AN ANALYSIS OF ORGANIZATION IN FOUR SELECTED SPEECHES OF SENATOR JOSEPH C. O'MAHONEY

by

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ABSTRACT

The purpose of this study was to analyze the manner in which Senator Joseph C. O'Mahoney organized his speeches. A background of the Senator's early life, education, and political career was reviewed in order to show facts related to his speech-making. The term organization was discussed in terms of ancient and modern interpretations. Criteria for judging speech organization were developed according to the principles of the ancient rhetorician, Aristotle, and the modern authors, Paul L. Soper and Alan H. Monroe. These criteria were then applied to four selected speeches--"The American Ideal" (1938), "Business, Government, and the Economic Crisis" (1939), "The Rights of Man" (1944), and "Economic Freedom and the Automobile Industry" (1956). An analysis of the four speeches revealed that Senator O'Mahoney employed the three-part division of speech organization--introduction, body, and conclusion. The analysis further revealed that the speeches were generally well constructed and were good examples of speech organization.

INTRODUCTION

Joseph C. O'Mahoney was an influential United States Senator from Wyoming who spent the major portion of his senatorial career investigating American monopolistic tendencies. That a senator from Wyoming, a state with relatively little business activity, should be concerned with national economic problems and policies appears unusual. This unique interest can be reconciled, however, when his favorite quotation is considered: "Arbitrary power exists nowhere in a republic, not even in the largest majority."[1]

As Senator O'Mahoney's speaking influenced national opinion regarding American monopolistic inclinations, it becomes significant to analyze the speech organization he used in achieving maximum effectiveness. But before the analysis is initiated, a brief definition of the term organization will prove beneficial.

Baird and Knower suggest that organization refers to a systematic structuring or arrangement which yields "sense, selection, unity, order and emphasis to /a/ speech."[2] Monroe adds to this

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1. Current Biography, ed. Anna Rothe (New York, 1945), p. 436.

2. A. Craig Baird and Franklin H. Knower, General Speech: An Introduction (New York, 1963), p. 67.

concept of organization by asserting that it is the arrangement of parts into a logical and coherent sequence. He advances this explanation by stating that this "logical sequence of points within a speech" should be "adapted to the audience so that the proper response may be secured."[3] By combining the above definitions of organization a more complete definition can be obtained. The term organization, then, refers to the systematic structuring of the points of a speech into a logical and coherent whole which will result in the desired audience response.

With a mutual understanding of the term in mind, the first question to be posed is: what is the importance of studying speech organization? There are two answers to this question. First, an audience expects to understand the speaker's points rapidly and easily. It cannot grope for hidden structure. If the organizational pattern of the speaker is not evident, the audience becomes confused and easily distracted. Baird and Knower contend that

> . . . . if the speaker can arrange his materials so that a pattern and sequence are easily grasped by the listener he is more apt to understand, to accept and to be persuaded to act . . . . /Organization/ makes for economy of attention and ease of comprehension.[4]

Experimental evidence gathered by Raymond Smith further supports the belief that a lack of organization can thwart an audience's

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3. Alan H. Monroe, Principles and Types of Speech (Chicago, 1962), pp. 280-281.

4. Baird and Knower, p. 67.

comprehension. Mr. Smith found that in the disorganized speech the opinions of the audience were changed in a direction negative to that proposed in the speech.[5] In referring to this study, Wayne C. Minnick in his book, The Art of Persuasion, concludes, "Such evidence strongly suggests the need to study the proper arrangement of the discrete parts of the speech in order to discover the order /or orders/ which are likely to exert maximum influence on the audience."[6]

The fact that a study of speech organization may lead to the discovery of a new and more effective method of organization can be considered a second reason for this study. A. Craig Baird hints at this fact when he relates, "The construction and application of standards of excellence should do more than guide us in our estimate of others' speaking skills. Such critical knowledge should suggest desirable procedures for our own speech improvement."[7] A more direct, cogent statement concerning the discovery of new organization patterns is made by Black and Moore in their book, Speech: Code, Meaning, and Communication. They point out that "Dynamic alterations of pattern

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5. Raymond Smith, "An Experimental Study of the Effects of Speech Organization Upon Attitudes of College Students," Speech Monographs, 18 (1951), 292-301.

6. Wayne C. Minnick, The Art of Persuasion (Boston, 1957), p. 263.

7. A. Craig Baird, American Public Addresses 1740-1952 (New York, 1956), p. 2.

often are followed by new alignments of parts and by a revitalized and stronger organization."[8]

The importance of organization in achieving effectiveness and clarity can be studied in the speeches of such a man as Senator Joseph C. O'Mahoney, a man who greatly influenced national policy. Senator Humphrey, when speaking of his Democratic colleague in Congress, said that Senator O'Mahoney must be regarded as one of the most influential men, particularly on economic affairs, this country has produced.[9] Because Senators O'Mahoney and Humphrey were members of the same political party, Humphrey's opinion can be considered partisan. This fact makes it necessary to refer to the Encyclopedia Americana for a more unbiased view. It ranks the Senator as one of the leading citizens from Wyoming.[10] His importance as an influential senator may make him worthy of investigation; however, a more meaningful reason can be submitted. As a key "New Dealer", Mr. O'Mahoney actually shaped domestic policy. One example of his policy-shaping ability was his proposal of a bill, in 1938, requiring Federal licensing for corporations engaged in interstate commerce. Although

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8. John W. Black and Wilbur E. Moore, Speech: Code, Meaning, and Communication (New York, 1955), p. 196.

9. Congressional Record, CVI, Part 9 (1960), 12184.

10. "Famous People of Wyoming," Encyclopedia Americana, XXIX (1963), 588.

this bill itself did not become law it caused controversy which led to a series of amendments to the Interstate Commerce Act.[11] Senator O'Mahoney, however, was not in favor of all phases of the New Deal. His battle against President Roosevelt's Supreme Court reorganization plan attests to this fact, and further shows O'Mahoney's policy-shaping power. An article in the Nation's Business recorded that the Wyoming Senator "wrote the better and more acid part of the report of the Judiciary Committee in which the President's plan for reorganizing the Supreme Court was denounced."[12] As Baird remarks, "American history, economic, political, social, and cultural, is studded with the speeches of men who have importantly influenced attitudes and events."[13] Certainly, Senator Joseph C. O'Mahoney's work demonstrates the validity of this statement.

Purpose

The purpose of this study is to analyze the manner in which Senator Joseph C. O'Mahoney organized his speeches. Four speeches were selected to be analyzed. These addresses were chosen for the following reasons: all four speeches pertain to American business

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11. Rothe, p. 436.

12. Herbert Corey, "O'Mahoney Wants Facts--Not Scalps," Nation's Business, X (September 1938), 16.

13. Baird, p. 1.

activities--one of the Senator's principal interests; the speeches cover a wide span of O'Mahoney's speaking career--1938 to 1956; and all the speeches have a common end--to convince. The study is limited to an investigation of organization, and the techniques used by Senator O'Mahoney to implement his arrangement. References will be made to various types of appeals used in the speeches; however, these allusions will be used only when they apply to organizational patterns.

Method of Study

This inquiry will be conducted according to the critical analysis method suggested by Thonssen and Baird in their book, Speech Criticism. The authors propose that a critical analysis should be executed in the following manner: review of the facts related to speeches; formulation of criteria; analysis of speeches.[14] Chapter I will present a brief background of the Senator in which facts related to the speeches will be reviewed. In Chapter II, the criteria for judging speech organization will be developed in relation to ancient and modern discussions of organizational patterns and techniques. The analysis of the four selected speeches will be initiated in Chapter III, and Chapter IV will state the conclusion based on that analysis. Chapter IV will also include the general conclusion of the paper.

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14. Lester Thonssen and A. Craig Baird, Speech Criticism (New York, 1948), p. 9.

Summary

The term organization in this study will refer to the systematic structuring of the points of a speech into a logical and coherent whole which will result in the desired audience response. A study of speech organization is significant for two reasons. First, a lack of clear organization can confuse the audience and thus elicit the opposite audience response from that intended by the speaker. Second, by conducting such a study a new and more dynamic organizational pattern may be discovered which could contribute to the audience's understanding of the speech.

Selected addresses delivered by Senator Joseph C. O'Mahoney were chosen for the study because he was regarded as an influential speaker of the 1940's, and because he actually shaped domestic policy.

A three-step method of analysis will be utilized to discover Senator O'Mahoney's manner of speech organization. First, a review of the facts related to his speeches will be presented. Second, criteria which are consistent with accepted critical standards will be established for the analysis. Third, the actual analysis will commence and finally, conclusions based on the analysis will be drawn.

CHAPTER I

BRIEF BACKGROUND OF SENATOR O'MAHONEY

The purpose of this chapter is to review briefly some aspects of Senator O'Mahoney's life which may have influenced his ability as a speaker. A. Craig Baird believes that:

> . . . /The speaker/ is the product of the home, school, associates, and the other earlier experiences and relationships that mould his speaking personality and capacities. Not that he is the complete product of each environment, but these formative influences are important in accounting for his later speaking characteristics.[15]

The information gathered here will cover the Senator's early life, education, and political career. As this study pertains particularly to Mr. O'Mahoney's senatorial influence, the major portion of this discussion will be devoted to his political activities.

Early Life and Education

Joseph Christopher O'Mahoney was a New Englander by birth. He was born in Chelsea, Massachusetts, on November 5, 1884, one of the eleven children born to Dennis and Elizabeth (Sheehan) O'Mahoney, both of whom were Irish immigrants.[16] His father who was from

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15. Baird, p. 4.

16. "Joseph C. O'Mahoney, 78, Dies," New York Times, CXII (December 2, 1962), 88.

County Cork, Ireland came to the United States, where he joined the famed Irish Brigade and fought in the Civil War for the Union.[17]

As a boy, Senator O'Mahoney attended Cambridge Latin School in Massachusetts.[18] His father died in 1903 and this death prevented his graduating. After his father's death, he moved to New York to live with an elder brother. For monetary reasons the Senator had to work during the day for a publishing house while he studied at night in order to pass his college entrance examinations. "He then enrolled in Columbia University, earning his way by working at odd jobs, including freelancing several articles for the Associated Sunday Magazine."[19]

One of those articles, written in 1906, was reread by an alert reporter fifty years later, and its contents astounded many readers. In this early article, "One Hundred Years Hence," Senator O'Mahoney predicted such phenomena as television, Rural Electrification Authority, nuclear science, and other modern marvels. Senator Gale McGee cited this article as an example, and concluded that "even then my senior colleague had the imagination and foresight which marked him for leadership. He anticipated the future, and was not content merely to contemplate the past."[20]

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17. Congressional Record, CVI, Part 8 (1960), 10675.

18. The National Cyclopedia of American Biography, Current volume D (New York, 1934), 391.

19. Congressional Record, CVI, Part 8 (1960), 10675.

20. Congressional Record, CVI, Part 8 (1960), 10675.

Senator O'Mahoney's interest in economic affairs was sharpened at Columbia University. It was here that he chose John Sharp Williams as one of his few heroes. Mr. Williams was an influential member of the House of Representatives from 1893 to 1909. While in the House, he became a respected authority on the relationship of government to the national economy. Williams was then elected as a senator from Mississippi from 1911 to 1923.[21] He was against the idea that a federal bureau should control corporations. O'Mahoney was a close student of Williams' speeches and writings. When Senator O'Mahoney proposed that Congress, and not a federal bureau, had the right and duty to regulate interstate corporations, he quoted Mr. Williams in support of his position:

> I can imagine nothing more dangerous to the American republic than control of great corporations by a federal bureau subject in its turn to a political administration of either party, excluding or admitting participation in business substantially at the whim and caprice and by the favoritism or enmity of the head of the bureau, influenced by Senators, Speakers, and Presidents, whose "pull" would be in favor of "good trusts" and whose frowns would be for "bad trusts."[22]

Thus, Senator O'Mahoney's studies at Columbia University of John Sharp Williams' speeches profited his subsequent speaking on economic matters.

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21. "John Sharp Williams," Encyclopedia Americana, XXVIII (New York, 1963), 793.

22. Herbert Corey, p. 16.

After his two-year stay (1905-1907) at Columbia, the Western Senator began a ten-year period of journalism by taking a job as a reporter on the Cambridge Democrat.[23] However, the ill health of a brother forced young O'Mahoney to quit this job and to move to Boulder, Colorado in 1908. His journalistic leanings continued as he became city editor of the Boulder Herald.[24] It was in Boulder that he met Agnus V. O'Leary, and married her on June 11, 1913.[25] In 1916, he moved again, this time to Cheyenne, Wyoming, where he accepted the position of city editor of the State Leader.[26] Governor John B. Kendrick, a Wyoming stockman, was the owner of the Leader. At the time of O'Mahoney's arrival, Governor Kendrick was campaigning for a United States Senate position.[27]

Kendrick was so impressed with O'Mahoney's abilities, that when he came to Washington as a U. S. Senator he "brought Joe O'Mahoney along as his secretary."[28] In Washington, O'Mahoney decided to continue his education. He attended Georgetown University

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23. Current Biography, p. 436.

24. Current Biography, p. 436.

25. Who's Who in the West (Chicago, 1949), p. 703.

26. "Joseph C. O'Mahoney, 78, Dies," New York Times, 88.

27. Congressional Record, CVI, Part 8 (1960), 10675.

28. Congressional Record, CVI, Part 8 (1960), 10675.

where he studied law and received his law degree in 1920.[29] He later received honorary Doctor of Law degrees from Columbia in 1938, from Georgetown in 1941, and from DePaul University in 1946.[30]

Political Career

In 1916, Mr. O'Mahoney became a member of the Democratic Party. After ascending the party ladder rather rapidly, he became the vice-chairman of the Wyoming Democratic State Committee in 1922. He held this position for eight years.[31] It was while he was in this position that he made his first bid for the Senate in 1924. Being unsuccessful, he ran again in 1928 and was again defeated.[32] However, these defeats did not cause O'Mahoney to shy away from politics and in 1929 he was elected Democratic national committeeman. As a delegate to the national convention in the 1932 presidential campaign he helped formulate the party's platform and served as vice-chairman of the campaign committee.[33]

After his initial victory, President Franklin D. Roosevelt named Mr. O'Mahoney as First Assistant Postmaster General in March,

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29. Current Biography, p. 436.

30. Who's Who in the West, p. 703.

31. Current Biography, p. 436.

32. "Joseph C. O'Mahoney, 78, Dies," New York Times, 88.

33. Current Biography, p. 436.

1933. In November of that year, Senator Kendrick died, and Joseph C. O'Mahoney was appointed to fill Kendrick's Senate seat.[34] He ran for the Senate in 1934 and received his first commission from the people. He served continuously in this position until his defeat in the Republican landslide of 1952 that elected President Eisenhower.[35] In 1954, the Senator regained his seat in the United States Senate to complete the term of Lester C. Hunt who had passed away. From that time to August 29, 1960, O'Mahoney served continuously. He announced his retirement from the Senate in August, 1960 because of a heart ailment. On December 2, 1962 Senator O'Mahoney died from that heart ailment.[36]

The fact that Senator O'Mahoney was an active policy-maker in the Senate for twenty-five years makes it difficult to recount his many accomplishments. His activities and energies were so diverse that they practically defy grouping or generalization. However, three general areas of interest bear the O'Mahoney label: development of the West, defense of constitutional principles, and labors for economic freedom.

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34. "People of the Week," United States News and World Report, XXVII (August 5, 1949), 35.

35. "People of the Week," United States News and World Report, XXXIX (December 16, 1955), 14.

36. "Joseph C. O'Mahoney, 78, Dies," New York Times, 88.

Senator O'Mahoney did much to develop Wyoming and the West. He became chairman of the Committee on Interior and Insular Affairs when it was first created in 1949. In this position he affected many impressive accomplishments too numerous to mention. He was also a member of the Appropriations Committee, the Indian Affairs Committee, the Post Offices and Post Roads Committee, and the Public Lands and Survey Committee.[37]

The Senator's constant battle for the development of the West's natural resources is quite noteworthy. This battle began even before he was a Senator. As Assistant Postmaster General he aided Senator Kendrick in his appearance before a Cabinet meeting to urge construction of the Casper Alcova Dam project, later renamed the Kendrick project. "As a Senator he sponsored numerous bills affecting Western reclamation and has been vigorous in securing appropriations for various projects."[38] He presented to Congress, in 1944, the comprehensive bill for the development of the Missouri River Basin. This program transformed many arid acres of the West into productive land. In that same year, O'Mahoney and Colorado's Senator Millikin presented an amendment to the Flood Control Act which preserved the priority of Western waters for irrigation purpose against diversions by

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37. Current Biography, p. 436.

