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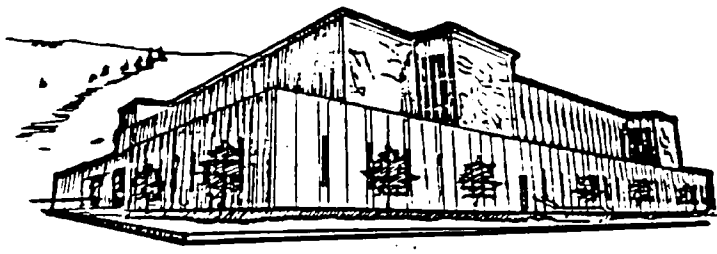
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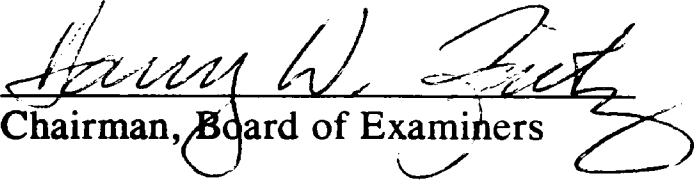
Montana During World War Two

By

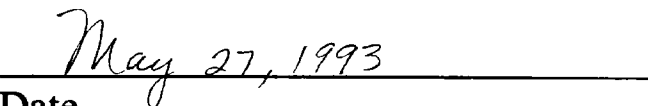
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Presented in partial fulfillment of the requirements for the
degree of Master of Arts, Western American History.
University of Montana, 1993

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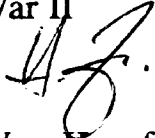
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ABSTRACT

Loken, Scott Charles, M.A., May 1993 History

Montana During World War II

Director: Harry W. Fritz



During World War II a fundamental economic change occurred throughout the west but did not include the state of Montana. This thesis is an analysis and evaluation of Montanas' experience, using as primary tools the records of Montanas' production, the 16th and 17th census, and letters from the constituency of Montana Senator James E. Murray. Chapter 1 is an examination of Gerald Nash's thesis on the transformation of the west and how, if at all they pertain to Montana.

K. Ross Toole once wrote that Montana "had little to do with how it developed and what it became." This fact holds true with Montana's experience during World War II. Chapters 2 and 3 examine the implementation and results of Franklin D. Roosevelt's New Deal policy. The ramifications of Roosevelt's New Deal policy would further cement Montana to its primary economic base. Chapter 4 examines Montanas' early war mobilization efforts. Chapters 5 and 6 evaluates Montanas' trials and tribulations during the war and how they effected domestic affairs.

Montanas' war experience was not one of fundamental economic changes. Instead it was one of deprivation and sacrifice that were only overcome by government intervention. This in turn thoroughly entrenched Montana in its traditional economic base.

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Introduction

Between 1939 and 1945, total war convulsed the world. The United States entered this world war on December 7, 1941. The participation of the United States brought tremendous changes to the country, particularly to its western states. Montana's war experience proved not to be one of new booming war industries or diversification of the population but, rather it was one of deprivation and sacrifice that was only overcome by stronger government intervention.

World War II created a boom for Montana's primary industry, agriculture, and caused a massive drain in the state's valuable labor supply. It did not change Montana's reliance on agriculture to produce the bulk of its Gross Domestic Product. The agriculture boom happened because of the design of a central planning process that began in Montana and the United States in 1932 with the election of Franklin D. Roosevelt as president.

A contemporary western historian, Gerald D. Nash, puts forth the idea that the war was a catalyst for the diversification of the western states' primary economic base, extractive industry. Nash states the war "transformed a colonial economy based on the exploitation of raw materials into a diversified economy that included industrial and technological components."¹ Further, the war initiates a "significant population boom and brought unprecedented expansion to most western cities."² With this expansion came a broadening of the region's ethnic diversity. This statement holds true only if the West is looked at as a single unit. But for individual states that comprise the west, this was not the case. This was not the case for the state of Montana. Montana's history of natural resource exploitation, with investment capital coming from outside the state, does not lead towards diver-

sification of extractive industry. Also, Montana's geography, location, and climate were not conducive to the new industries developed during the war. Montana's history contains the elements of exploitation of land and people. Montana's historiography leads to direct government involvement in the financing and direction of the state. Government planning did not diversify Montana's economy. Instead, it further entrenched Montana in its traditional economic position, that of a producer of commodities. The events of World War II further depressed Montana to even deeper levels of heteronomy.³ The effects of the war also furthered the agricultural adjustments that had begun during the Depression of the 1930's. By 1945 the average farm size in Montana had grown to over 1,500 acres, and 64 percent of the farms reported using tractors.⁴

When the war ended in the fall of 1945, Montana was still heavily reliant on its ability to produce commodities. In fact the war had enhanced this reliance. Montanans were even more able to handle the new pressures brought on by the war's demand of increased production. Montana continued on the path dictated by mother nature and financed by the federal government. In the end, Montana still produced commodities, but only this time bigger and better.

The state of Montana is a prime example of one state's inability to take a quantum jump toward economic diversification and population heterogeneity. World War II did not diversify Montana's economy. Nor did it make Montana's population more heterogeneous. Instead, it reinforced Montana's colonial status in the greater American economy. Further, it depressed the population and the state to deeper levels of heteronomy. Montana did not leap to economic diversification or population heterogeneity because its geography and history put it at a disadvan-

tage. Montana's primary economic base lay in labor intensive agriculture. Bureaucratic red tape hamstrung Montana, despite the monetary injections that accompanied central planning. These facts follow closely K. Ross Toole's assertion that Montanans "had little to do with how it [Montana] developed and what it became."⁵

CHAPTER 1

The Nash Thesis

Looking back at World War II, it is obvious that the war brought fundamental changes to America. How and why did these dramatic changes occur? From where did the Oregon ship building facilities, the Richmond, California plants, Colorado's Rocky Flats Arsenal and New Mexico's Los Alamos Nuclear Research facilities come? Who paid the bill? How did these projects affect the composition of the American West? Why are there no new war industries in Montana? These question and many more are given plausible answers by Professor Gerald Nash of the University of New Mexico. Nash has written two books that illuminate the demographic and economic effects of World War II on the American West.

In Nash's first book, The American West Transformed, he argues that World War II directly accelerated the diversification of the economies and populations of the western states. If not for the war, Nash states, these changes "would have taken more then three generation in peacetime."¹ In The American West Transformed Nash looks at eleven western state: California, Washington, Oregon, Nevada, Idaho, Utah, Montana, Colorado, Wyoming, Arizona and New Mexico.

Nash describes the west before the war as "still a very much under developed region, a colony dependent on the older East for much of its economic well being."² The Government's direct, strategic needs for absolute victory in Europe and the Pacific demanded drastic changes in the location of manufacturing and research facilities. Nash contends that, with a full fledged war in the Pacific and European theaters, the existing manufacturing infrastructure could not fill the

need for total victory. Because of this direct need for war goods, and the western states desire to better their economic position, redistribution began.

Redistribution of strategic production triggered the process of diversifying the western economies,³ and "a spectacular population boom in the west."⁴ However, it also depopulated states like Montana. Nash attributes this mass migration, which the country had not experienced since the decade after the First World War, to the "expansion of industries, such as shipbuilding and aircraft manufacturing."⁵ These war industries offered better pay and a chance for a person to better his lot in life. Montana had no ocean for ship building, no Howard Hughes to finance aviation technologies, and no Henry J. Kaiser to develop a manufacturing infrastructure. Montana also lacked the proper infrastructure to support any activity other than agriculture and extractive industry. Even with Montana Senator James E. Murray at the head of the Small War Plants Corporation, industrial diversification bypassed Montana, while at the same time siphoning off its volatile labor force. With the accelerating potential of regions other than Montana, the nation's labor supply began to flood into areas promising higher wages. The new people were not only white Anglo Americans, but also Hispanic, black Americans and Mexican nationals. The demand for labor reached such an extreme pinnacle that the doors to opportunity were flung wide open. All walks of humanity rushed through to descend with relentless force on unprepared western cities and towns.

Nash explores this phenomenon and how it affected western states and their cities. He illuminates the solutions the states adopted to adjust to this explosive problem. In California, Nash describes the inability of the Safeway store in Loma Vista to serve the shopping needs of the newly arriving workers for Consolidated

Vultees Corporation and Ryan Aeronautical Corporation. The store had only five checkout lanes to accommodate 16,000 people.⁶ Nash shows how crime, finances and housing shortages affected the producing capabilities of California. Nash then applies this anatomical method to the Pacific Northwest, Mountain States, and the Southwest. When Nash addresses the Mountain States he discusses Colorado, and more precisely Denver. Why did he not look at the other Mountain States, like Montana? The reason is that states like Montana and Wyoming did not fall into the scope of Nash's anatomical review. They were casualties of this great shift that was occurring in America.

Throughout his book Nash considers American minorities, principally black Americans and Native Americans. Nash illuminates how the war opened opportunities for them in areas which had traditionally been dominated by white Americans, primarily in the military and organized labor. These impacts have no direct bearing on Montana. Nash takes a sympathetic look at the plight of the Japanese American, but makes no mention of their much-appreciated help in the sugar beet fields of Montana. In light of the ever-growing Spanish-speaking population in the west, Nash notes that the war brought their plight to light.⁷ "World War II had a liberating effect on Spanish-speaking Americans" he writes.⁸ It "changed the aspiration of Hispanics, heightened their ethnic awareness, and accelerated their assimilation."⁹ Nash's last three chapters look at science in the west, which had no effect on Montana but greatly transformed the southwest and pacific northwest. Nash also treats culture and entertainment in the west. The war affected and enhanced what America accepted as culturally entertaining. Again, this had no positive effect on Montana other than to intensify patriotic fever. The reality of this

cultural swing reinforced the desire of Montana's predominantly rural population to leave and seek prosperity in urban centers. This exodus pushed Montana to a deeper level of heteronomy, and forced the state to remain rural and isolated. Nash closes his book by reiterating the positive changes that had taken place in the west due directly to the war. The west "emerged from the war as a path-breaking self sufficient region with unbounded optimism for the future."¹⁰ This may have been what happened in California, Washington, and New Mexico, but it did not happen to the state of Montana. At the close of the war, Montana remained dependent on agriculture as its primary industry just as it had before the war.

Nash's second book, World War II and The West: Reshaping The Economy is primarily a reiteration of his first book. Although he goes deeper into the effects of shipbuilders like Henry J. Kaiser, Todd Shipyards, and S. D. Bechtel on America's wartime economy, his conclusions reflect those of his first book. Nash is correct in saying that the war "left an indelible imprint on the economy. No other event in the twentieth century had such far-flung influence."¹¹ But the fact remains that the Montana economy had not been diversified by the war. In 1946, Montana's economic existence still depended on agriculture and the extraction of raw materials for the bulk of its Gross Domestic Product (see Chart A, appendix A). In a 1962 study on the Changes in the Location of Manufacturing in the United States Since 1929, Victor R. Fuch found that Montana suffered the loss of 34 percent of value added by manufacturing between 1929 and 1954 (see Table 1, Appendix A). On the other hand, Fuch's study illustrated that the west as a unit had a comparative gain of 36.7 percent, or a \$4,41 billion in value added (see Chart B, Appendix A). Unlike other Western states, however, Montana did not diversify its economy

during the war. It constituted an exception, an uncommon example.

Nash's interpretation has been carried on by several contemporary western historians. Richard Lowitt, Richard White, and Montana's own Michael P. Malone have incorporated the Nash thesis in their latest works on the American west.¹² Like Nash, these historians neglected to take an in depth look at the state of Montana and the effects World War II had on its economy and people. The neglect of Montana in the works of the aforementioned historians is the primary result of a lack of research. The experience of Montana in World War II is rich with economic and population adjustments and deserves further development.

CHAPTER 2

Montana and the New Deal

The 1930's continued the dire straits that plagued Montana through the 1920's: drought, poverty and an overall collapse of the state's primary economic base, agriculture. By 1931, Montana's leading industry, agriculture, had lost over \$30 million in annual income compared to 1930 (see Table 2, Appendix A). The loss in agricultural income is best reflected in the annual income of Montana farmers (see Table 3, Appendix A). By 1932 Montana farmer's had their annual income slashed by almost 53 percent from 1930. Farmers were being crushed by nationwide depression.

Mining, Montana's second leading industry, lost \$27 million in 1931. Table 4 in Appendix A illustrates the drastic decline of production in the Montana mining industry. The statistics illustrated in Tables 2 and 4 were devastating for a state cemented to these industries for its existence. The ramifications of this decline can be observed in the rate of commercial failures in the state. Between 1930 and 1932 Table 5, Appendix A shows Montana had 411 commercial failures with over \$4.7 million in liabilities. Retail sales in the state dropped well over \$3 million (Table 6, Appendix A). Railroad revenue fell by almost \$4.5 million (Table 7, Appendix A). This decline in the ability to produce not only had drastic effects on the state, it also directly affected the Federal Government's ability to collect taxes. Table 8 in Appendix A indicates that the Federal Government lost over \$1.7 million in collectible taxes by 1932. The state of Montana desperately needed outside help; it could not rectify its situation on its own. The end result of this continued economic

deprivation was to push Montana deeper into depression.

1932 was an election year in the United States. The results of the election in November pushed Hoover and the Republicans out and ushered in Franklin D. Roosevelt and his New Dealers. According to Otis L. Graham, in his book Toward A Planned Society, "Planning has components, intellectual and institutional."¹ Graham states further that "planning assumes modern industrial society requires public intervention to achieve national goals;. . . such intervention must touch all fundamental social development; must be goal oriented, and effectively coordinated at the center; must be anticipatory."² The election results in November put Roosevelt in control of the institutions needed to follow Graham's anatomy of planning. President Roosevelt proclaimed early in his reign that "action and action now" is the solution. We must "move as a trained and loyal army willing to sacrifice for the good of the common discipline." ³

In 1933, the newly elected Democratic administration inherited a gargantuan problem: nationwide depression. Addressing this problem in the most effective and expedient manner became the administration's primary objective. President Roosevelt called for a plan that required the intervention of the Federal Government on a scale comparable to that of World War I. Roosevelt became convinced that planning was "the way of the future." ⁴

President Roosevelt's New Deal Government looked back at the war mobilization efforts of World War I for the answer to the stifling problems of depression.⁵ The results of the effort at planning during World War I had profound effects on the political elite in the United States. It also affected the perception of American business. The war had been "a revelation in the advantages of an

economy managed through Government and Business cooperation".⁶ This revelation was permanently placed in the minds of both business and government. This revelation also brought to light the "failure of American husbandry under a free market economy".⁷

In June of 1933, "talk had become law" with the National Recovery Administration.⁸ The New Deal began with "National goals" including "full employment" and "rising mass consumption."⁹ Furthermore, the Roosevelt administration strongly believed that a recovery policy should "involve fiscal and monetary policies, agriculture, transportation and energy policies."¹⁰ With the creation of the N.R.A. in 1933, the New Dealers turned their vision into national policies to guide America to prosperity.

Within the folds of the New Deal lay the Agricultural Adjustment Administration, "the most important experiment" for states like Montana.¹¹ The idea behind the A.A.A. was to control production and curtail waste.¹² This was not effective in states like Montana where between 1930 and 1939 drought, wind, and pestilence dictated the production of agricultural commodities. Nevertheless, the A.A.A. was inviting to the Montana farming community. Along with planning came benefit payments which raised the personal income of the farmer. Table 3 in Appendix A illustrates that by 1934, the average cash income of Montana's farmers had increased by 74 percent over 1932. By 1935, the farmer had increased his income 93 percent since the election of President Roosevelt. Montana farmers continued to prosper until the recession of 1937-38 slightly constricted growth.

By 1940, the farmer had increased his cash income 179 percent from 1932 (see Table 3, Appendix A). In Montana, farmers who were on solid ground re-

ceived \$56.4 million in A.A.A. relief between 1934 and 1940 (see Table 9, Appendix A). On the down side, the A.A.A. required the implementation of acreage reduction policies. Subsidies were insufficient to keep Montana farmers on the land when faced with acreage reduction policies.¹³ In Montana between 1930 and 1940 5,672 farms ceased to operate, a 12 percent decrease (see Table 10, Appendix A). Fifty-four percent of the farmers had a farm mortgage debt. The average debt equaled \$3,800 for an owner operated farm of 441 acres.¹⁴ If a farmer is asked, or better yet told, to reduce seeded acreage, the farmer's ability to make payments to the bank is greatly reduced. The farmer is then left with no other real choice than to sell and move on. The evidence indicates that the A.A.A. played an important role in the farmer's decision to leave the farm. The effects of Roosevelt's New Deal program, particularly the A.A.A., proved contradictory to many Montana farmers. The A.A.A. did facilitate survival for the Montana farmer who was on solid ground with no debt.

The mining industry in Montana began to decline drastically in the first part of the 1930s (see Table 4, Appendix A). In 1934, Montana produced 31,632 short tons of copper. Table 11 in Appendix A indicates that this is just a third of what was mined in 1930. In 1934, through the diligent efforts of Montana's Senator Burton K. Wheeler, the President reluctantly signed the Silver Purchase Act of 1934.¹⁵ The Federal Government agreed to "purchase 287 million ounces of silver, nearly the entire production of the western mines, at a purchase price well above the market value."¹⁶ The Silver Purchase Act of 1934 allowed the miner to continue mining silver and other minerals that derived from silver-copper, zinc and lead.¹⁷ Without this Act the mining industry may have collapsed. In Montana,

annual mining income jumped to over \$82 million by 1937, a 332 percent increase from 1932 (see Table 4, Appendix A). The New Deal's reluctant concession to silver saved Montana's mining industry from total collapse. In 1939, the mining industry received further assistance from the Federal Government through the enactment of the Strategic Minerals Act. This act authorized "the U.S. Bureau of Mines and the U.S. Geological Survey to engage in accelerated prospecting for new mineral sources and to provide scientific information for prospectors, particularly small operators."¹⁸ The results of these two pieces of legislation can be seen in Table 4 in Appendix A.

By 1934, 25 percent of Montana's population was receiving Federal Emergency Relief¹⁹, to the tune of \$5.5 million (see Table 9, Appendix A). Table 9 shows that in 1935 relief from the Federal Government rose to \$16.8 million, further illustrating the dire straits afflicting the state.

Between 1934 and 1941, Montana received \$38.4 million for its Civilian Conservation Corp., \$2 million for public buildings, \$6 million for reclamation projects, and \$62.4 million for its Works Progress Administration. Add to this another \$18.8 million for its Public Works Administration. The biggest receipt for Federal aid in Montana came from the War Department, which expended \$116 million between 1934 and 1939 (see Table 9, Appendix A). The bulk of this money found its way into the development and construction of the Ft. Peck Dam, which had a price tag of \$100 million,²⁰ and employed 7,000 men in 1934.²¹

The New Deal not only provided emergency relief for Montana, it also appropriated money to further upgrade Montana's infrastructure. Table 12 in Appendix A shows that between 1934 and 1937, Montana received almost \$28

million for highway construction and maintenance. This aid continued until 1941. Overall, Montana received \$33.5 million to improve its highway system. With these Federal dollars Montana improved or constructed 2,756 miles of highway.

In retrospect, the accomplishments attained in Montana in the decade of the 1930s could not have been achieved without the direct involvement of the Federal Government. With its direct guidance and monetary injection of \$434.4 million between 1934 and 1941, Montana rebuilt and reorganized its fragile economy (see Table 9, Appendix A). The injection of New Deal money permitted Montanans to remain in their state rather than to leave.

The lack of outward mobility can be observed in the 1940 census. Montana recorded a 4.1 percent growth compared to the 2.1 percent loss recorded in the 1930 census.²² Some of Montana's growth in 1940 may have come from newly-arriving people but that information will not be available until 2015. Nevertheless Montana did show a substantial growth in 1940. Table 13 in Appendix A illustrates population growth in the counties of Montana. Substantial growth occurred in Missoula, Flathead and Valley.

Montana also showed a dramatic change in its farm sizes and numbers. In 1930, Montana had 47,495 farms in operation, taking up 44,659,152 acres of land.²³ Of these 47,495 farms 41 percent were from 100 to 499 acres in size. Twenty-two percent of Montana's farms were in the 1000 plus acreage group. By 1940, Table 14 in Appendix A illustrates that Montana suffered a 21 percent decrease in farms 100 to 499 acres in size. Farms 1000 acres plus show a slight gain of one percentage point above 1930. The biggest increase though, came in farms 3 to 9 acres, which recorded a 77 percent increase. Overall, Montana suf-

ferred a 12 percent decrease in the number of farms in operation by 1940. This phenomena can be partially explained by population adjustments from rural to urban areas.

In 1930, Montana was 66 percent rural and 34 percent urban.²⁴ Looking at the 66 percent rural we find 28 percent were living on non-farms, with the remaining 38 percent living on income producing farms.²⁵ By 1940, after the traumas of the 1930s, Montana illustrates a fundamental shift in population. In 1940, 4 percent of Montana's rural population moved to an urban setting. This however, does not completely reflect the 6 percent that left the farm. Two percent of those leaving the farm moved to rural non-farms.²⁶ This then provides a plausible answer to the increase of farms in the 3 to 19 acres group (see Table 10, Appendix A). The New Deal and its monetary injection performed agricultural Darwinism on Montana's farmers. By 1940 the farms in the group of 100 to 999 acre had a 51.2 percent decline (see Table 10, Appendix A). This redistribution of lands brought Montana's overall farm mortgage debt down 4.2 percentage points.²⁷

The decrease in farm size along with the mortgage reduction owed by Montana farmers can be seen in the move toward mechanization of Montana farms. In 1930 only 29 percent of Montana farms had a truck on the farm. By 1940 truck use rose to 43.8 percent.²⁸ Tractor use on Montana's farms by 1940 had risen to 47.6 percent compared to 36 percent in 1930. By 1940, 28 percent of Montana farms had electricity.²⁹ The experiences of the Depression in the 1930s nudged Montana's farmers to move toward mechanization. Still, by 1940 less than half of Montana's farmers had tractors and trucks. Over half of Montana's agricultural commodities were still sown and harvested with traditional methods that required

intensive manual labor.

