



## ***Impact of the Second World War***

THROUGHOUT MUCH OF THE 1930's the United States lived under the shadow of approaching war. In this time of great anxiety, North Dakota influenced national policy through Gerald P. Nye, its junior senator. The state held most of the same isolationist views it had held during the years before America's entry into the First World War. Senator Nye played a leading part in making North Dakota isolationism the policy of the nation; he became a national and even world figure.

After war began in Europe in the fall of 1939, North Dakota gave no support to the policy of aid to Britain. But when the United States entered the war after Pearl Harbor, North Dakotans did their part. They bought \$397,000,000 worth of government bonds, an extraordinary record, and some sixty thousand North Dakotans served in the armed forces.

The war brought many changes to North Dakota, just as it did to the nation and to the world. With plenty of rain and with good prices for farm produce, the state enjoyed greater prosperity than it had ever known. Sober in good fortune, the farmers paid off their debts, bought land at low prices, and put aside savings for future hard times. The state government reduced its debt and built up reserves.

In prosperity the people became more conservative. The Republican Organizing Committee gave conservatives some success over the Nonpartisan League. Participation in the war weakened isolationist sentiment, and Nye, the best-known North Dakotan in the nation, failed in his bid for re-election to the Senate in 1944. North Dakota seemed to be

repudiating isolationism.

While these changes were marking the war years, continuity with the past remained strong. The conflict between conservative and liberal dragged on as the Greater North Dakota Association and the North Dakota Farmers' Union fought over the Anticorporation Farming Law and the graduated land tax. Governor John Moses' drive to reform the state government failed. The exodus of population to other states proceeded. Wheat farming continued to dominate the economy when wartime efforts to bring industry to North Dakota ended in almost complete failure.

## **NYE AND ISOLATIONISM**

In 1934 the United States Senate created a committee to investigate the manufacture and sale of arms and ammunition. Gerald P. Nye, the leading Republican isolationist, became its chairman. Seizing his opportunity boldly, Nye set about to prove the isolationist thesis concerning American entry into the First World War. For two years he tirelessly probed the activities and attitudes of leading bankers and munitions makers. Nye proved to the satisfaction of most Americans that the First World War was the result of the mad imperial ambitions of the European belligerents and that America had been sucked into it by insidious propaganda and the evil machinations of munitions makers.<sup>1</sup> The committee supplied evidence to support the arguments of such isolationist historians as Harry Elmer Barnes and Charles A. Beard and such exposés as Helmuth C. Engelbrecht's and Frank C. Hanighen's *Merchants of Death*.

Thus Nye helped to fix the isolationist beliefs, really the North Dakota doctrine of pre-April 6, 1917, in the popular thought of the people. Distance and its own strength, the isolationist faith held, made the United States immune to the effects of any European war; no European victor could threaten America's security. Neutrality in such conflicts was therefore preferable to war. American security had not been at stake in the First World War; it was inconceivable that it would be in any future conflict. So effectively did Nye and his associates work that by April, 1937, some 70 percent of the American people believed that entry into the First World War had been an error.

As a result of the Nye committee's work, Congress passed a series of neutrality laws from 1935 to 1937 which provided for an arms embargo, a prohibition of loans or credits to belligerents or trade with them in

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<sup>1</sup>William L. Langer and S. Everett Gleason, [\*The Challenge to Isolationism, 1937-1940\*](#) (New York: Harper for Council on Foreign Relations, 1952), p. 14; Donald F. Drummond, [\*The Passing of American Neutrality, 1937-1941\*](#) (Ann Arbor: University of Michigan Press, 1955), pp. 40-48.

American ships, and a prohibition of travel by Americans on the ships of warring nations. This growing list of restrictions was mandatory in case of war; the law allowed no discrimination between belligerents, between the aggressors and their victims. President Franklin D. Roosevelt rightly complained that the neutrality laws interfered with his conduct of foreign relations. What the country editors of North Dakota had written in their weeklies from 1914 to 1917 was the law of the land from 1937 to 1939.

The real test came when the Second World War broke out in September, 1939. When Roosevelt asked Congress to repeal the arms embargo portion of the neutrality law, Senator Nye was a “dynamo” of opposition. “We deny,” he told the Senate, “that the British Navy and the French Army are America’s first line of defense.... We deny that the United States can make the world safe from Hitlerism by becoming the silent partner of the British Empire.” There was, however, some support for repeal in North Dakota, but when Congress repealed the arms embargo on November 3, the whole North Dakota delegation—Nye, Lynn J. Frazier, William Lemke, and Usher L. Burdick—voted nay.

In April, 1940, Scandinavian North Dakota’s isolationist faith was shocked by the German invasion of Norway, soon followed by that of the Low Countries and France. Anxiety for relatives in Norway mingled with hatred for the invaders. Indignantly, many North Dakotans began to raise money for Norwegian relief. Inkster had a benefit dance. Norway-born Governor John Moses appointed Henry Holt, a Grand Forks printer, as state chairman for the Norwegian relief drive. Holt planned a drive to begin May 17, Norwegian Independence Day. Large quantities of clothing were collected, and eventually the people of North Dakota also contributed \$46,025 in cash.