38. Congressional Record, CVI, Part 8 (1960), 10675.

downstream users. He is also attributed with sponsoring and securing passage of the Upper Colorado River Basin Storage project in 1956. The passage of the legislation which created the Rural Electrification Authority was due, to some extent, to Senator O'Mahoney.[39]

O'Mahoney was also a principal advocate of Western improvement in the mineral field. The O'Mahoney-Hatch Act of 1946 greatly increased oil discovery and production of the Rocky Mountain area. Because of his interest in the oil industry, he was appointed the chairman of a special Committee to Investigate Petroleum Policy in 1947. Prior to that time, he had introduced and pushed through Congress "the synthetic liquid fuel law which authorized the Bureau of Mines program for production of synthetic fuels from coal, oil shale, and other substances."[40]

Senator O'Mahoney was a champion in the area of preservation of basic rights granted in the Constitution. The best example of this interest was his vigorous opposition to President Roosevelt's attempt to pack the Supreme Court. Although Roosevelt demanded support of the highly controversial bill as a matter of party loyalty, Senator O'Mahoney called it "an utterly futile gesture" and "an extremely

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39. Congressional Record, CVI, Part 8 (1960), 10675.

40. Ibid., 10676.

dangerous innovation."[41] His fight against the drafting of labor during World War II, and his exposition of the constitutional issues at stake in the Strauss case are other examples of his desire to preserve the intent of the United States Constitution.[42]

Perhaps the main contribution Senator O'Mahoney made to this nation was his outstanding, vigilant fight for economic freedom. Paramount among his accomplishments in this field of interest was his chairmanship of the Temporary National Economic Committee. Congress, in 1938, created this body, on O'Mahoney's initiative, to study the concentration of wealth in American industry. David Lynch, in The Concentration of Economic Power, stated that,

> No one can read the testimony before the TNEC and the final report without realizing that to a large extent this was Senator O'Mahoney's committee and Senator O'Mahoney's show. One of the members whose attendance was most regular, he definitely left the imprint of his personality upon the hearings and the findings. To him goes much credit for the high plane upon which the hearings were conducted.[43]

Under the leadership of the Senator and Administration figures such as Leon Henderson, Robert H. Jackson, and Thurman Arnold, the Committee probed such matters as industrial monopoly, unemployment, life

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41. "O'Mahoney, at 70, Again a Senator," New York Times, CIV (November 6, 1954), 10.

42. Congressional Record, CVI, Part 8 (1960), 10676.

43. David Lynch, The Concentration of Economic Power (New York, 1946), p. 37.

insurance, corporation methods, and technology. Near the close of the investigation, Senator O'Mahoney made the following proposals:

> 1) national charters for corporations doing business on a national scale; 2) effective and thorough enforcement of antitrust laws; 3) encouragement of new business, and small enterprise by revision of tax laws; 4) a national conference of representatives of business, labor, agriculture, and consumers to concentrate public thought on objectives on which there is general agreement.[44]

Upon completion of the investigation, the final report was printed. It filled thirty-seven volumes of printed material which contained more than 17,000 pages.[45]

At the conclusion of this three-year, one-million-dollar study, several comments were made. I. F. Stone declared that the study "will rank with the great inquiries of the past" and called Senator O'Mahoney's summary "a document which deserves to be read by every American."[46] United States News predicted T. N. E. C.'s recommendations were the "blueprints for the next reform era," and that they were "likely to provide the basic design for numerous postwar reorganization plans."[47]

Senator O'Mahoney's intensive interest in American business freedom led him to be one of the most ardent supporters of the Full

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44. Current Biography, p. 437.

45. Lynch, p. 70.

46. I. F. Stone, "O'Mahoney Sums Up," Nation, CLII (March 22, 1941), 315.

47. "Blueprint for New Reform Era," United States News, X April 11, 1941), 32.

Employment Act of 1945 which provided for the postwar stabilization of business and employment.[48] The Senator's influence on the passage of this act is noted by Stephen Kemp Bailey in his book, Congress Makes a Law. Mr. Bailey points out that:

> . . . the high point of the sponsor's strategy was reached in the dramatic speech of Senator O'Mahoney. It is rarely that a speech on the floor of the Senate actually changes stubborn Senate minds. O'Mahoney's presentation was an exception. It is generally conceded by friend and foe alike that the Wyoming Senator's dramatic, illustrated lecture on the economics of S. 380 had a marked effect on the final vote . . . . O'Mahoney breathed economic respectability into the pending legislation.[49]

After O'Mahoney's presentation, Mr. Bailey overheard one of the Senators remarking, "If I'm ever tried for treason, I hope Joe O'Mahoney can defend me."[50]

The passage of the Full Employment Act led to the establishment of the President's Council of Economic Advisors and the Congressional Joint Economic Committee of which Senator O'Mahoney served as chairman during the 79th, 81st, and 82nd Congresses.[51]

Senator O'Mahoney conducted many hearings on the concentration of economic power in American business. During 1955 and 1956,

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48. Congressional Record, CVI, Part 8 (1960), 10676.

49. Stephen Kemp Bailey, Congress Makes a Law (New York, 1950), p. 119.

50. Ibid., p. 119.

51. Congressional Record, CVI, Part 8 (1960), 10676.

Senator Gale McGee was on his staff and in reminiscing about the proceedings stated:

> During the study of the concentration of economic power in the Electric Bond and Share Corporation, after a host of the finest lawyers from Wall Street had done their best with their case, the chief spokesman for the legal counsel of the electric utilities said to me, following one of those long and torturous sessions: 'McGee, let me say just one thing: I would rather face all the lawyers in New York at the same time than face that boss of yours alone.'[52]

After another hearing involving General Motors Corporation, Senator McGee commented about O'Mahoney's abilities:

> . . . after days and days of hearings, one of the spokesmen for the giant corporations would say, 'But, Senator, the statement you have just now attributed to me is not what I said yesterday.' Then Senator O'Mahoney would say, 'Let the clerk read the record.' And when the clerk read the record it immediately became apparent that Senator O'Mahoney's recollection was faultless.[53]

It is evident that Senator O'Mahoney's life was marked with rugged individualism, initiative, and perserverance. A bit of his personal philosophy points these qualities out. He said:

> If you decide to go into politics, I hope you will remember one simple rule that I have always found most helpful: It is not wise to try to 'keep books.' Do not 'keep books'; do not remember old scores; do not try to hold old grudges, because they will detract from your central purpose and will woo you away from the main path.[54]

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52. Congressional Record, CVI, Part 8 (1960), 10676.

53. Ibid., 10676.

54. Ibid., 10676.

Summary

The early life, education, associates, and experiences of an individual bear directly on his speech-making ability. Though the Senator was born in New England, he spent most of his life in the West. His education was quite normal. He attended elementary school and high school in Massachusetts. After moving to New York, he attended Columbia University for two years. Following ten years of journalistic work, he returned to school, this time to receive his law degree from Georgetown University.

O'Mahoney's political career as a Senator began in 1933 when he was appointed to fill the seat of Senator Kendrick who had passed away. He held that seat continuously until 1952 when he lost in the Eisenhower landslide. Two years later, he was again appointed Senator subsequent to the death of Lester C. Hunt of Wyoming. Senator O'Mahoney retained that position until 1960 when a heart ailment forced him to retire. His twenty-five-year tenure in the Senate was active and energetic. Though his interests were varied, they tended to focus on the development of the West, defense of constitutional principles, and labors for economic freedom.

CHAPTER II

DISCUSSION OF ORGANIZATION

A discussion of the term organization, or any other term related to speech, leads naturally to some of the earliest writers on the subject. From these ancients came the foundations on which later theory developed. The investigation of the term organization should begin with the "Father of Rhetoric", Corax. In his work, arrangement is given the first formal consideration. "Speeches . . . were divided into five parts: a proem or opening, narration, argument, subsidiary remarks, and peroration."[55] The significance of this method of speech division is that it was the first systematic approach to speech organization. Interpretations of speech organization subsequent to those of Corax vary in number of divisions and nomenclature, but his general theory of division has remained.

Perhaps the best known statement concerning organization is that put in the mouth of Socrates by Plato in his dialogue, Phaedrus: ". . . speech ought to be put together like a living creature, with a body of its own, so as to be neither without head, nor without feet, but to have both a middle and extremities, described proportionately to

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55. Thonssen and Baird, p. 35.

each other and to the whole."[56] Here, Plato is simply indicating that a speech should have an introduction, body, and conclusion, each proportionately related to the other and all to the whole.

Aristotle, in his Rhetoric adds a fourth division to that of Plato's. He points out that the essential elements of a speech are the proem, statement, argument, and epilogue. He goes on to state ". . . the indispensible constituents are simply the Statement and the ensuing Argument," and that the proem and epilogue "only aid the memory." Aristotle concludes that any additions to the four-part division are "empty, frivolous verbiage."[57]

The pattern of organization established by Aristotle is unmistakably the most important interpretation to be found. As Thonssen and Baird suggest,

> . . . Aristotle's Rhetoric is the true pioneer in the field, the one upon which practically all subsequent treatises rely to a considerable extent. It is for us the first orderly, systematic attempt to set down the principles of the art of public speaking. The Rhetoric provides a philosophically sound rationale of the subject. It embraces a philosophy of discourse relatively free from pedantry and deeply rooted in the basic tenets of the speaking art.[58]

The discussion of Greek contributions should end appropriately with

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56. Lester Thonssen, Selected Readings in Rhetoric and Public Speaking (New York, 1942), p. 29.

57. The Rhetoric of Aristotle, trans. Lane Cooper (New York, 1932), p. 220.

58. Thonssen and Baird, p. 70.

Aristotle's Rhetoric because through this work the art of speech-making grew in maturity and gained in stature and dignity.

While the Greeks gave us the foundations of rhetoric, the Romans added significantly to speechcraft. Their chief contributions were in the form of refinements and clarification. Cicero, the first Roman rhetorician of importance, meaningfully contributed to the study of public speaking in his famous treatise De Oratore. Cicero divides the art of rhetoric into five parts--the second of which is arrangement. He says that the orator should "dispose and arrange his matter, not only in a certain order, but with a sort of power and judgment."[59] The important principle embodied in this quotation is that the speaker, when he is arranging his material, should order his speech in a powerful manner. Cicero's "power" concept is the base from which many of the modern writers on speech psychology have initiated their studies.

In Rhetorica ad Herrenium, a work sometimes attributed to Cicero, the author elaborates on the concepts of De Oratore and names the five parts of rhetoric. These five canons of rhetoric are entitled: inventio, dispositio, elocutio, memoria, and pronuntiatio. In his treatment of dispositio, this author envisions a general twofold meaning: an appreciation of the pattern or form for the speech as a whole, and a consideration of the development of the specific parts of the

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59. Thonssen, p. 69.

speech.[60] The Rhetorica ad Herrenium places dispositio second in the catalogue of rhetorical canons, and this appears significant. Obviously, the speaker was meant to consider the order of his speech early in its preparation.

Perhaps the most exhaustive treatment of the art of rhetoric by a Roman was that undertaken by Quintilian in his Institutes of Oratory. In this work, he develops and prescribes the training of an orator from birth to old age. Thonssen declares that "The Institutes represent the most comprehensive analysis of oratorical training in print."[61] Quintilian likens a speech deficient in arrangement to ". . . a traveler wandering by night in unknown regions . . . having no stated course or object . . . guided by chance rather than design."[62] To this Roman rhetorician organization was important enough to warrant another extremely meaningful analogy for he remarks:

> . . . it is not sufficient for those who are erecting a building merely to collect stone and timber and other building materials, but skilled masons are required to arrange and place them, so in speaking, however abundant the matter may be, it will merely form a confused heap unless arrangement be employed to reduce it to order and to give it connection and firmness of structure.[63]

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60. Thonssen and Baird, pp. 77-79.

61. Thonssen, p. 99.

62. E. C. Buehler and Wil A. Linkugel, Speech: A First Course (New York, 1962), p. 188.

63. Buehler and Linkugel, p. 188.

After these lengthy analogies, Quintilian succinctly informs his readers that ". . . arrangement /is/ a due distribution of things and their parts in their proper places."[64] In this definition, Quintilian simply indicates that there must be a distinct arrangement. In a later discussion, he declares that

> . . . these thoughts be not merely placed in a certain order, but that they be also connected one with another, cohering so closely that no joining may appear between them; so that they may form a body, and not a mere collection of members . . . . Thus, different things will not seem hurried together from distant parts, all strangers one to another, but will unite themselves, in a sure bond and alliance, with those that precede and those that follow; and our speech will appear not merely a combination of phrases, but all of a piece.[65]

In this passage, Quintilian relates logic and coherency to organization. First, the importance of the coherency of the parts is noted. This indicates that well phrased transitions between the parts of a speech are essential. Second, the necessity of logical development of the parts in order to form the body of a speech is stressed.

From the ancient Greek and Roman rhetoricians to our present theorists there has been little change in basic theory. The twentieth-century writers merely put ancient interpretations in modern terms and simplify their presentations. Black and Moore, in their Speech--Code, Meaning, and Communication suggest that organization

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64. Thonssen, p. 133.

65. Thonssen, p. 136.

refers to the structuring "of the parts into wholes" which follow a relatively well-established design. They further point out that, although relationships are constantly changing, these designs "move in highly predictable patterns."[66] This "predictability" is an important concept for the analysis of organization.

From classical rhetoric come also the modern divisions of a speech, although contemporary authors tend to simplify these divisions. Paul L. Soper points out that organization involves a systematic patterning of main heads, subheads, and supporting materials in which nothing is left to chance. In his book, Basic Public Speaking, he considers the divisions of a speech to be the introduction, the body, and the conclusion.[67] In his book, Speech Composition, Brigance also uses this three-step speech division and declares that "This speech division is an inheritance of ancient lineage." He says further:

> The modern introduction includes within it all that /the ancient writers/ meant by "exordium," "statement," and "proposition." Likewise does the modern discussion /body/ include all that was meant by "proof" and "refutation," while the modern conclusion covers almost identically what the ancients called "peroration."[68]

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66. Black and Moore, p. 182.

67. Paul L. Soper, Basic Public Speaking (New York, 1963), p. 64.

68. William Norwood Brigance, Speech Composition (New York, 1953), p. 67.

Alan H. Monroe's psychological approach to persuasive speaking is a modern-day expansion of Cicero's psychological "power" concept. Monroe entitles his method of speech organization the motivated sequence, and defines this as "the sequence of ideas which, by following the normal process of human thinking, motivates the audience to respond to the speaker's purpose."[69] His system of speech organization consists of five distinct steps which can be altered as required by the nature of the speech. These steps are as follows:

1. Attention
2. Need
3. Satisfaction
4. Visualization
5. Action

By careful utilization of the motivated sequence, the speaker can move his audience logically and psychologically to achieve his purpose.

Even though modern theorists present nothing original, they tend to codify and popularize the ancient interpretations of speech organization. The base for rhetoric established in classical antiquity still dominates approaches to the organization of speeches.

In formulating the criteria for judging Senator O'Mahoney's speech organization, three of the above authors' interpretations of

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69. Monroe, pp. 281-282.

speech arrangement will be used: Aristotle, Rhetoric; Paul L. Soper, Basic Public Speaking; and Monroe, Principles and Types of Speech. For the sake of simplicity, the criteria will be developed under the headings of introduction, body, and conclusion; however, any deviation from this pattern will be noted and discussed. The techniques used to achieve this pattern will be included in the analysis if they have been considered by any two of the above selected authors.

Criteria of Analysis

I. An effective introduction should

A. Gain attention and interest

1. Through reference to the subject or problem
2. Through reference to the occasion
3. Through the use of a startling statement
4. Through the use of a rhetorical question
5. Through the use of humor
6. Through the use of a quotation

B. Gain the good will and respect of the audience

1. Through establishing common ground
2. Through a complimentary statement
3. Through the relation of a personal experience
4. Through a personal greeting

C. State the central theme of what is to follow

1. Through the use of an illustration
2. Through an explanation of the subject
3. Through the posing of a leading question

D. Provide a transition from the introduction to the body

II. An effective body should

A. Consist of arguments arranged in a particular order

1. In a chronological order
2. In a spatial sequence
3. In a causal arrangement
4. In a topical order
5. In a problem-solution order

B. Contain arguments based on appeals to logic

C. Contain arguments based on appeals to the emotions

D. Contain ethical appeal

E. Provide a transition from the body to the conclusion

III. An effective conclusion should

A. Focus the thoughts and feelings of the audience on the central theme

1. By the use of a summary
2. By the use of a clear and forceful restatement of the central theme
3. By the use of an example

B. Leave the audience in the appropriate mood

1. By the use of a challenge or appeal

2. By the use of a quotation

C. Lend an appropriate sense of completeness

1. By the use of a striking statement

2. By the use of a quotation

3. By the use of inducement

Summary

The Greek rhetoricians, Corax, Plato, and Aristotle, established the base on which other commentators were to build. Roman interpretations of organization refined and clarified Greek theory, but did not significantly alter the basic Greek principles. Cicero and Quintilian restated the Greek theories in terms of Roman culture.

Twentieth-century theorists put ancient Greek and Roman considerations in modern terms and simplified their presentations. Brigance suggests that the modern-day divisions of a speech into the introduction, body, and conclusion are an inheritance from antiquity. Similarly, Monroe presents a psychological approach to speech composition which is an expansion of Cicero's theories.

