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United States Senate

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THE CONTINUED STRUGGLE FOR FREEDOM

MILLARD E. TYDINGS*

I have long cherished a high regard for Indiana. Here, it seems to me, are combined in desirable mixture, the most wholesome influences of our country. The great contributions which have come in unrelenting measure from the mind, character and soul of the Hoosier people have given point and purpose and have brought to fruition the best attributes of our American civilization.

Therefore, to what better place can one come to discuss, at least in part, the future well-being of our country.

It would be prodigal, in the light of momentous events at home and abroad, to take the future of America for granted. Destiny is largely what men make it. The way ahead is ours subject only to the limitations which God has put upon us. Beyond that there is no barricade on the road of progress.

As we stand on the summit of our present greatness we have the realization that on the whole our growth as a nation and people has been good. Our economic well-being, our ordered liberties, the limitless opportunities we enjoy are due to the solid foundations on which our way of life has been built. We owe a great debt to the longings, the vision and the wisdom which impelled the early settlers to hazard the dangers of the Atlantic. We owe a greater debt to them for forging those longings, that vision and wisdom into the Declaration of Independence, and the Constitution of the United States.

Looking backward over the span of more than 150 years, over our foreign and domestic wars, through periods of prosperity and depression we ought to know that this nation did not reach its present great state by accident. By night there was always the star of the Constitution to safeguard for us what others had suffered great hardship to obtain. By day there was always the bounty of our great natural resources with its full promise of recompense for all our labors.

Today, as we look ahead to the future, even without the impact of war, we know that we are living in an age of great national and international restlessness. Governmental

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systems for the general welfare of all the people, bought at a high price in blood and treasure upon a hundred battlefields, and have in many places been discarded completely. In other places they are under attack. The checks and balances set up after twenty-four centuries of oppression and hardship in many nations, are being altered, restricted, or liquidated. Malcontents and zealots, even here at home, are continually clamouring for more and more centralization of our affairs in the national government, for less and less local responsibility and self government and for a brutal reduction in the laboriously accumulated rights and dignities of mankind. Such a group is wholly fanatical in its ideas and totally pragmatic in its methods. Moreover, it is wholly challenging particularly during this time of depression and war. This group has made considerable progress. It searches out the weaknesses of the present, scans the possibilities for evolvement of its philosophies in the future with no understanding of, or appreciation for, the toil of men through the centuries to reach the peaks of wisdom and ordered liberty upon which we stand today. In spite of this war for the four freedoms, which some day will end on the battlefield, the struggle will continue in every governmental forum for many years to come. We shall, of course, in due time, win the war of planes and ships and shells. Naturally, everything must be subordinated to the accomplishment of that result. Yet, during this war and after, it is equally important that we can win this political struggle of minds and preserve for ourselves and for countless generations the heritage that is our American birthright.

We can do this most easily by arming our people with the weapons of truth. We can achieve it by impressing on them the lessons gained from the past. We can show that what is paraded as novel and humane, is neither novel nor humane. We can prove that as centralization of power grows, that figuratively we are reversing the course of our ancestors by going back to the old ideas and the old tyrannies from which they fled.

It seems to me that this responsibility rests more heavily upon the lawyers of America than it does upon any other group of our people, for we are trained in the law and in the reasons for the law and in the history of the law. Being so trained our work does not end with advice to a client in

one's office, or in a forceful array of precedents in the courtroom. The history of freedom and of law we have come to know as lawyers, we must retell to every man in the counting room, at the forge or behind the plow. Let us go to the record and see what a multitude of facts we can array to sustain our free institutions of government, to prove that we are the best governed people in the world, having more of the blessings of life, liberty and happiness under the aegis of our State and Federal institutions than have any other people on earth.

We can show that this form of government, which we revere, was not born by accident. Rather from very small beginnings and in the face of overwhelming odds, our governmental system was evolved through two thousand years of human vicissitudes.