Though shaken by the invasion of Norway and Denmark and plainly sympathetic with the French, Dutch, and Belgian victims of Hitler’s aggression, North Dakotans still wanted to stay out of the war. On May 24, 1940, the *Grand Forks Herald* advocated the granting of private credits to Britain and France as the best means of keeping out of war. A *Bismarck Tribune* poll, however, showed that war veterans and others opposed loans or any direct or indirect participation. At the end of May, students at the Agricultural College were organizing a keep-out-of-war movement. That summer, the North Dakota Farmers’ Union opposed conscription. Before the June primary, no candidate, not even the Democrat Moses, supported the President’s policy of helping Britain and France. Speaking as Paris surrendered, Frazier and Lemke warned the people not to be swept off their feet by war fever. Frazier scoffed at “war

propaganda”: “There is no immediate danger of any nation attacking us.”<sup>2</sup>

Thomas E. Whelan, seeking the Republican nomination for Frazier’s Senate seat, attacked Frazier’s long antimilitary record, itemizing Frazier’s many votes against defense appropriations and concluding that he had “sold America short.” William Langer, also seeking the Republican nomination for Frazier’s post, argued that Frazier opposed “any army or navy whatsoever.” Langer’s own position was that the United States must defend the Western Hemisphere. Moreover, Langer, who had been vigorously antiwar in the 1930’s, wanted conscription of wealth as well as of men—no war-created millionaires.

During the summer of 1940, Nye opposed the conscription bill and the trade by which the Roosevelt Administration sent fifty over-age destroyers to the hard-pressed British for a number of bases on British soil in the Western Hemisphere. The trade, Nye declared, was “a belligerent act making us a party to the war.” Speaking in Iowa, he advised people to vote for Wendell Willkie for “leadership that will keep us out of war.” Lemke denied that the security of the nation was at stake: “There is no nation or combination of nations that are a threat to the United States.” “Hitler will not get us,” he wrote to a friend. Roosevelt’s policy of aid to the Allies probably lost North Dakota for him in 1940; he had carried every county four years before.

After the election, Nye became one of the principal speakers for the America First Committee. He fought the Lend-Lease Act bitterly, saying that Roosevelt was “planning for war” and that soon the United States would be “lending and leasing American sons to the British purpose in Europe.” On February 8, 1941, Burdick and Charles R. Robertson, North Dakota’s members in the House, voted against it. In April the *Grand Forks Herald* denied that Nye represented the thinking of North Dakotans. They believed, the *Herald* thought, that “Hitler must be stopped” and were ready to spend billions arming his enemies, but the North Dakota legislative assembly passed a concurrent resolution rather ambiguously endorsing opposition to Lend-Lease. *Time* magazine called Nye “the U.S. Senate’s most rabid isolationist.” In 1941, Lemke, then out of Congress, joined in the work of the America First Committee and made a lecture tour in the Middle West.

When the Japanese attack on Pearl Harbor came on December 7, Nye said: “Just what the British had planned for us.... We have been maneuvered into this by the President.” The next day, however, Nye and all of the North Dakota delegation voted for the declaration of war.

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<sup>2</sup>[\*Grand Forks Herald\*](#), June 15, 1940.

**A WAR PROSPERITY**

North Dakota, having suffered more than the rest of the nation in the depression, now prospered more exuberantly. From 1940 to 1945, total personal income rose 145 percent in North Dakota, only 109 percent in the nation. Per capita personal income rose from \$350 in 1940 (59 percent of the national average) to \$1,009 in 1945 (82 percent of the national average).

Everything seemed to work for the benefit of the state. Rainfall was ample, market demand strong, crop prices high, and land values low. Every year from 1940 to 1944 had above-average precipitation, and 1941 was the wettest on record. From 1940 to 1945, wheat prices went from 67¢ a bushel to \$1.53, beef cattle from \$6.80 per hundredweight to \$10.10.

The 1941 crop was the first big one: 140,000,000 bushels of wheat (the largest yield since 1928) and \$233,000,000 cash farm income (the highest since 1927). North Dakota farmers were starting on the greatest run of crops and income they had yet experienced. From 1933 to 1940, North Dakota had not grown a 100,000,000-bushel wheat crop; the crops of the war years were the largest the state ever produced—generally over 150,000,000 bushels.

Farm production increased even though thousands left the state to work in defense industries or to serve in the armed forces. The state lost people more rapidly than ever before; by 1945 the population was down to an estimated 521,000, compared with 642,000 in 1940. When the expected gain by natural increase is included, about 165,000 persons had left the state in five years. The farm population declined from 325,000 in 1940 to an estimated 285,000 in 1945, or a loss of about 18,000 farm workers. To make up the loss, farmers worked longer hours and bought more tractors; school children, college students, and townspeople worked in the harvest fields.

In spite of prosperity, many farmers gave up farming. The number of farms declined from some 74,000 in 1940 to about 69,500 in 1945, and the average size rose from 513 acres to 590 acres. By 1945 a third of the state's farm land was in farms of more than one thousand acres. Farm size was moving toward an acreage more suitable to the semiarid nature of the country.

War prosperity ended work relief and subsistence grants to farm families. In June, 1942, only 11 farm families received subsistence grants, but federal work projects still employed 3,452. The W.P.A. came to an end in North Dakota on February 1, 1943.