The criteria for judging Senator O'Mahoney's speech organization were formulated on the theories of Aristotle, Soper, and Monroe. Because each of these authors believes in a different speech arrangement, the criteria were, for the sake of simplicity, developed under the headings of introduction, body, and conclusion.

CHAPTER III

FOUR SELECTED ADDRESSES:

AN ANALYSIS OF ORGANIZATION

The four speeches selected for analysis in this study are entitled, "The American Ideal", "Business, Government, and the Economic Crisis", "The Rights of Man", and "Economic Freedom and the Automobile Industry". These four speeches were chosen for three reasons: all of the speeches relate to business activity, the speeches cover a wide span of O'Mahoney's senatorial speaking career, and all the addresses have the common end of convincing. Two speeches, "The American Ideal" (1938) and "The Rights of Man" (1944), were recorded in Vital Speeches; the other two, "Business, Government, and the Economic Crisis" (1939) and "Economic Freedom and the Automobile Industry" (1956), were recorded in the Congressional Record.

The authenticity of the speech texts was quite difficult to verify. This problem, however, is not a new one. Thonssen and Baird believe that the establishment of textual authenticity is "one of the most difficult problems in rhetorical criticism."[70] In order

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70. Thonssen and Baird, p. 297.

to solve this problem, the author wrote to Frank O'Mahoney, Senator O'Mahoney's only living relative in America, requesting information concerning the speeches. Frank O'Mahoney forwarded no information concerning textual authenticity; therefore, the author must rely on Vital Speeches and the Congressional Record for an accurate account of the speeches.

A reading of the four speeches as recorded in Vital Speeches and the Congressional Record reveals that each of these speeches was prepared and delivered for a different occasion; each speech had the same general purpose--to convince; and each speech had a different specific purpose. The differences of occasion and specific purpose will be more fully explained as each speech is analyzed. A brief statement of the content of each speech will introduce each analysis in order to provide a background for the investigation of its organization.

The American Ideal

This first address to be analyzed was delivered over the National Broadcasting Company on January 3, 1938. As the address was nation-wide, it can be assumed that the audience was comparatively large. The specific purpose of the speech was to convince the audience that there was a need for a federal incorporation law which he, Senator O'Mahoney, and Senator Borah of Idaho were

proposing. In the speech, Senator O'Mahoney states that the American ideal of free individual enterprise is in danger because corporations are becoming collectivist states. He then asserts that the only way to foster free, private enterprise is to have the federal government set down the terms of the contract by which interstate corporations come into existence.

According to the criteria in Chapter II an introduction should gain the interest and attention of the audience, gain their good will and respect, state the central theme of the speech which is to follow, and provide a transition from the introduction to the body of the speech. In this address, Senator O'Mahoney begins with a direct reference to the subject by defining the "American Ideal."[71] He says, "For more than one hundred fifty years, the American Ideal has been a system of free individual enterprise in a competitive market." He expands this definition when he says, "Every man was entitled to the rewards he could win in a fair field without favor." O'Mahoney then contends that the survival of the "American Ideal" is being threatened. This contention involving the survival of the "American Ideal" is a reference to a problem or dangerous situation. The idea that a time-honored ideal of the American public is in danger immediately gains the attention and interest of the audience.

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71. Refer to Appendix A for entire speech.

The Senator gains further interest and attention by the startling statement "that nine years after the worst depression in history, after the expenditure of billions of dollars borrowed on public credit /we still have/ in the United States between seven and eleven million persons, anxious and willing to work, who are without employment." Since the fact that high unemployment always presents a danger to a nation, O'Mahoney concludes, "This is a condition which threatens the very survival of the American Ideal."

After creating this feeling of danger to one of the audience's basic ideals, Senator O'Mahoney immediately announces the topic of his speech. He says that along with Senator Borah, he has "offered a bill asserting federal authority to define the power and public responsibilities of all corporations engaged in interstate commerce." This statement of the central theme is further explained by the contention "that the purpose of this bill is not to increase but to decrease government interference with private business, not to restrict business but to set it free." The Senator expands this explanation by saying that "it is the duty of the government to protect, foster and encourage independent private enterprise in every possible manner."

This introduction utilizes only one method referred to in the criteria for gaining the good will and respect of the audience. The speaker does not compliment his audience, does not relate a

personal experience, nor does he personally greet his audience. Senator O'Mahoney, however, states directly that there must be "a restoration of public confidence in the good will and honest purpose of both our political and commercial leaders." This statement does not exemplify one of the specific methods for gaining respect and good will mentioned in the criteria, but it is a direct appeal to the audience to view the situation in an atmosphere of good will. Senator O'Mahoney employs the common ground method of gaining good will when he uses the pronouns we and our. These methods, the direct appeal and the use of pronouns, are valid means of audience conciliation, and can be regarded as effective methods of gaining the good will and respect of the audience.

The introduction should also provide a transition from the introduction to the body of the speech. In his transitional paragraph, Senator O'Mahoney briefly summarizes his introductory point "that the American Ideal of free, independent private enterprise cannot endure without some form of federal incorporation law." He then links his introduction to his body by declaring that "Unless this principle /a federal incorporation law/ is adopted it will be difficult if not impossible, to avoid some sort of a collectivist state." This transition clearly leads the audience into his first contention that corporations are collectivist states. Through the use of the summary

and a direct reference to his first argument, Senator O'Mahoney's words clearly and smoothly transmit the thoughts of his audience to the body of argument. He also heightens the emotions of his audience in the transition by claiming, "The experience of the whole world teaches us this lesson and we shall be blind indeed to what is going on about us if we fail to heed it."

The body of the speech is clearly introduced to the audience through the statement, "The central fact . . . is that the modern corporation is itself a collectivist state." Senator O'Mahoney then defines a collectivist state as

> . . . a sort of absolute government which intervenes between the people and their historic institution, a government which is not responsive to the ideals of democratic control, which is not conscious of public responsibility, but which is unable of itself to solve the problem to which its very existence gives rise.

After this general definition, the Senator uses the specific example of the American Telephone and Telegraph Comapny. The argument takes the following logical course:

1. The company is really not a private enterprise because no private person owns it. "Its owners are its stockholders, more than there are inhabitants in several states." Add to the number of stockholders, the number of employees and one would have "an economic state, the population of which is exceeded by that of only four cities in the whole United States."

2. The company is national in scope because it "collects its revenue from every community in the land."

3. The company is not a "flesh-and-blood person" because a "flesh-and-blood person" could not "in his own right and in his own name . . . span the country with a communication system . . . ."

Senator O'Mahoney then returns to a general argument by contending that a "corporation is a mere creature of the government." This argument is supported by stating that, according to the Declaration of Independence, a person has certain inalienable rights, "rights that even government can't take away;" but corporations, according to the Supreme Court, "have no rights but only privileges." These supporting arguments are not only logical but emotional. They are emotional in that both of the sources, the Declaration of Independence and the Supreme Court, were probably revered by the audience as very patriotic "institutions."

The Senator, after proving that corporations are collectivist states and are not living persons, presents his main contention. He says, "My contention is that the public interest requires that the terms of the contract by which every corporation engaging in interstate and foreign commerce is called into existence, should be laid down by the federal government." He bases this contention on four arguments: first, others before him have made such proposals; second, individual business interests are not identical with the interests of big corporations; third, a federal incorporation law

would not mean more bureaucratic interference with private enterprise; and fourth, such a law would be easy to enforce.

In order to support his principal contention, Senator O'Mahoney first uses a chronologically arranged logical argument. He says a federal incorporation law "has been advocated by many men who have gone before us." His first authority is President Grover Cleveland, who, in 1888, "declared that 'corporations should be the carefully restrained creatures of the law.'" O'Mahoney next cites President Theodore Roosevelt. In 1905 President Roosevelt suggested in a message to Congress that corporations were becoming too powerful and they therefore needed to be regulated by the national government. The Senator then says that President William Howard Taft sent a federal incorporation bill to Congress. O'Mahoney concludes by using a 1919 quotation of President Wilson's which suggests that interstate corporations should be regulated by the formulation of a federal licensing act. These quotations were probably quite effective because they were made by Presidents of the United States and because they directly stated the need for a federal incorporation law.

The next argument put forth by Senator O'Mahoney is that individual business interests are not the same as corporation interests. He states this logical argument in a topical order. The first

topic covered is the taxable income issue. The Senator shows that the small corporations (those with assets of less than $50,000) constitute forty-seven per cent of all profitable corporations and receive less than two and one-half per cent of the total income. The value of owned property is the next topic considered by O'Mahoney. He states that, "There were 211,586 corporations with assets of less than $50,000 each. These constituted 54 per cent of all the corporations. But all their assets combined amounted to only 1.4 per cent of all corporate assets." Senator O'Mahoney then masterfully compared these figures with those of the large corporations. He shows that the large corporations constitute less than one-fourth of one per cent of the total number of corporations, but own approximately fifty-three per cent of all the corporate assets. He concludes that "the position of the big corporations and the little corporation /is/ almost exactly reverse." He summarizes the argument by saying "when all is said and done /corporations/ are not private enterprises. They are public enterprises with which free, independent, private enterprise cannot hope to compete." O'Mahoney's excellent use of statistics and his pointed comparison are superior logical devices for gaining maximum effectiveness.

The Senator then declares that what he had said was not an attack on business and supports this statement by using ethical

appeal. O'Mahoney says, "Let me assert here my personal belief that most of the executives of all these corporations are men of good-will." He further states that most of them "fought their way up from the bottom without the aid of family or money." The Senator rejoices in their success and does not question their honor or patriotism. These statements tend to show that Senator O'Mahoney is himself a man of good-will and intelligence. However, after this praise of the corporation executives O'Mahoney concludes that these statements do not blind him from "the fact that the corporations they represent dominate the economic life of the people of America."

In his next argument, Senator O'Mahoney contends that a federal incorporation law would not increase government interference in private business. He states that such a law would "set forth clearly just what was required of the corporation." The lack of such a law, he contends, "has caused the expansion of bureaucracy." This is his weakest argument. He uses no support for it, but simply states that there would be no increased government interference. He does, however, attempt to clothe this contention in logic. The Senator says, "If a corporation did not have the corporate power to commit abuses which have caused people to complain, it would not be necessary to appoint any army of supervisory and prosecuting agents to keep them in line." The audience is not

informed, however, of any of the "abuses which have caused the people to complain." He does not tell his audience how many "supervisory and prosecuting agents" would be required to enforce his proposed legislation, nor does O'Mahoney tell his audience how his proposal will limit "corporate power."

In his final argument supporting the proposed federal incorporation law, Senator O'Mahoney urges that such a law would be easy to enforce. To gain acceptance of this argument he uses the example of the National Banking Act. He says that national commerce and national interest had grown to such an extent that the National Banking Act had to be passed. The Senator then states, "The same situation exists now with respect to commerce and industry." He believes this because corporations dominate "the field of finance, trade, transportation, public utility, manufacturing, and mining." This logical argument, too, seems to be rather weak because O'Mahoney does not point out enough similarities between the situations which gave rise to the National Banking Act and the situations which prompted his proposed bill.

The body of the speech ends with a relation of the principal features of the bill. Senator O'Mahoney then begins his conclusion.

The body of Senator O'Mahoney's speech was basically composed of logical arguments. In presenting two of these arguments, he uses the chronological order and the topical order of

arrangement. The Senator employs some emotional appeal by referring to the Declaration of Independence and the Supreme Court. O'Mahoney employs a bit of ethical appeal in praising the corporation executives. He supplies no transition from the body to the conclusion.

The conclusion of the speech begins by focusing the audience's thoughts on the central theme. This is achieved principally by the use of a brief summary. O'Mahoney again mentions state collectivism and suggests that it will be the alternative if his bill is not passed. He says there are some people who "will resist this proposal because they want to hasten the coming of an all-powerful authoritarian government." This statement forces the audience to agree to the proposed measure lest they be one of those who want authoritarian government. Next, the Senator lends an appropriate sense of completeness to the speech by using striking statements. He says that monopoly "is the negation of freedom and freedom is still the American Ideal." The next statement declares, ". . . if America will only limit the exercise of corporation powers, the people of this country may remain free without either private or public masters."

The conclusion does not employ one of the specific methods to leave the audience in the appropriate mood. However, these

last statements seem to be emotional in nature and therefore do create the desired excitement.

Business, Government, and the Economic Crises

The second analysis concerns Senator O'Mahoney's address before a meeting of the National Catholic Social Action Congress on June 12, 1939. The audience consisted of Roman Catholics who were interested in important action promulgated by the government. Senator O'Mahoney said, in the introduction of his speech, that the Social Committee should be interested in economic problems because these problems involved individual human rights which were being "submerged by the very organizations which men originally created to advance those rights."[72] The specific purpose of the speech was to convince the audience that the intent of the Temporary National Economic Committee was merely to investigate national economic problems, not to force solutions on the people of the United States.

Senator O'Mahoney first suggests that the economic problem facing our nation is "the centralism which has developed in economic life . . . ." He then traces the historical development of this problem. After enumerating the governmental attempts to check this centralism, the Senator concludes that the government has been

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72. Refer to Appendix B for entire speech.

ineffective. O'Mahoney states that the T. N. E. C. is investigating our economic system in order to expose the facts pertinent to the solution of the economic problems facing the United States. He then suggests that government and business should both serve the people, that mass consumption is necessary to our economic system, and that monopolistic practices must be abandoned in order to provide "economic security for the masses."

In the introduction to "Business, Government, and the Economic Crisis," Senator O'Mahoney gains the attention and interest of his audience by a direct reference to the problem when he states, "It seems to me to be particularly appropriate that the National Catholic Social Action Committee should devote its attention to the manifold problems which arise out of the obvious maladjustments of modern economic life." He further secures the audience's attention by use of the startling statement, "The simple failure to comprehend that in our time organizations of men have become more important than men themselves has been the primary cause of all the unemployment and all the misery and all the economic maladjustments by which we are surrounded." The idea that organizations of men were becoming more important than men as individuals undermines the image of "individualism," and therefore must have startled the audience into interest. O'Mahoney gains further interest of

his audience by invoking one of Franklin D. Roosevelt's most famous phrases, "war to make the world safe for democracy."

An effective introduction should gain the good will and respect of the audience and Senator O'Mahoney gains good will by paying his audience a compliment. He states, "I say it is appropriate for this [Catholic] congress, because both as Americans and as Catholics you believe in individual human rights . . . " This is an indirect compliment in that the Senator is inferring that this specific audience believes in basic rights that perhaps another audience would not believe in. O'Mahoney further gains the good will of his audience by establishing common ground through the use of the pronoun "we," thereby providing the impression that he and the audience are beset by the same economic problems.

Through an explanation of the subject, Senator O'Mahoney states the central theme of what is to follow. He declares, " . . . we have vainly endeavored to regulate the business of the new era by the methods of the old--a perfectly impossible task which has brought only disturbance and disaster in its wake." Senator O'Mahoney follows this by saying, "This is not the only reason why men are without jobs the world over . . . it is also the reason why in many lands freedom of conscience, as well as political freedom, is being suppressed." In these statements the Senator is setting

the stage for his discussion of economic problems and the manner in which the T. N. E. C. is attempting to deal with them.

The introduction provides a clearly definable transition to the body of the speech. This transition is in summary form. O'Mahoney states that the idea that "men have no rights which the state is bound to respect" grows out of "the centralism which has developed in economic life . . . ." He concludes that this centralism "has brought about a progressive deterioration of both economic and political freedom among individual men."

Senator O'Mahoney begins the body of his speech with the emotional statement that "Just as man was created with free will, he was created with the right to economic freedom." The concept of free will in relation to economic freedom must have appealed to the emotions of his Catholic audience. The Senator further uses emotional appeal when he states that "Humanity stands, as it were, upon the threshold of the promised land," and then proceeds to picture this "promised land" as a land where "Life is being prolonged, disease is being banished, education is being spread broadcast, the standard of living is constantly being raised . . . ." The Senator then blackens this picture by stating that "in the midst of all this advance there is a terrible insecurity which condemns an appallingly large proportion of our people to misery and fear." He

concludes with the belief that lagging economic progress has caused a feeling of individual insecurity. O'Mahoney, in these statements, directly appeals to the emotions of fear, insecurity, and misery.

The logical argument of the speech is introduced by the statement that big government "is the direct, natural, and inevitable result of big business." To support this contention, Senator O'Mahoney uses the chronological method of arranging argument. He first traces the development of business activity in this country by stating, "When this country was founded 150 years ago, business was local, industry was local, commerce for the most part was local." The next step in business development covered by O'Mahoney is the partnership. He says, "The most complex business organization of the first 75 years of our history as a nation was the partnership . . . . ." Corporations are the final form of business development covered by the Senator. He concludes, "After the Civil War, slowly at first and then more and more rapidly, business organizations superseded individuals in the economic field."