The Depression appears to have had little effect on Montana's available labor force. Table 14 in Appendix A indicates that the labor force in Montana actually rose by 7,000 people by 1940. This rise can be explained by looking at the specific age groups that make up the available work force. Generally, if a person is between the ages of 15 and 64 years, that individual is eligible to work. In the 1930s this group comprised 65.3 percent of the population. By 1940, this group totaled 68.2 percent of the population, almost a 3 percent growth in ten years. This growth came at the expense of the group 15 and under, which by 1940 had fallen from 29.7 percent to 25.4 of the population (see Table 15, Appendix A). Montana's labor force had statistically grown stronger during the depression years. This growth in available labor can best be illustrated in the number of unemployed. In June of 1940, a prime time to be employed, Montana had well over 25,000 unemployed workers, up nearly 2000 from 1939 (see Table 16, Appendix A). This large number is due to the fact that Montana's labor force lacked marketable skills other than those of manual labor. This situation was enhanced by mechanization on the farm and in the mines. Montana's population may have grown, but the marketable skills that Montanans possessed had not kept up with the pace of population expansion.

In 1940, Montana had a population of 559,456 persons. Of that, 53 percent were male.³⁰ Table 17, in Appendix A illustrates that within this group 62 percent were employed in the civilian work force, with almost 18 percent unemployed. Looking at the vocations involving this 62 percent, it is found that 37 percent are engaged in agriculture, a phenomenal amount but not so unusual for Montana,

historically rural and agrarian.

In Montana in 1940 over half (54 percent) of the male population was married.³¹ This fact plays heavily when searching for a job to support a family. The male in Montana is at a disadvantage here. The biggest detriment is his lack of an educational background that would enable him to seek out jobs other than those associated with manual labor. In 1940, only 5 percent of the males in Montana had a college education. A large portion, 38 percent, had an eighth grade education.³² Montana males were limited to the existing extractive industries, and they did not pay very well. Mine work paid \$6.75 a day,³³ or \$40.50 a week before taxes. Workers in the primary industry, agriculture, brought home between \$60 and \$80 a month, depending on room and board.³⁴ The options available were bleak at best, as reflected in the per capita income for Montana wage workers. In 1940 the average Montanan earned \$574, a 10 percent increase from 1939, but a 5 percent decrease from 1929 (see Table 18, Appendix A).

Montana greatly benefited from New Deal expenditures. New roads were built, new government and civic buildings were constructed, all at the expense of the Federal Government. Montana also lost in the 1930s. The top two industries in Montana, agriculture and mining, existed on Federal subsidies, without which they could not have survived. The aid farmers received through the A.A.A. allowed them to stabilize and increase Montana's agriculture revenue (see Table 2, Appendix A). The events of the 1930s brought Montana further under the wing of the Federal Government. The economic controls of the 1930s would seem like friendly advice compared to the total and absolute control the Government would extend during World War Two.³⁵

CHAPTER 3

Harvesting New Deal Prosperity

Montana entered the 1940s on relatively stable ground. With the help of the federal government's New Deal policies, Montana was able to shore up its extractive industries, agriculture and mining. By 1940 Montana's primary economic base was firmly established. Nearly 40 percent of the eligible labor force of Montana was employed in agriculture. Agriculture in turn accounted for 35 percent of wages earned in the state. Trades and services were the second ranking source of income, at 23 percent, followed by government payments. Manufacturing in Montana placed fourth and last in revenues generated, accounting for a lowly 6.2 percent (see Chart A, Appendix A). The income payments in Montana break up into four categories: Wages and Salaries, Proprietors' Income, Property Income, Other Income. Table 19 in Appendix A indicates that Wages and Salaries account for 56.4 percent of all income. Proprietors' Income takes second with 26.2 percent, Property Income placed third at 9.3 percent, and Others' is fourth with 8.1 percent. Over half of the dollars earned by Montanans came through wages and salaries. More than 30 percent of those wage workers were employed in the primary industry, agriculture. The remaining wage workers' success is closely tied to the advancements made by the farmer and the miner.

By 1940 Montana's agricultural income had risen to well over \$96 million, the highest it had been in ten years (see Table 2, Appendix A). The steady climb in agriculture income in Montana could be attributed to Federal money received through the A.A.A. In 1940 this aid hit a record \$16.1 million, almost double the

\$8.6 million Montana received in 1939 (see Table 9, Appendix A). With this aid and Montana's bumper crops in 1940, agricultural in-put to Montana's Gross Domestic Product catapulted to over \$96 million. Montana farmers and ranchers had achieved maximum results in their efforts at husbandry. Cattle on the farm increased by 142,000 head from 1,006,000 to 1,148,000, with a value of \$52.5 million. This is up almost \$12 million from 1939 (see Table 20, Appendix A). Sugar beet tonnage increased by 272,000 tons over 1939, with an increase of 9,000 acres in production. The value of this crop climbed over \$5.5 million (see Table 21, Appendix A). In the production of all wheat in Montana the farmer benefited from the \$2,933 increase in value added. The increase was achieved by adding a small 516 acres into wheat production and sufficient spring rains. The implementation of these two elements in turn increased the bushels harvested to 51,676 in 1940. The end result created a 5,564 bushel increase over 1939 (see Table 22, Appendix A). Montana farmers also increased their irrigated lands by 26.5 percent over 1930.¹ The increase of irrigated lands allowed the Montana farmer to take tremendous steps toward maximum production of Montana's semi-arid farm lands in the east. The reward for this outstanding effort was a \$2,679 average income for Montana farm owners. This is a 25 percent increase from 1939, and a 179 percent increase since Roosevelt took office in 1932 (see Table 3, Appendix A). In 1940, the mining industry in Montana also increased its annual income. Again, mining industry stability relied on gracious assistance from the Federal Government with its enactment of the Silver Purchase Act of 1937 and the Strategic Minerals Act of 1939. Montana miners produced 252.5 million pounds of copper at a value of \$28.5 million, an increase of 57 million pounds, and \$8.2 million in value from

1939 (see Table 23, Appendix A). Zinc was up almost 18 thousand tons from 1939. The value of this mineral rested at \$6.7 million, up over \$3 million from 1939 (see Table 24, Appendix A). Lead ore increased by 6,481 short tons in 1940, with \$747,430 in value added over the 1939 record (see Table 25, Appendix A). The net result of the miners' endeavor reaped \$79.5 million in annual income in 1940, an increase of 25 percent over 1939 (see Table 4, Appendix A). It would appear that the mining industry, like agriculture, had weathered the turbulence of the 1930s, with the aid of the Federal Government. Through its financial support and gracious legislation the mining industry in Montana stepped into 1940 with a less-clouded future. The future may have appeared clearer in 1940, but the end result of the 1930s and its New Deal policies had further pushed Montana's mining industry to a deeper level of heteronomy, making it even more reliant on the Government's purchasing policies to keep it afloat. Nevertheless, Montana as a whole did make substantial economic gains by 1940.

With positive advances made in agriculture and mining, the rest of Montana's economy began registering some success. Montana's retail sales jumped almost 6 percent over 1939 with \$11.4 million in sales (see Table 6, Appendix A). 1940 also saw the business environment begin to grow with thirty-seven new establishments, recording only twelve failures having liabilities of \$57,000. Figures from 1939 show fifteen business failures with liabilities of \$106,000 (see Table 5, Appendix A). In 1940, Montana further improved 453 miles of road with the \$5.1 million it received from the Federal Government (see Table 12, Appendix A). These improvements in road conditions in Montana increased tourist travel in the state. In 1940, Montana welcomed 1.8 million tourists who spent \$28.5 million.

This is nearly 800,000 more tourists plus \$5.5 million than in 1939 (see Table 26, Appendix A). The industry extracts only photographs and fond memories from the state. Montanans were also building homes and buildings for business. In 1940, 1,595 building permits were issued. These permits were valued at \$4.8 million. This is \$2.3 million more in value added over 1939 (see Table 27, Appendix A).

These remarkable success stories happening in Montana in 1940 might give one the impression that Montana was on its way up and out of the depression. This perceived advance was put in check by events happening outside of Montana, and outside of America. The war in Europe was beginning to escalate.

CHAPTER 4

Early War Mobilization

Americans read with great excitement about events in Europe in 1940. In the spring, the Germans seized Denmark and Norway, greatly unnerving the President of the United State.¹ France fell in June. Germany bombed England and its capital city, London.² Submarine wolf packs attacked American merchant ships. These German U-boats caused tremendous losses to Allied shipping. The U-boats sank on average 450,000 tons a month, a rate "four times as fast as the ships could be replaced".³ These events accelerated the preparations for war in the United States. The miserable position of America's allies, England and France, propelled the President and Congress into action. America began to beef up its defenses in preparation for war.

American involvement in this European conflict was at first not accepted by main street America. Americans had soundly defeated the "Huns" of Kaiser Wilhelm in 1917-18. Main street America was of the opinion that we did not again belong "over there". There was enough to deal with here at home. Further, popular opinion held that the great distance that separated the two continents was buffer enough to protect America from being sucked into the vortex of the war in Europe.⁴ This was not the conviction of the President of the United States.

War mobilization began in 1939 when Roosevelt created the War Resource Board.⁵ Big business heavily dominated this Board. It recommended to the president the development of a war-based economy that was geared towards rearmament. The President ignored the request until the turn of events in Europe in the spring of 1940 forced him into action.⁶ In May of 1940, Roosevelt resurrected the

almost-forgotten Council of National Defense. The president thus released himself from the obligation to appear before Congress to request authorization to mobilize. He kept a low profile on mobilization; it would not interfere with his bid for reelection in 1940.⁷ The Council of National Defense occupied itself through the fall of 1940 by awarding contracts and determining priorities.⁸ By June the American regular army stood at 375,000 men.⁹ In August Congress ordered the "mobilization of the National Guard; six weeks later Selective Service" was called into action.¹⁰ To counteract the Germans' attacks on American merchant ships and to give desperately-needed aid to our Allies abroad, President Roosevelt signed the Lend-Lease Act in March, 1941.¹¹ "This decision is the end of any attempts at appeasement in our land" stated Roosevelt, "the end of urging us to get along with dictators; the end of compromise with tyranny and the forces of oppression." ¹² President Roosevelt took the initial step to bring the United States closer to total involvement in the European war. Other war-related activities appeared in Washington, D.C., in early 1940.

News of possible war mobilization traveled fast. Any senator who might possibly gain by having a war plant in his back yard was on the hunt for contracts. Montana's James E. Murray was one of these.

Murray wrote President Roosevelt in May of 1940 in regard to his proposal to develop a committee on small business. The president agreed and gave Murray his full support. In September of 1940 a committee on small business was established. Murray headed the committee and appointed James Mead of Billings, Montana, as executive secretary.¹³ Murray's committee immediately began to examine the economies of the west. It began to collect volumes of testimony.¹⁴

That following August, Congress created the Defense Plant Corporation to "expedite the lagging mobilization program." Over the course of the war, the Corporation would invest \$1.9 billion in the west.¹⁵ Surely with Senator Murray heading a committee on small war plants, Montana would benefit.

Murray's committee sought to divert the millions of dollars in war contracts to the small manufactures of the west. In the spring of 1941, Murray wrote R.E. Towel, the Administrative Director of Defense Contracts in the service Office of Production Management in Helena, Montana. Murray related a conversation he had with a Mr. Nehemkis who was working in the War Department at the Pentagon, involving the employment of Montana's idle plants. Nehemkis told Murray "that the War Department is not going to contract with a loosely organized combination of that kind unless it could be established that they had competent and responsible management."¹⁶ Murray thought immediately of the Anaconda Copper Mining Company. It would be "capable of undertaking the organization of these plants in Montana, and competent to direct the operations of such plants in the manufacturing of some articles of war or parts which could be turned out on a large scale."¹⁷ Murray then suggested to Towel that if "Montana, Inc. could secure the aid of the A.C.M. contracts could be easily negotiated."¹⁸ This suggestion proved impossible to attain. The top one hundred corporations in America manipulated "75 percent of all the war contracts issued by the federal government,"¹⁹ or 75 percent of the 40 billion dollars the federal government injected into the west between 1940 and 1945.²⁰ The A.C.M., ranked 58 in the top one hundred corporations securing defense contracts, and had all it could handle with these, let alone try and secure contracts for Montana's small manufac-

turers.²¹ By October of 1942 the A.C.M. had acquired over 52 percent of the interest in the largest magnesium plant in America.²² By 1943, this plant produced 39 percent of all the magnesium in the United States.²³ A.C.M. assistance was totally out of the question. Montana's plants would remain nominal during the war.

In March of 1942, Senator Murray and Representative Wright Patman of Texas drafted legislation creating the Small War Plant Corporation. The Murray-Patman Act of 1942, passed with little difficulty, distributed \$150 million in war contracts to America's small businesses.²⁴ The act proved beneficial to plants throughout the United States, but had little effect in Montana. In August of 1944, the Cascade Mills of Great Falls applied for a loan from the Small War Plants Corporation. This loan was rejected on the bases of insufficient information.²⁵ The rejection further reinforced the unorganized nature of Montana's manufactures. Not until late in November of 1944 did Montana benefit from the Small War Plant corporation.

On November 27, 1944, Roy R. Johnston of Columbia Falls, a lumber mill owner, wrote Murray to complain that the big companies he had been selling his green lumber to had stopped buying. Because of this he was unable to make his pay roll. If the federal government would not help, he and several other mills would go bankrupt. Murray contacted Maury Maverick, the head of the Small War Plant Corporation to see if he could help. Maverick responded positively. He made the necessary arrangements for the government procurement office to contract for the lumber.²⁶ But this action was too little, too late to diversify Montana's economy.

Montana's role in the initial mobilization plan was as a producer of raw

materials, primarily agricultural products. This made sense when over 30 percent, and at times almost 40 percent of the state's gross domestic product came in agricultural production (see Chart A, Appendix A). Then, after Lend-Lease, the president turned toward industry which again excludes Montana. In the west, industry was primarily concentrated on the coast, in California, Oregon, and Washington. The industrial giants involved in the joint corporation known as the Big Six received the first big war contracts.²⁷ These companies played a deciding role in the manipulation of war contracts during the war. When the War Department looked to the west for possible sites for scientific laboratories, Montana, because of its geographical position and its unreliable climate, was out of contention.²⁸ Montana would have to rely on agriculture for its survival. Montana was too unorganized to benefit from the large sums of money being injected into the west, and it lacked the proper infrastructure to support heavy industry.

This new government aid would require the Federal Government to invest \$1.25 billion into the west, primarily on the west coast, for the construction of aircraft and ship building facilities in Washington and California.²⁹ These new war-related industries tempted Montana wage workers with high-paying jobs outside the state. Wartime jobs ended the depression psychology that had gripped Montana for nearly two decades. Another incentive was the selective service. In 1941, more than 12,000 Montanans answered the call for military service and defense plant jobs, reducing the population of Montana to 544,000 people (see Table 28, Appendix A), and the available labor force to 208,000 (see Table 14, Appendix A). A 17,000 person deficit is a heavy blow to a state reliant on a large pool of labor. During the First World War, Montana contributed more participants

per capita then any state in the union.³⁰ Over 35 percent of the labor force was between the ages of 18 and 34.³¹ Events outside of Montana hamstrung Montana's production capacity.

Montana farmers went into their fields to sow their crops in the spring of 1941. Spring work on a farm in Montana demanded two hired hands; and in some cases more.³² In the spring of 1941 hiring proved to be very difficult. The traditional supply of Mexican-American labor from California and Texas had all but dried up.³³ Labor intensive crops like sugar beets suffered. The American Crystal Sugar Company in Missoula went to the Stanten Labor Company in Spokane to acquire the needed labor. (American Crystal Sugar Company had used the service of Stanten in years past). This time Stanten could not oblige. It had no available labor to spare. American Crystal tried skid row in Spokane, less than successfully.³⁴ The company returned to Missoula and cruised the Northern Pacific hobo jungle to recruit anyone who looked like he could do a day's work. The company's field supervisor, Arthur Deschamps, did this every day through spring planting and summer hoeing.³⁵ The labor secured through this process proved inexperienced. Nevertheless, Deschamps managed to get the sugar beets in the ground. In the fall, the lack of labor continued to be troublesome. Usually young men and boys would arrive from Iowa, Nebraska, and Kansas to help take off the crops. In the fall of 1941 they did not come.³⁶ Selective Service and better paying jobs in defense plants on the coast sucked off the traditional labor force. Homer Bowker of the American Crystal Sugar Company had "to travel over 200 miles in the Bitterroot to find hands for the company's loading station."³⁷ Sugar beet acreage in 1941 was down 19,000 acres. The harvest dropped to 793,000 tons, a

reduction of 373,000 tons. Revenues generated by sugar beets dropped over \$400,000 (see Table 21, Appendix A). The labor shortage also affected the potato crop of 1941. One thousand fewer acres were put to seed, which cut the bushels harvested by 185,000 from 1940 (see Table 29, Appendix A). The commodities market saved the potato crop from the tough times that hit the sugar beets. The price of potatoes had been on the rise in correlation to events in Europe. This rise in prices helped potato farmers in Montana to reap a \$406,000 profit over 1940 (see Table 29, Appendix A).

Labor shortages appear not to have affected other commodities in Montana. Statistics for other commodities show the opposite results of the sugar beet and potato crops. Montana grain farmers increased production in wheat by over 16,000 bushels, with a value of \$59,000. Incredibly, this increase was achieved with slightly over 200 fewer acres (see Table 22, Appendix A).

On October 5, 1941, Montana farmers were told by their local U.S.D.A. official that they would be expected to increase their production next year. The A.A.A. would relax its restriction on production, and commodity prices would not drop below 85 percent of parity.³⁸ This news weighed heavy on the mind of the Montana farmer when he thought about all the difficulties he had encountered in getting this year's crop sown and harvested. Nevertheless, the farmer could look back on the production of 1941 and smile. The prices he received pushed his annual income up to \$3,730, a thousand dollar increase over 1940 (see Table 3, Appendix A). Overall, Montana agriculture generated over \$140 million in 1941, the largest amount in a decade.

Early war mobilization in 1941 put constraints on Montana's mining indus-

try by depleting its much needed labor supply. The labor shortage was further exacerbated by new Government regulations on the manufacturing of new mining equipment. These newly implemented regulations had a direct effect on Montana's gold mining industry, which produced over 5 percent of the nation's gold in 1941, placing Montana eighth among gold producing states (see Table 30, Appendix A). The gold industry in Montana had generated on average over \$8 million a year in the last four years (see Table 30, Appendix A).

In May of 1941, the Office of Production Management began to look at the competition between gold mining industries and baser metal mining industries for mining equipment. Gold mining was not a crucial element to the governments preparation for a potential war. On July 29, 1941, the O.P.M. issued Preference Rating Order P-23.³⁹ This order assigned "an A-3 rating for the deliveries of material needed in the production of mining equipment."⁴⁰ This selective order applied only to a special list of qualified mine machinery manufacturers. Because of the similarity in mining machinery used when mining underground, P-23 proved to be ineffective at stopping the flow of mining machinery to gold mining operations. "It was discovered that gold mines were receiving a small percent of new mining equipment; but the use in gold mines of maintenance and repair equipment was considerably larger."⁴¹ Preference Rating Order P-23 affected Montana's gold miners only slightly, but it enlightened the mining industry in Montana to the possibilities of future restricting orders.

In September of 1941, the O.P.M. began discussing order P-56. This order excluded gold mines from Priority Rating for maintenance repair equipment. Under this order each mine obtained a classification as "important from the stand-

point of defense or essential civilian needs."⁴² P-56 discriminated against gold miners, but Congress passed the order on December 31, 1941.⁴³ Clearly, the Federal Government planned even more encroachments on Montana mining.

In spite of the new regulations the mining industry showed a slight increase in production in 1941. The annual income for mining in Montana was slightly over \$86.5 million. The mining revenue generated in 1941 is a mere 4 percent greater than revenue generated in 1940, indicating that the new government encroachments into mining had curtailed advancements made under the 1939 Strategic Minerals Act (see Table 4, Appendix A). Nevertheless, the mining industry in Montana had taken substantial steps in mining such strategic minerals as zinc and manganese (see Table 24 and Table 31, Appendix A), despite the ever-dwindling labor supply.

The success of Montana's primary industries was reflected in the per capita income received by Montana's wage workers. In 1941, Montana's workers increased their earnings by almost \$100 over 1940. The Montana worker was now taking home on average \$670 a year, two times what he took home in 1932 (see Table 18, Appendix A). Unemployment also declined in 1941. In June of that year Montana had a little over 11,000 unemployed men, down nearly 14,000 men from 1940. In December of 1941 there were only 9,000 unemployed men (see Table 16, Appendix A). This great decrease can be attributed to the Selective Service's induction of Montana's young men and the growth of America's war industry.

In 1941 Montana's primary industry made more money than it had in the past several years. Folks who were working in this industry had more money to spend. This is illustrated in the rise of retail sales in the state. In 1941, Montanans spent over \$12 million in their local retail stores, an increase of over \$800,000

from 1940 (see Table 6, Appendix A). Business was so good that two hundred and seventy new businesses started up in 1941. The number of Montana companies hit a record 9,899. The business environment in Montana had not been this good since 1930 when 9,643 businesses existed (see Table 5, Appendix A). Montana also improved and constructed 355 miles of road in the state, down just 98 miles from 1940 (see Table 12, Appendix A). Tourist travel increased by 48,000 people in 1941 (see Table 26, Appendix A). Over 1.7 million people came to Montana to take in its magnificent beauty. According to chief ranger George Miller, Glacier Park experienced its third-highest tourist season.⁴⁴ Tourists in the state spent almost \$30 million (see Table 26, Appendix A).

1941 had been a relatively prosperous year for Montana. Although still very reliant on the federal aid it received, the state was almost in a position to stand on its own. World affairs put a strain on the federal government which in turn affected its ability to hand out much needed aid. But these world events had a positive effect on Montana's primary industry, agriculture. The war in Europe pushed up the prices that Montanans were getting for their commodities. This help make up the difference in the decline of federal aid.

Beginning in 1941, the federal government began to wean Montanans from the federal bottle. The state had its federal aid cut by \$14.6 million, to \$37 million, slightly above the aid it received in 1934 (see Table 9, Appendix A). The federal government was running short of funds. In the fall of 1941, Montanans read in their local newspapers that the federal government would cut back funds for the C.C.C. program in the west by 50 percent.⁴⁵ During the depression years, the C.C.C. employed numerous Montanans. Nevertheless, monetary needs of war

mobilization required that cuts be made. The programs of the depression were at the top of the list. Newly-emerging war industries replaced these old programs to employ American and Montana workers. With or without these programs Montana was moving toward self-sufficiency, due in part to good weather conditions. The future though, was not totally clear of obstacles. The ever-growing war in Europe threatened to push America into another full scale conflict for the rights of democracy.