Bank deposits rose from \$151,000,000 in 1941 to \$446,000,000 in 1945, and by the end of that year, North Dakotans had bought some

\$397,000,000 worth of war bonds. The banks were bulging with bonds and cash; their loans were only 10 percent of deposits, and the farmers were operating on a cash basis as they never had before.<sup>3</sup>

With prosperity, many farmers bought farms; tenants were becoming owners. The Anticorporation Farming Law of 1932 required corporations owning farms in 1932 to sell them by 1942. Thus the law forced many farms onto the market and held down prices in spite of prosperity. In February, 1941, B. E. Groom estimated that corporations had to sell fifteen thousand farms by July 1, 1942, at what he called “confiscatory” prices.

In 1940 and 1941 many corporations and also public agencies not covered by the law, such as the Federal Land Bank of St. Paul, the Federal Farm Mortgage Corporation, the Bank of North Dakota, and county governments, began to sell large numbers of farms, principally to farm operators. In 1940 they sold 7,000 and in 1941 some 9,000 more. The counties sold 1,724 tracts in 1941, and the Bank of North Dakota sold 1,107. July, 1942, was a record-breaking month as corporations made a special effort to sell their holdings before the deadline. In 1942 the Bank of North Dakota sold 1,180 of its 5,334 farms at an average price of \$9.57 per acre. By February, 1945, it still owned 2,387 farms; that year, it sold 546 of them at an average of \$11.14 per acre. The school and university land department also sold much land. Some sales were for cash, and on others the purchasers often paid up long before the contract matured.<sup>4</sup>

In general, the price of land rose very slowly in comparison with farm income: from twelve dollars per acre in 1940 to only eighteen dollars in 1945, the smallest increase in any state. The farmers were well aware of the dangers of a land boom. In March, 1944, the legislature suspended the sale of state and county lands so that land would be available for returning servicemen.

The sale of corporation and government-owned land decreased farm tenancy. For a long time in North Dakota the majority of the farmers had owned some land and rented some. Seventeen percent of the farm land in 1940 was farmed by full owners, 38 percent by tenants, and 44 percent by part owners (those who owned some land and rented some). Twenty-two percent of the farm land by 1945 was being operated by full owners, 22 percent by tenants, and 55 percent by part owners—an important shift of land ownership to the farmers themselves. Almost half of the farm land,

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<sup>3</sup>[\*Fargo Forum\*](#), December 30, 1945; William E. Koenker, “[Banking Trends in North Dakota, 1922-1947](#)” (Unpublished Ph.D. dissertation, Ohio State University, 1949), pp. 219, 222.

<sup>4</sup>There is much on land sales in the [North Dakotan](#) (Greater North Dakota Association, Fargo), 1941-1945.

however, was still owned by nonfarmers, for the part owners held title to only slightly more than half of the land they farmed, and all land farmed by tenants was owned by nonfarmers.

Yet in the prosperous years many lost their farms by foreclosure. The forced sales of farms were high—higher in North Dakota than in neighboring states or in the United States as a whole, and higher than in North Dakota in the mid-1930's, when the farm debtor was protected by the Langer moratorium. From 1940 through 1945 there were over 14,500 forced sales of farm land, a fifth of the number of farms. Forced sales declined sharply in 1945 and then virtually stopped. In 1943 almost half (47 percent) of the Federal Land Bank Loans in North Dakota were delinquent or had been extended.

In spite of many transfers of farms, farm debt declined. Total farm debt had declined in the depression thirties, a normal thing; it continued to go down in the prosperous forties—from \$141,000,000 in 1940 to only \$70,000,000 in 1948—a movement against the general tendency for debts to grow in prosperous times. By 1948 probably more farmers held their farms free of debt than at any time since the state had been settled.

Depression-scarred North Dakota farmers reacted slowly to their new prosperity. They needed many things. In 1940 most of their homes lacked electricity, running water, indoor bathrooms, mechanical refrigeration, and central heating; a third of their homes needed major repairs. But they spent cautiously, buying mostly farm machinery, automobiles, and trucks.

## **WAR INDUSTRIES AND POSTWAR PLANNING**

In North Dakota, war prosperity came entirely from farm production. The people hoped that the war would stimulate a broad industrial development. State leaders—Governor John Moses, the North Dakota War Resources Committee, and the Greater North Dakota Association—worked diligently to secure war industries. As early as December, 1940, Governor Moses and Dr. Irvin Lavine presented the first brief to authorities in Washington for defense plants in North Dakota. In March, 1942, Berlin Boyd, W. P. Chesnut, and Joseph B. Bridston, representing the War Resources Committee, had twenty-six hearings in two weeks with officials in Washington. That summer, Fred J. Frederickson, mayor of Valley City, became the executive director and permanent Washington lobbyist of the committee.

The results were most disappointing. By March, 1945, the state had received only \$9,600,000 in war contracts, a miniscule portion of the \$225,000,000,000 awarded and apparently the least of any state. Thus the war failed to increase manufacturing and a wider use of resources in North Dakota. Some new plants for processing dehydrated potatoes, meat, eggs,

and milk were built. But the state actually became more agricultural in terms of the proportions of its income derived from agricultural and nonagricultural sources.