In the days preceding the coming of Christ, freedom was unknown and the sincere friends of freedom were rare. But then in Athens the first feeble torch of liberty was lit to guide men down the road of the future. Rich and wise Athenians had dominated, exploited and oppressed the poor and the weak. In this circumstance Solon was appointed to revise the laws of his country. Through these revised laws the people were given a voice in the election of their magistrates for the first time. This was the birth of the idea that men should select those who were to govern them. Solon stated boldly that no governing authority was to be entirely trusted and he subjected all those clothed with such power to the vigilant control of the governed. He diffused power as far as he could.

When later in the Persian war, the services of the masses far eclipsed those of the upper classes, new influences and new privileges were given to all the people. The offices of state which had been a monopoly of the select few who had established a bureaucracy were thrown open to the many. The institution of representative government was launched to be gradually perfected as men learned more about it by the grim lessons of experience.

Men were beginning to feel dimly that they were the creatures of Almighty God and not the creatures of the State.

But, as democracy was put more and more on trial, its faults too became apparent. People found it was just as bad

to be oppressed by a majority as it was to be oppressed by a minority. They had not found the means of protecting themselves as yet from this circumstance.

From this small beginning the struggle next had its seat in Rome. The Romans were a practical people. Then, too, they had the history and precedents of Athens to draw upon. They made good use of this circumstance. Progress was slow but it was generally sure in its strength and in its foundations. Due to a long period of war, thousands of families were reduced to mere dependence and existed upon the charity of about two thousand wealthy families. At one time there were three hundred twenty thousand people dependant upon public rations for food. Rome flourished. In this situation Julius Caesar, supported by the army as well as by the impoverished masses, seized power. With great wisdom he immediately, through the medium of the law, accomplished a transformation of these direful circumstances by a series of measures which were moderate and not injurious to the growth of civilization.

Eventually, the right of Roman citizenship was extended to the people of the provinces. A Roman civil law system was devised and set up. Even religious toleration of a sort came into being and the beginning of the laws of nations was launched.

Curiously enough the Republic which Caesar had overthrown was less democratic and less free than the monarchy which supplanted it. In this transition the Roman people learned the great lesson which we can always learn again, again, and again—that it is more important to regulate the power of government than it is to regulate liberty. They found that if the power of government was regulated, that liberty itself would flourish and grow. As the Romans pioneered for freedom they evolved a mixed constitution which sought to give the people the maximum of democracy, but with such restraint that the democracy could not destroy itself or injure the minorities within it. Then too, the Romans found it necessary to distribute power among the several parts of the empire through the medium of local self-government. They found this acted as a restraining influence upon the central or national government and produced the most happiness for the citizens. By enlarging the principal of local self-government, there was a diffusion of political

knowledge which went with it and the maintenance of a healthy and independent opinion about things both local and national. Looking back over those centuries we watch men struggling to achieve freedom, we see them admitted to citizenship, we see the masses given not only their privileges and rights, but duties and responsibilities as well. Religious toleration sprouted. Local self-government grew, men began to realize that governments were set up for the benefit of men and not men for the benefit of government. The seeds of democracy, planted in uncertain soil in Athens, were indeed growing fruitful in the fertile soil of democratic Rome.

Following the decline of Rome and the rise of Western Europe, the struggle went on for more freedom and more representative government. This struggle met many defeats but there were thousands of human beings who knew they were the creatures of God and that knowledge sent the blood of courage coursing through their veins.

In the Middle Ages the institution we revere as Parliament or Congress got its first firm foothold. It is true it was first composed mostly of people from a selected class, but there it was for future generations to improve.

Now men wanted their rights and liberties more clearly defined. They wanted to know where the powers of the State ended and where their own began. Magna Charta was wrung reluctantly from King John. Freedom for the oppressed and only limited power for government were consolidating their gains. In the 17th Century the Habeas Corpus Act became a part of the law of the land. No longer was it possible for Monarchs to throw men into prison where they might languish and die. The right of a speedy and fair trial was made more definite and certain and with that right the heavy hand of bureaucratic and totalitarian government was taken from the shoulders of the people.

By the time the early settlers came to the New World, certain political concepts had become pretty firmly embedded in the minds of the people. First, representative government was almost universal in one form or another. Election methods were, of course, crude, but elections were held nevertheless. Second, the principal that no tax would be lawful that was levied without the consent of the class which would pay it, and that the right to tax the people was inseparable from their right to be represented in government. Third, the in-

stitution of slavery practiced by the ancients, was almost everywhere excluded. Fourth, the idea of absolute power of government over men was wrong, and that the power of government should always be limited. Magna Charta made most of this concept crystal clear.