Senator O'Mahoney next shows the manner in which federal regulation grew to meet the expansion of business forms. He also develops this logical point in a chronological order by reference to the following regulatory actions: the Interstate Commerce Act of 1887, the Sherman antitrust law, the Clayton Act, the Federal Trade

Commission, the Radio Commission, the Communications Commission, the Civil Aeronautics Authority. The Senator concludes that all these regulatory acts were the "result of the desire of the great majority of the people to have some public authority to protect the freedom of individuals in the face of the growing concentrations of business." O'Mahoney then states that this federal regulation has not solved any problems because there is still a farm problem, a labor problem, and an industrial problem, and these problems form "a compelling argument for a cooperative determination . . . to look frankly at the economic scene and strive to develop the formula by which our system may be made to work." This declaration leads to the main contention of the speech.

The principal contention of the address is embodied in the following statement:

> This is the task which the temporary National Economic Committee has approached, not with the intention of forcing any particular formula upon business or upon government, but solely for the purpose of studying things as they are to see whether or not the frank exposition of facts may not promote both public understanding and good will.

This statement asserts that the T. N. E. C. will uncover the facts necessary to the understanding of American economic problems, and will not coerce the people into a solution. The statement is also a declaration of the central theme of the speech, and is effective because of the clarity and simplicity with which it is presented.

Senator O'Mahoney uses ethical appeal by stating, "Sometimes I think that the great mistake in the past 50 years has been that each new law has been enacted from the point of view of punishing those who were deemed to be culprits rather than of helping those whose only object was to do the right thing." This statement shows O'Mahoney to be a man of good will and high character. He enhances this impression by claiming that the executives of big business are beginning to recognize their responsibility "to the consumer and to the general public as well as to labor."

After these ethical appeals, O'Mahoney presents a logical argument in the problem-solution arrangement. After inferring that large business organizations are restraining trade, he states that these restraints "are far more disastrous in their effects than similar restraints of trade when practiced by individuals in their individual capacities." This situation causes him to present a three-phase solution to this problem.

First, government and business should both serve the people. The Senator states, "Government and business alike are organizations created by the people to make it easier for people to enjoy life, liberty, and the pursuit of happiness."

The next phase of Senator O'Mahoney's solution is to have mass consumption. The Senator believes that "mass production by

big corporations can continue only if we have mass consumption. . . ," and that "commodities are of no value unless they are purchased and used by men."

O'Mahoney's final phase of the solution consists of a tax reduction. He declares, "I should like to see taxes reduced so that business in its proper sphere, namely, in the production and exchange of commodities, should be encouraged." He further states that such a reduction is meant "to create new opportunities for employment in the development of the unlimited resources which Nature has provided."

Even though this three-part solution is clearly stated, the Senator fails to show how his solution relates directly to the problem of restraint of trade. Throughout Senator O'Mahoney's discussion of the solution he never once contends that it will create an atmosphere of free, unrestrained trade. Instead, he seems to suggest that his proposed solution will alleviate unemployment--a problem he does not consider. This lack of congruity between problem and solution tends to depreciate his solution.

The body of the speech contains no clear transition to the conclusion. Senator O'Mahoney brings in the extraneous argument that corporations are the creatures of the government. This argument seems to have no relationship to any contention the Senator makes. The argument is not a transition and seems to serve no purpose.

The conclusion of the speech is brief. Senator O'Mahoney focuses the thoughts and feelings of his audience through the use of a summary. He states that corporations "have not stabilized our economic system." He further asserts that corporations "have failed in the ultimate necessity of providing security for the masses." The Senator leaves the audience in the appropriate mood by appealing to his listeners to have "faith in the integrity and the majesty of the human soul, faith in the ideals of democracy . . . ." The exhortation to the audience to have faith gives a sense of completeness to the speech. Nevertheless, in a general sense, the conclusion is poor in that it does not relate to the rest of the speech. While the final statements concerning "faith" must have appealed to the emotions of the Catholic audience, they bear little relation to the total speech subject.

The Rights of Man

Senator O'Mahoney delivered "The Rights of Man" before the Virginia State Chamber of Commerce, in Richmond, Virginia, on April 13, 1944. The occasion was the commemoration of Jefferson's birthday. The specific purpose of the speech was to convince the audience that there was a need for the stabilization of local economies in all parts of the nation. This need for economic stabilization explains his assertion that business organizations have grown at an unheard-of rate because of World War II and that

government controls have grown to meet the challenge of the War. The growth of each had been such that adjustment would be necessary when peace came. Then O'Mahoney presents solutions to the problem of local economic instability.

In his introduction Senator O'Mahoney gains the attention and interest of his audience by a direct reference to the subject. "It would be difficult to find a spot in all the world more appropriate for a discussion of the principles which must guide us in reorganizing the postwar world than in Virginia . . . ."[73] He then gains attention by referring to the occasion--the birthday of Jefferson. "It would be impossible to find a day more appropriate than this for the discussion of any theme involving freedom of the individual for this is the birthday of the author of the Declaration of Independence." These statements not only attract attention and interest, they also gain the good will and respect of the audience. The statements tend to be complimentary in nature. Attention and interest are also gained through the use of quotations from Jefferson. According to O'Mahoney, Jefferson's philosophy was embodied in his statement "Nothing is unchangeable, but the inherent and inalienable rights of man." The Senator relates Jefferson's quotation to the topic on which he is going

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73. Refer to Appendix C for entire speech.

to speak by alleging that one of these "inalienable rights" is the right of economic freedom. Senator O'Mahoney goes on to state the military victory will be the vindication of Jeffersonian principles. This statement, of course, gains the attention of the audience. Through the use of surprising statements O'Mahoney supports this generalization. He says, "We entered this war with only part of a one-ocean navy. Now we have a navy capable of dominating two oceans . . . ." Then the Senator says we are producing three times as many airplanes in a month as we were producing in a year before the War started. These declarations of economic success are effective means of gaining the interest of businessmen.

It was previously mentioned that Senator O'Mahoney gains the good will and respect of his audience through complimentary statements. He uses the pronoun "we" in order to establish common ground with his audience. This is an obvious method of establishing good will.

The central theme of what is to follow appears in this statement, ". . . we must ask ourselves how it came about that 168 years after the signing of the Declaration of Independence, the principles of human freedom came to be in such danger." Hitler and Mussolini said "that democracy was outmoded and could not endure in the modern world" and O'Mahoney maintains that it is

therefore necessary for us to think deeply about reorganizing our future in order that a great disaster will never again threaten "the rights of man."

According to the criteria, an introduction should provide a transition to the body of the speech. In this particular speech no clear transition was observed.

The body of the speech is initiated by a logical argument in a causal arrangement. O'Mahoney asserts that "the loss of economic stability in local communities" has caused "the growth of the totalitarian state." In order to support this statement, Senator O'Mahoney contends that big business organizations have inhibited the "opportunities of individuals and localities . . . ." He then cites three examples of the growth of big business.

His first example is the growth of first class post offices. The Senator observes that "At the turn of the century there were 72,000 fourth class offices and only 194 post offices of the first class. Today, we have only 27,000 fourth class post offices while offices of the first class have increased in number from 194 to 1,444." O'Mahoney notes that no one would want to go back to the small fourth class office, but that the same influences "have been sapping the vitality of little business, of local business, of individual enterprise." This is a poor example of "big business," in fact,

it is not private business at all. This example is misplaced in relation to the rest of the speech. Furthermore, the example is not consistent with the other two examples of business organizations.

Senator O'Mahoney's second example of the growth of big business is United States Steel. In this industry, the Senator's statistics show that customer receipts increased twenty-two per cent from 1941 to 1943. He further alleges that the "population" of the company (employees plus stockholders) is more than 562,000 persons. This leads him to the question, "How many cities in Virginia, how many counties have a population that great?" The effectiveness of the statistics is greatly enhanced by their relation to the audience's own state. The size of United States Steel's "population" is developed further by the Senator when he says, "Let us suppose that each one of these employees and each one of these stockholders is a member of a family of three--that means a 'population' of 1,686,000."

General Motors is Senator O'Mahoney's final example of "the gigantic size which has been attained by industrial organizations." O'Mahoney says that by multiplying the number of employees and stockholders of General Motors by three "we have a total industrial 'population' of 2,600,000 . . . exceeding the number of inhabitants found by the United States Census in 1940 to be domiciled

in each of 29 of the 48 states." The Senator concludes the General Motors example by stating:

> It /General Motors/ and 99 others have received war contracts amounting in value since the beginning of the war effort to more than 70% of all the billions of dollars which the federal government has expended out of its deepening deficit--70% to 100 huge organizations, 30% to all others.

Senator O'Mahoney's use of statistics and comparisons in these examples is very effective in logically proving the contention that large business organizations are inhibiting the opportunities of individual and small businesses.

The next topic considered by the Senator is the manner in which these growing business organizations have affected the country. He states, "But it is only necessary to consider for a moment the magnitude of the purchases made by these units to realize that the prosperity of every community in the land is dependent upon what the managers of these organizations do and the decisions they make." To support this first effect, O'Mahoney declares that if United States Steel, which "bought $707,000,000 of products and services from others . . . ," or General Motors, which "bought almost two billion dollars of such materials and services . . . ," were to reduce their orders, "mines and factories, farms and stores all over the country /would/ experience a reduction of business." This statement must have been particularly meaningful to Chamber of Commerce members.

The second effect of economic concentration, according to Senator O'Mahoney, is the creation of a "huge central government organization . . . . ." The Senator supports this argument by asserting that "It has been necessary for the federal government to control production and allocate materials in order to organize the war effort . . . . ." He further states,

> The orders which have come from Washington from the Army and the Navy, The Maritime Commission, the Defense Plant Corporation and all the rest amounting in value to about 150 billion dollars, account for more than 50% of all the goods and services which are being produced in the United States.

He concludes that since America must adjust this central economic power our government will not become a totalitarian state.

Senator O'Mahoney then suggests that we must protect our "local economy from arbitrary central power" if our nation is to maintain economic and political freedom for the individual. In order to maintain and protect local economy, or "little business," the Senator recommends five measures.

O'Mahoney first suggests that

> Every chamber of commerce . . . which devotes attention to the problems of the post-war world must give heed to the creation of a stable purchasing power by the people throughout the nation to take the place of government purchasing when the war is over.

To implement this measure Senator O'Mahoney proposes that the Chamber do all it can to "create new opportunity for

employment in every community." He stresses this point when he declares, "Stable employment at good wages in every town, village, city and state should be one of the primary objectives of local business everywhere, for only thus can private economy be maintained." By relating this suggestion directly to the Chamber of Commerce, Senator O'Mahoney greatly enhances its effectiveness.

Next, the Senator advises that people must be stimulated to invest their savings in local businesses. He announces,

> . . . if we really want a private economy, if we really want an individual economy, if we really want men to be economically free as well as politically free, we have no recourse but to take those measures that are necessary to stimulate the investment of these savings in local private business, in new competitive industry . . . .

To accomplish this measure, O'Mahoney submits that "The tax laws can be revised in such a manner as to promote and encourage the investment of private capital, and thereby stimulate the substitution of private spending for government deficit spending."

The third suggestion offered by O'Mahoney is the passage of laws "which will clearly define the powers, responsibilities and duties of all economic organizations." He believes such laws will protect the investment of private capital "from destruction by monopoly. . . ." Although the Senator makes no reference to a particular proposed law, it can be assumed that he is referring to a

similar law proposed by him in 1938 entitled the Federal Incorporation Law.

O'Mahoney's fourth measure to preserve new, local enterprise is the passage of laws which would "deny to all administrative bureaus of the federal government the power to be both judge and jury, manager and master, of private business." He believes that domination from the federal government can limit the opportunities of small business and that such a law would protect new business from federal encroachment of its rights.

The final proposal presented by the Senator is a revival of confidence in state and local authority. "We should undertake to stimulate the local development of local resources, and to develop everywhere throughout the country a new community consciousness, a new pride in our local subdivisions." This final proposition is rather wide in scope and is not fully explained. Direct implementation of such a proposition would be almost impossible because "community consciousness" cannot be dictated or legislated.

Senator O'Mahoney skillfully relates each of these five proposals to the economic problems of small businesses. Thus, this whole series of arguments takes on the problem-solution order of arrangement.

No transition is found between the body and the conclusion. In the conclusion, Senator O'Mahoney focuses the thoughts and feelings of his audience through the use of a summary. He declares:

> We have had altogether too great a tendency to look to either concentrated financial power in the hands of big business or concentrated political power in the hands of big government to provide the employment which our local communities have neglected to provide by their own initiative . . . and thus the vitality of both the economic and political systems have been drained away.

A clear and forceful restatement of the central theme is presented in the conclusion. The Senator says, "The people of America . . . still believe in the principles of individual freedom, and I have no hesitation to say that they are competent to direct a free economy under a free government."

Senator O'Mahoney leaves the audience in the appropriate mood by the use of an appeal. He contends that we need "faith in ourselves, faith in the heritage that is ours, faith in those inalienable rights which Jefferson taught us . . . ." This same statement is also an inducement which is meant to lend an appropriate sense of completeness to the speech. This appeal and inducement to "have faith" is emotional in nature, but is too broad a statement to be effective.

Economic Freedom and the Automobile Industry

This address was delivered before the thirty-ninth annual convention of the National Automobile Dealers Association on January 30, 1956. The audience consisted chiefly of automobile dealers who were particularly interested in the congressional investigations of the automobile industry. The specific purpose of the speech was to convince the members of his audience that they should press for federal legislation which would force automobile manufacturers into written contracts with dealers.

Senator O'Mahoney contends that automobile manufacturers are forcing cars on dealers, and supports this contention by demonstrating that dealers are helpless against the giant automobile industry. The Senator further points out that government is slow to regulate or control the actions of its citizens. He concludes that the automobile dealers have "learned the facts of economic life,"[74] and should therefore immediately ask for federal legislation requiring "a sales contract between automobile manufacturers and dealers."

In order to gain attention and interest, Senator O'Mahoney introduces his address by a reference to the subject. He states,

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74. Refer to Appendix D for entire speech.

"Two congressional investigations of 1955 have, without a single line of legislation having been written, already produced some beneficial results in the automobile industry." In this passage O'Mahoney is informing the audience that measures have been taken in their interest. This statement is effective in gaining interest and attention in that it advises the audience of governmental awareness of problems within the automobile industry.

Senator O'Mahoney gains the good will and respect of his audience by paying them a compliment. In referring to the 1955 congressional investigations, O'Mahoney says, "I know that Senator A. S. Mike Monroney . . . and I . . . agree that without the assistance of NADA and of the automobile dealers of America little could have been done . . . ." This reference gives the audience the feeling that they played a vital role in the success of these investigations; the statement, therefore, is an effective means of gaining good will and respect. The respect and good will of the audience is further obtained by the relation of a personal experience. Senator O'Mahoney says that, as head of the Judiciary Subcommittee on Antitrust and Monopoly, he and his staff "worked diligently and effectively to assemble the information which you presented us, and by the public hearings we were able to place the facts in a written record for all to see."

O'Mahoney clearly states the central theme of what is going to follow in this address through an explanation of the subject. He avers,

> It can now be said that signs are already appearing to indicate a better relationship between the factory and the dealer . . . . there come to the Senate Office Building expressions from men who ought to know that 1956 may see a new spirit of good will.

In this statement the Senator effectively indicates that 1956 is the year for improvement in the relationships between manufacturers and dealers.

The body of the speech is introduced by the transitional statement,

> We shall make a mistake, however, if we believe that the problem of factory-dealer relationship can be solved, or that a rule can be developed which without the sanction of law will preserve the economic freedom of local dealers from the power of central management.

This declaration embodies the statement of the problem: poor manufacturer-dealer relationship. According to the Senator this problem arises "because the factories were manufacturing more automobiles than the market would absorb" and because the factory "pushed more cars upon the individual dealer than he could profitably handle." To support this assertion, O'Mahoney states that "The inventory of unsold automobiles at the beginning of 1956 is actually greater than it was at the beginning of either 1955 or

1954 . . . . ." The solution to the problem is briefly indicated in the statement:

> In my opinion there can be no sound and stable relationship established between automobile manufacturers and automobile dealers unless there is an agreement binding upon the manufacturer that whatever suggestions or orders management desires to convey to dealers shall be in written form.

Thus, O'Mahoney's first argument is arranged in the problem-solution order.

After presenting this general solution, Senator O'Mahoney indicates his reasons for making the proposal. First, he contends that "the common form of franchise" presently used puts the automobile manufacturers "in an impregnable position, while the dealer is at their mercy." The Senator says that the manufacturers' right of termination, stipulated in present franchises, "is an instrument by which the car dealers are reduced to a defenseless position." To exemplify this point he states, "when the holder of a 1-year franchise finds himself approaching the renewal date he is in no position to bargain." This example is effective because the audience of car dealers could put themselves easily into the situation.