By 1943 the state's leaders were turning to planning for full employment after the war. They were worried about the state's loss of population. Since agriculture could not use many of the returning servicemen and war workers, an expansion of other economic activities was imperative. The goal, Governor Moses said, was "greater agricultural, economic and financial stability for North Dakota"; research and public planning were to be the means. Upon his recommendation, the 1943 legislature set up the North Dakota Research Foundation and the North Dakota Postwar Planning Board. The legislature charged the foundation with research on economic uses of the state's resources and the board with making "a post-war rehabilitation plan for the benefit of returning veterans, war industry workers, farmers, businessmen." The board sought to coordinate the plans of many organizations and departments of government for full employment.

By the beginning of 1945, sixty-seven towns were developing such plans. They needed new business structures, sidewalk and street improvements, water and sewage facilities, and new schools and hospitals. Counties planned new courthouses and road and bridge improvements. In the state as a whole, Missouri River development, highway construction, and rural electrification promised many jobs. Housing construction and repair were urgent, for 75 percent of North Dakota's houses had been built before 1920. The state needed, in the opinion of the planning board, to conserve its human resources by improving its educational, health, and recreational programs. Moreover, planning "to secure the best use of the land" could eliminate "futile and unnecessary waste of human effort and financial resources" and raise the standard of living of the population.<sup>5</sup>

## **MEN AND MONEY FOR THE WAR**

North Dakota's men and money did their part in the war effort. On October 16, 1940, more than a year before Pearl Harbor, the state's fifty-five local draft boards (one for each county and one each for Fargo and Grand Forks) began to register men under the Selective Service Act. By July 31, 1945, they had registered nearly 145,000 men from eighteen through forty-four, the age brackets liable for military service. By December 30, 1941, some 4,185 men from North Dakota were in the armed forces, and by March, 1944, there were about 46,000.

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<sup>5</sup>North Dakota Postwar Planning Board, [\*Quick Facts about Post-War Planning for North Dakota\*](#) (Bismarck, 1944), pp. 17-24.



The conflict over the draft concerned agricultural deferments. North Dakota farms were short of help. By November 30, 1942, local draft boards had given agricultural deferments to nearly 50,000 men. Because of such heavy deferments, North Dakota had only 34 percent of its men from eighteen through thirty-seven in the armed forces by March, 1944, compared with 41 percent for the nation. Except for South Carolina, North Dakota had the smallest percentage of its man-power in the armed services of any state in the nation; New Jersey, with 48 percent, had the highest. A comparison of urban and rural areas shows the varying deferments within the state. In March, 1944, Fargo had 49 percent of its registrants in the armed forces and 11 percent deferred for necessary work; Oliver County, a rural area, had 20 percent in the armed forces and 62 percent—the highest percentage in the state—deferred for agriculture.<sup>6</sup>

On March 14, 1944, Selective Service authorities in Washington prohibited occupational deferments for men eighteen through twenty-five except by state draft directors, a policy already in effect for ages eighteen through twenty-two. In North Dakota, occupational deferments for men from eighteen through thirty-seven declined from 46,527 on August 31, 1943, to 27,335 on July 1, 1945, or less than a fourth of those registered. Some 16,345 were deferred for physical disability. The rate of rejection for disability per 100 registrants was 25 for North Dakota and 33 for the United States.

In all North Dakota sent 58,509 men and 1,570 women to the armed forces. Of the men, 37,913 were drafted (8 percent of them fathers) and 20,596 enlisted. Eighty percent of the men saw overseas duty, spending an average of fourteen months outside the nation. The men served an average of thirty-five months, the women twenty-four.

A total of 1,939 North Dakotans died in the armed forces: 313 in the navy and 1,626 in the army. This was 4.14 percent of those in the armed forces from the state, a much higher death rate than the 2.98 percent of all men in the armed forces from the nation.<sup>7</sup> North Dakotans fought and died in all major theaters of the war. The 164th Infantry, the state's National Guard regiment, landed at Guadalcanal on October 13, 1942; it suffered heavy casualties in the fighting that drove the Japanese off the island.

As the young men of North Dakota entered the armed forces or were deferred for agricultural work, enrollment at the state's institutions of higher education fell off sharply—from 7,138 in the fall of 1939 to 1,891 (mostly women and a few men rejected by the armed forces) in the fall of 1943. Although regular instruction continued, the college faculties and

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<sup>6</sup>*Grand Forks Herald*, March 16, 1944.

<sup>7</sup>*Report of the Legislative Research Committee*, 1949, p. 34.

facilities were used more and more for the war effort. In 1939 and 1940 some of the colleges began to train civilian pilots; next they taught welding and similar skills to defense workers.

After Pearl Harbor, training programs multiplied. In May, 1942, the Wahpeton School of Science began turning out machinist's mates for the navy; in June the university started to train glider pilots for the Army Signal Corps; in September the Agricultural College opened the first Army Administration School in the nation and by June, 1943, had graduated 2,400 second lieutenants. In 1943-1944 the university and Jamestown College gave instruction for the Army Air Corps, and the university also conducted programs in nursing, medicine, and radio for the armed forces. On July 1, 1943, the teachers colleges at Dickinson, Minot, and Valley City began to train selected high school graduates as officers (the Navy V-12 Program) for the United States Navy, Marine Corps, and Coast Guard.