Religious intolerance and the poverty of opportunity lay heavily upon the people of the Old World, even in spite of their political gains in other fields after two thousand years of struggle. They came to America resolved to find here the ordered liberty which was denied them abroad.

The lessons of the past were brought with them. From all these experiences the fathers finally gave untrammelled expression to their ideas in the Declaration of Independence and the Constitution of the United States. No, the foundation of this great Republic was no accident. The quest to establish it somewhere on earth was long and unrelenting. The fathers went about it with great skill, unparalleled vision, and rugged determination.

Our country today is their monument, the most blessed and powerful nation of people in all the world.

Now we are in the midst of a tragic war, straining every resource of our government and its people. That we shall win that war is certain. With the victory will come at once for our attention and action many difficulties in the international field. There will also be unusual and transcendental problems at home.

If we wish to keep the safeguards, liberties and the privileges which are guaranteed our people in our National Constitution, to maintain our system of private business and free enterprise, and adhere to our traditional American way of life, there must be a keen understanding of, and a ready plan and purpose to deal with those post-war problems which are beginning to loom on the domestic horizon.

What are these great problems which will confront the nation when the last shot is fired in this tragic war? Here they are:

1. Of the 11 million men in the armed forces, approximately 9 million will be discharged and will be hunting for positions in private employment. To these 9 million must be added the major part of the 20 million workers in the war plants, most of whom will be laid off overnight. They, together with the returning soldiers, will make a temporary

unemployed army of between 20 and 25 millions of persons now employed.

2. The national debt will likely be 250 billion dollars. That is \$7,500 a family. The total assessed value of all property in the United States is approximately 140 billion dollars. Thus, the national debt will be nearly twice as large as the assessed value of all property in this country.

3. It is estimated that in June 1944, the total bank resources of our nation will be 160 billion dollars. 70 per cent of these resources, or about 112 billion dollars will then be invested in the bonds of our national government. The *capital* assets of all our banks are estimated at 8 billion dollars. A decline of eight points in our national government bonds would entirely wipe out the capital assets of all the nation's banks.

4. There will be about 75 billion dollars worth of outstanding governmental war contracts. These will be cancelled overnight. That is ten times the amount of the outstanding war contracts that existed at the end of the World War I. Until these outstanding war contracts are negotiated, adjusted and settled, hundreds of business institutions will be unable to go ahead. They will not know where they stand. It will be difficult for them to borrow until the lending agencies know what the financial position of these companies is with their unsettled war contracts.

It seems apparent to me that business men will have a very difficult time in the postwar effort unless these contracts are promptly settled and fairly settled by our government, for until they are settled, obviously, business men will have a hard time to borrow money from private sources, because private banking institutions will feel that until these contracts are settled, they cannot tell with any degree of certainty what the financial position of the applicant for a loan is likely to be.

5. It is estimated that on the date of the armistice the national government will own 60 billion dollars worth of materials ranging all the way from ships to machine tools, hotels, shoes, munitions, food, clothing, trucks, and hundreds of other items too numerous to mention. Much of these materials the government will no longer need. The fact that the government has them and will likely sell them from time to time will hang over the domestic market, create un-

certainty, and tend to depress the revival of private business.

During the war the national government has acquired vast amounts of land. It now owns about 47,000 square miles. This is little short of the entire area of the six New England States. The government will no longer need all of this land. Such land as it does not need will have to be re-sold.

On the brighter side of our post-war picture, there is the back-log of the unfilled needs of the masses of people for automobiles and tires and gasoline, refrigerators, furniture, clothing, shoes, farm machinery, utensils, railway equipment, housing, and many other articles which it has not been possible for our people to get during war times.

The above, the good and the bad is an outline of our situation on the day following the cessation of hostilities.

The manner and the speed, wisdom and the justice with which these post-war problems are dealt with by our national government will determine the pattern of the United States for the next twenty years in our domestic economy field. We must prepare to solve every one of these problems, not when the war is over, but now.