In the winter of 1941 Montanans listened to Edward R. Murrow from Europe, and read about the Japanese Empire's planned retaliation for the American embargo of scrap steel and iron. The embargo had been placed on Japan late in 1940, in response to its aggressions in the Pacific.⁴⁶ The reality of these events was brought home to Montana and America on Sunday morning, December 7, 1941. Japan had attacked the American navel base at Pearl Harbor, Hawaii. America and Montana had been catapulted into war.

CHAPTER 5

World War Two

The Japanese attack on Pearl Harbor caught America off guard. America lacked proper preparation in both domestic and industrial policies. President Roosevelt quickly changed his image. "Old Dr. New Deal" had left, he said, but "Dr. Win the War" had the solution for victory: "We're going to fight it with every thing we've got." ¹ This meant spending billions in the west to develop a bigger and better war machine. The new commitment by the government to beef up its western war industries constituted a tremendous setback for the state of Montana. Montana had already suffered the effects of early war mobilization in 1941 when 12,000 people left to find better employment opportunities in defense plants on the west coast. Now that America had declared war on the Axis Powers, the newly created defense jobs, coupled with the drain on manpower by the selective service, put an even greater strain on Montana's already dwindling labor supply. In 1942, the war would entice 22,000 Montanans to leave the state (see Table 28, Appendix A). With this massive drain on labor also came new government intrusions into the daily lives of Montanans.

The coming of the war placed tremendous pressure and difficulties on Montana's farmers to secure sufficient labor for farm work. Without sufficient labor, the farmers would have a very difficult time in getting their crops sown in the spring and harvested in the fall. Starting in the early spring of 1942, Montana's Governor Sam Ford inquired into the possibility of using the Japanese detainees in California to work in the agricultural fields of Montana.² Governor Ford had

received word that the immigration office in Washington, D. C., was going to loosen restriction on the detainees.³ In May Governor Ford telegraphed Senator Murray to inquire into the possibilities of using Mexican labor. Murray said Mexicans were available but farmers were responsible for transportation costs to and from California.⁴ The government had helped California and Texas bring in migrant labor by paying the cost of transportation after the first two hundred miles, which the states would have to pay.⁵ This hurt Montana because of the great distances involved. Montana farmers were left with the choice of paying all transportation costs or having no labor. (Montana farmers were also to incur the cost of transportation of Japanese labor.)

The cost of transporting this labor proved to be expensive for the Montana farmer. Labor would be transported on public transportation systems. If the Montana beet farmer agreed to pay the bill the cost would be approximately \$100 per man for Mexican labor. Sugar beet farmers would be spending an additional \$10 per acre on top of the usual \$14 per acre in spring planting costs.⁶ These prohibitively high costs meant that the 1,500 Mexicans needed to work the beet fields would not be available.⁷

G.N. Wells, president of the Montana-Dakota Beet Grower Association, said that the expensive costs for Mexican labor also held true for Japanese detainees. Wells further stressed the very real possibility that if Mexico got involved in the war, Mexican nationals would be removed from the labor force, further constricting Montana's labor supply.⁸ An alternative to this expensive labor needed to be found. Farm labor costs by 1942 had already risen 41 percent over 1940.⁹

Wells wrote Senator Murray in the spring of 1942 with an alternative to

public transportation. "The importation of Japanese is going to cost approximately 60 dollars per head" he figured. Wells suggested a special rate to transport Japanese and Mexican labor from California on common carriers.¹⁰ Beet growers and interested farmers might charter buses to transport minority labor. They could cut the cost to \$15 a person. Forty passenger school buses would make the trip. These buses would break no interstate transportation laws because they would not be charging any fares. The cost of the transportation would be picked up by the Beet Growers Association.¹¹ P.B. Hurd of the American Legion Post No. 12 in Sidney, Montana supported this proposal. Mr. Hurd argued that with sufficient labor the Sidney area could out-produce the 1940 bumper year. The Legion post in Sidney would bear the cost of transporting and lodging Japanese labor.¹² Hearing the request of Montana farmers to look at alternatives to the transportation of minority labor, Senator Murray contacted the proper authorities in Washington D.C. to see what could be done.

On June 9, 1942, Murray put out a press release stating that Montana farmers and beet growers could use charter buses to transport labor from California. Those chartering buses would have to make their own arrangements with the states they passed through to determine whether they needed to pay the penalty license tax assessed other truckers and buses.¹³ These arrangements were made and the desperately-needed labor was bussed into Montana.

The labor from the detainee camps in California came of its own free will. Farmers who used this labor had to house and feed the workers. They were also obliged to pay them the same wages they would pay any other normal type of labor. In the case of Japanese laborers, farmers were also responsible for building

them a special bathtub for taking extremely hot baths.¹⁴ Japanese labor worked well in Montana for the most part, but there were some registered complaints. J. Russell Larcombe of Malta complained that the Japanese were "refusing to live up to their contract." Mr. Larcombe explained that the Japanese were "demanding an hourly rate for the thinning, because the beets were so large by the time they arrived, that it was hard for a green hand to make a satisfactory wage." Mr. Larcombe went on to say that he had already lost a third of his crop and if "help is not guaranteed, eight out of ten growers will not plant again."¹⁵ The experience of Mr. Larcombe, however, was not the norm. In fact, Arthur Deschamps, field supervisor for the American Crystal Sugar Co., said the company had no real problems with its Japanese labor. The Overall inexperience of the laborers posed the most taxing problem experienced by all farmers in 1942. Sugar companies in western Montana started the sugar beet harvest a week early in order to familiarize field hands with the back breaking job.¹⁶

Even with the influx of Japanese and Mexican workers, Montana farmers found themselves short on labor and long on work. In the fall of 1942 Governor Ford telegraphed the President of the United States asking him to send army troops to help harvest Montana's sugar beet crop. Governor Ford's request for one or two thousands soldiers was denied.¹⁷ It took the volunteer service of 2,500 volunteers from Montana's schools, stores and factories to take the sugar beet crop of 1942 out of the fields.¹⁸ In fact, in northeast Montana, Canadian and Montana farmers exchanged workers and machinery to ensure maximum wartime crop production in the harvesting of wheat.¹⁹

The labor situation in Montana was desperate at best. Forty-nine year old

Ormond Blood of Hamilton took his own life. Family members said he was becoming despondent because of all the farm work he had to do by himself.²⁰ In Billings Governor Ford temporarily set aside a 90-day jail sentence for John Kline, convicted of a third degree assault charge, so Kline, a Bighorn County sugar beet grower, could complete his harvest.²¹

In August of 1942, Senator Murray expressed his dissatisfaction with the United States Employment Agency for its handling of the labor shortage in Montana. The Agency told Murray there was no labor shortage. The farm labor placement section of the agency said there were 21,000 farm laborers working the hay fields. When these laborers were done in the hay field they could go to work in the beet fields. Murray said "they wouldn't because of the type of work and the low wages."²² Moreover, these 21,000 hay laborers were spread throughout the state, making it impossible for them to get to the beet fields in time for harvest. Nevertheless Montana farmers somehow completed the harvest in the fall of 1942, and were reimbursed greatly with a higher annual income.

In 1942, the Montana farmer's cash income increased by a thousand dollars over 1941 to \$3,730 (see Table 3, Appendix A). Overall, agriculture in Montana netted a profit of well over \$180 million, up over \$40 million from 1941 (see Table 2, Appendix A). Sugar beet farmer acreage increased by ten thousand acres, now that sugar beets were a strategic crop vital to the war effort. Acreage in flax seed, barley and corn also rose, but acreage in wheat fell (see Tables 21, 32, 33, 34 and 2, Appendix A). The acreage decrease in wheat was caused by the increase in acreage of such strategic crops as flax seed. Even with the decrease in wheat acreage, Montana grain growers harvested over 5,000 more bushels of wheat in

1942 compared to 1941 (see Table 22, Appendix A). Wheat production in 1942 produced more bushels of wheat than farmers could store. To alleviate this problem the A.A.A. built fifty-six grain bins in the Great Falls area. These bins had a holding capacity of 168,000 bushels of grain.⁽²³⁾ Montana grain farmers received further assistance when the United States government, along with other allied nations, formed a mammoth wheat pool. The United States' share hit 50 million bushels.²⁴ This new government program allowed for the absorption of America's wheat surplus, and further insured the Montana wheat farmer of a buyer for his commodity. Here again the overall needs of the country demanded that the federal government step in with federally-funded agricultural programs to insure maximum production. On the other hand, the effects of this form of production enhancement began to draw great attention from the federal government, which was quite concerned about the high prices farmers were receiving. By the summer of 1942 the average American wage earner was spending over 28 percent of his earned income on food.²⁵ Inflation was on the rise and most people outside the farm belt thought that high commodity prices were to blame.

In the first nine months of 1942, farm prices had risen by 31 percent. By September of 1942 the price for farm commodities stood at 107 percent of parity.²⁶ Even with this increase, farm prices still fell short of the 41 percent increase in farm labor wages brought about by the war. The farm block in Congress argued for 110 percent of parity in order to compete for labor with defense plants.

To illustrate this point P.T. Bennet of Garland, Montana, worked 1,800 acres of land while tending his herds of sheep and cattle. Mr. Bennet had good

husbandry skills and worked anywhere between 80 and 110 hours a week without any of the overtime pay that defense workers enjoyed.²⁷ Ronald Larsen put it best when he said that "competent farmers can be kept on the farm only by giving them the things that everyone else takes for granted."²⁸ Farmers like Bennet and Larsen needed this increase in parity to hire labor and buy labor-saving machinery for extensive farm work. Unfortunately, the President disagreed.

President Roosevelt perpetuated the idea that the farmer is to blame for the ensuing inflation. In the fall of 1942, President Roosevelt ordered Congress to put a ceiling on commodity prices.²⁹ If Congress resisted, the President threatened to use his executive powers to do it himself.³⁰ Farm belt congressmen rallied to this challenge. Congress proposed to set agricultural prices at the highest price commodities reached between January and September of 1942, but not below the traditional parity price. Congressmen also included the cost of farm labor in this price.³¹ In late September Representative Stengal of Alabama introduced the new farm bill.³² The President rejected it on September 30, 1942. President Roosevelt sent the congressmen back to chambers to come up with a bill that fell more in line with what he thought was best-commodity prices set at 100 percent of parity.³³ Montana farmers would have to wait until the spring of 1943 for the president and congress to come up with a solution to the farm price debate.

In April of 1942 Senator Bankhead, a Democrat from Alabama, proposed a bill to curb inflation and at the same time raise parity prices for farmers to 110 percent. President Roosevelt vetoed this bill on the grounds that he was protecting the American public against inflation. The AFL-CIO and other organized labor groups backed F.D.R. solidly on this veto.³⁴ Montana's Senator Burton K.

Wheeler, speaking on behalf of the vetoed Bankhead proposal, referred to an advertisement he had come across in the Miles City newspaper. In this advertisement Montana men were offered \$250 a month and a draft deferment to come to Seattle to work. Wheeler asked "where in the United States could a farmer or rancher offer 250 dollars a month for labor."³⁵ Wheeler stood firmly behind the vetoed Bankhead proposal. Regardless, President Roosevelt responded to the inability of Congress to come up with a reasonable commodity price by freezing all commodity prices on April 9 1943.³⁶ Ironically, by the time President Roosevelt put on the freeze, commodities had risen to the recommended level of 110 percent.³⁷ The parity price dispute had inadvertently been resolved. Unfortunately the question of how to stabilize the ever-growing labor shortage had not.

In September of 1942, the federal government tried to alleviate the problem of the labor shortage by issuing a worker freeze. Under this worker freeze no one could be hired without a certificate of separation from the United State Employment Service.³⁸ The intended objective behind this freeze was to prevent valuable labor from leaving defense jobs to take a different job offering better pay. The freeze had little effect in Montana. A.C. Stewart of Billings tells of a postal worker who left his job which paid \$185 a month for another job at higher wages. Stewart noted that the postal worker had taken a job at the Hunt Mountain project near Cody Wyoming. There the ex-postal worker's first week's pay check totaled \$140.³⁹

Another example of the ineffectiveness of the government's worker freeze involved Leonard Cook of Phillipsburg. Cook had been working at the smelter in Anaconda when a position opened up for a truck driver with the Union Construc-

tion Co. in Great Falls. Leonard said the money he would make driving truck was much better than what he was making in the smelter. Leonard told his foreman at the smelter that he was leaving to take a job in construction. The foreman told Leonard that he could not quit his job because he was frozen. Leonard said quite bluntly " that's funny, I don't feel a chill," and left for the better paying construction job.⁴⁰ The government's worker freeze did not stop many Montanans from pursuing and securing better-paying jobs.

By the end of September, a partial solution had been found for the farm labor problem. Farmers could now obtain deferments for some of their farm hands. Each case had to be looked at separately, and the process was very time-consuming. In the end the deferments were usually given to a key man on the farm.⁴¹ Not only did the war intensify the labor problem in Montana it also brought intrusive government policies that would further hamstring Montana's effort to get the job done.

The war required Montanans and Americans to deal with limitations on certain commodities as well as the rationing of many items. One of the more debilitating and bureaucracy-laced rations was on gasoline. In 1940, Montana produced enough gasoline so that every car and truck registered in the state could receive 650 gallons a year. Production in 1941 exceeded Montana's personal consumption (see Table 35, Appendix A). This statistic allows one to understand why Montanans found it hard to accept, let alone comprehend, why they needed gas rationing during the war.

Montana's Governor Sam Ford took steps to cut gas consumption early in July of 1942. Starting in July Montanans would have to reduce their speeds on

highways to 40 miles an hour.⁴² By September of 1942, gas rationing had already been incorporated on the east coast, at a speed limit of 35 miles an hour, and a driving distance of 2,800 miles per year. The average citizen would receive a mere four gallons a week.⁴⁴ This went over in Montana about as well as a lead Zeppelin. J.W. Peckham, secretary-manager of the Montana Transportation Association, protested the speed limit on behalf of Montana truckers. Peckham claimed the 35 mph speed limit would entail many costly changes in equipment. Peckham noted that trucks were designed to operate at 46 mph in direct gear and 55 mph in overdrive.⁴⁵ Almost every commodity produced in Montana had to be trucked to market. The great distances, coupled with limited gas, would choke Montana's ability to produce. The problem gained further credence from Al Winkler, the chairman of the Montana Highway Commission. Winkler noted that the 35 mph speed limit and the gas ration would cut Montana's highway revenue by 65 percent. (Montana's highway revenue for new construction and repairs was based solely on a gas tax.)⁴⁶ Moreover, Montana farmers were heavily reliant on gasoline for the operations of their farms.

John R. Richards, Chief of the Gasoline Rationing Branch of the Office of Price Administration, put the farmers fears to rest in November of 1942. He told farmers that they would receive both an A and a B book of gasoline rations which would give them 560 miles worth of gas a week.⁴⁷ Richards further told farmers that tractors would be classified as "war necessary", allowing farmers to get as much gas as they needed to run their farms and get their commodities to market.⁴⁸

This seemingly reasonable policy did not work in practice.

J. C. Golick of Joplin, Montana, participated in the program for trucks classified

as "war necessary". His tabulation showed that he traveled 9,000 miles a year with one truck. Mr. Gulick noted that his farm operation required the work of two trucks, but he used only one out of patriotic duty. The Commission allowed him 3,100 miles for 1943 which equals 349 gallons of gas. Gulick stated, "that this is an outrage and means involuntary bankruptcy, no chance for agriculture whatsoever." Gulick further illustrated that he put 30,000 miles a year on his car which he used for farm business. Gulick also stated that in some years "I only have to go over my summer fallow three times, but sometimes as much as six." "It's no use seeding unless the seeds are summer tilled. That is the scientific bases of western farming."⁴⁹ Curt Nelson, owner of Nelson Furniture Co. in Havre, had similar problems with his certificate of "war necessary". Nelson operated a three-quarter-ton federal truck. His certificate allowed him eight gallons a month for the first six months and ten gallons a month for the last six months. Nelson states that the amount for one month "is not sufficient to fill my tank once."⁵⁰ Results like these were not uncommon in Montana. Due to the negative results and the complicated forms Montana farmers and businessmen had to fill out, they eventually began to give extremely high figures to the gas ration board just to insure that they would have enough gas to get the job done.⁵¹ The overall effect of gas rationing for Montanans was one of constriction and frustration. The government was directing Montanans' livelihood through their gas tanks. Nevertheless gas rationing was here for the duration of the war. Montanans would quickly overcome and adapt to this new government restriction, and do the same for the ones yet to come.

In the fall of 1942, with the demand for steel in booming war industries on the rise, Secretary of Agriculture Wickard ordered the rationing of farm machinery

and a temporary freeze on the production of new farm machinery.⁵² Secretary Wickard in October removed the farm machinery freeze for thirty days to allow farmers to go to their ration boards and fill out one of three forms for the distribution of farm machinery.⁵³ On October 20th, while Montana farmers were filling out the form, the W.P.B. issued Limitation Order L-170. This order severely curtailed the production of farm machinery.⁵⁴ Later that fall Montana farmers were urged by Montana State College engineers to take care of their farm machinery because under order L-170 the 1943 production of new farm machinery would be reduced to 20 percent of the 1941 production level.⁵⁵ Another obstacle to production had been thrown up to farmers. All that remained for farmers to do in the winter of 1942-43 was to read the newspaper and listen to the radio.

In October of 1942, farmers and all citizens of Montana were hit with a record-breaking tax bill. The new tax imposed a 19 percent levy on the first taxable dollars of every citizen plus a 5 percent "victory tax" on every dollar over \$624 annually. This new tax became effective January 1, 1943, and applied to 1942 earnings.⁵⁶ This tax would be automatically taken out by employers and the government would refund a portion of the tax after the war.⁵⁷ (see Appendix B)

This tax hit Montanans hard in the pocket book. Now the positive steps made by farmers and wage earners were stifled in order to generate revenue for the war effort. The effects of this new federal tax are reflected in the total amount of federal tax collected in Montana from 1942 earnings: an amazing \$10.9 million, up over \$6 million from 1941 (see Table 8, Appendix A). A figure like this indicates that Montana farmers and wage workers were giving over 20 percent of their earned income back to the United States government to finance the war.

In 1942, the mining industry also slowed down due to the same afflictions that had plagued agriculture. Labor had become an ever present problem for mining operations in Montana. The worker freeze had little effect in attracting and keeping workers in the strategic mines. After all, "making 19 dollars a shift in an aircraft aluminum factory generated more interest then 7 dollars 50 cents for risk-
ing your life in a mine."⁵⁸ Further aid did come to the mining industry when the War Production Board, which replaced the Office of Production Board in February, 1942, issued Limitation Order 208.

The Limitation Order, issued in October 1942, closed down gold mines for the duration of the war. "This order passed without prior circulation or without reference to the clearance committee": that same day the War Manpower Commission passed Directive no. 13.⁵⁹ In this directive employers were ordered not to hire anyone in connection with gold mines unless by referral from the United States Employment Service. This directive also suggested that the U.S.E.S. "refer gold mine workers to other essential nonferrous metal mines."⁶⁰ Non-gold mines in Montana were still short on labor and long on work to be done. In fact, in the fall of 1942, the U.S.E.S. went searching throughout Minnesota to find 1,300 skilled workers to come and work in the copper mines of Montana. The U.S.E.S. baited these potential workers with the monetary figure of \$6.75 a day, six days a week, with time and a half for over time.⁶¹ The struggle to secure sufficient labor went on.

Despite the lack of labor the mining industry managed to surpass its 1941 annual income of \$86.5 million. In 1942 the industry scraped up \$96.6 million in revenue (see Table 4, Appendix A). The year had been stressful and demanding,

but mining came through with a profit. Unfortunately though, 1943 did not look promising.

Nineteen-forty-two had been a tremendously taxing year for Montana. The nation had once again gone to war in far off lands. Great expectations were piled on Montana to do its part to expedite an American victory. Montana farmers and miners were continually asked to produce more with less labor. This put undue stress on Montana producers. The pressure to produce and the inability to do so became a pervasive element behind the forces driving Montanans to leave and find work elsewhere in the defense industry.

In December of 1942, John J. Jewell, a member of the Montana Automobile Dealers Association, took a drive around Montana and visited twenty-one counties. Jewell's adventure started in Great Falls. From there he drove to Cutbank, then east to Culbertson, south to Glendive and Billings, and back to Great Falls via Roundup. Along his entire journey, at every stop, Jewell found an inordinate amount of sale bills for farms that were being sold because of the lack of available labor. Jewell further noted that the classification of "war necessary" for farm implements was not working.⁶² The war had taken its toll on the dryland farmers of Montana.

By the end of 1942, 34,000 Montanans had packed up their bags and moved on to better opportunities in booming defense industries on the west coast. Some of these folks answered the ad that Senator Wheeler complained about, and a large number of young men had joined the military. The armed services had increased pay for enlisted men in the summer of 1942. Now a buck private received \$50 a month plus room and board.⁶³ For a young man seeking adventure, which all

young men do, this was an opportunity not to pass up. The Navy needed construction workers for the Sea Bees.⁶⁴ Further, an editorial in the Missoulian of July 5, 1942, told of a Missoula girl who was making ten dollars a shift as a welder in a Seattle war plant. What further incentive would a young Montanan need?

CHAPTER 6

The War's Effect on Domestic Affairs

By 1943 the United States had been involved in the world war for a little over a year. In that time the Government had learned some hard lessons about effective administration of the home front. The Government had established some definite policies to effectively plan, implement and monitor the ultimate weapon in modern warfare, the American manufacturing machine.

By far the most debilitating effects of the war for Montana came in the absorption of the labor force and Limitation Order-170 which curtailed the manufacturing of farm machinery. These two drawbacks received great attention in the winter of 1942-43.

Montana began 1943 with 184,000 people in its labor force, only a slight decline, of 2,000 people, from 1942 (see Table 14, Appendix A). Further, Montana had only 970 registered unemployed persons, down by almost 7,000 from 1942 (see Table 16, Appendix A). Montana desperately needed either laborers or farm machinery to reduce the burden of an insufficient labor supply. In the first part of April, 1943, President Roosevelt ordered Paul McNutt, head of the War Manpower Commission, to prohibit anyone from taking a new job for higher wages unless the change in jobs would benefit the war effort. Roosevelt insisted that if a change in jobs should occur the new wages received must follow the "little steel" formula of the War Labor Board. The "little steel" formula authorized a 15 percent increase in wages over the level of wages as of January 1, 1941.¹ By following the "little steel" formula, the worker would supposedly be compensated for the increases in

the cost of living that have developed since the war started.²

On April 17, 1943, McNutt ordered a job wage freeze. Under the freeze no one could leave one essential job for another which paid higher wages. Deviation from this order would result in a \$1,000 fine for the employer, and a possible year in jail.³ If an employee had been fired from his defense job he could find another job, but not at a higher wage.⁴ Confronted with the question of a man's having the chance to better himself, McNutt replied with one sentence: "We got a war going on."⁵ The Government had now gotten tough on the issue of supplying sufficient labor to the war industry to enable it to continue its record breaking production. The Government also took positive steps toward resolving the perplexing problem of farm labor.