The various training programs helped schools financially and contributed to victory, but the greatest contribution of the colleges was, of course, their regular educational work before the war. Thousands of their former students entered the armed forces and served all over the world; 172 former University of North Dakota students, for example, died in the conflict.

While their sons fought, North Dakotans at home compiled an extraordinary record in the purchase of war bonds. The state easily oversubscribed its quota in every loan, buying 181 percent of its quota in the fourth loan early in 1944. That year, North Dakotans put 11 percent of their income, the largest percentage of any state, into Series E bonds, the series sold only to individuals. North Dakota was first in the nation in percentage of E bond quotas in the third, fourth, and victory loans; it was the first to reach its quota in the fifth war loan and the victory loan; it was first in per capita sales of E bonds in the sixth war loan. Altogether, by December, 1945, the people of North Dakota had bought \$397,000,000 worth of war bonds. Although a fifth of them were of German stock, North Dakotans had compiled a magnificent record of patriotic support for the war effort.

At the same time, they were learning to live with the uncertainties of their semiarid state. They were building up financial reserves against the lean years which they knew must lie ahead. When prosperity came, they saved more of their income than did the rest of the nation.

## **GOVERNMENT FINANCE AND REFORM**

The war greatly influenced the government of North Dakota. War prosperity allowed the state to pay off much of its debt and to build up

large financial reserves. Revenues from sales and income taxes increased rapidly. Delinquent property taxes were paid. The Bank of North Dakota sold large amounts of land and put nearly \$7,000,000 into the real estate bond sinking fund. The State Mill and Elevator began to show a net profit, which went into the sinking fund for its construction bonds. The state's net debt dropped from \$23,000,000 in December, 1938, to \$6,000,000 on June 30, 1945. By that date the state treasury had reserves of \$54,000,000. The county governments were also much better off, many of them without any indebtedness.

Yet North Dakota was slow to increase government expenditures. Still suffering from the shock of drought and depression, the people believed that in prosperous times they must hold down spending and build up reserves. Governor Moses repeatedly urged caution in appropriations. He believed that in a state with an unstable income ("Good years may be followed by bad," he told the legislature), the building of reserves was imperative. Even in 1945 when the new governor, Fred G. Aandahl, spoke up for needed renovations and replacements in the state institutions, he urged caution. He also stressed the importance of large reserves against future declines of income.

The elimination of excessive government would have made tax dollars go farther, but such retrenchment was psychologically difficult to accept. Efforts at government reform in the 1930's, even under the direst economic necessity, had been unsuccessful. Now Governor Moses, showing typical conservative interest in efficient and economical government, pushed for a thorough reorganization. In 1941 he asked the legislature to establish a governmental survey commission. He also made his own far-reaching proposals for change: a merit system for state employees, a smaller legislature, the election of state and county officials on a no-party ballot for four-year terms, the elimination of all treasurers for school districts, villages, and townships (their duties to go to the county treasurers), a uniform accounting system for all state departments and institutions, and, finally, a 10 percent contingency fund for all institutional and departmental heads. "In state government," Moses told the legislature, "we have much overlapping authority. In many departments we are doing business today as we did it fifty years ago."<sup>8</sup>

Although the legislature believed that there was "duplication of functions and services" among institutions and departments and "wasteful and extravagant practices in government," it refused to adopt any of Moses' reforms. It did, however, create a governmental survey commission and authorized the commission to study the state government

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<sup>8</sup>*Message to the Legislature*, 1941, pp. 29, 33-34.

and bring in recommendations for the elimination of unnecessary offices and departments, the consolidation of their functions, and the simplification of the state's governmental structure.

The commission employed the Public Administration Service of Chicago to survey the state government. After a six-month study, the Public Administration Service gave the commission its report in 1942. That document analyzed the organization and administration of state functions and made sweeping recommendations for their improvement. It condemned the state administration in strong language. For more than fifty years, the report stated, almost every session of the legislature had added new state functions and agencies. By 1942 there were more than sixty state agencies—departments, boards, bureaus, commissions—with related functions divided among them.

By and large, this tangled, overlapping maze of government did not have improved management practices, such as strong centralized financial control and centralized purchasing. It did not have centralized personnel management for the recruitment of employees, the standardization of positions and salaries, and job security. The turnover of state employees was rapid, and there was little relationship between salaries and responsibilities. The state tax commissioner, for example, was paid less than a minor foreman at the State Mill and Elevator.

The principal defect, however, was the lack of authority, and hence of responsibility, for the governor. "The state administration is not a single, well-coordinated unit but a series of separate, independent units," said the report. "Related functions are, in many cases, divided among different agencies without regard for the similarity of work being performed; it is therefore difficult or impossible to assign responsibility for their performance."

To remedy the defects, the report recommended changes by which the state government would (1) utilize staff agencies serving all departments for fiscal control, personnel management, and purchasing; (2) organize all administrative activities by function into a small number of departments; and (3) concentrate administrative authority and responsibility in the governor—abolishing the election of administrative officials and giving the governor power to appoint them.

In 1943, Moses urged the legislature to adopt the recommendations. He believed they gave a choice between "the present archaic form of government" and "a modern form of government in which the people will be able to fix responsibility for every policy adopted and every public action taken." In his retiring message in January, 1945, he again insisted on the absolute necessity of reform, calling the state government "a hodge-

podge.” But there was no popular support for thoroughgoing reform; Moses’ efforts were a complete failure.