The whole machinery of orderly and non-competitive liquidation must be made ready during the war, and the vast work of directing the country from a war to a peace economy must start as suddenly as war itself usually starts.

Everyone in this nation has a gigantic stake in this whole endeavor. Every manufacturer, every industrial worker, miner, and farmer, every white-collar worker—indeed, every citizen in this republic will experience depression or prosperity according to our ability to deal speedily and successfully with every one of these unusual conditions.

What must our national government do in order to discharge its part in the peacetime rehabilitation of the public life of our nation, so that the channels of trade may be as free as is humanly possible, so that business may go ahead with a certainty of what future governmental policy will be, so that the 20 or 25 million unemployed following the armistice may find positions again in private industry at good pay, and so be able to provide for themselves and their families?

Here are the things that government must do before the war is over:

1. It must set up a liquidating agency, which will study all the factors and plan to resell that part of the national domain which our government will no longer need.

2. It must set up another liquidating agency to sell, in an orderly fashion and with a minimum interference to private business, the 60 billion dollars worth of varied materials which the government now owns. Some of these things, like clothing, shoes and food, can be utilized by our government to soften the hardships of the unemployed until private industry can offer them employment. This will lessen any increases in the national debt in taking care of the unemployed during the transition period. Much, however, of the remaining material can only be sold in competition with private business which will then be struggling to readjust itself to our peacetime economy. Some hardship to business can not be escaped, but a wise liquidation of the vast holdings of government-owned materials should reduce this hardship to its irreducible minimum and should not seriously impair operations for production and for work.

3. We must have another governmental agency set up with its plans ready to go to work at once in settling the 75 billion dollars of cancelled war contracts. This will be one of the most delicate and important functions of the post-war operations of our national government. Until these contracts are settled there is bound to be an atmosphere of uncertainty, rumor, hardship and even suspicion. The government has a tremendous investment in the ownership of many of the plants with which it has made contracts. Our object should be to get the government out of these plants and out of private business at the earliest possible moment. Unless these war contracts are settled equitably and speedily, many businesses, already in debt to the national government for plant expansion, will be unable to borrow from private sources during the transition period. They will look to the government for additional capital to carry on. If that should happen, the government will get more deeply into private business than it is. This would be unfortunate. It might conceivably change our entire traditional policy. Unless wisely tackled and administered, this problem might not only put the government farther into business than it now is, but could lead to a governmental totalitarian economic status. After the last war it took three years to adjust many of the

7½ billion dollars of cancelled war contracts. With that experience behind us, there is no sound reason why each one of these contracts cannot be satisfactorily adjusted within a year after hostilities cease. That can only be done if we plan to do it *now* WHILE the war is still going on.

4. It is not unlikely that the national government will have to take some measures to deal with unemployment during the transition period. Most states, cities and counties have reduced their indebtedness in recent years. The contribution of the federal government toward unemployment should be less than it has been in the past. The contribution by local government hereafter should be greater in view of the changing debt status of the nation and the local governments. Moreover, every large city and many of our states should now be looking into projects, such as roads, bridges, schools, hospitals, sewers and water supply, and the like, as a part of this unemployment program. The things built should be useful things—things so far as possible which the local governments would have to build anyway. There should be as little waste of manpower and money in this program as is possible.

5. The President and the Congress, through the medium of national laws, should announce to the people of the country that its primary post-war objective is the complete withdrawal of government from private business and that all governmental measures will be directed toward the complete and speedy restoration of our system of private enterprise, as we have known it in this great nation.

As in the past, this will at least declare our national policy and give some encouragement and assurance to business men who will be struggling to readjust themselves.

Now, to deal specifically with the estimated 60 billion dollars worth of materials which the government will own, let us see how that can be treated in general outline. It should be broken down in the following categories:

1. Those things which the government has acquired during the war, which the government still needs, such as some critical materials, munitions, and supplies for our armed forces, office space for regular peacetime operations, and the like. These things can be removed from the list of materials remaining to be disposed of.

2. Those things which the government now owns but

which can be sold back to private concerns without depressing private enterprise. In this category would be hotels, office buildings, some aircraft, shipways, synthetic rubber plants, war chemical establishments, some machine tools and machinery and the like.