In the fall and winter of 1942-43, the United States worked diligently with Mexico to establish a policy enabling Mexican labor to come to the United States to work on American farms. In late April of 1943 the two governments reached a workable solution. Mexico agreed to send thousands of migrant laborers to America to help out the American farmer.⁶ (see Appendix C).

To further assist the new "braceros" project, the United States Congress passed Public Law 45 which provided funds to secure sufficient labor for American farmers. Under this law the congress "appropriated, the sum of \$26,100,000, to remain available until December 31, 1943."⁷ Another government program promised to rescue the farmers of Montana from the dire straits of their labor situation.

On the issue of making farm machinery more available, Senator Harry

Truman of Missouri proposed to increase the production level of farm machinery from 20 percent of the base period 1940 (or 1941, whichever was higher), to 50 percent.⁸⁾ This bill attracted strong support from Montana farmers. Many farmers and implement dealers wrote Senator Murray and urged him to support this bill wholeheartedly.⁹⁾ The State Legislature of Montana also got behind this issue.

In February of 1943 Sam W. Mitchel, Secretary of State for the state house of Montana, and C.J. McAllister, Secretary of the Senate, sent two memorials to their representatives in Washington, D.C.. Memorial 1 dealt with the increase of farm machinery to relieve the farm labor shortage. Memorial 2 asked for a greater allowance for farm machinery and the deferment of farm hands for food production.¹⁰⁾ Meanwhile Montana farmers and ranchers would have to do the best they could. In the end the results were less than satisfactory.

R.J Mckenna, the chairman of the Montana U.S.D.A., complained about the disgusting farm machine situation in Montana. Mckenna allotted ten tractors to a particular county on paper, but he did not have the tractors to allocate. He received six-and seven-foot harrows, three-and four-foot one-way plows, and light buck rakes. All of these implements were designed for farming in the east. Mckenna also pointed to a lack of experienced administrators to distribute the rationed farm machinery.¹¹⁾ A similar complaint came from Paul Seibert, the chairman of the Phillips County U.S.D.A.

Seibert wrote Senator Murray in the early summer of 1943 to complain about the lack of potato diggers to harvest the 750 acres of potatoes planted in the county. Seibert explained that 750 acres was three to four times the amount usually planted, but only six potato diggers were available. Without additional labor it

would be impossible to harvest the potatoes. The county is in "urgent need of at least eight additional diggers," Seibert stressed, and if these diggers are not procured "a considerable amount of the 1943 potato crop will not be harvested."¹² Murray contacted L.L.Needler of the Farm Machinery and Supplies Division to see what could be done. Needler took two weeks to respond to the Phillips county digger dilemma: "we have delayed our reply while endeavoring to locate some potato diggers which we could allocate to your state in order to alleviate the situation."¹³ Somehow Needler found five additional potato diggers, but the state and county U.S.D.A. War Boards had to request an increase in quotas. Needler expedited the problem by sending the Phillips county U.S.D.A. War Board letter directly to the state U.S.D.A. War Board in Bozeman.¹⁴ This action cut some but not all the red tape.

Farm machinery was extremely difficult to acquire; so were repair parts for farm machinery. Walt C. Nye of Billings complained strongly of the red tape necessary to obtain replacement parts for his implements.¹⁵ Otto J. House of Great Falls bitterly complained that prices had been fixed on commodities but not on repair parts. Mr. House explained that small farmers were being forced from their farms because they could not afford repair parts. This so upset Mr. House that he sent the repair bill for his plow to Senator Murray.¹⁶

Pearl Belay described a downed tractor when she complained on behalf of Fergus county farmers who were disgusted by the delays they encountered when applying for replacement parts. Ms. Belay stated that "because of a two week delay in obtaining certain implement parts in the summer fallow season of 1942, 2,000 bushels of wheat were lost in 1943."¹⁷ She cited a county record of one tractor's

output in 1942 and the potential loss if that tractor were out of commission because repair parts could not be obtained. The table below indicates commodity production lost to a incapacitated tractor.

<u>Commodity</u>	<u>Output</u>
Wheat	35,084 bu.
Oats	5,000 bu.
Barley	500 bu.
Lambs	49,270 lbs.
Wool	18,688 lbs.
Hay	420 tons.

These statistics could make or break a farmer if he did not have repair parts.

John J. Jewell of the Montana Auto Dealers Association made a trip through western Montana and found the matter of farm machinery in dire straits, especially mowers for hay production. Jewell pointed out that the Army has twenty power mowers at its air bases in Great Falls and Lewistown. Jewell felt that military needs required not more than four mowers. Jewell further calculated that if sufficient hay were not produced it would lead to a depletion of both beef and dairy stock in the state. Jewell reinforced this statement by noting that in Lake County, the largest dairy county in the state, if hay could not be cut, then milk could not be produced.¹⁸

In the spring of 1943, Montana farmers were informed that men with farm experience would be deferred from the draft and placed in the 4-f class.¹⁹ This news was welcomed by Montana farmers wholeheartedly as they went into the field to do their spring work. Montana farmers received even more encouraging news

from J. P. Brennan of the U.S.E.S. in Helena. Brennan assured agricultural committees in Montana counties that they would have adequate labor for spring and fall work. Brennan then urged farmers to plant more acres to meet the rising war needs.²⁰ On this point Montana farmers were a bit reserved; they approached spring planting with caution. More good news arrived for Montana's beet growers. The government would guarantee \$12 a ton for their beets.²¹ With this information Chester Davis of the Montana War Board asked farmers to sign up for the 1943 Farm Plan and increase their production of sugar beets.²² The 1943 Farm Plan had penalties attached to it to insure the farmer planted the amount he signed up for. Under the Plan a farmer could be penalized as much as \$15 an acre for each acre he did not put to seed.²³ Knowing this, farmers were cautious and did not break any speed records signing up for the new program.²⁴ Other incentives were offered to the farmer if he increased his 1942 acreage. This program targeted potato and truck farmers in Montana. Potato farmers could receive an increase of 50 cents a bushel; truck farmers 50 cents an acre.²⁵

Beet farmers were further relieved in the spring of 1943 when wages were fixed. R. J. McKenna, the states A.A.A. chairman, estimated that the wage fix would save beet growers from \$3 to \$3.25 an acre.²⁶ McKenna also relayed orders from Washington, D.C., to increase farm machinery quotas to ensure spring planting.²⁷

In May of 1943, Mexicans involved in the Braceros program began to arrive in the state. They were distributed to any farmer who agreed with the requirements set down by the United States and Mexican Governments (see Appendix C). Many Montana farmers signed up for the Braceros program this time,

because the government would pay the bill to ship Mexican labor up from Mexico. Language was a big barrier for Montana farmers to overcome in order to operate smoothly with Mexican labor. The Montana vocational division addressed this problem by setting up programs to teach the Mexican labor the basic rudiments of English.²⁹

With the development of workable policies for labor, the price freeze on wages, and other amenities implemented in 1943, farmers produced enough commodities to boost Montana's annual agriculture income to an unprecedented \$226.5 million, an increase of almost \$46 million over 1942 (see Table 2, Appendix A). Personal income of Montana farmers hit \$6,180, up more than \$1,400 from 1942 (see Table 3, Appendix A). Montana sugar beet farmers did not increase their acreage. In fact they decreased acreage by 18,000 acres, but crop values fell only a little over \$1.3 million (see Table 21, Appendix A). Beet farmers were saved from sure disaster by the government's guarantee to buy their sugar beets for \$12 a ton. Grain farmers did increase their acreage in wheat, but only by a mere 223 acres. This slight increase helped push the bushels harvested to over 77,000, with a value of \$97 thousand, up by over 3000 bushels and \$21,000 in value over 1942 (see Table 22, Appendix A). The increase in bushels of wheat harvested can be attributed to a higher yielding strain of wheat.³⁰

The price increase for a bushel of potatoes offered by the government had strongly affected Montana potato growers. It pushed the numbers of acres of potatoes planted in Montana to 8,000 acres. This in turn increased the bushels harvested to over 2.6 million, almost a million bushels over 1942 (see Table 29, Appendix A). The war and the increased demand for beef greatly stimulated Montana

ranchers. Ranchers increased the number of cattle by 139,000 animals over 1942. This increase catapulted the value of Montana's cattle to over \$116 million, up over \$33 million from 1942 (see Table 20, Appendix A).

Things did not go as well for Montana's mining industry in 1943. The lack of labor severely curtailed production of copper and other strategic minerals such as zinc and manganese (see Tables 23, 24, and 31, Appendix A). The mining industry's annual income dropped to \$91.7 million, a decline of almost \$5 million from 1943.

Tourism in Montana also came out a loser in 1943, due to gas rationing and the new 10 percent travel tax.³¹ Tourist expenditures in 1943 stood at a little over \$8.9 million, down over \$20 million from the record year of 1941 (see Table 26, Appendix A). Montana's highway system was also a big loser in 1943, again due to gas rationing which cut Montana's highway revenue by 65 percent. The lack of federal funds also had a hand in Montana's inability to build or repair its roads. Only five miles of major roads were improved or built and no improvements were made on Montana's secondary roads (see Table 12, Appendix A).

In 1943, Montanans paid over \$28 million in federal income taxes, up over \$17 million from 1942 (see Table 8, Appendix A). What makes this statistic so incredible is that by 1943 Montana had lost 15.8 percent of its population. The greatest losses came in the eastern part of the state (see Table 13, Appendix A).

The eastern counties were decimated by the developments of the war. Phillips and Valley Counties lost 25.2 percent of their populations. Golden Valley lost 28.8 percent and McCone County lost 32.5 percent. (see Table 13, Appendix A). The list goes on. Every county in eastern Montana lost a substantial amount of its

population. Counties in the west also suffered population loss. Lake County dropped 26.5 percent, Madison County lost 31.7 percent, and Missoula County lost 13.2 percent (see Table 13, Appendix A). The winds created by military conscription and rapid developments in war industries blew off a substantial 15.8 percent of Montana's population by the winter of 1943 (see Table 13, Appendix A).

By the winter of 1943-44, the federal government had assumed total control of the American economy and was directing its course for total victory. American farmers and manufactures furnished massive amounts of essential supplies. The burden of production was relieved somewhat for the farmer in late December, 1943. Donald M. Nelson of the War Production Board let it be known that manufacturers of farm machinery would be allowed 100 percent of the materials they had requested for the following year's production.³² With respect to tractors, Nelson stated that "the recently accelerated landing craft program may cause certain interferences, because both programs use many of the same components, some of which are in very short supply."³³ Offensive operations by the Allies might curtail the availability of tractors, but in fact, Nelson's predication of late 1943 became a reality.

In the early spring of 1944 the Allied powers began the development of Operation Overlord, the western attack on the European continent.³⁴ A problem of great magnitude emerged early: insufficient supplies of war machinery. America had been concentrating its efforts in the South Pacific, committing a large proportion of war production to that effort.³⁵ To fight on two fronts, government sought to increase production.

To insure an adequate labor supply for the American farmer the United States government on January 6, 1944, signed an agreement with the Mexican government to continue the "Braceros" program.³⁶ To expedite the program, Congress amended Public Law 45, appropriating \$20 million to the Farm Labor Supply Act of 1944, and amended the Act to continue through December 31, 1945.³⁷ Trucks, tractors and farm implements were classified as "war necessary." In 1944 farmers no longer worried about adequate supplies of fuel. The experiences of two years of gas rationing had taught farmers to request extremely high allocations.³⁸

In the spring of 1944, the predicted shortages of commodities brought on by greater military needs arrived. New war developments demanded that the military have greater amounts of gasoline. To accommodate this, request the government cut back on gas allotted to non-essential drivers.³⁹ The new cutback angered many Montanans who did not have "essential driver" status. Mr. and Mrs. George M. Clarkson of Haver were one such couple. Mr. Clarkson wrote Senator Murray in the spring of 1944, angrily objecting to the cutback. Clarkson noted that there was no shortage of gas in Montana.⁴⁰ In fact, he was absolutely correct. In 1944, Montana produced over 170 million gallons of gasoline, up over 13 million gallons over 1943 and almost 17 million gallons over 1940 (see Table 35, Appendix A) Nevertheless, Murray explained to Clarkson that "the demands for the armed services have increased."⁴¹

By early March of 1944, Charles Marlenee of Scoby had not yet received word on his application for an International TD-9 tractor. Marlenee needed this tractor to do spring work on his 1,500 acre farm. He wrote Senator Murray to find

out what the hold-up was. Murray explained that "the armed services are taking the entire out-put of the manufacturers of heavy machinery and heavy equipment."⁴² Later it turned out that Marlenee's application had been received after the allotted amount for that particular tractor had been exhausted in his county.⁴³ Later that month Edward Sikorski of Willard wrote Murray through his attorney Al Hansen. Sikorski was "stuck". He had 1,400 acres to plant, but no tractor to pull his drill. Sikorski noted that he had been trying for "more than a year" to get a tractor, a D-4 Cat. No tractor, no spring work.⁴⁴ Again, Murray explained that "85 percent of this type of equipment goes to the armed services"⁴⁵ Sikorski would have to find another way to get his spring work done.

In 1944 25,000 more Montanans left the state because of the pressures of war and the opportunities created by it. (see Table 28, Appendix A). Montana's population "reached its lowest point in three decades. Montana suffered a net loss of 94,000 citizens, or 16.9 percent of its 1940 population."⁴⁶ Despite these dismal statistics, Montana agrarians, with the help of federally-funded labor programs and reliable military consumers, pushed the annual income for agriculture to a record \$266 million (See Table 2, Appendix A).

Sugar beet growers planted 64,000 acres, 7,000 more than in 1943, and produced 682,000 tons with a value of over \$7.2 million (see Table 21, Appendix A). Potato growers maintained their acreage above the 20,000 acre mark to maximize the 50 cents per bushel the government offered. Potato growers harvested over 2.5 million bushels with a value of almost \$4 million, up over \$500,000 over 1943 (see Table 29, Appendix A). Grain growers increased their acreage but harvested 2000 fewer bushels, at a value of over \$98,000 (see Table 22, Appendix

A). Flax seed also suffered a decline in production. After 1943, a record year for flax seed in which Montana farmers planted 568,000 acres, with a value of over \$12 million, 1944 saw only 190,000 acres planted, with a value of just \$4 million (see Table 32, Appendix A). The decline in flax seed acreage may be linked to the over production in 1943 and the lessening demand for this commodity by the war industry. Oats also declined in acres planted and bushels harvested (see Table 36, Appendix A). Wool production in the state also declined in 1944. Wool production in Montana dropped by over three million pounds in 1944, to 27.8 million pounds, cutting cash income by a million dollars to \$12.2 million (see Table 37, Appendix A). On the other hand, cattle producers increased the number of animals on the farm to 1.7 million, up 1.2 million over 1943. The value of Montana's cattle increased by over \$13 million (see Table 20, Appendix A). The 1944 farm year pushed the average income of Montana farmer up close to nearly \$7,000 a year (see Table 3, Appendix A).

Again, 1944 proved not to be a good year for the mining industry in Montana. Labor shortages continued to be the biggest deterrent. Even with the worker freeze, the mining industry was unable to attract and keep labor. Under the regulations of the worker freeze a worker could quit one "essential" job to take another if the new job was more beneficial to the war effort.⁴⁷ The wages offered at other defense jobs proved more inviting. The arduous task of acquiring proper labor for the Montana mines is best reflected in the decline of Montana's annual mining income in 1944. It dropped over \$2.6 million from 1943 to slightly over \$89 million (see Table 4, Appendix A). The low production in mining can be attributed to the ceiling on mineral prices and the lack of available labor.

Overall, Montanans who remained in the state did quite well, thanks to the war-inflated economy. Montana recorded 918 unemployed persons in June of 1944. By December a mere 345 persons registered as unemployed (see Table 16, Appendix A). The average wage worker in Montana had a per-capita income of over eleven hundred dollars in 1944. This is over a hundred percent increase from 1940, and \$17 above the national average (see Table 18, Appendix A) Montanans who remained in the state were finally making some money, and this fact is reflected in retail sales. In 1944 Montanans spent over \$14 million, up over \$1 million over 1943 (see Table 6, Appendix A). The effects of money circulating in the Montana economy can best be seen in the decline in commercial failures. In 1944, Montana recorded no commercial failures (see Table 5, Appendix A). Montanans also welcomed the resurgence of federal highway funds. In 1944 Montana received \$1.3 million in federal highway funds, which it used to improve 37 miles of highway. The state further received over \$106,000 for repairs on secondary roads (see Table 12, Appendix A). Unfortunately Montana's tourist industry remained sluggish. In 1944, 652,068 tourists visited the state and spent \$6.5 million. This was down by 35,000 visitors and \$418,000 from 1943 (see Table 26, Appendix A) Montanans had made substantial economic advance in 1944, only to have a large chunk reclaimed by the federal government through excessive war taxes. In 1944 Montana taxpayers contributed \$48.2 million to the war effort, up over \$20 million over 1943 (see Table 8, Appendix A).

Montanans may have made some money in the war years, but taxes designed to pay for the war moderated the increases. After all, all of the advances made in Montana after 1941 were related to the war. Further, the military advance

made by the close of 1944 indicated that the war's end would come in 1945.

In 1945, the Montana labor force stood at 181,000 persons, the lowest level of the war and of the last 13 years (see Table 14, Appendix A). Despite these statistics Montana farmers would be assured of sufficient labor for the farm work of 1945 under the guise of the "Braceros" program. Farmers received further good news in June. The War Production Board removed "all the restrictions on the sale of farm machinery."⁴⁸ More good news arrived in early July. The U.S.D.A.'s new list of farm machinery still to be rationed contained only nineteen items as compared to thirty-one earlier in the war. Still on the list, however were tractors, beet diggers and potato diggers, the items most urgently needed by Montana farmers.⁴⁹ Gas rationing was still in effect. Chester Bowles of Malta wrote Senator Murray asking "why gas rations must continue through the fall of 1945."⁵⁰ Murray explained that "because of the greater distance to be covered in the Pacific", and the "vastly increasing activity in the [European] theater, the military needs for petroleum will be greater than in a two-front war."⁵¹ But increased consumption of petroleum by the military would not effect the farmer from getting what he needs to perform his job on the farm. By the time the Montana farmer went into his fields in 1945, the Germans had surrendered and the Japanese were near capitulation in the south Pacific.

In the spring of 1945, Montana sugar beet growers put 81,000 acres into beets, slightly under the bumper year of 1940 (83,000 acres) (see Table 21, Appendix A). The 1945 sugar beet crop of 865,000 tons, with a value of over \$8.7 million, represented a \$1.5 million increase over 1944. (see Table 21, Appendix A). Potato farmers, on the other hand, decreased their acreage by 6,000 acres to

15,000 acres in 1945. The potato farmers' crop in 1945 had a value of \$3.2 million, down over \$655,000 from 1944 (see Table 29, Appendix A). Montana wool producers also decreased their output by 4 million pounds. In 1945 wool producers in Montana sheared 23.7 million pounds of wool, with a cash income of \$10.4 million, a \$2 million drop in cash income from 1944 (see Table 37, Appendix A). Wheat acreage dropping by only 107 acres. Wheat farmers harvested 57,145 bushels of wheat, with a value of \$82,289. The value of the wheat harvest in 1945 dropped by over \$16,000 from 1944 (see Table 22, Appendix A). On the other hand, cattle producers in 1945 increased the number of cows by over 1.7 million, up 150,000 animals from 1944. The 1945 herd had a value of over \$130.7 million, up slightly over a million dollars from 1944 (see Table 20, Appendix A).

Nineteen-forty five was a relatively prosperous year for Montana's primary industry, but not as prosperous as the war years. The end of war had caused agricultural producers to cut back slightly. In 1945 the annual agriculture income in Montana dropped to \$234.5 million, a decline of over \$31.6 million from 1944 (see Table 2, Appendix A). This in turn cut the cash income per farmer in Montana to \$6,427 per year, \$560 less than in 1944 but still \$3,748 more than in 1940 (see Table 3, Appendix A).

Again in 1945, the demands of the war drastically affected the mining industry. Low wages and the lack of sufficient labor curtailed production. In 1945, the annual income for mines in the state dropped to \$75.9 million, down by over \$13 million from 1944. Mining receipts for 1945 were even lower than those collected in 1940 (see Table 4, Appendix A). The war had no positive effects on Montana's mining industry. The demands for labor in defense plants and the low

wages paid by the mines were too much for Montana's mining industry to overcome.

The war's end did not affect the wages brought home by Montana wage workers. In 1945, the per capita income in Montana stood at \$1,244 a year, up \$81 from 1944 (see Table 18, Appendix A). This increase in earnings can be traced solely to an economy based on the production of war goods. But the increase in income experienced by the average Montanan was again assaulted by the horrific war tax. In 1945, Montana taxpayers shelled out a record \$52.3 million in federal income tax, almost a 200 percent increase over 1940 (see Table 8, Appendix A). Regardless, folks in Montana were spending their money. In 1945, Montanans spent \$15.9 million on retail sales, up \$1.3 million from 1945 (see Table 6, Appendix A). Montanans were buying the better life. The federal government increased aid for highway works. In 1945, Montana received \$1.34 million for highways, and over \$87,000 for work on secondary roads. With this money Montana repaired and built forty-three miles of road (see Table 12, Appendix A). The increased work on roads and the ending of the war caused a surge in Montana's tourist expenditures. In 1945, over a million tourists visited the state. While they were here they spent \$16.4 million. This level of tourist expenditures is comparable to the 1942 season (see Table 26, Appendix A).

Montana had made some gain in its traditional economy during the war. These gains could not have been made without the direct involvement of the federal government. Montana had risen to the occasion and increased the production of its primary industry by over 100 percent. This increase in production helped push revenues generated by over 200 percent (see Table 2, Appendix A). How would

Montana maintain this level with no war?