The only reform during the war years was the establishment of the Legislative Research Committee by the 1945 legislature—a result of the persistent efforts of Albert R. Bergesen, a Cass County banker. The law, passed over Nonpartisan League opposition, provided for a committee of the legislature to study public problems between sessions. The committee was of the greatest importance, for it brought about a more informed approach to the state’s problems, a step toward better adjustment to the imperatives of the semiarid grassland.<sup>9</sup>

### **THE CONSERVATIVE-LIBERAL CONFLICT**

North Dakota witnessed a continuing struggle between conservative and liberal, between the creditor businessman and the debtor farmer. They fought over ownership of the land (the great wealth of the state) and over competition between the free-enterprise ventures of the middleman (after farming the chief source of income) and the cooperatives of the North Dakota Farmers’ Union.

The conflict was one of attitudes, loyalties, and thought patterns. The conservatives were concerned with the promotion of economic development and security for property rights. They tended to be tied to the large property interests—the railroads, the banks, and the manufacturers—from outside the state. The liberals, largely farmers with a few allies in organized labor and an occasional intellectual in the towns, were concerned with human rights and debtor interests. They thought in terms of class conflict and the exploitation of the producers by “the interests.” The conservatives were represented by the Greater North Dakota Association, the North Dakota Farm Bureau, and one wing of the Republican party. The liberals were represented by the North Dakota Farmers’ Union, the Nonpartisan League, and the New Deal Democrats.

The Greater North Dakota Association (G.N.D.A.) united the businessmen of the state. It had been organized in 1924 with Herman Stern as president; later it absorbed several state associations: the Good Roads Association, the Automobile Association, the Roosevelt Memorial Park Association. and the Northwestern North Dakota Development Association. A Banker of Grand Forks served a year as president, but for

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<sup>9</sup>Public Administration Service, *Organization and Administration of the State Government of North Dakota* (2 vols.; Chicago: Public Administration Service, 1942), I, 1-5, 59-60; Earl S. Strinden, “[The North Dakota Legislative Research Committee](#)” (Unpublished M.A. thesis, University of North Dakota, 1958), pp. 14-17, 76.

many years the two most important leaders of the G.N.D.A. were Herman Stern, who retired as president in 1941, and B. E. Groom, long-time secretary. Stern, a short, alert person with generous purposes and an appealing personality, was president of the Straus Clothing Company stores in Fargo and Valley City. The G.N.D.A. was a member of the United States Chamber of Commerce, and interlocking officers and members tied it to local chambers of commerce throughout the state and to other state-wide organizations, especially the North Dakota Bankers Association.

The long-range goal of the Greater North Dakota Association was to diversify the economy of the state and thus improve the well-being of the people. It sought new industries and a wider use of the state's resources. It tried to attract tourists; it promoted irrigation; it encouraged diversified farm production; it worked for highway improvement. The G.N.D.A. sought to develop loyalty to the state, to "sell North Dakota to North Dakotans."

The conservative businessmen active in the organization were keenly interested in better farming. For many years after 1930 the North Dakota Bankers Association won an annual award from the American Bankers Association for outstanding work in agriculture. In 1939, for example, 171 North Dakota banks spent an average of \$12,136 each in promoting agricultural development, and an average of 1.9 bankers attended 667 farm meetings. They supplied the credits for farm production; 123 banks made 48,265 loans to farmers for a total of \$50,500,000 in 1943, while the Production Credit Administration, a federal agency, was making only 1,549 loans in the state. Obviously, the bankers were the farmers' friends, and the G.N.D.A. used such facts to win farmers from the North Dakota Farmers' Union.

The Farmers' Union had become the chief liberal force in the state during the 1930's when the Nonpartisan League had split into Langer and anti-Langer groups. The organization grew through the aid of the New Deal, the vigor of its own leadership, and the long-standing liberal outlook of the state. In 1939 the Farm Security Administration lent money to farmers on relief to buy stock in Farmers' Union cooperatives, thereby assisting in the organization of ninety new ones in North Dakota. Some \$1,500,000 was lent to buy stock in locals and \$350,000 for stock in the Grain Terminal Association (G.T.A.). Indignant at such use of public funds, the Greater North Dakota Association was able to persuade Congress to forbid such loans in 1940.

When Ben C. McCabe of Minneapolis organized the National Tax Equality Association in 1943 to require cooperatives to pay the same taxes

as private enterprise, the G.N.D.A. was interested. In 1947 the North Dakota Tax Equality Association was formed, with B. E. Groom as executive secretary.

In 1942 a drive raised Farmers' Union membership more than 50 percent—to 21,318. By 1944 it was up to 25,674, or more than a third of the number of farmers in the state. Such numbers meant real power. Although wartime travel restrictions hampered the work of the state office, the organization of the Farm Bureau in North Dakota in 1940-1941 created a stimulating rivalry.

The Farmers' Union was dedicated to the ideal of the family-size farm. It was alarmed at the trend toward large holdings and corporate ownership. By 1940 corporations and government agencies, such as the Bank of North Dakota, owned nearly 20,000 farms, more than one fourth of the farms in the state. The Federal Land Bank of St. Paul alone owned some 8,000, the Bank of North Dakota 6,000, and thirty-nine insurance companies 2,700. Many other farms were mortgaged. While the Farm Credit Administration held the bulk of the mortgages, private lenders held a substantial number, and further concentration of ownership seemed likely.