3. There will be the quantities of materials which cannot be disposed of by the government except in direct competition with private business which will be producing in whole or in part the same thing. Here is where good judgment must prevail. There should be representatives on this government liquidating board of concerns that are producing the things the government is selling so as to feed these things back into the market with as little hardship to private enterprise as is humanly possible. This is going to be a delicate operation. It will require time. Everything the government sells will, to some extent, depress employment. Business, the working man and the farmer will all be affected, favorably or adversely, depending on the wisdom with which this program is carried out. There will be a paradox of administration. On the one hand the government should dispose of all these materials at the earliest possible moment. On the other hand, it should dispose of them only as it can do so with the minimum of competition with private producers of the same articles.

4. By national law the administration then in power should declare that the proceeds and receipts from the disposal of all properties owned by government should be applied to reducing our national debt and for no other purpose whatsoever. If this is done not only can the national debt be reduced in the post-war years many, many billions of dollars, but by this reduction our reduced national income certain to follow the close of the war, will offer the best prospect of keeping the finances of the national government in a sound, healthy condition, a treatment which would not be out of place, I assure you.

5. And finally, of transcending importance, we should provide either by constitutional amendment or otherwise, that in times of peace the Congress of the United States cannot spend more money than it takes in in any one year without providing for increased taxes to completely wipe out such annual deficit within a period of not more than 20 years from the time the deficit is created.

You cannot continue to run this government or any other business in the world, on borrowed money, living on the future. That is the path of ruin. Deficits should not be permitted in peacetime unless taxes are provided which, when collected in the future, will wipe out such deficits. That is the easiest way, in the long run. The other way is the hard and ruinous way, in the long run.

This policy should have been adopted long ago. From 1930 to 1940 the national government spent 27 billion dollars more than it took in; an annual deficit of 2 billion 7 hundred million dollars a year. In the early 30's this was understandable. In the late 30's it was shortsighted. Now, in the face of all our other war debts we must pay off this 27 billion dollars of national debt incurred from 1930 to 1940.

And do not suppose that this 27 billion dollars national debt from 1930 to 1940 was caused by preparations for war. For the ten years from 1930 to 1940 the entire cost of our army and navy, in every particular, amounted to only 11 billion dollars for the ten-year period. Thus, if we subtract the total cost of the army and navy during this period, which was 11 billion dollars, from the 27 billion dollars of national debt incurred during these same years we see that the government spent 16 billion dollars more than it took in during this ten-year period, without a single penny of this 16 billion remaining being spent in any respect for our army or navy for preparedness.

A pay-as-you-go policy must be adopted if we are to have business security in this nation.

This policy should stop, and *must stop completely* if our constitutional system and our traditional private business enterprises are to endure. There is no other solution. This country must be put on a *pay-as-you-go* basis and when borrowings are necessary there must be the taxes accompanying said borrowings which will pay them off in a period of not more than 20 years in peacetime.

By doing so, we can help to save the constitutional system which we love. We can give to private enterprise its greatest opportunity. We can cut the army of unemployed to the minimum. We can have the smallest measure conceivable of government interference with business. We can furnish the greatest market for the products of the plants,

the mines, the forests and the farms. We can keep down the national debt. We can provide the greatest volume of governmental income. We can the more speedily reduce the national debt. In a word, we can save in all of its great glory and historical beneficence the traditional America we love, and keep it in the highest place among the nations of the world. Only by doing these things can our government aid best the whole people, keep the door of opportunity open to all and say to the returning soldiers and sailors who come back from the battlefronts "Here is the America you went forth to defend, basically unchanged, basically strong, with its government as the servant and not the master of the people, with a fair chance for youth to climb the ladder of success, prosperity and contentment, as millions of Americans have been climbing it ever since our constitutional form of government was adopted by the thirteen original states."

Let us resolve here and now not to shrink from any of these looming difficulties, but to go forth in the firm faith that we can and we shall overcome them, that we who stay at home shall keep the faith during the war, and that we will keep it faithfully thereafter.

The long struggle of men to obtain what we have had up to now should steel us to use every effort to retain it.