The fact that dealers are helpless against giant industry brings Senator O'Mahoney to his second reason for proposing a written contract between manufacturers and dealers. He says that "individuals find themselves dealing with large corporations by which they

are as clearly outclassed as a featherweight would be in the same ring with Marciano." To present this comparison more clearly O'Mahoney says "Let us see how completely dissimilar are the individuals who are the local distributors of motorcars and the manufacturers who make them." He points out that the local distributor, "even when it is a local corporation," is primarily "owned and managed by the same persons." On the other hand, the Senator contends that large organizations, such as General Motors, Ford and Chrysler, "are owned by thousands or hundreds of thousands of stockholders whose only participation in the handling of the money they paid for their stock is to sign a proxy for the managers." He further states, "In the economic state, which General Motors can properly be called, the individual owner /of stock/ sinks into insignificance." This contrast of the individual and the large corporation is effective because it points to the helplessness of local business when it attempts to deal with these "giants."

To further bring out the differences between giant manufacturers and dealers Senator O'Mahoney declares that General Motors Corporation had twelve billion dollars of gross revenues which was "more than one-third of the total gross income of all farms and ranches of America in the same year." He comments, "I make this comparison because the farm industry is carried on by individuals for the most part, while the manufacture of automobiles

is carried on by huge corporations." This argument by statistical comparison is a vivid, effective means of logical presentation.

At this point in the speech Senator O'Mahoney deviates from his central argument. He initiates an attack on government regulation of private activities which seems to have no relation to the comparison of individuals and corporations. The argument is not only misplaced, it does not relate in any way to the automobile dealers.

O'Mahoney then returns to the main line of his argument by stating that he does not want to overemphasize General Motors in his comparison. He says,

> Statistics available in the Library of Congress show that there are 25 corporations in the United States whose revenues are larger than those of any State or municipality, except the five largest, namely, the City of New York, and the States of Pennsylvania, California, New York, and Ohio.

To prove this statement statistically, the Senator says that "Six corporations . . . collected more money from the people /in 1947/ than New York City" (whose "total revenues" amounted to "$2,866,000,000"). These six corporations were "(1) General Motors, (2) Standard Oil Co. (N. J.), (3) American Telephone & Telegraph Co., (4) United States Steel Corp., (5) Sears, Roebuck & Co., and (6) General Electric Co." The statistics used by Senator

O'Mahoney must have had an overwhelming effect on his audience of "local" automobile dealers.

Upon completion of this rather long logical argument, Senator O'Mahoney initiates an appeal to emotion. He says that this concentration of economic corporate power "cannot be waved off with a toss of the head or with the derisive jibe 'So what?'" He further declares, "Our very way of life is being altered and methods of totalitarianism are succeeding the methods of democracy." The idea that democracy is perhaps giving way to totalitarianism is very emotional indeed. This argument is skillfully used to set the stage for the Senator's next contention.

O'Mahoney now contends, "National business of the size above indicated cannot be conducted without affecting all interstate and foreign commerce." He declares that Congress, through the Constitution, has the power, authority, and duty "to regulate such commerce in the public interest", lest Americans lose economic freedom, thereby endangering their political freedom. This argument is arranged in causal order. The Senator reasons that a lack of action by Congress to regulate business activities will cause the American political system to be weakened. He concludes this argument by returning to an emotional appeal, wherein he states that "There are two conflicting principles involved in this conflict" (the cold war). He declares that the principle of the Soviet Union is one by which

"all the people of the world" will be told by the dictators of the proletariat "what they can or cannot do, both economically and politically." The Senator then points out that

> The other principle is one which we have inherited from the framers of the American Constitution, namely, that no individual, no dictator, no group, no class can govern this land, either politically or economically according to its own will. To the latter principle all Americans still adhere.

The concepts of economic and political freedom are held in high esteem in the minds of the audience. That these freedoms can be denied is an effective emotional appeal.

Senator O'Mahoney provides a clear transition from the body to the conclusion of the address. He states,

> If we wish this principle to prevail, then we must quickly get about the task of providing through the Federal Government the rules--not the controls--under which our economic system shall work, the laws to guide business, not the discretionary boards to control it.

This transition is a skillful conclusion of his former point and an adept introduction to the Senator's concluding remarks. The brevity of the statement adds clarity and directness to the transition.

According to the criteria in Chapter II the conclusion should focus the thoughts and feelings of the audience on the central theme. This end is satisfied by means of a summary. Senator O'Mahoney declares, "The automobile dealer has learned the economic facts of life the hard way. Management has likewise seen the writing on

the wall and seems ready to make adjustments." He contends that "these adjustments must have the force and effect of law" in order to be "just."

Following the summary comes an appeal to action. The Senator urges his audience to undertake certain steps immediately in order to "lead the way on the road back to economic liberty." This involves promoting specific legislation. The Senator outlines his concept of this specific legislation when he says, "The first step would be the negotiation of a sales contract between automobile manufacturers and dealers carrying provisions of mutual responsibility and enforceable in the courts." The Senator qualified this broad statement by listing the conditions of the contract. First, the contract "should eliminate completely all oral orders or suggestions to the dealers by factory spokesmen with the threat of force." Second, the contract should "be flexible enough to protect the dealer and the factory in years of high or low demand, of high or low production." The third condition of the sales contract law is that it should provide dealer councils in which "both the manufacturer and the dealer should have an equal hand in selecting the persons to sit upon the councils." Fourth, the federal government should set down the pattern of procedure so that "it would have a permanent status, and not be subject to fluctuation with the changes of managers." The

presentation of the proposed law was effective because it specified the conditions which the law should contain. The proposal gave the audience a clear indication of what action they should take. The conclusion is noteworthy for its clarity and specificity.

Summary

Four addresses delivered by Senator Joseph C. O'Mahoney at varying times between 1938 and 1956 were analyzed in order to discover the manner in which the speeches were organized. For this purpose, the basic divisions of the speeches--introduction, body and conclusion--were considered in turn and their general characteristics were discussed. The analysis, conducted in accordance with the criteria established in Chapter II, revealed certain organization features which will be discussed in the following chapter.

CHAPTER IV

CONCLUSIONS

Conclusions Based on Analysis

The analysis of the four selected speeches delivered by Senator Joseph C. O'Mahoney revealed that the speaker utilized the three-part speech division of introduction, body, and conclusion. This pattern of organization was clear, distinct and unvarying in all of the analyzed speeches. The distinctness of the organizational pattern, readily apparent in each speech, greatly contributed to the total clarity of the speeches. There was no confusion about which part of the speech was being delivered. Each of the divisions exhibited certain common traits which will now be presented.

The introductions of all the speeches conformed to the criteria for gaining the interest and attention of the audience, gaining their respect and good will, and stated the central theme of what was to follow. In order to attain audience attention and interest Senator O'Mahoney chiefly relied on the reference to the subject or problem, a technique that was employed in all four speeches. Use of a startling statement, use of a quotation, and reference to the occasion were other methods employed by the Senator to gain

the attention and interest of his audience. The devices of humor and rhetorical question were never utilized in the analyzed speeches.

O'Mahoney sought to gain the good will and respect of the audience predominately through the establishment of common ground and the use of the complimentary statement. In the speech, "Economic Freedom and the Automobile Industry," the technique of the relation of a personal experience was employed; however, this technique was not popular with Senator O'Mahoney in the other three speeches. A personal greeting was not employed in any of the speeches to gain good will and respect.

In order to state the central theme of what was to follow, O'Mahoney relied entirely on an explanation of the subject. Such devices as illustrations and leading questions were never employed in the speeches which were analyzed.

The introduction to a speech should provide a transition to the body of the address. Transitional statements were utilized in "The American Ideal", "Government, Business, and the Economic Crisis", and "Economic Freedom and the Automobile Industry", while a transition was not discovered in "The Rights of Man."

The bodies of the speeches consisted chiefly of logical arguments which were primarily developed through the use of statistics, statistical comparisons, and examples. The masterful

utilization of these logical techniques greatly enhanced the effectiveness of the addresses. Although the logical arguments were arranged in various orders, the typical arrangement was causal. Other contentions were arranged in chronological order, topical order, and problem-solution order. The analysis revealed that Senator O'Mahoney did not employ the spatial order of arrangement in any of the analyzed speeches.

Arguments based on appeals to the emotions were discovered in all four speeches. These emotional appeals were brief and were not so frequently used as logical arguments. The analysis revealed that generally emotional proof was employed to introduce logical proof.

Ethical appeal employed in three addresses tended to be rather brief and generally indirect. The speaker developed ethos by praising the character and good will of businessmen, thereby revealing himself to be a man who appreciated good character, and hence a man of good character himself.

The bodies of the speeches generally did not provide a transition to the conclusion. This fact, however, did not result in confusion because a clear break in purpose was indicated.

In concluding his addresses, Senator O'Mahoney focused the thoughts and feelings of his audience primarily through the use

of a summary. The summaries were usually brief, but they contained the main points of the addresses. In "The Rights of Man" a clear and forceful restatement of the central theme of the speech was employed, however, this was not a characteristic technique used by the Senator in his conclusions.

To leave the audience in the appropriate mood, Senator O'Mahoney frequently relied on a challenge or appeal to conclude his addresses. This challenge or appeal was ordinarily indirect in nature, but was observable. Quotations were not used as methods for terminating the speeches.

The conclusions created a sense of completeness to the addresses through the use of an inducement. Customarily this inducement was in the same terms as was the challenge or appeal which left the audience in the appropriate mood. While, in "The American Ideal" the technique of the startling statement was employed, this was not a typical device employed by Senator O'Mahoney.

General Conclusion

The purpose of this study was to analyze the manner in which Senator Joseph C. O'Mahoney organized his speeches. The term organization referred to the systematic structuring of the points of a speech into a logical and coherent whole which would result in the desired audience response. The analysis of organization

was executed in the following manner: facts related to the speeches were reviewed, criteria were formulated, and speeches were analyzed.

A brief background of Senator O'Mahoney was presented in order to provide a review of facts related to his speech-making. The Senator was a New Englander by birth and was educated in the East. After ten years of journalistic work, he entered Georgetown University where he received a law degree. Mr. O'Mahoney began his political career in 1933 as a Senator from Wyoming. During twenty-five years as a Senator, he devoted his energies to the development of the West, the defense of constitutional rights, and the struggle for economic freedom. His fight for economic freedom was regarded as his main interest as witnessed by his chairmanship of the Temporary National Economic Committee.

Criteria for the analysis of the speeches were based on ancient and modern interpretations of the term organization. The theories of Corax, Plato, Aristotle, Cicero, and Quintilian were considered as the bases on which modern authors developed their rhetorical principles. Twentieth-century theorists, such as Brigance, Monroe, and Soper, simplified the ancient theories and put them into modern terms. The criteria for judging speech organization were formulated upon the principles of Aristotle, Soper, and

Monroe, and were organized under the headings of introduction, body, and conclusion.

Four speeches, "The American Ideal", "Business, Government, and the Economic Crisis", "The Rights of Man", and "Economic Freedom and the Automobile Industry", were selected for analysis. The analysis revealed that all the speeches were organized under the headings of introduction, body, and conclusion. No deviation from this characteristic pattern was observed. Senator O'Mahoney employed various devices of organization in a skillful manner. Generally, his addresses were well organized and their development was readily discernable. It may be concluded from this investigation that the speeches of Senator Joseph C. O'Mahoney were well arranged and that they are good examples of speech organization.

APPENDIX A

THE AMERICAN IDEAL[75]

For more than 150 years, the American Ideal has been a system of free individual enterprise in a competitive market. Every man was entitled to the rewards he could win in a fair field without favor. To protect him in this right, the constitution and the laws were so drafted as to shield him, on the one hand, from too much government interference and, on the other, from private interference by those who would, by unfair device, deprive him of his opportunity.

That is still the American Ideal, but we have come to such a pass that nine years after the worst depression in history, after the expenditure of billions of dollars borrowed on public credit we are told by a government agent who was specially appointed to find out that there are in the United States between seven and eleven million persons, anxious and willing to work, who are without employment.

This is a condition which threatens the very survival of the American Ideal. It calls for something more than epithets. It calls

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75. Joseph C. O'Mahoney, "The American Ideal," Vital Speeches, IV (February 1, 1938), 247-249.

for sober thinking, patriotic cooperation and vigorous action. More than anything else it calls for a restoration of public confidence in the good will and honest purpose of both our political and commercial leaders.

Because, with Senator Borah of Idaho, I have offered a bill asserting federal authority to define the power and the public responsibilities of all corporations engaged in interstate commerce, I must make it perfectly clear at the outset that the purpose of this bill is not to increase but to decrease government interference with private business, not to restrict business but to set it free.

I cannot state too emphatically my profound conviction that it is the duty of government to protect, foster and encourage independent private enterprise in every possible manner.

Strange as I know it sounds to many ears, I have no hesitation whatever in asserting that the American Ideal of free, independent private enterprise cannot endure without some form of a federal incorporation law. Unless this principle is adopted it will be difficult, if not impossible, to avoid some sort of a collectivist state. The experience of the whole world teaches this lesson and we shall be blind indeed to what is going on about us if we fail to heed it.

The central facts which, in the face of warnings by eminent and thoughtful leaders, we have ignored for fully fifty years is that the modern corporation is itself a collectivist state--a sort of absolute

government which intervenes between the people and their historic institution, a government which is not responsive to the ideals of democratic control, which is not conscious of public responsibility, but which is unable of itself to solve the problem to which its very existence gives rise.

Let me mention a single example--The American Telephone and Telegraph Company--because it is known to everyone, is generally believed to be well and honestly managed and has not been involved in any of the recent emotional controversies. Most people think of this as a private enterprise, but is it? What private person owns it? Its owners are its stockholders, more than there are inhabitants of several states. If we were to add to the number of stockholders, the number of employees, we would have an economic state, the population of which is exceeded by that of only four cities in the whole United States.

The American Telephone and Telegraph Company bears a more vital and intimate relationship to all of the people of the country than any single state government. It is national in its scope. It collects its revenue from every community in the land. Yet it came into existence to do business in interstate commerce, the regulation of which was committed to the federal government by the Constitution, without so much as say "By your leave" to that Government.

Precisely here is the point which as a people we have persisted in misunderstanding. Precisely here is the point which has been the cause of most of our economic ills. We seem unable to get away from the idea that corporations, no matter what their size, should be judged by the same standards and clothed in the same rights as natural flesh-and-blood persons. What natural flesh-and-blood person in his own right and in his own name could span the country with a communication system like that of the American Telephone and Telegraph Company. Again let me say that I cite this particular organization without the slightest thought of criticism or hostility. I am merely trying to illustrate in the clearest way I can the difference between a corporation and a person.

The corporation is a mere creature of government, but governments are made by people. The natural person, if we are to believe the Declaration of Independence, has certain inalienable rights, that is to say, rights that even government can't take away, but corporations, to quote language once used by the Supreme Court, "have no rights but only privileges." In other words, they have only those powers which are given to them by government on behalf of the people.

Every corporation is called into existence by a contract between some government and the natural persons who, to escape personal liability and to acquire capital from the public, want the

privilege of doing business in the corporate form. My contention is that the public interest requires that the terms of the contract by which every corporation engaging in interstate and foreign commerce is called into existence, should be laid down by the federal government. I say this because without it we cannot possibly achieve certainty and stability in national commerce. I say it because the history of the last fifty years proved beyond any possibility of doubt that every salutary rule for the preservation of competition, for the protection of free, independent private enterprise has been and can be evaded so long as the states are permitted to issue unlimited charters to interstate corporations.

I can say without immodesty that this is the most important bill that has been presented in Congress in fifty years--because I did not originate it. The idea is not mine nor is it Senator Borah's. It has been advocated by many men who have gone before us. As long ago as December 3, 1888, in a message to Congress, President Grover Cleveland declared that "corporations should be the carefully restrained creatures of the law."

Later in 1905, President Theodore Roosevelt speaking to Congress declared "the fortunes amassed through corporate organizations are now so large, and vest such power in those that wield them, that it makes it a matter of necessity to give to the sovereign--that is, to the government which represents the people as a whole--some

effective power of supervision over their corporative use . . . . Such regulation and supervision can only be effectively exercised by a sovereign whose jurisdiction is co-extensive with the field of work of corporations--that is, by the national government."

Later, President William Howard Taft once sent a federal incorporation bill to Congress with a special message. And in 1919, President Woodrow Wilson specifically declared:

> We should formulate a law by requiring a federal license of all corporations engaged in interstate commerce and embodying in the license, or in the conditions under which it is to be issued, specific regulations designed to secure competitive selling and prevent unconscionable profits in the methods of marketing.

These and similar recommendations have never been followed not only because some states chiefly concerned in the revenue to be derived from issuing irresponsible charters, have resisted it, but because individual businessmen have been led to believe that their interests are identical with the interests of big corporations. Moreover, the belief has been entertained by the managers of both big and little corporations as well as by persons doing business as individuals, that a federal incorporation law would mean more centralization of government and consequently more bureaucratic interference with the free, independent, private enterprise. Both of these ideas are in error.