The question of Montana's future was addressed by Senators Murray and Wheeler who strove to develop foreign policies which insured markets for the commodities of Montana's farmers. The effects of these new policies on Montana are best illustrated in the rise of annual income for Montana's primary industry, agriculture. In 1946, Montana agriculture pulled in \$290.2 million, up \$56.7 million from 1945. By 1947, the annual income for agriculture in Montana rose to a record \$397.3 million, an astronomical climb of a \$162.8 million from 1945 (see Table 2, Appendix A).

By the end of the war, Montana was in the same position it had occupied before the war. The economy relied on the programs of the federal government to keep it going. No longer was this assistance as blatantly obvious as it was during the depression and the war; now federal aid and subsidies arrived under the guise of containing communism. No matter. Because Montana did not diversify its economy during the war, it continued to rely on the new overseer to finance its way of life.

SUMMARY

World War II brought cataclysmic changes to the United States, particularly to its western states. The move American industry made to the western states did not benefit Montana economically in the long run. The idea put forth by Gerald D. Nash that the war allowed for the diversification of the western states' primary economic base, extractive industry, does not hold true for Montana. This is a direct result of the United States Federal Government's manipulative control of Montana's extractive industries, particularly agriculture and mining.

Montana's first contact with fiscal control by the Federal Government occurred during the depression of the 1930's. The \$434.4 million injection Montana received during the 1930's helped greatly to stabilize the economy and to shore up its primary industries, agriculture and mining. Montana survived the depression only because the United States Government paid the bill and created the jobs that put Montanans to work. Government intervention on Montana's behalf proved beneficial to the Montanan of the 1930's but in turn proved to be a detriment to Montanans during World War II.

The United State's war time policies and objectives provided an effective inhibitor to the growth and diversification of Montana's primary economic base. In reality, it pushed the citizens of Montana to even deeper levels of heteronomy. The war displaced over 90,000 Montana citizens, making it even more difficult for Montanans to do what they do best, farm and mine. Other deterrents such as the booming war industry on the west coast, and the system of rationing all things essential and nonessential proved inhibiting. Again, it was only through the governments involvement that Montana was able to over come these obstacles.

By 1945 Montana was firmly entrenched in its traditional economic base of extractive industry, not manufacturing. The war had not diversified Montana's economy one bit. In fact by 1945 Montana's average farm had increased to 1,500 acres and 64 percent of all Montana farmers were using tractors. This is over a 25 percent increase from 1940.¹ The move toward mechanization on the farm accelerated as a result of the massive drain on available labor. Due in part to this fact, by the war's end, Montana was producing more commodities than it had ever produced, in turn, creating another hurdle for Montana to overcome. Here again, Montana received assistance from the Federal Government when Montana's Senators Murray and Wheeler strove to develop Foreign policies which insured Montana farmers markets for their commodities. This in turn tightens the Federal feed bag to the Montana Producer, deepening Montana's level of heteronomy.

Montana's war experience proved not to be one of new booming war industries or diversification of the population but, instead it was one of deprivation and sacrifice that was only overcome by government intervention. Montana farmers did show a profit, but a profit made at the expense of economic diversification. K. Ross Toole said it best when he stated that Montana "had little to do with how it developed and what it became."

APPENDIX - A

TABLE 1

CHANGE OF MANUFACTURING AS A WHOLE

Comparative Gain, Or Loss, All Manufacturing, By State, 1929 1954

<u>State</u>	<u>Value Added</u> (Millions of <u>Dollars</u>)	<u>Total Employment</u> (hundreds of <u>employees</u>)	<u>Value</u> <u>Added</u> (<u>Percent</u>)	<u>Total</u> <u>Employment</u> (<u>Percent</u>)
MONTANA	-67.0	-34.0	-33.6	-16.4
IDAHO	21.0	-18.0	11.9	-7.2
WYOMING	-58.0	-15.0	-54.0	-20.6
COLORADO	28.0	66.0	6.3	11.0
NEW MEXICO	87.0	84.0	74.6	61.7
ARIZONA	73.0	84.0	40.8	34.0
UTAH	79.0	33.0	28.9	11.4
NEVADA	38.0	34.0	65.0	64.1
WASHINGTON	178.0	-69.0	12.0	-3.6
OREGON	289.0	214.0	28.5	16.3
CALIFORNIA	3746.0	4855.0	46.2	49.5

Note: Comparative gain or loss measures the extent to which an area exceeded or fell short of the level it would have attained if it had grown at the U.S. rate between the indicated years. Comparative gain (per cent) shows this comparative gain as a percentage of the area's actual level in 1954; comparative loss (per cent) shows the comparative loss as a percentage of the hypothetical or expected 1954 level based on the U.S. rate of growth.

Source: Victor R. Fuchs, Changes in the Location of Manufacturing in the United States Since 1929 (New Haven: Yale University Press, 1962), 54.

TABLE 2
AGRICULTURE ANNUAL INCOME

<u>YEAR</u>	<u>INCOME</u>
1930	\$95,837,000
1931	64,048,000
1932	46,813,000
1933	61,272,000
1934	74,145,000
1935	100,439,000
1936	84,770,000
1937	85,551,000
1938	68,176,000
1939	81,389,000
1940	96,472,000
1941	140,153,000
1942	180,555,000
1943	226,496,000
1944	266,156,000
1945	234,535,000
1946	291,296,000
1947	397,350,000

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 2.

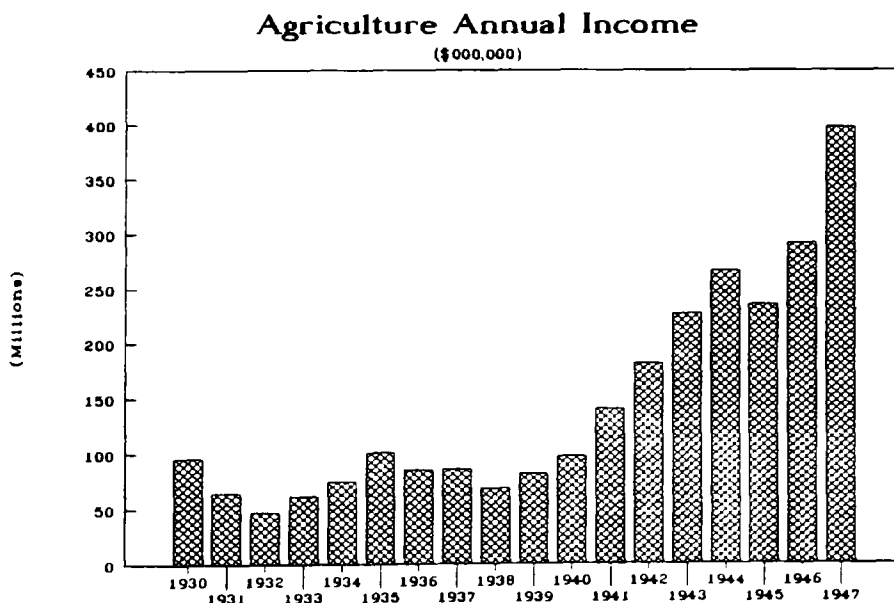


TABLE 3

**AVERAGE CASH INCOME
PER FARM IN MONTANA,
1930-1947**

<u>YEAR</u>	<u>INCOME</u>
1930	\$2,018
1931	1,331
1932	961
1933	1,242
1934	1,670
1935	2,174
1936	1,855
1937	1,989
1938	1,693
1939	2,150
1940	2,679
1941	3,730
1942	4,738
1943	6,180
1944	6,987
1945	6,427
1946	8,390
1947	10,640

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 3.

Average Cash Income

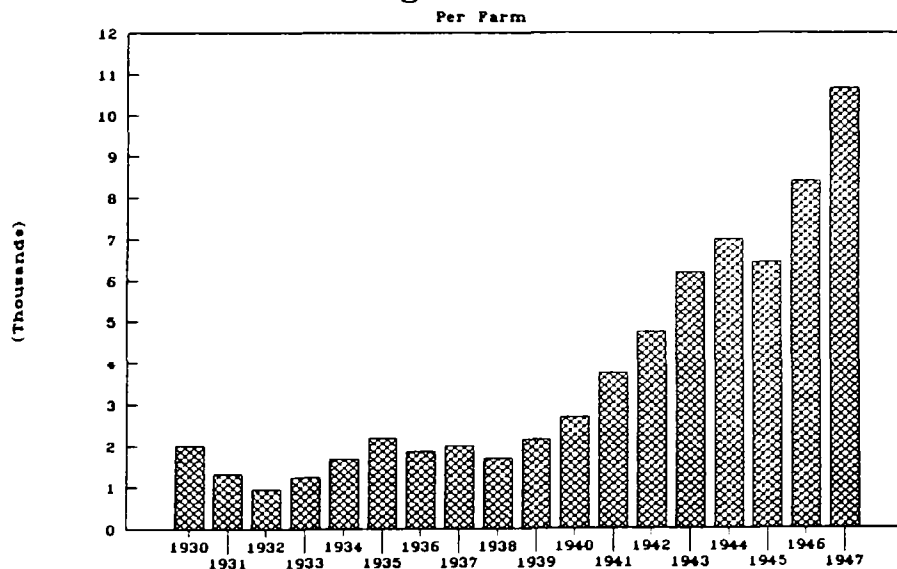


TABLE 4

MINING ANNUAL INCOME

<u>YEAR</u>	<u>INCOME</u>
1930	\$50,995,123
1931	32,359,904
1932	19,023,093
1933	21,662,089
1934	31,430,496
1935	52,096,553
1936	65,569,150
1937	82,086,815
1938	48,602,547
1939	63,343,802
1940	79,487,873
1941	86,583,460
1942	96,681,604
1943	91,743,000
1944	89,052,000
1945	75,978,000
1946	62,114,000
1947	87,167,000

Source: Roy J. W. Ely, Montana's
Production: A Statistical Summary of the
States Industry, 1930-1948, Bullet.# 12
(Missoula: Bureau of Business Research,
State University of Montana, 1948), 25.

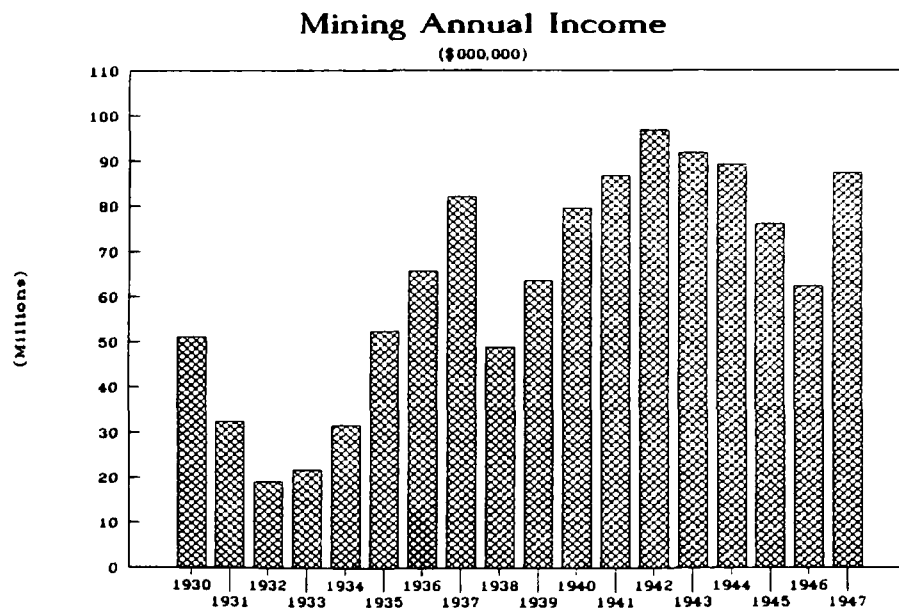


TABLE 5
COMMERCIAL FAILURES

<u>YEAR</u>	<u>COMPANIES IN BUSINESS</u>	<u>FAILURES</u>	<u>LIABILITIES</u>
1930	9,643	153	\$2,443,000
1931	9,448	130	1,377,000
1932	9,215	128	961,000
1933	9,029	82	662,000
1934	8,817	39	334,000
1935	8,969	23	104,000
1936	9,255	33	223,000
1937	9,541	27	161,000
1938	9,299	20	156,000
1939	9,589	15	163,000
1940	9,626	12	57,000
1941	9,899	15	82,000
1942	9,618	10	262,000
1943	8,648	4	19,000
1944	8,206	0	0
1945	8,138	1	8,000
1946	9,218	3	55,000

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1947, Bullet.# 11 (Missoula: Bureau of Business Research, State University of Montana, 1947), 47.

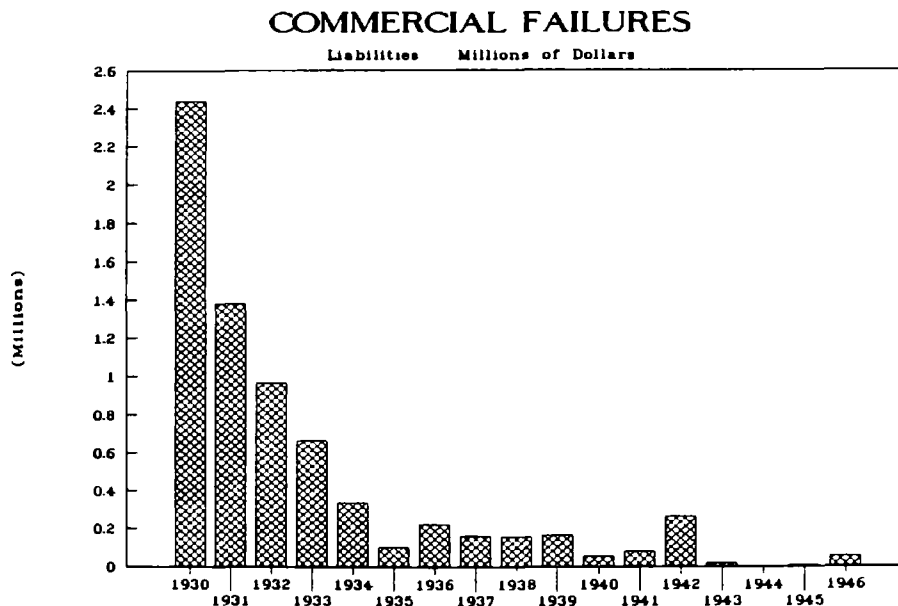


TABLE 6
RETAIL SALES

<u>YEAR</u>	<u>THIRTY FIVE STORES</u>
1930	\$9,880,960
1931	8,679,140
1932	6,834,170
1933	6,496,360
1934	8,226,240
1935	9,219,810
1936	10,275,960
1937	10,197,410
1938	9,905,050
1939	10,697,454
1940	11,368,719
1941	12,197,726
1942	12,595,433
1943	13,599,037
1944	14,666,561 #
1945	15,977,752 #
1946	21,577,954 #

Based on a percent increase in sales of 84 Montana stores.

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1947, Bullet.# 11 (Missoula: Bureau of Business Research, State University of Montana, 1947), 54.

RETAIL SALES

Millions of Dollars

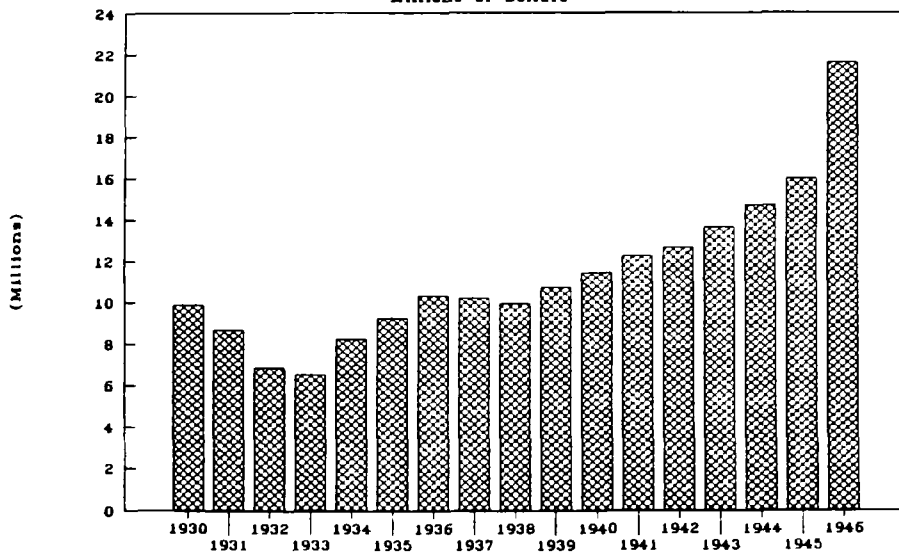


TABLE 7
RAILROAD OPERATING REVENUE

YEAR	FREIGHT	PASSENGERS	OTHER REVENUE	TOTAL
1930	\$7,991,689	\$2,048,935	N/A	\$10,040,624
1931	6,372,364	1,340,484	N/A	7,712,848
1932	4,678,149	890,407	N/A	5,568,556
1933	4,762,708	726,794	N/A	5,489,502
1934	3,389,980	389,851	N/A	3,779,831
1935	7,207,936	678,581	N/A	7,886,517
1936	9,632,569	739,568	N/A	10,372,137
1937	8,215,594	560,673	N/A	8,776,267
1938	6,889,835	462,583	820,750	8,173,168
1939	7,798,078	532,077	510,326	8,840,481
1940	7,859,673	502,680	539,497	8,901,850
1941	7,891,664	478,251	977,043	9,346,958
1942	8,637,855	755,020	1,236,691	10,629,566
1943	7,715,192	794,061	1,689,257	10,198,510
1944	8,249,820	905,015	1,074,703	10,229,538
1945	7,863,982	1,653,479	317,704	9,835,165

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1946, Bullet.# 10 (Missoula: Bureau of Business Research, State University of Montana, 1946), 54.

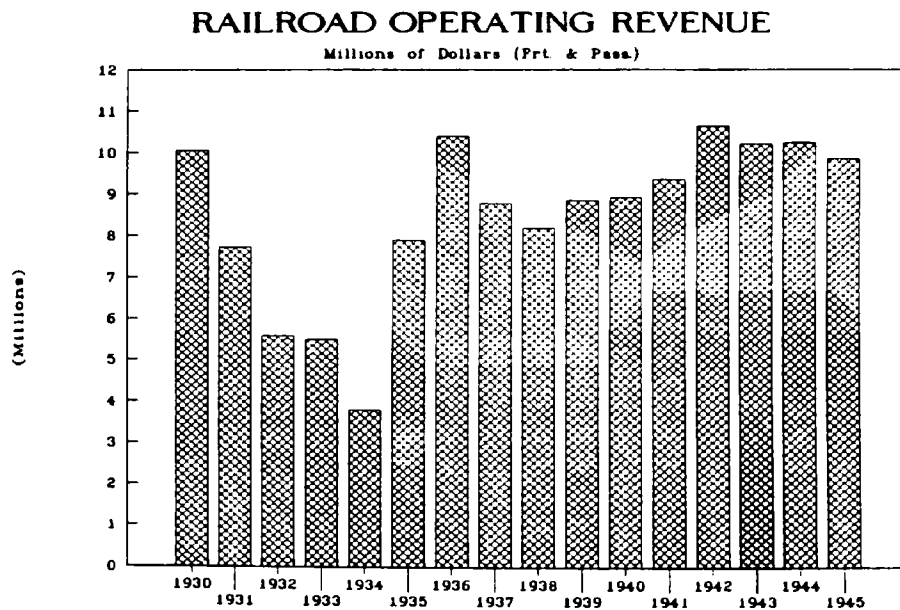


TABLE 8

FEDERAL INCOME TAX COLLECTIONS

<u>YEAR</u>	<u>COLLECTIONS</u>
1930	\$2,530,550.18
1931	1,690,246.63
1932	750,726.29
1933	636,456.94
1934	691,072.79
1935	1,237,028.92
1936	2,183,878.16
1937	2,693,266.96
1938	2,759,977.26
1939	2,600,844.22
1940	3,155,488.98
1941	4,866,027.71
1942	10,953,509.15
1943	28,039,672.62
1944	48,296,611.14
1945	52,342,545.16
1946	50,192,200.60

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1947, Bullet.# 11 (Missoula: Bureau of Business Research, State University of Montana, 1947), 38.

Federal Income Tax Collections

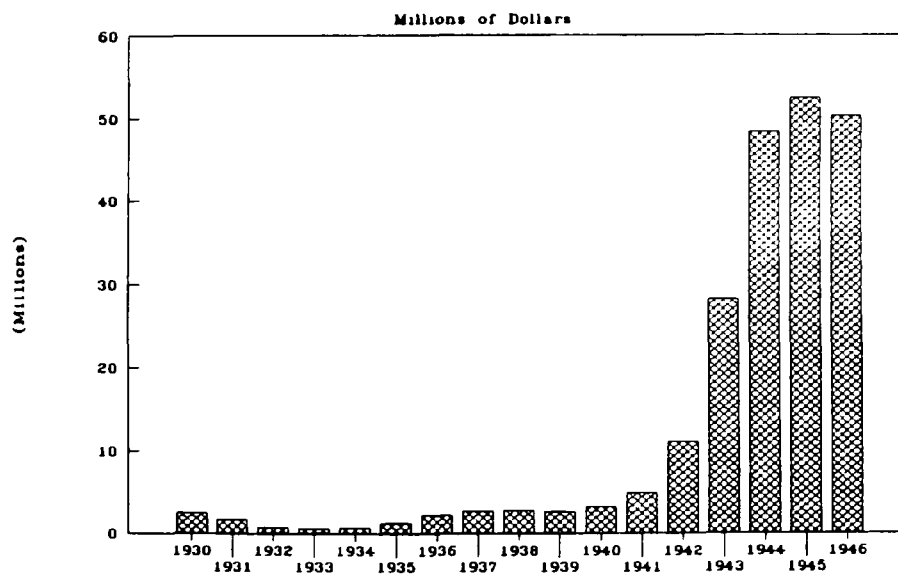


TABLE 9 FEDERAL AID

(000,000'S OMITTED)

	<u>1934</u>	<u>1935</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>
EWC (CCC)	3.3	3.6	6.2	4.4	5.0	5.4	5.4	5.1
HIGHWAYS	5.8	5.2	5.6	5.3	3.1	1.7	3.7	3.1
PUBLIC BUILDINGS	0.3	0.0	0.2	0.3	0.5	0.3	0.2	0.2
RECLAMATION	0.2	0.3	0.6	0.6	1.0	1.6	1.2	0.5
CORPS. OF ENGINEERS, WAR DEPARTMENT #	3.7	28.0	25.0	24.3	13.6	11.2	7.2	3.0
CWA	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FERA	5.5	16.8	3.2	0.0	0.0	0.0	0.0	0.0
AAA	4.5	8.2	9.8	9.8	8.4	8.6	16.1	12.3
PWA	1.4	3.4	2.3	1.7	1.8	3.6	##3.8	0.8
FSA	0.0	0.0	0.2	5.1	4.4	2.4	0.0	1.0
WPA	0.0	0.0	7.2	12.5	10.5	15.3	8.9	8.0
NYA	0.0	0.0	0.2	0.4	0.4	0.6	0.6	0.7
OTHERS *	0.9	13.0	1.2	2.0	2.0	1.4	1.1	0.0
SOCIAL SECURITY BOARD	0.0	0.0	0.1	1.2	1.2	2.2	2.0	2.3
TOTALS	31.9	78.5	61.8	67.6	51.9	54.3	50.2	37.0

May include parts of other state projects.

