

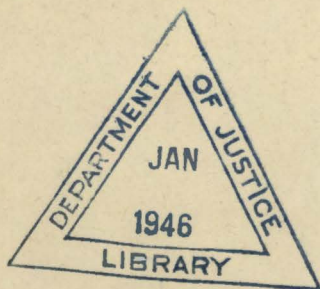
An Address

by

HONORABLE TOM C. CLARK

ATTORNEY GENERAL OF THE UNITED STATES

BEFORE THE



INDIANA STATE BAR ASSOCIATION

CLAYPOOL HOTEL

INDIANAPOLIS, INDIANA

Friday Night, January 25, 1946

8:30 PM. C.S.T.

Governor Gates, President Harding, and members of the Indiana State Bar Association:

I am sincerely honored by your invitation to be with you this evening.

I always enjoy my association with lawyers, because as a lawyer, I understand them and they understand me.

I have sincere reverence for the legal fraternity - which may be biased by my membership.

I believe that of all man's callings the legal profession affords the greatest possibility for him to develop his usefulness to society.

It is particularly gratifying to have been invited to sit with the members of the Indiana Bar Association, because this State has given the Nation more than its share of our great lawyers.

Moreover, I am happy to be reunited with so many of my friends that I have been unable to see as much as I would like during these busy days.

I speak to you tonight as a representative of the Department of Justice - which is your law office.

The goal of all of us at the Department - your lawyers - may be epitomized in the phrase "Let Justice Be Done."

There was a time early in American history when there was no Federal Department of Justice; in fact, there was very little Federal Government at all.

A great statesman, Jefferson I think, said: "The Federal (Government) is in truth our foreign Government, which Department alone is taken from the sovereignty of separate states."

In fact, the first Attorney General of the United States went further, in that he vehemently denied that the States had ever yielded any of their sovereignty.

(OVER)



Indeed, there are still some people today who think of the Federal Government as foreign to them.

But in truth the Federal Government is close to the people and necessary to them, for in our expanded society, and with our ever-increasing responsibilities the Federal Government must necessarily exercise certain functions which are beyond the reach and power of the individual States.

Although I am a strong believer in States' rights, I am equally as strong in the opinion that the Federal Government must step in to protect the whole people in those areas where the States lack power to act effectively.

For example, let us take inflation.

Certainly it knows no State boundaries.

Clearly the over-all American economy must be protected from the disaster of inflation.

It was with this in view that the Congress provided price control.

Price controls at this moment are avoiding a repetition of the terrible disaster - the chain of disasters - that followed World War I.

It is a constant source of encouragement to President Harry Truman and to his Cabinet, and to all those who make up American government, that the nation as a whole sees the wisdom of his program and supports it.

That, to me, is a heartening sign of a people alerted and educated to the problems of the hour.

Big Men of Labor and Big Men of Business came to Washington during the war to assist in the vastly complex administration of our war economy, and they learned the wisdom of the controls which are now in force.

This group, newly educated in the processes of Government, gives strong support to all of the Administration's forward-looking measures.



However, while there are ~~BIG-MEN-OF-LABOR~~ and ~~BIG-MEN-OF-BUSINESS~~, there are also just ~~BIG-LABOR-MEN~~ and ~~BIG-BUSINESS-MEN~~.

~~BIG MEN OF LABOR~~ and ~~BIG MEN OF BUSINESS~~ are fighting the reactionary elements within the councils of labor and industry.

They champion the cause of ~~BIG-MEN-OF-THE-PEOPLE~~ in your Government.

It is a struggle in which the economic future of our country is at stake.

In the matter of price control, for example, we have the facts of history to guide us.

It was contended that price control would hamper war production.

We know now, however, that America's productive capacity during this war reached astronomical proportions and remains the greatest industrial miracle of all time.

But what are the facts and figures?

In World War I, without price control, our production rose 25 per cent.

In World War II, with price control, our production jumped ONE HUNDRED AND SIXTEEN PER CENT.

Instead of hampering production, price control promoted it!

World War I cost this nation THIRTY-TWO BILLION DOLLARS.

WORLD WAR II COST THIS NATION THREE HUNDRED AND ONE BILLION DOLLARS.

These expenditures, financed in large part by borrowings, produced an enormous pool of liquid capital which hangs over the nation as an awesome, inflationary threat.

That, to me, would seem to indicate that runaway inflation after this war could be expected to be as much more disastrous than the events after World War I as, say, the atomic bomb is to a cap pistol.



The threat of inflation is being diligently attacked in spite of the powerful forces that would, overnight, remove the controls which stood as bulwarks to make us as victorious in our peace-economy as we were victorious in our war-economy.