Let us first discuss the relative position of the big and little corporations. Within the past year, the Twentieth Century Fund, Inc., a foundation created by a group of wealthy individuals for the purpose of studying present-day economic conditions, published a small book entitled "Big Business, Its Growth and Its Place."

Among the amazing facts revealed in this book was that in 1933 all the corporations in the United States with assets of less than $50,000 each, though in number they constituted 47 per cent or almost half of all profitable corporations, received less than 2 1/2 per cent of the total income.

On the basis of property owned rather than of taxable income, the record was even more surprising. There were 211,586 corporations with assets of less than $50,000 each. These constituted 54 per cent of all the corporations. But all their assets combined amounted to only 1.4 per cent of all corporate assets.

That was one end of the scale. At the other end, the 594 largest corporations constituted less than d/4 of 1 per cent (0.15 per cent to be exact) of the total number owned approximately 53 per cent of all the assets. In other words, we find the position of the big corporations and the little corporations almost exactly reversed. The big fellows constituting less than 1 per cent of the number owned more than half of the assets and the little fellows, constituting 54 per cent of the number owned scarcely 1 per cent of the assets.

Who is going to contend that this is a healthy situation for free, independent, private enterprise? Who is going to contend that the interest of the little fellows is identical with that of the big fellows?

It is no answer to say that the ownership of the big corporations is distributed among 10 million or 12 million stockholders. Most of them own amounts that are insignificant. Almost none of them exercise any influence in the management, and even large owners, in contest with management, sometimes find it difficult to have their own way. These figures only prove the point I made a little while ago that the huge corporations are in fact collectivist economic states.

For purposes of this discussion, we may admit that they are efficient, we may acknowledge the integrity and good faith of their management but when all is said and done they are not private enterprises. They are public enterprises with which free, independent, private enterprise cannot hope to compete.

Year by year they have grown in magnitude and importance. Year by year they have absorbed competition. Year by year their influence has expanded from ocean to ocean and across the sea. Some of them are not only richer and more powerful than many of the states in the federal Union but than many nations on the globe.

Let no one interpret what I say as an attack on business. It is not. It is merely an analysis of a condition which must be understood if we are to even make a beginning in the solution of our present

dilemma. Let me assert here my own personal belief that most of the executives of all these corporations are men of good-will. In practically every one of them you will find the positions of authority filled, for the most part, by men who fought their way up from the bottom without the aid of money or family. I rejoice in their success. I'm proud of their achievements. I will not question their honor or their patriotism. But that does not blind me to the fact that the corporations they represent dominate the economic life of the people of America. I believe that these agencies and hundreds of thousands of small corporations which receive only 2 1/2 per cent of all corporate income can be made the instrumentalities by which prosperity may be achieved for all our people. But this I know, the only way by which that may be accomplished is by means of federal incorporation law. Neither the big corporations nor the little ones can thrive while 8 million to 12 million persons are unemployed. Every business executive realizes now that increased prosperity depends on increased consumption which in turn depends upon increased purchasing power among the masses. We know now that this purchasing power cannot be built up by government deficit-spending. There is only one way to do it and that is by stimulating free, independent, private enterprise.

The first step in this direction is the adoption of a national law which will allow the federal government, which has the duty of regulating interstate commerce, rather than the state government

from which that power was withdrawn, to write the contracts which define the powers, duties and responsibilities of interstate corporations.

But someone says, such a law would increase the power of the federal bureaucracy and increase government meddling in private business. It would do nothing of the sort. The law I have in mind, like the law recommended by Woodrow Wilson, would not clothe any government functionary with discretionary power. Within the four corners of the law would be set forth clearly just what was required of the corporation. Its virtue would lie not in any new authority granted to government agents but in closing the avenue--the loose state charter--by which public responsibility has been evaded in the past. It has been the lack of such a law that has caused the expansion of bureaucracy. Because a few states have been willing to issue blanket charters by which the prohibitions of the federal anti-trust laws could be avoided, Congress has been forced to create the vast establishment which now overcrowds the city of Washington. Obviously, if corporations did not have the corporate power to commit the abuses which have caused the people to complain, it would not be necessary to appoint any army of supervisory and prosecuting agents to keep them in line.

A national incorporation law may be drafted which can be as easily enforced as The National Banking Act. There was a time when there were not national banks. All such institutions were

created by the state governments. But when national commerce has grown to such a point and the national interest was such that it seemed necessary, the National Banking Act was passed. Who will now say that that Act was not a proper and normal result of the growth of the country?

The same situation exists now with respect to commerce and industry. Fully 57 per cent of the entire national income is produced by corporations. The signifiance of this fact will be better realized when it is remembered that 94 per cent of all agricultural activity is non-corporate in character. The corporation dominates the field in finance, trade, transportation, public utility, manufacturing, and mining. The developments of science have been such, improving the means of transportation and communication, that state lines have practically ceased to exist commercially. Corporations created in one state do business in the others--indeed, they are created for the express purpose of engaging in interstate and foreign commerce. Yet the federal government has not even attempted to prescribe the powers and duties of the most important agency of the commerce that was committed to its care.

If such a law were passed, it would almost automatically put an end to the necessity for federal legislation attempting to control the business activity of the natural person. Because, hitherto, we have not discriminated between natural persons and corporate persons,

we have attempted to regulate the latter by laws which also apply to the former. I would elevate the natural person to his proper position of superiority over the artificial agency created by the state. The reference to partnerships in the bill sponsored by Senator Borah and myself was intended only to prevent evasion. If for a moment I thought it would extend the affect of the bill to individuals, I would eliminate it without hesitation.

There are three principle features of the bill:

First and most important, the assertion of the federal authority over the form and character of interstate corporations.

Second, the requirements that the federal corporations shall not employ child labor, shall not discriminate against women and shall recognize the rights of labor to bargain collectively.

Third, the direction to the Federal Trade Commission to call immediately a national industrial conference in which capital and labor and consumer shall be represented to recommend a stabilization plan to Congress.

This is scarcely less important than the first. Our nation is in a great need today of an economic constitution as it was of a political constitution in 1787 and I know of no better way to secure one than under the federal supervision of a non-political agency like the Trade Commission.

The alternative to this program is state collectivism in one form or another. There are not wanting advocates of the totalitarian state who will resist this proposal because they want to hasten the coming of an all-powerful authoritarian government. They will tell you that private enterprise is a failure, that competition will not work, that it necessarily gives way to private monopoly under private ownership and that in turn will necessarily give way and ought to give way to the public monopoly under public ownership. But monopoly, whether private or public, is the negation of freedom and freedom is still the American Ideal. Private monopoly can develop only through the use of the corporation. And if America will only limit the exercise of corporation powers, the people of this country may remain free without either private or public masters.

APPENDIX B

BUSINESS, GOVERNMENT, AND THE ECONOMIC CRISIS[76]

It seems to me to be particularly appropriate that the National Catholic Social Action Congress should devote its attention to the manifold problems which arise out of the obvious maladjustments of modern economic life. I say it is appropriate for this congress, because both as Americans and as Catholics you believe in individual human rights, and the whole trouble in the modern world, here and abroad, arises from the fact that individual rights are being submerged by the very organizations which men originally created to advance those rights.

The simple failure to comprehend that in our time organizations of men have become more important than men themselves has been the primary cause of all the unemployment and all the misery and all the economic maladjustments by which we are surrounded. The anomaly which everybody recognizes and most of us talk about, that in the midst of plenty we are in want, is not the result of active malevolence on the part of groups or classes of men but of a simple

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76. Congressional Record, LXXXIV, Part 13 (1939), 2812-2814.

failure to comprehend that we have moved out of the era in which our economic life was carried on by individuals within local boundaries into an era in which it is carried on by organized groups of individuals within national and international boundaries.

Oblivious of this change which progress itself has wrought, we have vainly endeavored to regulate the business of the new era by the methods of the old--a perfectly impossible task which has brought only disturbance and disaster in its wake.

This is not the only reason why men are without jobs the world over, though business organizations as such are prosperous; it is also the reason why in many lands freedom of conscience, as well as political freedom, is being suppressed. If you seek to know why, within 20 years after the "war to make the world safe for democracy," that ideal seems to be vanishing from the face of the earth, or why the belief seems to be growing that men have no rights which the state is bound to respect, you will find the reason in the centralism which has developed in economic life and which has brought about a progressive deterioration of both economic and political freedom among individual men.

Just as man was created with a free will, he was created with the right to economic freedom. He was commanded to earn his bread in the sweat of his brow, and the same Providence which uttered

the command placed at his disposal the unlimited resources of Nature to enable him to carry out the command.

The solution of the economic problem, therefore, is merely the finding of the formula which, in the modern world, will guarantee economic freedom to the individual in the face of the organizations which dominate and control his economic life.

Humanity stands, as it were, upon the threshold of the promised land. Science and invention are constantly developing new luxuries, new opportunities, new duties for men. Life is being prolonged, disease is being banished, education is being spread broadcast, the standard of living is constantly being raised, and yet in the midst of all this advance there is a terrible insecurity which condemns an appallingly large proportion of our people to misery and fear. All the advance of science is concentrated on benefits to the individual, but economic progress has lagged behind, making it impossible for the individual securely to enjoy the benefits which scientific progress affords.

The same forces which have enabled men by their collective genius to span the sea with the airplane, to penetrate the ether with the radio, to live in a continent instead of in a county, have at the same time made it impossible for them to support themselves and their families by their own unaided efforts.

This is the condition which has promoted the totalitarin state.

When men have been unable by their own efforts to earn their bread by the sweat of their brows, they have turned to government to do it for them, and as government undertakes to provide security for the body it takes away from men that freedom of the soul which is their inherent right.

But we shall have failed to understand the modern dilemma unless we realize that big government, by whatever phrase it may be dominated, is the direct, natural, and inevitable result of big business.

Let us trace the change which has taken place in America almost before our eyes. When this country was founded 150 years ago, business was local, industry was local, commerce for the most part was also local. The whole economic life of our people was carried on by individual citizens in their individual capacity and with their own individual resources. It was not until after the Civil War that business and industry turned to the collective assets of men for development. The most complex business organization of the first 75 years of our history as a nation was the partnership, but as steam and electricity became more common, as the radius within which a man could exert his power became greater, and more capital was needed to develop the wonders of science than individual businessmen or partnerships could supply, organized business appeared upon the scene in the form of the corporation. After the Civil War,

slowly at first and then more and more rapidly, business organization superseded individuals in the economic field.

This change began with the advent of the railroad, and finally, 20 years after the Civil War, the people of the country at last awakened to the fact that railroad organizations had become so great that the regulation of commerce in the public interest, which has always been recognized as a responsibility of government, could no longer be carried on by the States.

The Interstate Commerce Act was passed in 1887, and the Federal Government entered upon its modern experiment in the regulation of business. From that time to the present the powers of Government have been constantly made broader, and though each new experiment of regulation is condemned when it is undertaken, once undertaken, it has never been abandoned. The reason for this steady expansion of Government power has been the steady development of centralism in the control of business.

The Sherman antitrust law, the Clayton Act, the Federal Trade Commission, the Radio Commission and its successor, the Communications Commission, the Civil Aeronautics Authority--all alike are the result of the desire of the great majority of the people to have some public authority to protect the freedom of individuals in the face of the growing concentration of business.

No responsible person would for a moment suggest that these efforts to regulate modern business in the public interest should be abandoned, and yet we are faced by the appalling fact, which we must acknowledge, that all of these efforts combined have failed to produce the results which were hoped to be derived from them. The farm problem, the labor problem, the industrial problem--all have become more acute instead of less acute as time has passed.

While it must be acknowledged that none of these problems has been solved, that we still have unemployment with us, and that farmers still are producing far less than the cost of production, the dispassionate observer must acknowledge that there is no hope of a solution of these problems by going back to the conditions which existed before the experiments were undertaken. In the midst of all of our imagined prosperity of 1928 and 1929 we had a farm problem and we had unemployment.

The fact that we still have them is not an argument for returning to the conditions under which they developed, but is rather a compelling argument for a cooperative determination upon the part of all of our people, in business and in government, in industry and on the farm, in commerce and in the professions, to unite in a spirit of mutual confidence and good will to look frankly at the economic scene and strive to develop the formula by which our system may be made to work.

This is the task which the temporary National Economic Committee has approached, not with the intention of forcing any particular formula upon business or upon government, but solely for the purpose of studying things as they are to see whether or not the frank exposition of facts may not promote both public understanding and good will.

Ignorance, fear, and suspicion are the greatest obstacles to a solution. These are the elements out of which tyranny and oppression grow. They are foreign to democratic ideals, and in the degree in which they are absent from the American approach to the problem lies the hope of success.

It is a matter of great gratification to me that I am able to say, now that the committee has been at work for almost 12 months, that most leaders in business and in government sincerely desire to find a way which will enable our economic system to supply the needs of all while at the same time preserving individual freedom.

Sometimes I think that the great mistake in the past 50 years has been that each new law has been enacted from the point of view of punishing those who were deemed to be culprits rather than of helping those whose only object was to do the right thing. I feel that we shall make greater progress by concentrating our efforts on helping that 90 percent who want only that which is fair and constructive

rather than on punishing the 5 or 10 percent who have knowingly engaged in vicious and antisocial practices.

There is a growing disposition among the executives of big business to recognize the responsibility of big business to the consumer and to the general public as well as to labor. Ample evidence of this is found upon every hand, and no one who studies the modern business scene can fail to recognize that our standards of ethics as well as our standards of industrial and commercial service have vastly improved.

The difficulty is that restraints of trade when committed by the large organizations of modern business are far more widespread in their scope and far more disastrous in their effects than similar restraints of trade when practiced by individuals in their individual capacities. It is more important now than ever in the history of mankind that business abuses which everybody knows to be wrongful should be abandoned; and it is my personal belief that we need only to build up mutual confidence between leaders of business and leaders of government to lay the basis upon which we may erect an enduring prosperity.

It is not helpful if business leaders have reason to believe that the leaders of government cherish feelings of hostility. It is not helpful if those who are charged with responsibilities of government have reason to believe that leaders of business are likewise hostile.

What we need most of all is a comprehension upon the part of both that government and business alike exist only to serve people.

Government and business alike are organizations created by people to make it easier for people to enjoy life, liberty, and the pursuit of happiness.

Government is not an end in itself, nor is business. Kings and constitutions and corporations, too, are the creatures of men. Men are the creatures of God, and by Him endowed with the unalienable rights that both business and government have been taken away from them. In this fact we find the reason for all the economic and political turbulence of the modern world.

The same forces which were operating in the United States 50 years ago and which resulted in the passage of the Sherman anti-trust law have been operating in Europe. Combinations in restraint of trade, known here as trusts, known in Europe as cartels, have closed the door of opportunity to the rising generation by restraints of trade and monopolistic practices which every student of government can well identify and with which every business executive and every responsible government leader is well acquainted. These restraints have been practiced by those who happen to have the power to practice them for the purpose of gathering to themselves more power and property than they actually need; and the bad example which they have set has been blindly followed by those who have sought merely to escape the effects of "monopoly."

Industry, for example, consciously followed the policy of restricting production in order to maintain price. Labor has preferred to go idle for months in the year rather than to endanger the scale of wages. And in agriculture we have adopted the same principle and are attempting to restrict production in order to maintain price, though we know that the market for all of the products of the farm would be vastly increased if the masses of people were better able to purchase them.

When we realize that the economic system of the modern world is really built upon a luxury plane and when we begin to understand that mass production by big corporations can continue only if we have mass consumption, then it becomes increasingly apparent that the best market for industry is a contented people with a stable and sufficient income, and that the supreme need of the hour is to turn away from the philosophy of restricting production and embrace wholeheartedly the philosophy of increased production. Commodities are of no value unless they are purchased and used by men. We must undertake, therefore, first of all to make it possible for men to produce and to consume.

If we are to do this, we must also recognize that government and business have separate responsibilities. Business should not be permitted to grow so great that it becomes a private government, and when I say great, I do not necessarily mean to imply any limitation

upon size but only upon the power to exclude men from the opportunity to work. On the other hand, government should not be permitted to become so great that it dominates the lives of individual citizens and prescribes limits to their freedom of action. The proper function of government is to preserve order and to promote the general welfare. The proper function of business is to carry on the production and exchange of commodities and services for use by the people.

When the abuses which produced the so-called trusts and cartels are not abandoned, the inevitable result is the growth of overpowering government. If there is one lesson which modern business should learn from what exists in the modern world, it is that arbitrary private power produces arbitrary political power. The great test for business and for government in America is that which will determine whether both in business and in government we have the courage to continue to be democratic.

Government should foster and encourage commerce, whether carried on by individuals or by the organizations which in the modern world are its necessary instrumentalities. But to be worthy of that encouragement, organized business should be content to cooperate with Government in developing the formula by which monopolistic exploitation of the masses can be avoided. I should like to see taxes reduced so that business in its proper sphere, namely, in the production and exchange of commodities, should be encouraged. I should

like to see free private enterprise rewarded by lower tax burdens, particularly upon those who provide opportunities for new employment. We need to do everything in our power to reward those who have the brains, the initiative, and the courage to create new opportunities for employment in the development of the unlimited resources which Nature has provided. This objective is not to be obtained by building up big government; it is not to be obtained by mere loans to industry of non-existent Government funds; it is not to be obtained by regimentation in the name of government. Neither is it to be obtained by the aggrandizement of self-sufficient business organizations which themselves regiment and exploit the masses.