Includes FWA, Federal and Non Federal Grants and Non-Federal loans.

* ERA, Grants-In-Aid, etc.

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1942, Bullet.# 6 (Missoula: Bureau of Business Research, State University of Montana, 1842), 42.

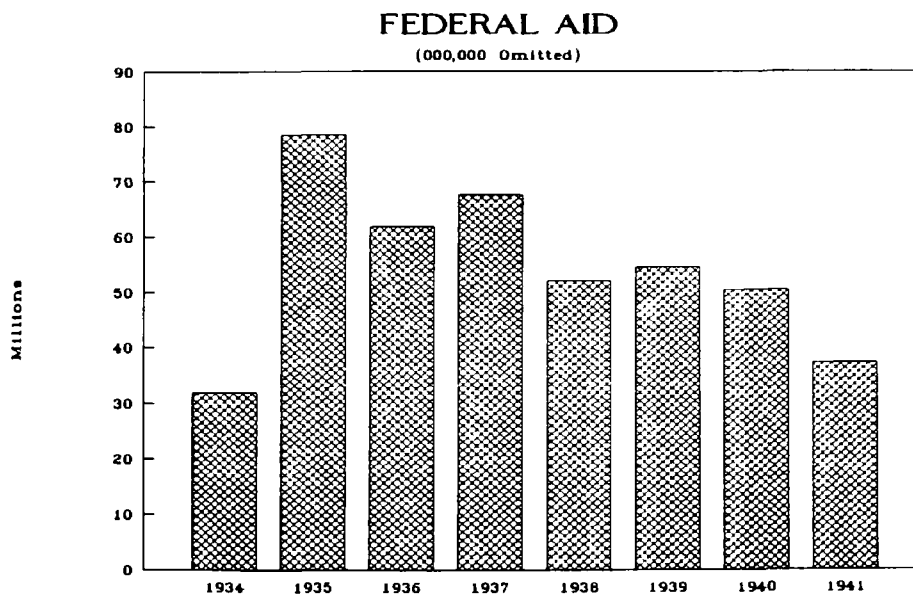


TABLE 10

FARMS

	<u>1930</u>	<u>1935</u>	<u>1940</u>	PERCENTAGE CHANGE		
				<u>1930-35</u>	<u>1935-40</u>	<u>1930-40</u>
TOTAL NUMBER OF FARMS	47,495	50,564	41,823	6.5%	-17.3%	-11.9%
UNDER 3 ACRES	254	340	145	33.9%	-57.4%	-42.9%
3 TO 9 ACRES	746	1,261	1,321	69.0%	4.8%	77.1%
10 TO 19 ACRES	610	960	974	57.4%	1.5%	59.7%
20 TO 49 ACRES	1,477	2,147	2,002	45.4%	-6.8%	35.5%
50 TO 99 ACRES	2,161	2,920	2,844	35.1%	-2.6%	31.6%
100 TO 499 ACRES	19,479	20,523	15,308	5.4%	-25.4%	-21.4%
500 TO 999 ACRES	12,267	11,628	8,614	-5.2%	-25.9%	-29.8%
1,000 ACRES & OVER	10,501	10,785	10,615	2.7%	-1.6%	1.1%

U. S. Department of Agriculture Economics Bureau General Publication.
 Tabulation from U. S. Census. Regarding The Land And The People On The
Land. Washington D. C.: GPO., 1941, p. 24.

TABLE 11

COPPER PRODUCTION IN THE UNITED STATES AND MONTANA

<u>YEAR</u>	<u>PRODUCTION (SHORT TONS)</u>		<u>MONTANA'S</u>	<u>MONTANA'S</u>	<u>VALUE OF</u>
	<u>U.S</u>	<u>MONTANA</u>	<u>PERCENTAGE OF</u>	<u>RANK AMONG</u>	<u>PRODUCTION</u>
			<u>TOTAL PROD.</u>	<u>STATES</u>	<u>IN MONTANA</u>
1930	705,074	98,094	13.9	2ND	\$25,504,378
1931	528,875	92,278	17.4	2ND	16,794,572
1932	238,111	42,424	17.8	2ND	5,345,383
1933	190,643	32,738	17.2	3RD	4,190,488
1934	237,405	31,632	13.3	3RD	5,061,200
1935	382,290	77,460	20.3	2ND	12,861,470
1936	614,516	109,544	17.8	3RD	20,156,096
1937	841,998	144,528	17.2	3RD	34,975,776
1938	557,763	77,213	13.8	3RD	15,133,748
1939	728,320	97,827	13.5	3RD	20,348,016
1940	878,086	126,391	14.4	3RD	28,564,366
1941	958,149	128,036	13.4	3RD	30,216,496
1942	1,080,061	141,104	13.1	3RD	34,168,948
1943	1,090,818	134,525	12.3	3RD	34,976,500
1944	972,549	118,190	12.2	3RD	31,911,300
1945	772,894	88,506	11.4	3RD	23,896,620
1946	608,737	58,481	9.6	3RD	18,947,844

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930- 1949, Bullet.# 13 (Missoula: Bureau of Business Research, State University of Montana, 1950),46.

TABLE 12
HIGHWAY CONTRACTS

<u>YEAR</u>	<u>FEDERAL MILEAGE</u>	<u>FEDERAL CONTRACTS</u>	<u>SECONDARY CONTRACTS</u>
1930	600	3,646,582	N/A
1931	1,225	9,636,975	N/A
1932	1,086	7,013,169	N/A
1933	656	7,403,818	1,884,905
1934	329	3,208,438	1,867,313
1935	527	7,906,326	2,770,420
1936	355	5,785,574	1,431,485
1937	260	4,451,837	318,198
1938	95	2,123,618	352,878
1939	382	5,266,035	1,149,902
1940	453	5,022,910	933,612
1941	355	4,792,319	614,612
1942	44	796,245	48,111
1943	5	533,968	0
1944	37	1,338,387	108,196
1945	43	1,346,422	87,292
1946	263	4,236,963	854,594

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1947, Bulletin No. 11, Page 59.

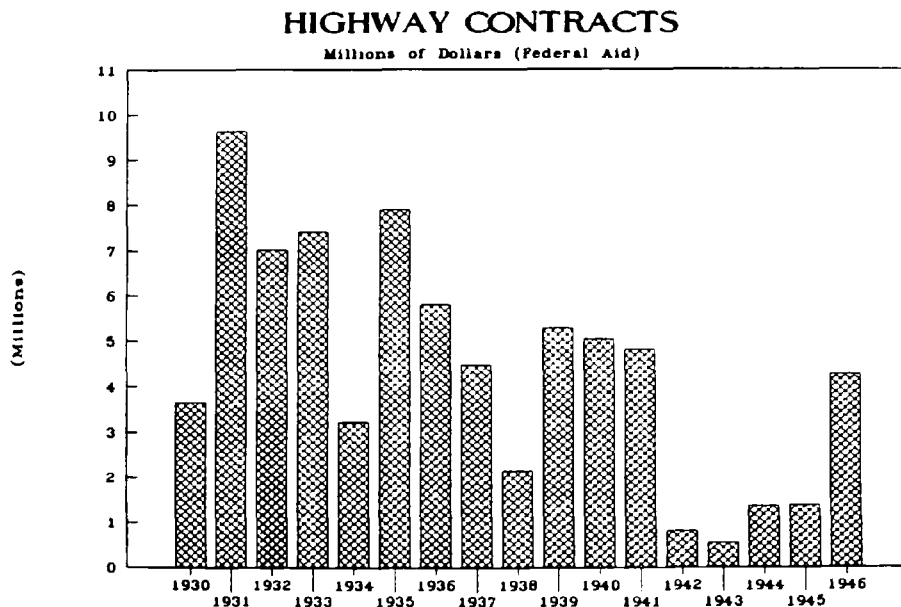


TABLE 13

CHANGES IN POPULATION OF THE STATE BY COUNTIES BETWEEN 1930 AND 1940, 1940 - 1943

	TOTAL POPULATION 1930	TOTAL POPULATION 1940	PERCENT CHANGE 1930-1940	CIVILIAN POPULATION 1940 (APR 1)	CIVILIAN POPULATION 1943 (NOV 1)	ESTIMATED PERCENT CHANGE 1940 - 1943
MONTANA	537,606	559,456	4.1	558,270	470,033	-15.8
COUNTIES						
BEAVERHEAD	6,654	6,943	4.3	6,943	5,547	-20.1
BIGHORN	8,543	10,419	22.0	10,419	8,494	-18.5
BLAINE	9,006	9,566	6.2	9,566	7,739	-19.1
BROADWATER	2,738	3,451	26.0	3,451	2,228	-35.4
CARBON	12,571	11,865	-5.6	11,865	9,187	-22.6
CARTER	4,136	3,280	-20.7	3,280	2,633	-19.7
CASCADE	41,146	41,999	2.1	41,999	42,016	.0
CHOUTEAU	8,635	7,316	-15.3	7,316	5,541	-24.3
CUSTER	11,242	10,422	-7.3	10,422	9,220	-11.5
DANIELS	5,553	4,563	-17.8	4,563	3,580	-21.5
DAWSON	9,881	8,618	-12.8	8,618	7,598	-11.8
DEER LODGE	16,293	13,627	-16.4	13,627	14,061	3.2
FALLON	4,568	3,719	-18.6	3,719	3,063	-17.6
FERGUS	16,531	14,040	-15.1	14,040	11,491	-18.2
FLATHEAD	19,200	24,271	26.4	24,271	19,367	-20.2
GALLATIN	16,124	18,269	13.3	18,269	14,934	-18.3
GARFIELD	4,252	2,641	-37.9	2,641	1,999	-24.3
GLACIER	5,297	9,034	70.5	9,034	7,949	-12.0
GOLDEN VALLEY	2,126	1,607	-24.4	1,607	1,144	-28.8
GRANITE	3,013	3,401	12.9	3,401	2,605	-23.4
HILL	13,775	13,304	-3.4	13,304	11,108	-16.5
JEFFERSON	4,133	4,644	12.4	4,644	3,444	-26.2
JUDITH BASIN	5,238	3,655	-30.2	3,655	3,094	-15.3
LAKE	9,541	13,490	41.4	13,490	9,911	-26.5
LEWIS AND CLAR	18,224	22,131	21.4	22,131	18,083	-18.3
LIBERTY	2,198	2,209	0.5	2,209	1,676	-24.1
LINCOLN	7,089	7,882	11.2	7,882	6,354	-19.4
MC CONE	4,790	3,798	-20.7	3,798	2,562	-32.5
MADISON	6,323	7,294	15.4	7,294	4,979	-31.7
MEAGHER	2,272	2,237	-1.5	2,237	1,615	-27.8
MINERAL	1,626	2,135	31.3	2,135	1,617	-24.3
MISSOULA	21,782	29,038	33.3	27,852	24,187	-13.2
MUSSELSHELL	7,242	5,717	-21.1	5,717	4,564	-20.2
PARK	10,922	11,566	5.9	11,566	9,474	-18.1
PETROLEUM	2,045	1,083	-47.0	1,080	831	-23.1
PHILLIPS	8,208	7,892	-3.8	7,892	5,906	-25.2
PONDERA	6,964	6,716	-3.6	6,716	5,394	-19.7
POWDER RIVER	3,909	3,159	-19.2	3,159	2,463	-22.0
POWELL	6,202	6,152	-0.8	6,152	5,651	-8.1
PRAIRIE	3,941	2,410	-38.8	2,410	2,075	-13.9
RAVALLI	10,315	12,978	25.8	12,978	10,206	-21.4
RICHLAND	9,633	10,209	6.0	10,209	8,737	-14.4
ROSAVELT	10,672	9,806	-8.1	9,806	8,696	-11.3
ROSEBUD	7,347	6,477	-11.8	6,477	5,644	-12.9
SANDERS	5,692	6,926	21.7	6,925	5,807	-16.1
SHERIDAN	9,869	7,814	-20.8	7,814	5,963	-23.7
SILVER BOW	56,969	53,207	-6.6	53,207	46,355	-12.9
STILLWATER	6,253	5,694	-8.9	5,694	5,158	-9.4
SWEET GRASS	3,944	3,719	-5.7	3,719	2,928	-21.3
TETON	6,068	6,922	14.1	6,922	5,976	-13.7
TOOLE	6,714	6,769	0.8	6,769	5,482	-19.0
TREASURE	1,661	1,499	-9.8	1,499	1,312	-12.5
VALLEY	11,181	15,181	35.8	15,181	9,377	-38.2
WHEATLAND	3,751	3,286	-12.4	3,286	2,811	-14.5
WIBAUX	2,767	2,161	-21.9	2,161	1,890	-12.5
YELLOWSTONE	30,785	41,182	33.8	41,182	37,907	-8.0

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1944, Bulletin # 8 (Missoula: Bureau of Business Research, State University of Montana, 1944), 4.

TABLE 14

TOTAL LABOR FORCE AND CIVILIAN EMPLOYED

<u>YEAR</u>	<u>LABOR FORCE</u>	<u>CIVILIAN EMPLOYED</u>
1933	218,000	158,000
1934	220,000	165,000
1935	221,000	171,000
1936	223,000	178,000
1937	224,000	179,000
1938	224,000	179,000
1939	223,000	182,000
1940	225,000	186,000
1941	208,000	173,000
1942	186,000	176,000
1943	184,000	179,000
1944	184,000	181,000
1945	181,000	178,000
1946	219,000	209,000
1947	231,000	218,000

Source: Roy J. W. Ely, Montata's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 61.

TOTAL LABOR FORCE & CIVILIAN EMPLOYED

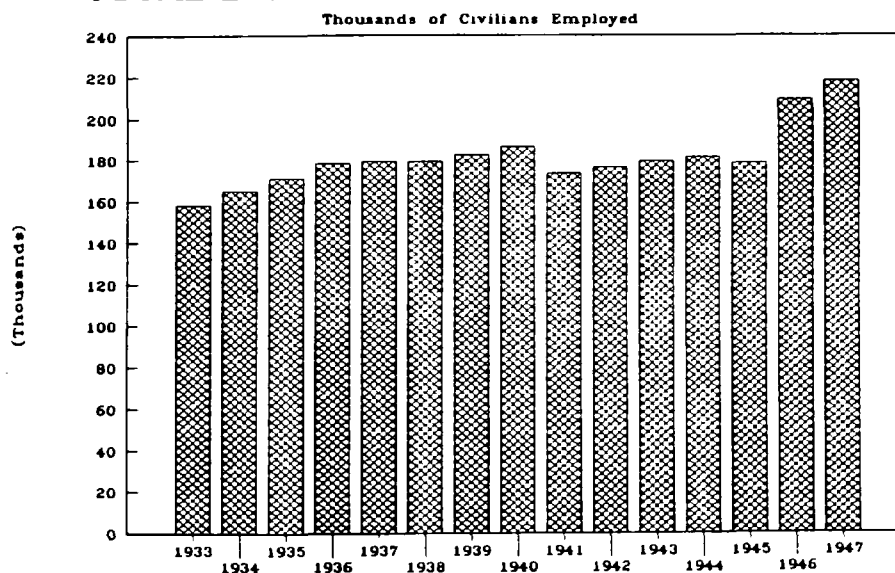


TABLE 15

MONTANA AGE AND SEX RATIOS

	<u>1930</u>	<u>1940</u>	<u>1950</u>
AGE PROPORTIONS (%)			
Under 15 Years	29.7	25.4	28.8
15 to 64 Years	65.3	68.2	62.6
65 Years & Over	5.0	6.5	8.6
INDEX OF AGING	16.7	25.6	29.9
POPULATION DENSITY	3.7	3.8	4.1
PERCENT CHANGE	-2.1	4.6	5.6
POPULATION	537,606	559,456	591,024
SEX RATIOS	119.9	114.8	109.8
PERCENT URBAN	33.7	37.8	43.7

AGE SPECIFIC SEX RATIOS

<u>AGE</u>	<u>1930</u>	<u>AGE</u>	<u>1940</u>	<u>1950</u>
Under 5	104.3	Under 5	102.7	102.6
5 - 9	104.1	5 - 9	103.9	104.6
10 - 14	103.1	10 - 14	104.1	104.7
15 - 19	103.8	15 - 19	104.8	102.1
20 - 24	113.0	20 - 24	105.5	104.9
25 - 29	111.7	25 - 29	110.0	106.0
30 - 34	113.1	30 - 34	115.9	103.5
35 - 44	129.2	35 - 39	114.3	107.9
45 - 54	152.1	40 - 44	112.6	116.4
55 - 64	153.9	45 - 49	118.4	117.5
65 - 74	165.6	50 - 54	137.5	113.2
75 & Over	149.8	55 - 59	148.2	116.9
		60 - 64	145.9	132.1
		65 - 69	133.4	134.7
		70 - 74	142.7	128.3
		75 & Over	137.4	118.4

Johnson, Robert R. "Population Dynamics and Related Economic Trends in Montana, 1930 - 1960." M. A. Thesis, University of Montana, 1970, p., 301.

TABLE 16
REGISTERED UNEMPLOYMENT

	JUNE 30		DECEMBER 31		TOTAL
	MEN	WOMEN	MEN	WOMEN	JUNE 30
1934	44,734	6,453	35,296	3,345	51,187
1935	28,281	3,603	42,181	7,995	31,884
1936	23,932	4,982	32,844	6,111	28,914
1937**	25,693	5,519	19,216	4,117	31,212
1938	32,787	5,100	28,152	5,028	37,887
1939	28,383	4,290	23,649	4,971	32,673
1940	25,378	4,634	16,139	3,011	30,012
1941	11,371	3,384	8,949	2,721	14,755
1942	7,698	(total)	1,582	804	7,698
1943***	454	516	309	304	970
1944	918	(total)	345	(total)	918
1945	282	523	4,001	1,688	805
1946	5,028	1,466	5,863	1,223	6,494

* A record of unemployed persons registered and available for work as taken from the active file of the Montana State Employment Service.

** Actual unemployment is greater than the registered unemployed. The unemployment Census of 1937 revealed the unemployment to be about 25% greater than the active file for that year.

*** The Commission at Helena reports that in view of the small number of persons seeking employment the count since September, 1943 has been abandoned. *Montana Production - A statistical summary of the state's industry 1930 - 1947.* Roy J. W. Ely, Department of Economics, The Bureau of Business Research, Montana State University Missoula, Montana. Bulletin No. 11, Page 58.

Source: Roy J. W. Ely, *Montana's Production: A Statistical Summary of the States Industry, 1930-1947*, Bullet.# 11 (Missoula: Bureau of Business Research, State University of Montana, 1947), 58.

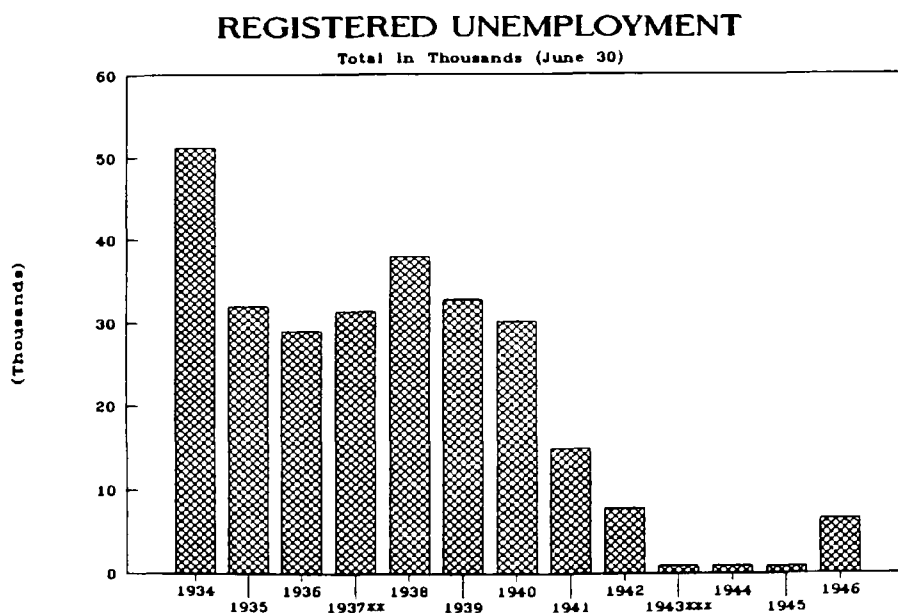


TABLE 17

Breakdown of Population and Labor Forces in Montana in 1940

<u>Population Description</u>	<u>Number of Individuals</u>
Total population	559,456
Total male population	299,009
Total male population 14 years and older	231,877
Total males in the labor force	186,055
Total males in the labor force 14 years and older	149,215
Total males in civilian labor force	185,155
Total males employed in the civilian labor force	152,400
Total males unemployed in the civilian labor force	32,755
Total males engaged in agriculture	56,860

U. S. Department of Commerce. 17th Census of the population. Vol. 2, Characteristics of the Population, part 26, Montana. Washington D. C.: GPO., 1951.

TABLE 18

PER CAPITA INCOME PAYMENTS MONTANA AND UNITED STATES

<u>YEAR</u>	<u>MONTANA</u>	<u>UNITED STATES</u>
1929	\$602	\$680
1930	490	596
1931	393	500
1932	290	380
1933	290	368
1934	387	420
1935	455	460
1936	514	531
1937	541	561
1938	488	509
1939	515	539
1940	574	575
1941	670	693
1942	900	870
1943	1,062	1,045
1944	1,163	1,145
1945	1,244	1,177
1946	1,392	1,213
1947	1,641	1,323

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 39.