To appraise the success of the fight of your Government against inflation, let us consider these facts:

We fought the greatest war in our history with an increase in the cost of living of only 31 per cent.

At the time of the Armistice in World War I, however, the cost of living rose exactly twice this amount, or 62 per cent, and what is worse, that spiral of inflation continued until the cost of living reached 108 per cent a year and a half after the War.

Keep in mind that the inflationary pressures in World War I were only a fraction of those which the nation has contended with in this war, and, in spite of this, today - six months after the victory over Japan - the cost of living is at the same level as it was on V-J Day.

It has not risen a penny since the War ended!

That is a victory for the people that should never be forgotten!

In the face of such an achievement, it is unbelievable that there are still those opponents of price control who would throw away these national safety measures before production has caught up with demand and the inflationary threat has been removed.

As you know, the plan of your Government is to use all measures to encourage production to reach the level of demand, and thereafter to stimulate both production and demand.

We all now recognize it as elementary that the answer to inflation is PRODUCTION !



Let me repeat: WE MUST HAVE FULL PRODUCTION!

We must have it now.

Tomorrow may be too late.

Today we do not have it.

Today, instead, we have the spectacle of some of our largest and most vital factories standing idle, at a time when the demand for goods is greater than it has ever been in the history of our country.

It is time Big Men of Labor and Big Men of Business quit this tug-of-war for power.

They each, as the President said yesterday, have too much power already.

They must come forward in the interest of America and settle their differences, otherwise your Government will have to step in.

Then there will be the same old cry of too much Government.

But it is not a question of too much Government.

It is a question of too much kicking around of the public; and you may be sure that your Government will put an end to that.

Yes, put an end to that - for your President is determined to exercise every power of Government at his command to maintain production at its highest peak.

Last night I was privileged to attend a testimonial dinner for two great Americans, General Dwight Eisenhower and Admiral Chester Nimitz - both native sons of Texas by the way. - General Eisenhower in a prophetic message, reminded us that the countries of the world are interdependent; and that they can no longer exist in peace unless this interdependence is recognized and appropriate steps taken to foster peaceful communication, trade and commerce. I wholeheartedly subscribe to that view.



In order to maintain full-time production, we must create and maintain a sufficient demand for our products. One of the important factors in our peacetime economy is our export market. We export the largest volume of products of any country in the world. England is the largest importing country in the world. It seems clear to me that if the commerce of the world, including our own, is to become healthy again then much depends upon what England and the United States do in re-establishing their export and import trade.

A healthy foreign export trade in normal times means the difference between prosperity and depression to the United States and even in depression years, it is interesting to know that we exported some 8 per cent of our entire agricultural and industrial production. For every two pounds of tobacco we consumed in peacetime, we sold one pound abroad, and for every bale of cotton, we sent one into foreign commerce.

Before the war, nearly 40 per cent of all of our exports were sold to the British Empire. This is evidence to me that every section of this country and every American industry has a vital interest in the opening of British markets to our products on fair and non-discriminatory terms. You, in Indiana, have an important interest in these outlets for your production and thus you have an important interest in the proposed financial agreement heretofore signed by the United States and the United Kingdom, which is now before the Congress for approval.

What is this agreement? Is it a gift? No, definitely not. It is a loan that will enable the United Kingdom to eliminate wartime restrictions on trade and currency which it imposed for its self-protection. It cannot eliminate these restrictions without capital to finance the restoration of its production and commerce. Britain has little to sell now; in fact, the "blitz" reduced its export commerce to 30 per cent of its 1930 level. If



the United Kingdom is able to remove these restrictions, then the other nations of the world will be able to eliminate similar restrictions and the commerce of the world will be immeasurably benefited. The alternative leads to the disasters of economic warfare which are so vivid in our minds, and economic warfare, as we all know, is one step from war.

We have participated in establishing the United Nations Organization to end the scourge of war, but the ideals implicit in that organization will be meaningless unless the peoples of the earth can truly work together to end restrictions on trade and commerce, thereby establishing one of the foundations for international prosperity. Need I remind you that our prosperity depends upon the prosperity of the world?

It is good business for us to make this loan. We not only will be repaid the principal with interest, but we secure a guarantee from the United Kingdom to remove all of the restrictions I have heretofore mentioned. This commitment will protect our trade from discrimination and permit American products to go more freely over the world. In short, it affords us assurances of an expanding market



for our products; it assures England of the means for the restoration of her commerce; and, in thus securing the international commerce of two important members of the United Nations, it thereby contributes to the health and growth of the trade and commerce of all the world.

There are abroad in the land prophets of fear and despair.