If taxes upon business are to be reduced, business must be prepared to increase the participation of labor in what business produces. To do this it is not necessary to break up big business or to take a penny away from any wealthy person. It is only necessary to encourage small business and to preserve opportunity to every individual to engage in business.

Business must recognize the fact that labor is not a commodity like coal or iron to be used or abandoned as the exigencies of the moment dictate. When business becomes so great that it has outgrown State and even national boundaries, it owes a responsibility to the people as well as to itself to stabilize employment; for, after all, not even the most self-sufficient of our modern business

corporations can permanently survive and make a profit unless the masses of the people have the employment that will enable them to purchase its products.

Finally, it seems to me to be essential that we must recognize the fact that corporations are not persons but are creatures of the government. Corporations exist only because some government has called them into existence, and in every instance, theoretically at least, they are created for the public good. They have served that good, to be sure, and have rendered great service to mankind, but they have not stabilized our economic system. Great as our accomplishments may be admitted to have been, it must be acknowledged, however, that they have failed in the ultimate necessity of providing economic security for the masses.

The objective can be attained. Mankind which built the Pyramids in ancient Egypt, which cut the Panama Canal, which constructed the Boulder Dam, which is wresting every secret from Nature and making her its servant--mankind can use the agencies and instrumentalities which it has itself created to provide prosperity and happiness for all. There is but one thing needed--faith--faith in the integrity and the majesty of the human soul, faith in the ideals of democracy, to justify which before the whole world this Nation was brought into being.

APPENDIX C

THE RIGHTS OF MAN[77]

It would be difficult to find a spot in all the world more appropriate for a discussion of the principles which must guide us in reorganizing the postwar world than here in Virginia, for of all of the states in the Union none made a richer contribution than Virginia to the founding of the nation. The leaders of this state in the formative period of the Republic had a clear understanding of the principles upon which free government must be built.

Certainly, too, it would be impossible to find a day more appropriate than this for the discussion of any theme involving freedom of the individual, for this is the birthday of the author of the Declaration of Independence. The fame of Jefferson increases with the passing years. Nothing can dim the luster of his reputation as the philosopher of human rights.

"Nothing is unchangeable", said he, "but the inherent and inalienable rights of man." That was his faith, political and economic, from the day he penned the Declaration of Independence until that day

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77. Joseph C. O'Mahoney, "The Rights of Man," Vital Speeches, X (May 15, 1944), 454-457.

in June, 1826, half a century later when he wrote the last message that ever came from his hand.

I need not tell this gathering that the Mayor of the City of Washington had invited Jefferson to attend the celebration that was planned for the nation's capital on the fiftieth anniversary of the signing of the Declaration and that Jefferson, unable to leave Monticello, sent him this message in response:

> All eyes are opened, or opening, to the rights of man. The general spread of the light of science has already laid open to every view the palpable truth that the mass of mankind has not been born with saddles on their backs, nor a favored few, booted and spurred, ready to ride them legitimate by the grace of God.

With these final words there passed from the active scene the great Virginian who, in the Declaration of Independence, had asserted that governments are instituted among men to secure the inalienable rights they derive from their Creator and that the just powers of government come only from the consent of the governed. This principle of the relation of government to men is now enduring its most dangerous attack. The appalling conflict in which we are engaged was initiated by men whose views were at utter variance with those of Jefferson. The war was started for the purpose of making government supreme and of denying to men the right to control it.

We now know that this attempt to destroy the principles of free government has failed. We know that though military victory

may be delayed and though we must still pay a terrible price, nothing can now prevent the forces of freedom from achieving it.

When that victory comes it will be a vindication of the philosophy of Jefferson and the principles of political freedom which this nation has always cherished. It has been the contribution of the people of America, the people in whom Jefferson had such profound faith, that has made this victory possible. Totally unprepared as we were at the outbreak of the war in Europe, our people have transformed this nation from one which was devoted only to the pursuits of peace into the mightiest military power that ever existed. We have produced the implements without which Britain and Russia could not have withstood the totalitarian might of Germany. We have produced the food necessary to maintain not only our own military forces, but to supplement the supplies of all our Allies, as well.

Agriculture and industry, both have been organized by a free people in such a manner as to exceed the most efficient achievements of concentrated arbitrary state power. We entered this war with only part of a one-ocean navy. Now we have a navy capable of dominating two oceans, a navy greater by far than that of which any dictator ever dreamed. We entered the war with only a handful of airplanes. Today we are driving Japanese planes from the sky and in cooperation with our British Allies are slowly but certainly destroying the Luftwaffe on the ground and in the air.

In a single month our industrial machine is now producing three times as many airplanes as we were capable of manufacturing in an entire year before the war began. Our industrial organization is today out-producing both Germany and Japan in the manufacture of all types of combat material.

This is the achievement of a free people, an achievement which beggars all description, an achievement which will be remembered long after the annoyances we have endured and the sacrifices we have made will have been forgotten. It is an achievement which justifies the faith of Jefferson and all those other Americans from all thirteen of the original colonies who built the American Republic upon the indestructible foundation of popular control.

But if we look back upon the legacy which was bequeathed to us and seek to peer into the future to discern the outlines of the new structure of free men that is to arise, we must ask ourselves how it came about that 168 years after the signing of the Declaration of Independence, the principles of human freedom came to be in such grave danger. Hitler and Mussolini warned us long before the war began of their intention to make the state the master of men instead of their servant. They told us in words of one syllable that democracy was outmoded and could not endure in the modern world. We heard them, but did not believe them. We waved aside their declarations as the unimportant rantings of demagogues, but we know now

that if it had not been for the heroic defense of Britain by the freedom-loving people of England and if it had not been for the extraordinary productive output of our own people, Hitler and Mussolini would have made their boasts good. It is incumbent upon us, therefore, in our plans for recognizing the future to search out the causes of this great horror which might have turned out to be complete disaster for the rights of man.

The message I bring you is simple and I think altogether understandable--there can be no successful defense against the encroachments of central arbitrary power until first there is a stable local economy. It has been the loss of economic stability in local communities and subdivisions, in villages, cities and states that has undermined political freedom and made possible the growth of the totalitarian state.

When Jefferson and his colleagues labored for the establishment of this government, our economy was almost exclusively individual. Today it is an organized economy and is preponderantly national in scope. This change from the individual basis to the organized basis has taken place all over the world and we have not successfully adjusted ourselves to the alteration. It was the failure to make this adjustment, the failure of a central economy to provide sure and certain employment for all men that created the opportunity for the advocates of totalitarian central power to walk upon the scene.

Our success in reorganizing for the postwar world will be measured by the degree with which we can succeed in stabilizing the opportunities of individuals and localities in a world in which the advance of science has made organizational activities necessary. This adjustment can be obtained without injury to any group or class, without the necessity of any class warfare, without the loss of individual freedom if only we open our eyes to certain plain and inescapable facts.

Forty years ago there were in the United States 30,000 more post offices than are in existence today. Good roads and high speed automobiles have destroyed the little post offices and built up the big ones. At the turn of the century we had over 72,000 fourth class offices and only 194 post offices of the first class. Today we have only 27,000 fourth class post offices while offices of the first class have increased in number from 194 to 1,444.

With the change of the instruments that we use in the modern world, there has been a complete change likewise in our manner of living. No one, of course, would want to go back to the days of the dominant fourth class post office. No one would want to sacrifice the improvements and the comforts which have come with the increased number of first class post offices, but unless we understand precisely which brought about this change in the geographical structure of the country we shall not understand how it happens that little business

and local business is in such a precarious position from end to end of the country. Precisely the same influences which have been destroying the small post offices have been sapping the vitality of little business, of local business, of individual enterprise.

Let me give you another example. The United States Steel Corporation during the last week in March published in most of the great newspapers of the country an advertisement to show what it has accomplished in the war effort, how much it has produced, what it has received for its production, and how its receipts have been distributed. This record shows, for example, that of almost two billion dollars which it received in 1943 from its customers (an increase of 22% over what it had received in 1941) almost one billion dollars was paid to employees who received 45% more than they had received two years before.

The advertisement showed that the United States Steel Corporation in 1943 paid out $707,000,000 for the purchase from others of products and services. This was also an increase of 22% over payments for the same purposes in 1941.

Significant as these figures are, the United States Steel Corporation has given us even more significant information in the advertisement by reciting that it has more than 340,000 employees and 222,000 stockholders. Let us add these two figures together and we find that the "population", so to speak, of the United States Steel

Corporation, without taking into account at all the families of employees and stockholders, is more than 562,000 persons. How many cities in Virginia, how many counties have a population that great?

Let us suppose that each one of these employees and each one of these stockholders is a member of a family of three--that means a "population" of 1,686,000 persons. There are eighteen states in the federal Union each of which has fewer people than that.

Let me take another example. This is from an advertisement published by General Motors in all the leading newspapers of the country this week. Like the "ad" of the United States Steel Corporation, it tells a story of marvelous achievement, of efficient industrial achievement of a great contribution to the war. But here again we have an amazing revelation of the gigantic size which has been attained by industrial organization. General Motors which manufactures not only five different models of automobile, a popular truck, a desirable coach, the Fisher body and the Frigidaire, but a score of other highly essential and valuable products, tells us that in 1943 its average number of employees was 448,000. Its stockholders numbered approximately 421,000, a total "population" of individual employees and stockholders of 870,000. Multiplying by three we have a total industrial "population" of 2,600,000, again exceeding the number of inhabitants found by the United States Census in 1940 to be domiciled in each of 29 of the 48 states.

General Motors tells us with pardonable pride that in 1943 the physical volume of war materials which it produced was more than doubled that produced in 1942. It tells us that the value of this production amounted to $3,500,000,000 and that it paid for materials and services purchased from others approximately $1,900,000,000.

General Motors tops the list of all the organizations in the country to which the government has awarded its war contracts. It and 99 others have received war contracts amounting in value since the beginning of the war effort to more than 70% of all the billions of dollars which the federal government has expended out of its deepening deficit--70% to 100 huge corporations, 30% to all others. Here again you have the same condition of little groups drying up and big groups growing bigger that I showed you at the outset in the story of the nation's post offices.

It is undoubtedly true that this country could not have made the marvelous record in the manufacture of war materials of which we are so proud without the highly efficient, well organized activity of these giant industrial institutions. But it is only necessary to consider for a moment the magnitude of the purchases made by these units to realize that the prosperity of every community in the land is dependent upon what the managers of these organizations do and the decisions they make. When United States Steel, which last year bought $707,000,000 of products and services from others or when

General Motors, which last year bought almost two billion dollars of such materials and services, reduces the amount of its orders, mines and factories, farms and stores all over the country will experience a reduction of business. Communities and states from coast to coast are intimately affected by the decisions reached by the managers of these units and nothing that the people in those communities or in those states can do is likely to affect the result.

But the condition is even worse if instead of United States Steel or General Motors, we consider "General Government" the title which I give for the moment to the huge central government organization we have had to establish in Washington to wage totalitarian war against totalitarian dictators.

It has been necessary for the federal government to control production and allocate materials in order to organize the war effort because we had to have the guns, the airplanes and the battleships with which to over-match the aggressors of Europe and Asia. This was all done necessarily by increasing the national debt to unimagined proportions. The orders which have come from Washington from the Army and the Navy, the Maritime Commission, the Defense Plant Corporations and all the rest amounting in value to about 150 billion dollars, account for more than 50% of all the goods and services which are being produced in the United States. In other words, Uncle Sam is buying with deficit dollars more than one-half of all the

things that are produced and all the services that are rendered in this country by the people of the country. When the peace comes and that purchasing stops, when Uncle Sam withdraws from the market, then indeed unless we are ready in advance, every community in the land will feel the effects. This is the picture of the effect of economic concentration upon the lives of people. This is the story of the effect of an organized economy upon an individual economy.

Here is the reflection in our country of the very conditions which in Europe and in Asia produced arbitrary central power. Here is the illustration of the two conflicting principles which lies at the root of this war--individualism versus arbitrary central power. Fascism and communism both stem from central economic power. They came into existence because men did not know how to adjust the necessary huge organizations of the modern world to the needs to individuals and localities. Because men did not know how to make that adjustment, they began to struggle among themselves for control of the government upon which, in turn, they were ready to depend for the complete control of their economic lives. People divided into groups, workers or proprietors or farmers and each sought to protect its own interest by seizing and holding the government and excluding the members of all other groups from that position of advantage.

If the American experiment in government means anything, if this "American way of life" of which we all speak so readily means

anything, if the principles that Jefferson taught and Washington fought for mean anything, they mean that in America government is the instrument of all of us and not the instrument of any group or class. The American ideal of living is that both economically and politically we are all free men and no part of us has any right or shall be permitted to regiment all the rest of us.

The problem of the modern world is the problem of the preservation of economic independence. Without economic independence, as the terrible events of the last four years have taught us so well, there can be no such thing as political liberty. One depends upon the other. The founding fathers were able to build a democracy in America because men were economically free. The very existence of democracy has been threatened all over the world because the growth of economic organization has been such as to unstabilize the economic basis of our society.

When, therefore, we look to the future we must give our thought to the reestablishment upon a stable basis of the economy of the people in their local communities. This does not mean the destruction of big business at all. It does not mean the sacrifice of any of the great achievements, of any of the great efficiencies that big business has brought. It means first of all the protection of the local economy from arbitrary central power whether it is exercised by public or private authority.

A big country needs big business. Much of the enterprise which modern civilization demands can not be carried on except by huge organization. The airplanes with which we are battering down Fortress Europa were possible of production only by huge organizations like General Motors. When the war is over we shall have to depend on the same organizations to build the planes which will carry the new commerce of the air across all continents and all oceans.

Just as when in the middle of the last century we spanned the continent with railraods, now that we expect to girdle the globe by air transport we must expect to utilize huge accumulations of capital and large armies of workers under expert management. But we shall make a mistake if we imagine that we can turn the direction of the future over to the managers of these great units without government supervision in the public interest. Government is just as essential as industrial organization. What is needed is not the elimination of industrial managerial authority or the elimination of government supervisory authority, but the establishment of a rule by law under which the responsibility of all groups, public and private, to the whole people shall be recognized and maintained.

If big business is necessary, as we must recognize, to furnish the commodities and the services which the modern world demands, little business is no less necessary, for upon it depends the maintenance of the market which all business requires.

It is not necessary to tell any group of businessmen that there can be no prosperity unless the people have the means with which to purchase that which business handles. We have had a higher standard of living in the United States than ever was established anywhere in all the history of civilization only because a larger proportion of the people here have been able to enjoy the output of all industry. The wise businessman first of all builds his markets, for unless he can sell his goods he has no interest either to produce them or to deal in them. Every chamber of commerce, therefore, which devotes attention to the problems of the post-war world must give heed to the creation of a stable purchasing power by the people throughout the nation to take the place of government purchasing when the war is over. That in turn means that one of the primary concerns of every chamber of commerce should be to help create new opportunity for employment in every community. Stable employment at good wages in every town, village, city and state should be one of the primary objectives of local business everywhere, for only thus can a private economy be maintained.

We know that there is no other course to follow because we have tried the alternative courses, and each of them has failed. The private managers of our concentrated industrial economy were not able to prevent the collapse of 1929. Government managers by public spending did create subsistence jobs for the unemployed in the ten years that

followed, but a self-sustaining private economy was not established because concentrated public management is just as unable as concentrated private management to provide opportunity for all. Moreover, it must be perfectly obvious that deficit financing by the federal government in the postwar period offers no hope for the establishment of a stable economy.

Already the government deficit is climbing toward two hundred billion dollars, or almost $1,500 per capita for 135,000,000 people. The annual interest charge upon this deficit is more than three billion dollars, and this in turn is greater than the aggregate debt of all 48 states.

The substitute for public spending is private spending. We know from the records of the banks and insurance companies, and from the reports of the United States Treasury Department that the people have been saving. They have the money, and it seems to me to be the plain conclusion of common sense that if we really want a private economy, if we really want an individual economy, if we really want men to be economically free as well as politically free, we have no recourse but to take those measures that are necessary to stimulate the investment of these savings in local private business, in new competitive industry, and then protect these investments against the destructive action of both private monopoly and arbitrary central government power. The tax laws can be revised

in such a manner as to promote and encourage the investment of private capital, and thereby stimulate the substitution of private spending for government deficit spending.

New enterprises thus brought into existence by the investment of private capital can be protected from destruction by monopoly through laws which will more clearly define the powers, responsibilities and duties of all economic organizations.