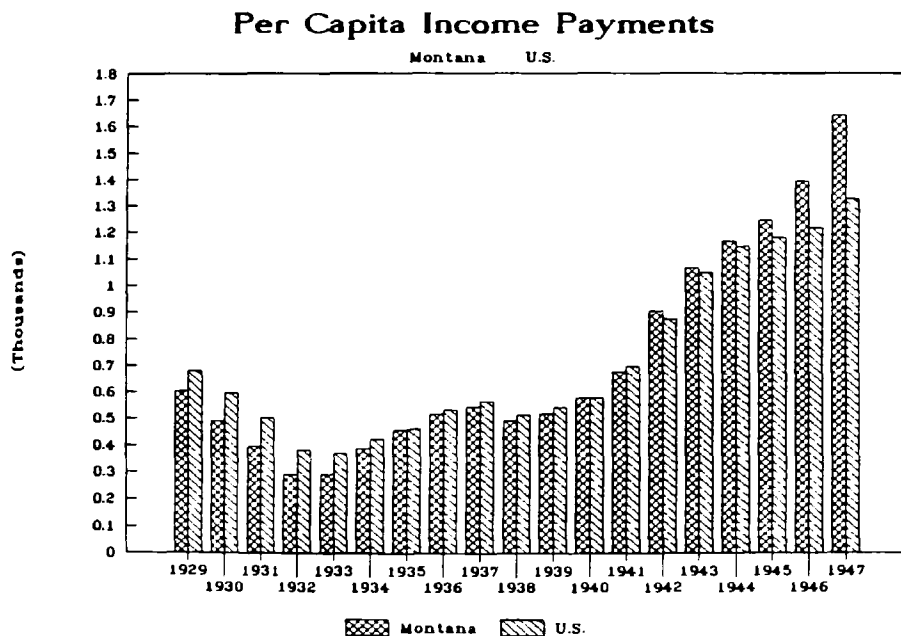


TABLE 19

TOTAL INCOME PAYMENTS TO INDIVIDUALS

EACH TYPE AS PERCENT OF TOTAL
MONTANA AND THE UNITED STATES, 1929 - 1950

YEAR	<u>MONTANA</u>					<u>UNITED STATES</u>					Mont. as % of U.S.
	Wages and Salaries	Proprie- tors' Income	Prop- erty Income	Other Income	Total	Wages and Salaries	Proprie- tors' Income	Prop- erty Income	Other Income	Total	
1933	64.6	16.5	10.8	8.2	100.1	61.7	14.3	18.9	5.1	100.0	0.34
1939	59.0	22.9	8.7	9.4	100.0	62.1	15.5	15.6	6.7	100.0	0.41
1940	56.4	26.2	9.3	8.1	100.0	63.3	15.6	14.9	6.2	100.0	0.42
1941	52.7	33.3	7.5	6.5	100.0	65.0	17.1	13.3	4.6	100.0	0.40
1942	50.6	37.3	7.6	4.5	100.0	66.5	18.9	11.0	3.6	100.0	0.40
1943	49.9	38.4	7.5	4.2	100.0	68.0	18.3	9.7	4.1	100.0	0.37
1944	48.7	37.7	7.7	5.9	100.0	66.2	18.3	9.4	6.1	100.0	0.36
1945	47.3	36.8	8.1	7.8	100.0	63.1	19.1	9.6	8.2	100.0	0.37
1946	47.2	37.8	8.4	6.6	100.0	61.5	20.8	10.2	7.4	100.0	0.39
1947	46.7	40.0	8.0	5.3	100.0	64.1	19.1	10.4	6.5	100.0	0.43

Source: Harold J. Hoflich, The Economy Of Montana. (Missoula: Bureau of Business and Economic Research School of Business Administration, Montana State University, 1951), Page 5.

TABLE 20
CATTLE ON FARMS

<u>YEAR</u>	<u>ANIMALS #</u>	<u>VALUE</u>
1930	1,226,000	\$65,959,000
1931	1,263,000	49,004,000
1932	1,276,000	30,624,000
1933	1,450,000	30,305,000
1934	1,704,000	29,235,000
1935	1,530,000	27,342,000
1936	1,362,000	43,404,000
1937	974,000	29,086,000
1938	890,000	31,217,000
1939	1,006,000	40,837,000
1940	1,148,000	52,672,000
1941	1,274,000	61,058,000
1942	1,389,000	82,447,000
1943	1,528,000	116,075,000
1944	1,757,000	129,763,000
1945	1,775,000	130,747,000
1946	1,925,000	152,845,000
1947	1,829,000	178,876,000

On farms January 1.

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bulletin # 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 17.

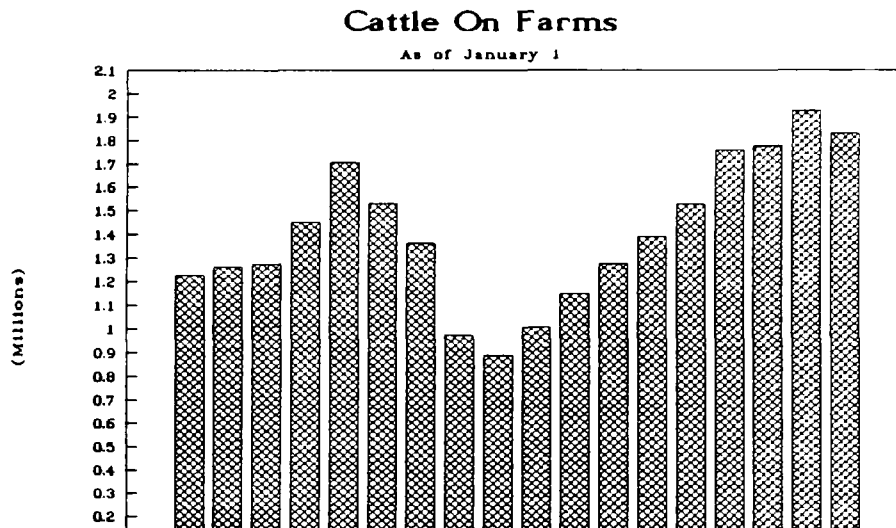


TABLE 21
SUGAR BEETS

<u>YEAR</u>	<u>ACRES HARVESTED</u>	<u>TONS</u>	<u>VALUE</u>
1930	45,000	572,000	\$4,193,000
1931	54,000	617,000	3,708,000
1932	54,000	739,000	3,983,000
1933	68,000	838,000	4,575,000
1934	64,000	786,000	4,095,000
1935	51,000	570,000	3,625,000
1936	60,000	654,000	4,120,000
1937	70,000	852,000	4,490,000
1938	78,000	987,000	4,511,000
1939	74,000	894,000	4,309,000
1940	83,000	1,166,000	5,772,000
1941	64,000	793,000	5,369,000
1942	75,000	915,000	6,680,000
1943	57,000	581,000	5,324,000
1944	64,000	682,000	7,229,000
1945	81,000	865,000	8,710,000
1946	73,000	891,000	9,712,000
1947	77,000	893,000	9,734,000

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948),12.

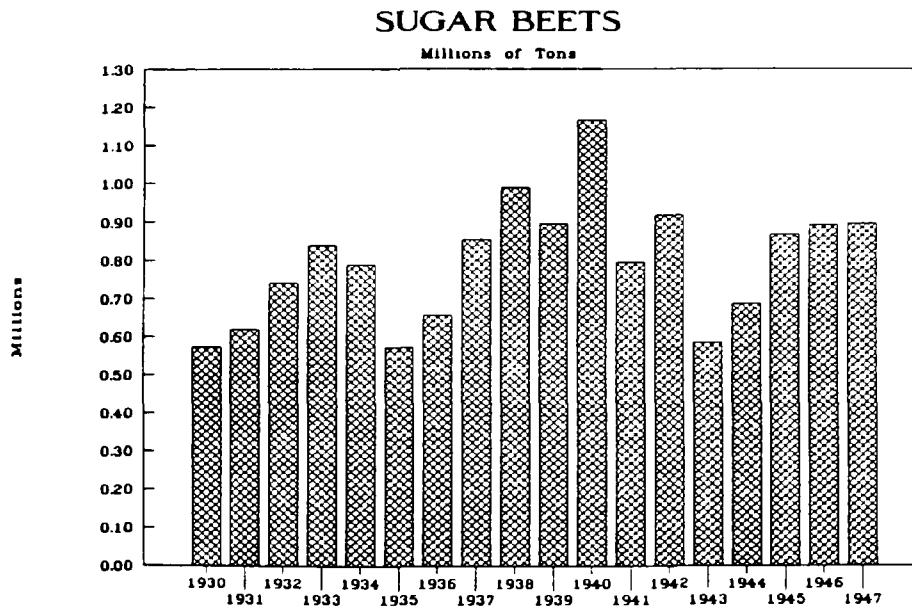


TABLE 22
WHEAT
 (Amounts In Thousands)

<u>YEAR</u>	<u>ACRES HARVESTED</u>	<u>BUSHEL S</u>	<u>VALUE</u>
1930	4,217	35,313	\$20,128
1931	2,182	14,478	7,239
1932	4,021	54,593	18,562
1933	3,512	26,810	16,890
1934	2,481	27,624	23,757
1935	3,434	34,157	31,424
1936	2,239	11,866	14,477
1937	2,624	20,401	19,993
1938	4,249	64,837	30,473
1939	3,401	4,612	28,589
1940	3,917	51,676	31,522
1941	3,703	68,239	59,368
1942	3,267	73,783	75,996
1943	3,490	77,023	97,049
1944	3,884	74,764	98,688
1945	3,777	57,145	82,289
1946	4,133	62,888	116,343
1947	4,306	64,325	153,094

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 7.

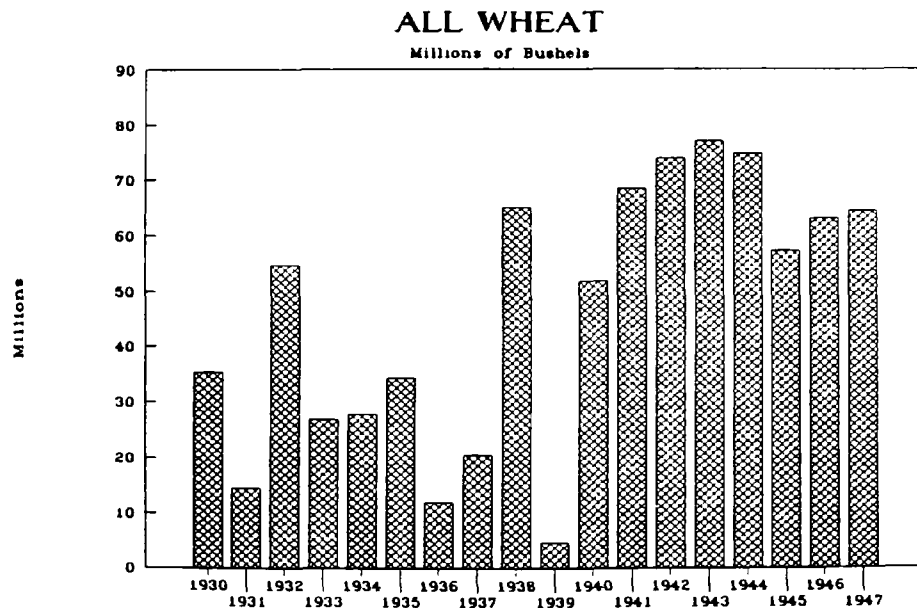


TABLE 23
COPPER

<u>YEAR</u>	<u>POUNDS</u>	<u>VALUE</u>
1930	196,187,523	\$25,504,378
1931	184,555,735	16,794,572
1932	84,847,349	5,345,383
1933	65,476,375	4,190,488
1934	63,265,000	5,061,200
1935	154,957,470	12,861,470
1936	219,088,000	20,156,096
1937	289,056,000	34,975,776
1938	154,426,000	15,133,748
1939	195,654,000	20,348,016
1940	252,782,000	28,564,366
1941	256,072,000	30,216,496
1942	282,388,000	34,168,948
1943	269,050,000	34,976,500
1944	236,380,000	31,911,300
1945	177,012,000	23,896,620
1946	116,962,000	18,947,844
1947	115,250,000	24,087,250

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 26.

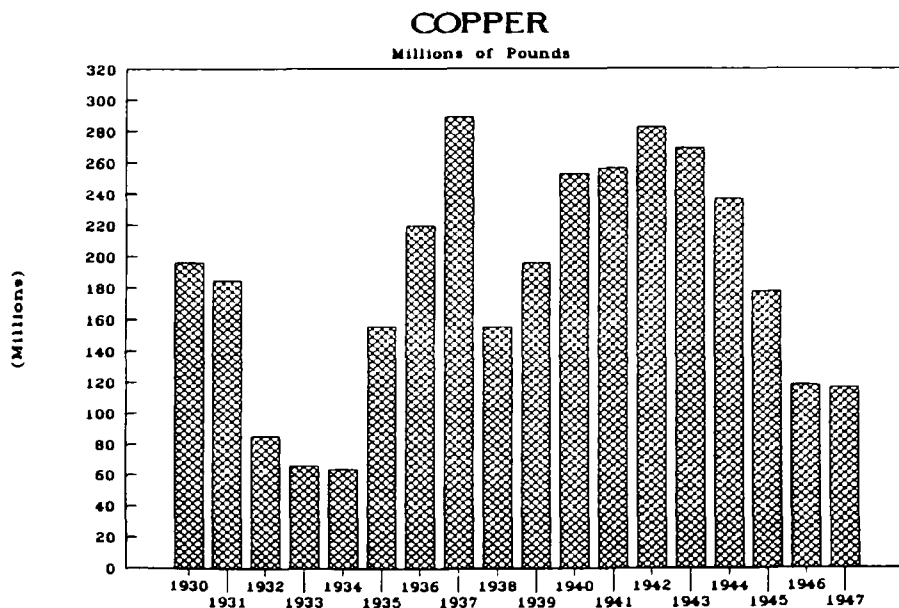


TABLE 24
ZINC

<u>YEAR</u>	<u>SHORT TONS</u>	<u>VALUE</u>
1930	26,421	\$2,536,373
1931	6,747	512,809
1932	2,197	131,791
1933	20,724	1,740,854
1934	30,721	2,642,017
1935	54,781	4,820,705
1936	49,717	4,971,700
1937	39,168	5,091,840
1938	8,844	849,024
1939	34,799	3,618,096
1940	52,587	6,625,962
1941	60,710	9,106,500
1942	54,715	10,176,990
1943	37,606	8,122,896
1944	36,127	8,236,956
1945	17,403	4,002,690
1946	16,770	4,091,880
1947	42,775	1,009,350

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 28.

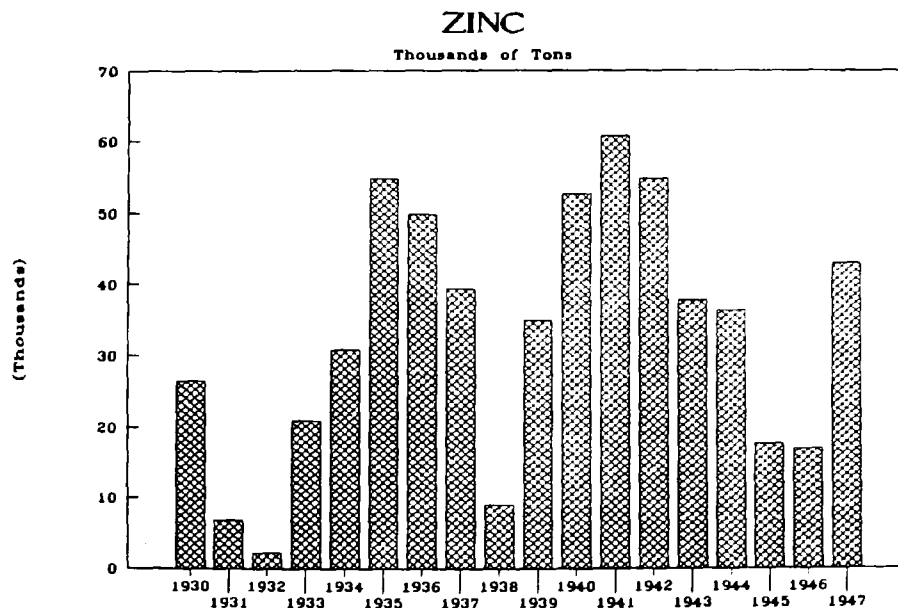


TABLE 25

LEAD PRODUCTION IN THE UNITED STATES AND MONTANA

YEAR	PRODUCTION (SHORT TONS)		MONTANA'S	MONTANA'S	VALUE OF
	U. S.	MONTANA	PERCENTAGE OF TOTAL PROD.	RANK AMONG STATES	IN MONTANA
1930	558,313	10,653	1.9%	8TH	\$1,065,302
1931	404,622	4,430	1.1%	10TH	327,827
1932	292,968	1,079	0.4%	12TH	64,733
1933	272,677	6,582	2.4%	6TH	487,047
1934	278,339	10,005	3.6%	6TH	740,370
1935	331,103	15,589	4.7%	5TH	1,247,101
1936	372,919	19,059	5.1%	5TH	1,753,426
1937	464,892	17,957	3.9%	5TH	2,118,926
1938	369,726	9,327	2.5%	7TH	858,084
1939	413,979	16,555	4.0%	5TH	1,556,170
1940	457,392	23,036	5.0%	4TH	2,303,600
1941	461,426	21,259	4.6%	5TH	2,423,526
1942	496,239	20,050	4.0%	5TH	2,686,700
1943	453,313	16,324	3.6%	6TH	2,448,600
1944	416,861	13,105	3.1%	7TH	2,096,800
1945	390,831	9,999	2.6%	7TH	1,719,828
1946	335,475	8,280	2.5%	8TH	1,805,040

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1949, Bullet.# 13 (Missoula: Bureau of Business Research, State University of Montana, 1950),47.

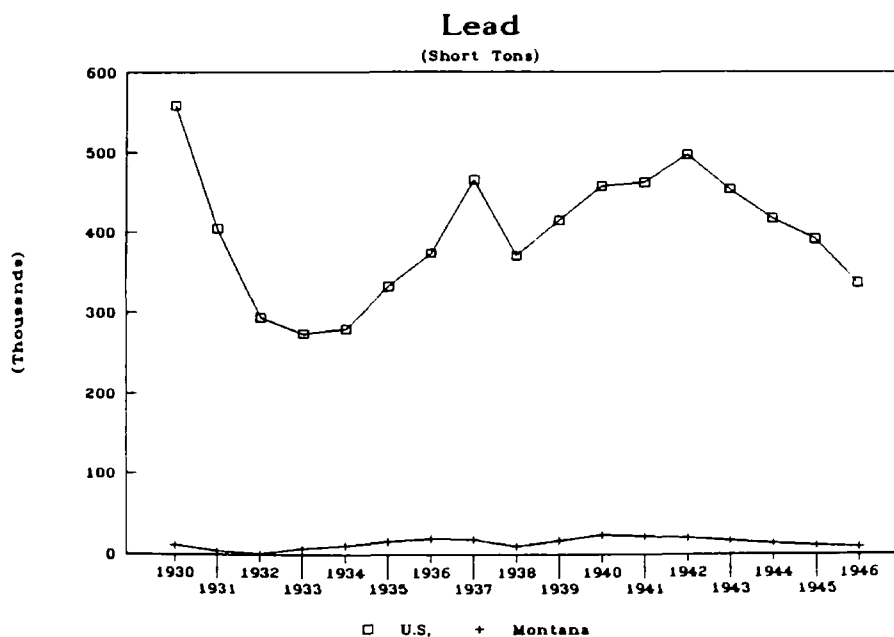


TABLE 26
TOURIST EXPENDITURES

Annual estimates. Includes only travel by automobile.

<u>YEAR</u>	<u>TOURISTS</u>	<u>EXPENDITURES</u>
1935	1,296,000	\$25,551,200
1936	1,413,750	30,293,400
1937	1,333,721	27,677,152
1938	1,125,000	27,000,000
1939	1,016,000	23,363,000
1940	1,726,950	28,650,100
1941	1,774,782	29,737,721
1942	1,107,690	16,094,735
1943	687,600	8,938,800
1944	652,068	6,520,680
1945	1,097,735	16,466,025
1946	2,857,399	53,861,971

Source: Roy J. W. Ely, *Montana's Production: A Statistical Summary of the States Industry, 1930-1947*, Bullet.# 11 (Missoula: Bureau of Business Research, State University of Montana, 1947), 60.

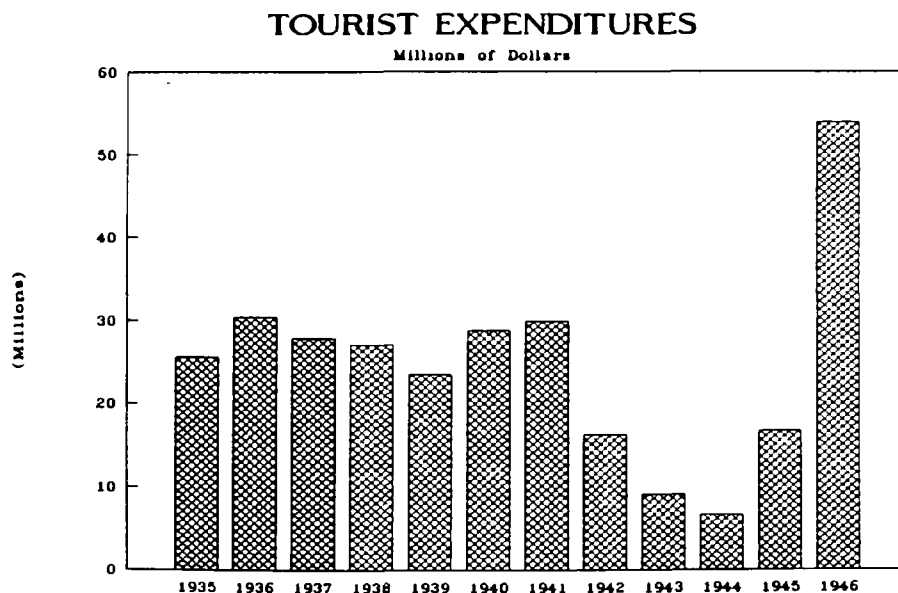


TABLE 27

BUILDING PERMITS

<u>YEAR</u>	<u>PERMITS #</u>	<u>VALUE</u>
1930	1,100	\$2,484,300
1931	873	1,528,600
1932	610	534,000
1933	539	510,200
1934	548	1,032,800
1935	1,185	1,552,600
1936	1,458	2,997,900
1937	1,216	2,523,400
1938	1,055	2,174,550
1939	1,295	2,365,550
1940	1,595	4,722,880
1941	1,253	3,256,880
1942	492	343,660
1943	475	974,210
1944	655	937,560
1945	786	2,308,200
1946	1,450	3,504,830

- issued in Missoula, Great Falls, Helena, and Butte.