To penalize large holdings and check their growth, the Farmers' Union initiated a proposal for a graduated land tax. It was defeated in November, 1940, and again in June, 1942. Although the Greater North Dakota Association was successful against it, other efforts to help the creditor class failed. In 1940-1941 and in 1944-1945 the G.N.D.A. tried to secure repeal of both the Antideficiency Judgment Law and the law making hail-insurance premiums a prior lien over first mortgages. The Antideficiency Judgment Law protected the debtor whose property was sold for less than the amount of the debt, as frequently happened in forced sales. Before the law's enactment in 1937, the creditor could bid less than the value of the property and obtain a deficiency judgment for the difference between the bid price and the debt. North Dakota gave the debtor no guarantee that the fair value of his property would be credited against his debt. By the deficiency judgment, the creditor victimized the debtor.

The G.N.D.A. campaigns were aided by the boycotts of the Federal Land Bank of St. Paul and the insurance companies, which had stopped making loans in North Dakota because of these laws, clearly an attempt by outsiders to control public policy in North Dakota. In 1941, Governor Moses asked for legislation to bring the "re-entry" of the Federal Land Bank into North Dakota, but Moses' request, the bank's boycott, and the G.N.D.A.'s efforts were all ineffective. In 1944 the G.N.D.A. began to circulate petitions against the laws on the patriotic ground that their repeal was essential to enable veterans to buy farms on credit. The argument was

refuted by the rapid sale of farms, and on July 31 the petitions were stopped.

The G.N.D.A. campaign against the Anticorporation Farming Law also failed. Passed in 1932, the law required corporations to sell farm lands within ten years of the passage of the law or their acquisition of the lands by foreclosure. In February, 1941, the association, urging the repeal of the law, estimated that corporations would have to sell 15,000 farms before July, 1942. It argued that by forcing the sale of such a large number of farms, the law would virtually confiscate the property of farm-owning corporations. Governor Moses also feared that the sale of many corporation-owned farms would drive the price of farm land down; he asked the legislature to repeal the law.

But three or four thousand Farmers' Union members crowded into Bismarck and, in the words of the association, by "unprecedented pressure, threats and intimidation," prevented its repeal. The association sadly commented that the Federal Land Bank would lose millions on the sale of its farms. On January 2, 1943, the North Dakota Supreme Court upheld the constitutionality of the Anticorporation Farming Law: all corporations (no exceptions for colleges or hospitals) must dispose of their farm lands within ten years of acquisition.

Business corporations had made vigorous efforts to sell their farm lands for the past three years. Land values had sunk to an all-time low of twelve dollars per acre in 1940. They began to rise in 1942, but the spurt upward did not come until 1944. By 1947 they were at twenty-two dollars per acre, the predepression level of 1930. Land values did not rise nearly as much in North Dakota from 1940 to 1947 as they did in the nation as a whole.

### **WARTIME POLITICS: A CONSERVATIVE TREND**

A conservative trend was the principal development in politics during the war years. Prosperity played a part, and so did the coalition against William Langer. The trend had really begun in 1938 when a coalition defeated Langer's first bid for the United States Senate and elected John Moses as governor. A Democrat but no New Dealer, Moses was re-elected twice; his three terms as governor brought some degree of conservative control to the state government.

The strength of conservatism derived from the coalition of Langer's enemies: conservative Republicans, conservative Democrats, and some old members of the Nonpartisan League. William Lemke and Gerald P. Nye were the chief anti-Langer Leaguers; their virulent opposition to both Langer and President Franklin D. Roosevelt's foreign policy brought them into cooperation with conservatives who opposed the President's liberal domestic policies nationally and Langer's leadership in the state.



The Langer faction, however, was successful in 1942. In spite of the revelation about Langer before the Senate investigating committee, Langer's friends won most of the Republican nominations in the primary against a coalition slate calling themselves "Progressive" Republicans. But Lemke defeated Langer-endorsed Charles R. Robertson for nomination to the House of Representatives. Robertson, a Bismarck businessman and the Republican state chairman, had been elected to the House in 1940 when Lemke was making an unsuccessful bid for the Senate.

After the primary, the defeated anti-Langer Republicans formed a coalition with the Democrats. Their ticket was headed by Moses, who was seeking a third term as governor. Five Democrats nominated for state offices in the primary withdrew and were replaced by "Progressive" Republicans. The coalition slate had five Republicans and four Democrats for state offices. In the fall the Langer ticket was largely successful against the candidates in the Democratic column. But for the coalition, Moses was re-elected governor, Henry Holt became lieutenant governor, and Thomas Hall was chosen secretary of state. Langer's Nonpartisan League took the remaining six state offices and a majority of the legislature; it re-elected Usher L. Burdick to the House. The outcome was more a victory for the incumbents than for liberalism.