This new enterprise can also be protected from regimentation or restraint by government by laws which, though recognizing the necessity for public supervision, shall deny to all administrative bureaus the power to be both judge and jury, manager and master, of private business. It should not be difficult to draw the line between local business and national business. It should not be difficult by law to stake out the respective jurisdictions of the two, so that while escaping from central government domination we shall be in danger of falling back into the control of private managerial power, which through national and international cartels and combinations can close the door of opportunity to little business and to the individual.

Finally, we should seek to revive our confidence in state and local authority. We should undertake to stimulate the local development of local resources, and to develop everywhere throughout the country a new community consciousness, a new pride in our local subdivisions. We have had altogether too great a tendency to look to

either concentrated financial power in the hands of big business or concentrated political power in the hands of big government to provide the employment which our local communities have neglected to provide by their own initiative. We have permitted class consciousness and pressure groups to grow at the expense of the integrity of the communities in which we live, and thus the vitality of both the economic and the political systems has been drained away.

Democratic society is the most difficult of all societies to maintain, but it is the society which is natural to man, because man is free.

The theories of Fascism and Communism are defeatist theories. They have been conceived by men who do not believe that the individual is competent to direct the modern economy. It is because of their lack of faith in man that they erect the state as the source of all power and authority.

The people of America have already demonstrated by their tremendous accomplishments in this war that they are not defeatists. They still believe in the principles of individual freedom, and I have no hesitation to say that they are competent to direct a free economy under a free government.

The Republic which Jefferson and the colonial fathers founded will lead the world to the reestablishment of a free economy, just as

it is now leading the world toward the redemption of free government.

One thing only is needful, faith in ourselves, faith in the heritage that is ours, faith in those inalienable rights which Jefferson taught us were given to man by the Creator of the universe.

APPENDIX D

ECONOMIC FREEDOM AND THE AUTOMOBILE INDUSTRY[78]

Two congressional investigations of 1955 have, without a single line of legislation having been written, already produced some beneficial results in the automobile industry. I know that Senator A. S. Mike Monroney, of Oklahoma, who headed the subcommittee of the Senate Committee on Interstate and Foreign Commerce, and I, who had the honor to be in charge of the work of the Judiciary Subcommittee on Antitrust and Monopoly, agree that without the cooperation and assistance of NADA and of the automobile dealers of America little could have been done, so I begin by expressing my deep appreciation to this organization and to the thousands of automobile dealers all over this country who wrote me and who responded to the questionnaire sent out under Senator Monroney.

The staffs of both of these committees worked diligently and effectively to assemble the information which you presented us, and by the public hearings we were able to place the facts in a written

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78. Congressional Record, CII, Part 2 (1956), 1752-1754.

record for all to see. For the first time, in our hearing dealers and manufacturers were enabled to sit around a congressional table in an open hearing and state their views, face to face. Open discussion is good for the soul. It can now be said that signs are already appearing to indicate a better relationship between the factory and the dealer. The pressures which the dealers felt were used by the factories to compel them to distribute at their own loss more cars than the market could soundly absorb are apparently disappearing and there come to the Senate Office Building expressions from men who ought to know that 1956 may see a new spirit of good will.

We shall make a mistake, however, if we believe that the problem of factory-dealer relationship can be solved, or that a rule can be developed which without the sanction of law will preserve the economic freedom of local dealers from the power of central management. It is true that bootlegging in the automobile business was generated because the factories were manufacturing more automobiles than the market would absorb, and that the manufacturer, while insisting upon full payment at the factory gate, pushed more cars upon the individual dealer than he could profitably handle. Indeed, the manufacturer could not have been oblivious to the evils that resulted including the operations of the vacant-lot dealer who, without salesroom or repair shop, entered into competition with the distributor holding a formal franchise from the factory.

The inventory of unsold automobiles at the beginning of 1956 is actually greater than it was at the beginning of either 1955 or 1954, and, if the fears of financial failure which so many dealers entertained before the problem was brought to Congress are to be allayed, the relationship between the manufacturer and the dealer must be placed upon a more equitable, sound and bilateral basis than it has heretofore been. The factory in its own interest must work through contented distributors, whose charters of operation cannot be modified by telephone orders, or private tips from factory representatives who, with or without the knowledge of central management, have presumed to tell the dealer what he must do or else.

No one will deny that automobile manufacturers, the six of them that are left, are managed by able, efficient gentlemen who, in man-to-man dealings, follow a high standard. No one can doubt, however, that a system which places all the risk on the distributor while the manufacturer receives cash on the barrelhead is obviously one which in the end would be as bad for the manufacturing corporation as it has proved to be during 1954 and 1955 for the dealer. A system which allows the manufacturer to convey his orders orally and without record establishes an atmosphere of arbitrary power which inevitably breeds not only discontent, but fear, and finally resentment that is bound eventually to explode to the detriment of all concerned.

In my opinion there can be no sound and stable relationship established between automobile manufacturers and automobile dealers unless there is an agreement binding upon the manufacturer that whatever suggestions or orders management desires to convey to the dealer shall be in written form.

The dealer by his reports to the manufacturer lays bare his whole financial status. He has no secrets from the central offices of management and he has no security from the desires and plans of central management or its spokesmen so long as they can be transmitted to him without a record upon which the dealer may make his appeal.

In this position, he stands helpless before an appeal to a board made up by management.

The American system of settling disputes among citizens is through an impartial court sworn to do justly by all parties to the dispute. That is why in almost every community throughout the land we see above the courthouse as the symbol of justice, the goddess with the scales in her hand and the blindfold on her eyes to shut out all impressions that might tempt her to allow the scales to be tipped by anything but the truth.

The lawbooks are full of cases which dealers have lost in their suits against central management because the nature of the sales agreement under which they operated was such that they had signed

away their basic rights and had in fact voluntarily made themselves little more than vassals of the manufacturer. Baseball players and even football players, who are bought and sold by their managers like chattels, have nevertheless contracts which are enforceable in the courts, contracts under which both parties have rights and responsibilities. The defect of the automobile franchise is that the manufacturer's right of termination is an instrument by which the car dealers are reduced to a defenseless position. Despite all the protestations of manufacturers that they wish to be fair and just to the dealer, they have contrived by the common form of franchise to put themselves in an impregnable position, while the dealer is at their mercy. When the holder of a 1-year franchise finds himself approaching the renewal date he is in no position to bargain. Even though he may be a dealer who has made large profits during the post war years when the public was ready to buy anything that ran on four wheels, he is nevertheless just as powerless as the poorest dealer in the land when he sits across the renewal table with the spokesmen for the manufacturer.

This is not the American pattern under which business is carried on at arm's length by equals whose obligations are assumed by mutual consent. It is a new pattern which has been developing in the fields of industry in which individuals find themselves dealing with

large corporations by which they are clearly outclassed as a feather-weight would be in the same ring with Marciano.

Sometimes the man on main street engaged in business with his friends and neighbors imagines that he belongs in the same class as the mighty corporations which deal in interstate and foreign commerce. Let us see how completely dissimilar are the individuals who are the local distributors of motorcars and the manufacturers who make them. The local distributor, even when it is a local corporation, is still primarily an organization that is owned and managed by the same persons. That is not the case with automobile makers like General Motors, Ford, and Chrysler. These corporations are owned by thousands or hundreds of thousands of stockholders whose only participation in the handling of the money they paid for their stock is to sign a proxy for the managers. In the case of General Motors Corp., the owners or stockholders number over half a million and, as shown in the General Motors Handbook of Information, although more than 90 percent of the stockholders are individual persons, no one individual owns as much as 1 1/2 percent of the common shares. These shareholders live in every State and in many foreign countries, and more than 60 percent own 50 shares or less. In the economic state, which General Motors can properly be called, the individual owner sinks to insignificance. But at least he has a vote, while in the new plan just announced by the Ford Manufacturing

company little people with small sums of money to invest have been invited to buy voteless stock of the Ford corporation so that they do not have the right even to sign a proxy as in the case of General Motors.

In General Motors the 50 largest stockholders own 38.9 percent of all the outstanding stock. The 15 largest own 32 percent. Every lawyer and every business expert who is at all familiar with the control of largescale corporations knows that the group which can control 30 percent of the outstanding stock in any corporation, in which the great majority of the individual stockholders are the owners of only a few shares, are in fact in control of the corporation. These few stockholders are the rulers of an economic state, the geographical extent of which exceeds local, State, and even international boundaries.

General Motors, for example, has plants in 64 American cities and in 18 foreign countries through subsidiaries created under the laws of those countries. It does business in every State of the Union. The raw materials it buys from steel to plastics, wood, glass, fabrics, copper, chrome, and countless other commodities constitute the economic life of many communities in which they are produced and fabricated. General Motors boasts in its Information Handbook that it has 21,166 suppliers, located in every State and ranging in size from small shops with a dozen or so employees to large mass-production companies in the steel, rubber, and chemical industries.

The dictionary of complimentary adjectives does not contain words enough to praise the engineering skill, the manufacturing efficiency, the managerial genius of the men who have built this organization. Its products include the tools of other industries, the household appliances that make housework so easy and comfortable for the modern housewife, tanks and guns, rockets, guided missiles, the ammunition with which to make war, and its financial strength is so great that imagination can scarcely place a boundary on the activities in which it may engage.

Add to its 500,000-plus stockholders, its 600,000-plus employees, the employees of its 21,000 suppliers, and of its 18,000 dealers, you find that the population of this economic state is greater than the population of some of the States and of most of the cities in the United States. Its gross revenues, which in 1955 were approximately $12 billion, are more than one-third of the total gross income of all the farms and ranches of America in the same year. I make this comparison because the farm industry is carried on by individuals for the most part, while the manufacture of automobiles is carried on by huge corporations. In the instance of General Motors, the world's largest manufacturing corporation, its gross revenue amounting to more than one-third of the gross revenue of the entire agriculture industry, illustrates the nature of the problem that this generation must solve if it is to preserve political and economic liberty

for the people of the United States, to say nothing of the people of the world.

While the economic status of the farmer is deteriorating that of the great corporations is improving and by means of steadily increasing mergers and combinations they are exercising such control over the whole national economy that the States have lost the power to protect the public interest while the pressure for the expansion of Federal power continues apace. Federal boards and commissions multiply in number and assume more authority over the lives of the people.

Regulation of private activities by Government was never popular and is not popular now. During both World Wars in which this Nation was engaged, when Congress found it necessary to mobilize all our industrial resources to win, it passed laws giving Government the power to regulate prices, to allocate materials, to place restrictions upon many peacetime businesses in order that the terrible business of war could be carried on to a successful conclusion. In every such act Congress provided that the power should end as of a certain date. When victory did not come as speedily as had been hoped, these grants of emergency power were extended, and even now, in the name of defense and in international relations, the Federal Executive asks authority greater than Congress likes to give--witness the request for power during the next 10 years to make commitments for foreign aid.

Only a few days ago the President, in submitting his annual economic report, advocated a study of the problem of restoring the Government's power to regulate the terms of consumer installment credit, saying that "installment credit has repeatedly been tested and found excellent." He went on to say that, "nevertheless, installment credit sometimes accentuates swings in the buying of automobiles, furniture, television sets, and other consumer durables, thereby exposing the rest of the economy to the hazard of widened fluctuations."

What I am pointing out is that concentrated economic power has grown so great that it is changing our entire economic system. It is changing the relationship of citizens to one another, the relationship of citizens to corporations, the relationship of corporations to Government, and above all, the relationship of Federal Government to the States and to the people. Our system is changing before our eyes, but we don't see it.

Government has the responsibility imposed upon it by the Constitution to regulate commerce in time of peace and in time of war, but Congress has always been slow to regulate and rigidly reluctant to impose Government controls over the activities of its citizens. It yields to such grants only in times of emergency when the life of the Nation itself is at stake. In normal times of peace it desires only to exercise its constitutional power of regulation. By regulation we mean only the establishment of those rules under which the citizen may

pursue his private life without the intervention of the Government to say what he may or may not do. The American people are instinctively loyal to the Jeffersonian principle "that government is best which governs least."

The members of this organization, however, have learned from their experience in the last few years that government is not the only institution which assumes the power of control. I dare say it was one of the most important events of the 20th century when the automobile dealers of America in 1954 and 1955 became aware of the fact that they as individuals had to submit to the controls of the manufacturers whose products they thought they were selling as free and independent enterprisers. Now they know that though they themselves were the owners of the properties they operated, they were frequently compelled to surrender their own judgment as to what they thought was best for their business affairs by the pressure of factory representatives who bore no responsibility for the orders they gave or for the results that followed.

Lest it be thought that I am overemphasizing the General Motors Corp. in this discussion of the concentration of economic power, I want to point out that it has been known to economists and others for almost 50 years that in modern organized business the giant units which have appeared have separated ownership and management and have stepped with controls into the vacuum Congress left by failing to

regulate. The stockholders don't manage. They merely furnish the capital. Management is concentrated in a few hands, and a comparatively few such organizations are greater in economic power than many of our States and cities.

Statistics available in the Library of Congress show that there are 25 corporations in the United States whose revenues are larger than those of any State or municipality, except the 5 largest, namely, the city of New York, and the States of Pennsylvania, California, New York, and Ohio. New York City ranks second to the Federal Government among all the public bodies of this Nation in the amount of revenue it collects. In 1954 our largest city received total revenues amounting to $2,866,000,000. Six corporations, national and in some cases international in scope, collected more money from the people that year than did New York City. They are, in the order of their magnitude, (1) General Motors, (2) Standard Oil Co. (N. J.), (3) American Telephone and Telegraph Co., (4) United States Steel Corp., (5) Sears, Roebuck & Co., and (6) General Electric Co.

The Metropolitan Life Insurance Co. collected $2,176,000,000, which is more than the State of Pennsylvania, the largest revenue gatherer of all of the States. Chrysler Corp. collected $2,072,000,000, or more than the State of California, the State of New York, or the State of Ohio, the revenues of which were respectively $2,003,000,000 for

California, $1,924,000,000 for New York State, and $1,090,000,000 for Ohio.

This is a situation which cannot be waved off with a toss of the head or with the derisive jibe "So what?" We know now that the economic decisions which are reached behind closed doors in the offices of these great economic states reverberate throughout the land and affect business not only in every State, city, and county, but affect likewise whole segments of the population. Our very way of life is being altered and methods of totalitarianism are succeeding the methods of democracy.

National business of the size above indicated cannot be conducted without affecting all interstate and foreign commerce. The Constitution gave to Congress the power and the duty to regulate such commerce in the public interest. If that constitutional authority is not exercised so as to preserve our economic freedom, political freedom itself will be in danger. We cannot afford to close our eyes to the cold war which envelops the world for it is an economic war. There are two contrary principles involved in this conflict. One is the principle of Soviet Russia that the dictators of the proletariat shall tell all the people of the world what they can or cannot do, both economically and politically. The other principle is the one which we have inherited from the framers of the American Constitution, namely, that no individual, no dictator, no group, no class can

govern this land, either politically or economically, according to its own will. To the latter principle all Americans still adhere.

If we wish this principle to prevail, then we must quickly get about the task of providing through the Federal Government the rules--not the controls--under which our economic system will work, the laws to guide business, not the discretionary boards to control it.

The automobile dealer has learned the economic facts of life the hard way. Management in the automobile industry has likewise seen the writing on the wall and seems ready to make adjustments. To be just, however, these adjustments must have the force and effect of law. They should be adjustments of freedom, not mere adjustments of control. They must be adjustments that will clearly define powers, duties, and responsibilities. If that be done, we in America can show all the peoples of the world that dictatorship of any kind need not be tolerated because social justice can be achieved by the people themselves.

There are certain steps which it seems to me should be taken immediately. I shall not here discuss proposals which the Committee on Antitrust and Monopoly have before it covering the larger field, but I do not hesitate to express the first step which I feel should be taken by which the automobile industry can lead the way on the road back to economic liberty.

The first step would be the negotiation of a sales contract between automobile manufacturers and dealers carrying provisions of mutual responsibility and enforceable in the courts.

Such a contract should eliminate completely all oral orders or suggestions to the dealers by factory spokesmen with the threat of force.

Such a contract might well be flexible enough to protect the dealer and the factory in years of high or low public demand, of high or low production. It might be feasible, for example, that the allotment of cars to distributors for sale could be made annually by mutual consent upon the historic basis of public demand with a provision for a bonus of extra cars for the distributor with a good record in an area of high demand, and a provision to the effect that in times of high inventory and difficult sales the factory bear a part of the loss resulting from over production.

If dealer councils are necessary to maintain a sound basis of mutuality between the factory and the dealer, then both the manufacturer and the dealer should have an equal hand in selecting the persons to sit upon the councils. The dealers should have the right to organize in their respective regional areas and elect the members who are to represent them on such industry councils.

The pattern of procedure should be established by Federal law so that it would have a permanent status, and not be subject to fluctuation with the changes of managers.

This should be a rule of order ratified by the national Congress, and it would point out to every other industry how a self-governing economic system could be established, abolishing arbitrary powers for either management or Government, but establishing under written contracts mutual rights to which all parties concerned could appeal in case of disputes to the judicial system established by the Federal Constitution.

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