular book was rejected.

My point is that this simple fact was surely known to McCarthy. It appears in the same section of the printed Congressional hearings where the issue was first raised as to whether the book was sent abroad. . . .

John Howe
Asst. to Senator Benton
Washington, D. C.

Help Free William Oatis
I am wondering if it would be out of order to ask all of your subscribers, through the columns of your magazine, to write the State Department for the release of William Oatis.

Huntington, Ind
Ruth H. Caswell

Some Useful Amendments
When the late F. D. Roosevelt was trying hard to pack the Supreme Court, a contributor to the New Mexico Sentinel (a magazine since defunct) proposed certain amendments to our Constitution. Nobody paid any attention to these suggestions, but experience seems to show that if they could have gone into effect, we should have been spared a great weight of shame and treasure.

I still think the suggestions might serve us well. In effect they were:
1. Persons shall not serve successive terms in elective offices.
2. Persons receiving all or any part of their incomes from the taxpayers are either servants, wards, or human liabilities of the taxpayers and shall not be entitled to vote.
3. No tax on any inheritance.
4. No income shall be taxed more than once in any one year, and except in time of war, no more than 20 per cent of any income shall be taken in taxes.
5. There shall be nine justices of the Supreme Court and this number shall neither be increased nor diminished except in answer to a unanimous request from the Justices.

The President would still appoint the Justices, but under certain restrictions. The bar associations of the several states would submit nominations. These would be well stirred in a goldfish bowl, and the President, blindfolded to represent Justice, would draw out a name or names and appoint the bearers.

If these amendments had been in force when FDR wished to have his way with the Court he would have had to take it out in wishing. Congressmen who couldn't even hope to be reelected until they had sat on the sidelines for at least a term might face the labor vote with a little more sense and courage. A President who could not succeed himself in office might call attention to the fact that we can not hope to get along indefinitely with more than one form of government. We now have three: republican for the separate states, demagogic bureaucracy for the United States, and out-and-out dictatorships for the labor unions.

Coolidge, N. M.
GOUVERNEUR MORRIS

The Olympic Games Editorial
Heartfelt congratulations to the Freeman editor whose forceful, fair and thoroughly American pen gave us the "Olympic Shell Games" editorial [August 25]. Was it, perhaps, a part of your promise to explore further the deep discouragement we are inflicting on the enslaved Russian majority by dealing with the Kremlin despots?

Boston, Mass.
K. D. Robertson, Jr.
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4. AT SEARS CATALOG SALES OFFICES
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Other machines used regularly at J&L in the daily routine of making steel to the customers' specifications will determine the steel's hardness, its shock resistance, its drawing and forming quality, its fatigue limit and other characteristics that affect the performance of the steel when it is put to work for you.

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