There are those who, motivated by selfish interests or perhaps merely by impatience, cry for coercive laws.

Some want coercive laws against one group - others against another group.

It seems that the selection of the group depends only on the answer to the question of whose steer you want branded.

Some, I am sorry to say, have hate in their hearts.

But we are lawyers trained in careful thinking, and we know there are some things on which you cannot legislate successfully any more than



you can legislate away the rising of the sun or the movements of the tides. There is a homely expression for it: "You can lead a horse to water but you cannot make him drink."

Let us not forget that coercion not only has its limitations, but also its dangers.

Let us ask ourselves: Once coercion is used, are those who recommend it prepared to say that its use against one group will not be invoked against another?

Will not labor restraints lead to business restraints?

And other restraints?

History answers - it will.

For coercion, once you start it, is not a one-way street.

Coercion begets coercion.

Ours is not a system that is hospitable to ideas of force.

Ours is a system that believes in letting off steam, that encourages negotiation and arbitration, and a meeting of the minds.

Sometimes progress is slow.

Disputes can not be settled with a stroke of the pen because we have never given power like that to anyone's pen, and we never shall.

Some price must be paid for the liberty we enjoy.

We live in an age in which we have seen - right under our very eyes and in our time - peoples of other lands toss away their freedom to grab at economic security.

We have seen them lose both.

As your Attorney General, my advice is against any type of coercive legislation.



This is not the country for that.

It is not justice.

It is not the democratic way.

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The Congress has jealously guarded, and properly so, its authority with reference to price control.

It has placed every safeguard for the public in that Act.

The Price Control Act has been a temporary one all during the war period.

In fact, the grant of authority under the Act has never extended for over a year, and on June 30th it again expires.

Your President has recommended its extension, and I feel certain that as a thinking and articulate group you concur in this recommendation and will give him your full support.

Similarly, in regard to the labor-management problem, the President has an intelligent and democratic proposal.

He has suggested, as you know, the strengthening of the Conciliation Service in the Labor Department.

He has also proposed the granting of power to the President to appoint Fact Finding Boards for the prevention of stoppages of work in nation-wide industries, but only after collective bargaining and conciliation and voluntary arbitration have failed.

These Boards, now operating under wartime emergency powers, would have the authority to secure the facts and publicize them.

The strong arm of public opinion - your opinion and mine - would then become a decisive factor in the fair settlement of labor-management disputes.



For with the facts, as Andrew Jackson once said, "the people never go wrong."

There is one more thought that I would like to leave with you.

As lawyers you have a high respect for your Government, for your laws, and for the high office of the President of the United States.

Disrespect for these is disrespect for you and for me.

It is disrespect for all of the people of the United States.

The quiet, level-headed humility and sincerity of your President during these most critical times has won for him the hearts of America's millions.

The problems that burden him concern not only affairs within our Nation's boundaries but the lives of peoples beyond its sovereignty.

The voice of the President of the United States brings hope to million upon millions of people in every corner of this Earth.

Harry Truman's voice is the voice of democracy -- the voice of America.

It has been the fortunate destiny of our Nation to find the right man for every crisis.

In this postwar crisis a beneficent Providence has given us Harry Truman.

History will record that the period of his incumbency is giving us the most stateman-like war recovery since the foundation of this Republic.

I am honored to serve under him as his lawyer.



Now as an aside to my talk tonight I want to discuss for just a moment quite another species of inflation - the inflation in crime.

In planning our program against this postwar evil it has been my pleasure to consult with J. Edgar Hoover, the Director of the Federal Bureau of Investigation of the Department of Justice, with whom I have always seen eye-to-eye on the programs maturing in the Department.

The essence of our program in the criminal field has been to alert the nation to the heart-rending depth and scope of this problem - especially the juvenile delinquency phase.

We propose to formulate fundamental patterns of procedure for local use on a voluntary basis in juvenile delinquency matters.

We will endeavor to coordinate, on a united front, the work of existing agencies in this field.

We will define the problem.

We will give direction to and national focus on the search for the fundamental solutions.

We will help the communities throughout the United States to fight juvenile crime in their own neighborhoods, first priority being given to methods of salvaging America's delinquent youth.

We will have within the Department of Justice a small but vigorous unit, exclusively concerned with juvenile crime.

And we will have an unpaid and voluntary Attorney General's Panel, composed of nationally representative citizens who will serve in a consultative capacity to plan broad objectives.

But the cure for juvenile crime in the last analysis must be administered locally, and we propose that the local communities, as far as possible



- where youth touches home, church, school, recreation - shall manage the job.

President Truman has taken a keen interest in this problem and has given its solution the impetus of his strong support.