Conservatism gained strength in 1943 with the formation of the Republican Organizing Committee (R.O.C.), a pivotal event in the postdepression period. With the R.O.C., a group of state senators—Rilie R. Morgan of Grafton, Milton R. Young of Berlin, Fred G. Aandahl of Litchville, and Joseph B. Bridston of Grand Forks—succeeded for the first time in creating a solid, permanent organization of all Republicans opposed to Langer. By the end of 1943 they had an organization in most counties, a state committee, a permanent headquarters at Bismarck in charge of Ruth Smith, and a seven-point statement of principles. The statement included acceptance of both the socialistic state industries already set up by the Nonpartisan League and the conservative principle that "the prosperity of agriculture, labor and business enterprises must go hand in hand"—an explicit denial of the class-conflict philosophy of North Dakota radicalism. Morgan was chairman of the R.O.C., Young its campaign manager, and Aandahl gave the keynote address at its first convention, held at Bismarck in March, 1944.

Chief interest in the 1944 campaign lay in the contest over Gerald P. Nye's seat in the Senate. Nye was seeking a fourth term. The Nonpartisan League endorsed Usher L. Burdick, its best vote getter. Lynn U. Stambaugh also announced his candidacy. Some Republicans liked

Stambaugh's internationalism, but the success of the Republican Organizing Committee as an anti-Langer coalition demanded the endorsement of Nye and Lemke, the anti-Langer Nonpartisan leaders, for re-election. The satisfaction of their followers, about half the delegates to the R.O.C. convention at Bismarck in March, would pave the way for the endorsement of non-Leaguers for state offices.

Nye's isolationist record was the issue. Some R.O.C. members thought him "un-American and a joy to Hitler," yet others were attracted by his anti-New Deal stand and defended him. After a fight the convention endorsed Nye, with eighty-eight delegates not voting. When the convention accepted a platform plank for United States participation in a postwar international organization, State Representative K. A. Fitch of Cass County asked: "How are you going to support that and Nye, too?" The convention endorsed Aandahl for governor, Lemke and Young for the House, and a complete slate for the state offices.

The Democratic opponent of Nye was Governor John Moses. President Roosevelt believed that with Moses, a three-time winner, on the ticket, his own chances of carrying North Dakota would be improved. Moses would have preferred to run against Langer in 1946, when he could again benefit from Republican votes. In January he consented to run in 1944, but only after the national party promised campaign funds, "an able pen" to handle Nye's record, and a good federal appointment in case he should lose. "Get the money on the line," Moses wrote to D. G. (Dave) Kelly, Democratic national committee-man for North Dakota.<sup>10</sup>

In June the Republican primary was largely a victory for the Republican Organizing Committee. Nye won in a close race with 38,191 votes to 37,219 for Stambaugh and 35,687 for Burdick. A heavy rain, cutting the vote by half in the strongly Nonpartisan northwestern counties, probably cheated Burdick out of the nomination. Aandahl (R.O.C.) was nominated for governor and Lemke (R.O.C.) for the House of Representatives; Robertson (Nonpartisan) barely defeated Young (R.O.C.) for the other congressional nomination. Of the eleven persons endorsed by the Nonpartisan League, only four secured nominations. They were all incumbents, and one, John Gray, had also been endorsed by the R.O.C.

The fall campaign again centered on the senatorial race, for it seemed certain that Republican Thomas E. Dewey, supported by all North Dakota Republican leaders, would easily carry the state over Roosevelt in the presidential contest. The once-defeated Stambaugh filed as an Independent for the Senate, and the *Grand Forks Herald* ardently

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<sup>10</sup>Adam J. Schweitzer, "[John Moses and the New Deal in North Dakota](#)" (Unpublished M.A. thesis, University of North Dakota, 1954), pp. 137-139.

supported him, asking for the defeat of Nye as a barrier to international cooperation. The R.O.C., Aandahl, and Lemke campaigned hard for Nye, whose fight for his political life was attracting national attention.

Some Nye supporters whispered that Stambaugh was Langer's stooge and that Moses, if elected, would not live to take office. Moses spent most of the fall months at the Mayo Clinic. He underwent an abdominal operation on September 12 and then prolonged X-ray treatments, but just before the election he was well enough to make some radio addresses and to assure his friends of his recovery: "My doctors tell me I am completely cured." He supported Roosevelt's re-election (he had not done so in 1940) and United States participation in an international organization.

On election day, Moses was the only successful Democratic candidate on either the state or national tickets in North Dakota. He had 95,102 votes to 69,530 for Nye and 44,596 for Stambaugh. Roosevelt received 100,144 votes to 118,535 for Dewey. Moses won, although he received 5,000 fewer votes than Roosevelt, because 44,596 Republican voters repudiated Nye's isolationism by voting for Stambaugh. A vote for Stambaugh proved to be a vote for Moses. Nye carried only eleven counties, all but one (Billings) with large German Russian populations.

In the presidential election the origin of the population and the strength of the Farmers' Union influenced the pattern of voting. Dewey did best in the German Russian counties, such as McIntosh, Mercer, Emmons, and Morton. Roosevelt did best in the Norwegian and Canadian counties, such as Ward, Williams, Nelson, Traill, Pembina, and Walsh. The Dewey counties were only weakly organized by the Farmers' Union; the Roosevelt counties were strongly Farmers' Union. Apparently, the German Russians furnished the Republican margin in the presidential contest.

Moses re-entered the hospital at Rochester, Minnesota, fifteen days after taking the oath of office as United States senator. He died on March 3, 1945. On March 12, Governor Aandahl appointed Milton R. Young to the vacant seat.