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1947, Bullet.# 11 (Missoula: Bureau of Business Research, State University of Montana, 1947), 59.

BUILDING PERMITS

Value - Millions of Dollars

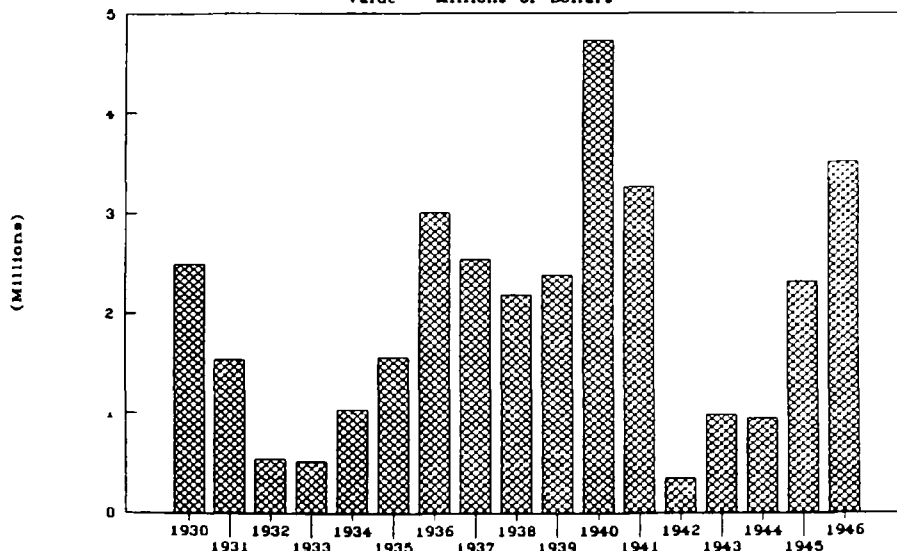


TABLE 28
**TOTAL POPULATION OF
 MONTANA 1940 - 1950**

<u>YEAR</u>	<u>Population (thousands)</u>	<u>Actual Change (thousands)</u>	<u>Percent Change</u>
1940	556	-	-
1941	544	-12	-2.2
1942	522	-22	-4.0
1943	487	-35	-6.7
1944	462	-25	-5.1
1945	495	+32	+6.9

Harold J. Hoflich, The Economy Of Montana. (Missoula: Bureau of Business and Economic Research School of Business Administration, Montana State University, 1951), Page 16.

TABLE 29
POTATOES

<u>YEAR</u>	<u>ACRES</u>		<u>VALUE</u>
	<u>HARVESTED</u>	<u>BUSHELS</u>	
1930	19,000	1,710,000	\$1,813,000
1931	21,000	1,785,000	1,017,000
1932	22,000	2,200,000	880,000
1933	23,000	2,070,000	1,408,000
1934	23,000	1,794,000	1,328,000
1935	19,000	1,615,000	1,292,000
1936	16,000	1,440,000	1,742,000
1937	18,000	1,800,000	882,000
1938	16,000	1,440,000	1,037,000
1939	15,000	1,275,000	1,135,000
1940	15,000	1,725,000	949,000
1941	14,000	1,540,000	1,355,000
1942	15,000	1,725,000	2,277,000
1943	23,000	2,645,000	3,386,000
1944	21,000	2,520,000	3,906,000
1945	15,000	2,125,000	3,251,000
1946	16,000	2,210,000	3,271,000

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 16.

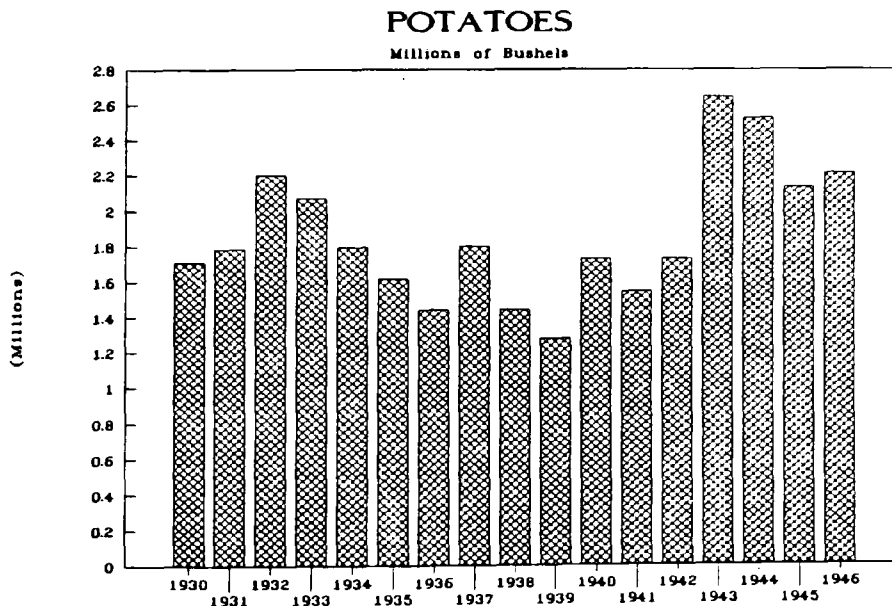


TABLE 30
GOLD

Year	United States Production(Fine Ounces)	Montana	Montana's Percentage of Total Prod.	Montana's Rank Among States	Value of Production in Montana
1930	2,138,742	43,489	2.0	8th	\$899,001
1931	2,406,737	40,112	1.7	9th	829,192
1932	2,513,757	40,602	1.6	9th	839,318
1933	2,571,259	57,822	2.2	10th	1,477,935
1934	3,119,160	97,446	3.1	8th	3,405,736
1935	3,236,951	151,088	4.7	8th	5,288,081
1936	3,782,667	180,209	4.8	8th	6,307,322
1937	4,117,078	202,252	4.9	8th	7,078,820
1938	4,267,269	203,313	4.8	7th	7,115,955
1939	4,673,042	264,173	5.7	8th	9,246,055
1940	4,869,949	272,602	5.6	8th	9,451,070
1941	4,750,865	246,475	5.2	8th	8,626,625
1942	3,457,110	146,892	4.2	8th	5,141,220
1943	1,363,815	59,586	4.4	8th	2,085,510
1944	998,394	50,021	5.0	6th	1,750,735
1945	954,572	44,597	4.7	9th	1,560,895
1946	1,574,505	70,507	4.5	7th	2,467,745
1947	2,109,185	90,124	4.3	7th	3,154,340

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1949, Bullet. # 13 (Missoula: Bureau of Business Research, State University of Montana, 1950), 47.

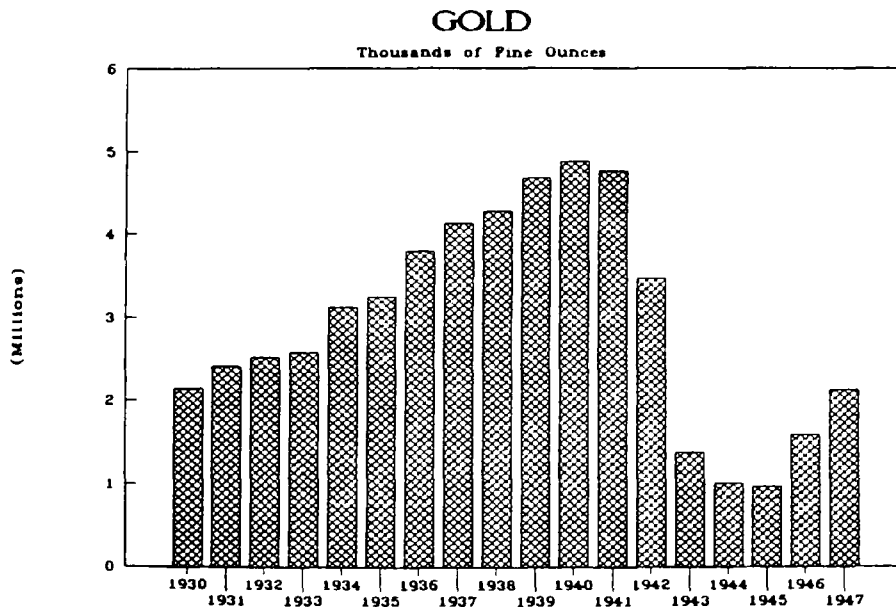


TABLE 31
MANGANESE

<u>YEAR</u>	<u>SHORT TONS</u> ^(*)	<u>VALUE</u> ^(**)
1930	47,480	\$899,065
1931	40,123	494,282
1932	15,479	(***)
1933	9,320	297,451
1934	22,795	405,934
1935	17,641	372,079
1936	36,763	573,456
1937	46,404	899,821
1938	12,388	453,367
1939	13,260	(***)
1940	25,715	(***)
1941	59,553	(***)
1942	145,554	(***)
1943	140,156	(***)
1944	160,670	6,001,001
1945	156,987	6,146,595
1946	141,338	4,643,050
1947	133,360	4,153,054

(*) Manganese and manganiferous ores, including those for which no value is shown.

(**) Excludes value of following quantities of manganiferous ore: 1930, 11,875 tons; 1931, 14,311 tons; 1945, 5,057 tons, and 1946, 3,816 tons, and 1947, 3,671 tons.

(***) Not available for publication.

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 28.

MANGANESE

Thousands of Tons

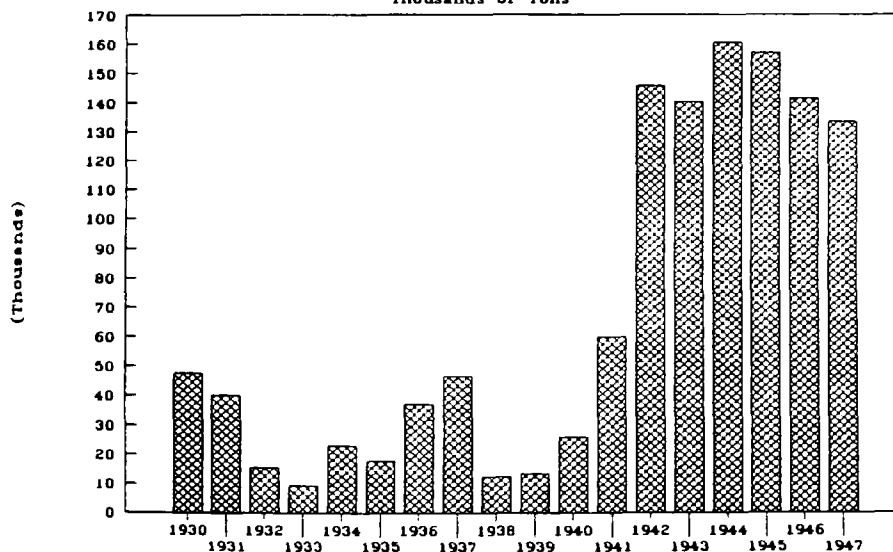


TABLE 32
FLAXSEED

<u>YEAR</u>	<u>ACRES</u>		<u>VALUE</u>
	<u>HARVESTED</u>	<u>BUSHELS</u>	
1930	481,000	1,780,000	\$2,723,000
1931	178,000	463,000	500,000
1932	214,000	179,000	614,000
1933	64,000	192,000	276,000
1934	23,000	106,000	161,000
1935	64,000	224,000	302,000
1936	16,000	64,000	111,000
1937	15,000	46,000	78,000
1938	26,000	130,000	191,000
1939	82,000	361,000	538,000
1940	107,000	749,000	936,000
1941	148,000	888,000	1,456,000
1942	330,000	2,475,000	5,321,000
1943	568,000	4,374,000	12,269,000
1944	199,000	1,453,000	3,938,000
1945	320,000	1,312,000	3,582,000
1946	70,000	518,000	2,357,000

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1947, Bullet.# 11 (Missoula: Bureau of Business Research, State University of Montana, 1947), 12.

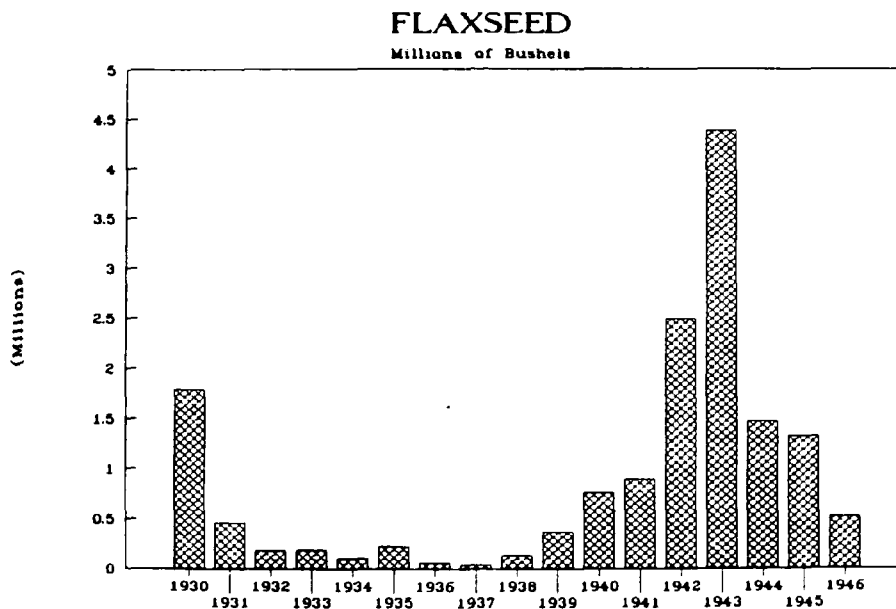


TABLE 33
BARLEY

YEAR	ACRES		VALUE
	HARVESTED	BUSHELS	
1930	232,000	3,828,000	\$1,608,000
1931	128,000	1,920,000	768,000
1932	147,000	3,234,000	841,000
1933	132,000	1,980,000	752,000
1934	84,000	1,680,000	991,000
1935	151,000	2,869,000	1,291,000
1936	57,000	798,000	575,000
1937	91,000	2,093,000	1,088,000
1938	127,000	3,683,000	1,215,000
1939	195,000	4,582,000	1,695,000
1940	187,000	4,208,000	1,599,000
1941	215,000	6,020,000	3,010,000
1942	411,000	12,330,000	7,151,000
1943	543,000	17,104,000	14,367,000
1944	543,000	16,290,000	14,661,000
1945	672,000	14,784,000	13,749,000
1946	800,000	17,550,000	20,709,000

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1947, Bullet.# 11 (Missoula: Bureau of Business Research, State University of Montana, 1947), 5.

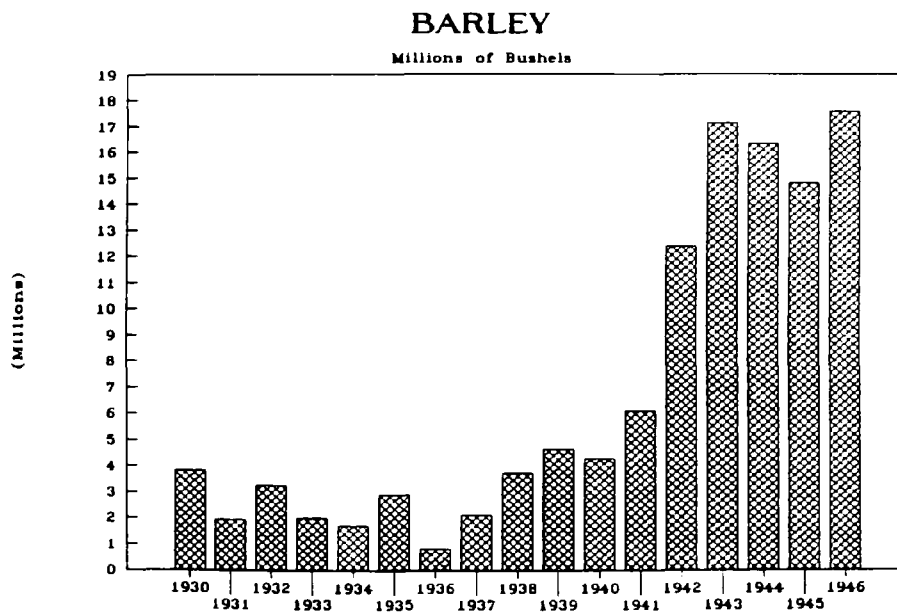


TABLE 34
CORN

YEAR	ACRES		VALUE
	HARVESTED	BUSHEL	
1930	122,000	1,220,000	\$756,000
1931	104,000	1,009,000	535,000
1932	182,000	2,038,000	815,000
1933	174,000	1,288,000	747,000
1934	106,000	562,000	528,000
1935	212,000	2,290,000	1,740,000
1936	76,000	684,000	766,000
1937	149,000	1,341,000	872,000
1938	167,000	2,505,000	1,328,000
1939	145,000	2,175,000	1,240,000
1940	2,063,000	2,856,000	1,656,000
1941	178,000	3,560,000	2,385,000
1942	190,000	3,800,000	3,078,000
1943	179,000	3,222,000	3,834,000
1944	140,000	2,940,000	3,322,000
1945	170,000	2,295,000	2,892,000
1946	180,000	2,520,000	3,780,000

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1947, Bullet.# 11 (Missoula: Bureau of Business Research, State University of Montana, 1947), 5.

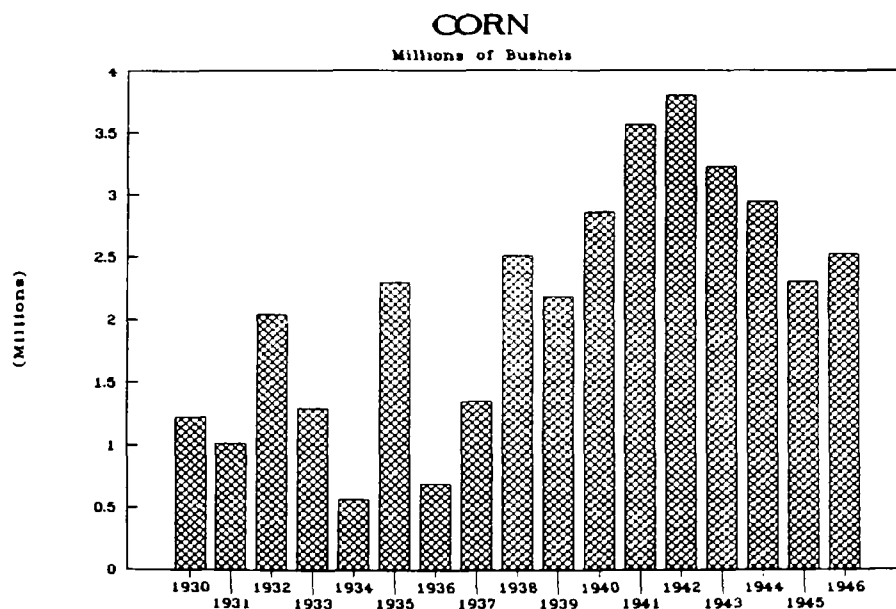


TABLE 35 GASOLINE

<u>YEAR</u>	<u>GALLONS</u>
1930	33,895,186
1931	39,077,006
1932	34,746,470
1933	37,185,970
1934	46,964,780
1935	51,285,282
1936	69,511,071
1937	91,162,097
1938	96,528,460
1939	127,102,046
1940	130,583,079
1941	141,545,067
1942	65,578,264

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1943, Bullet.# 7 (Missoula: Bureau of Business Research, State University of Montana, 1943), 48

"Gasoline production in Montana has risen rapidly since 1935; in fact, from 1935 to 1940 it has increased more than 100 per cent. Allowing 650 gallons a year for each automobile and truck bearing a Montana license plate, production in the state in each of the last two years has exceeded consumption."

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1941, Bullet.# 5 (Missoula: Bureau of Business Research, State University of Montana, 1941), 45.

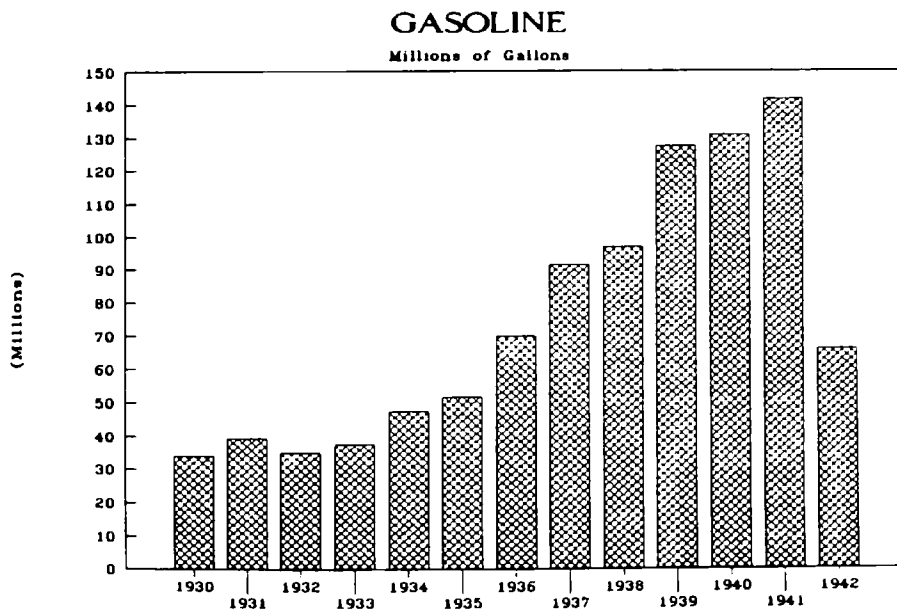


TABLE 36

OATS

<u>YEAR</u>	<u>ACRES HARVESTED</u>	<u>BUSHEL</u> <u>S</u>	<u>VALUE</u>
1930	280,000	4,900,000	\$1,568,000
1931	160,000	2,800,000	840,000
1932	368,000	9,568,000	2,105,000
1933	314,000	5,338,000	1,708,000
1934	205,000	5,125,000	2,306,000
1935	348,000	7,830,000	2,819,000
1936	153,000	2,524,000	1,312,000
1937	196,000	4,704,000	1,693,000
1938	298,000	10,728,000	2,682,000
1939	340,000	9,350,000	2,618,000
1940	371,000	10,574,000	2,961,000
1941	404,000	14,544,000	5,672,000
1942	521,000	2,319,000	8,737,000
1943	448,000	17,920,000	10,573,000
1944	403,000	15,717,000	9,116,000
1945	323,000	9,367,000	5,714,000
1946	339,000	10,912,000	8,184,000

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 6.

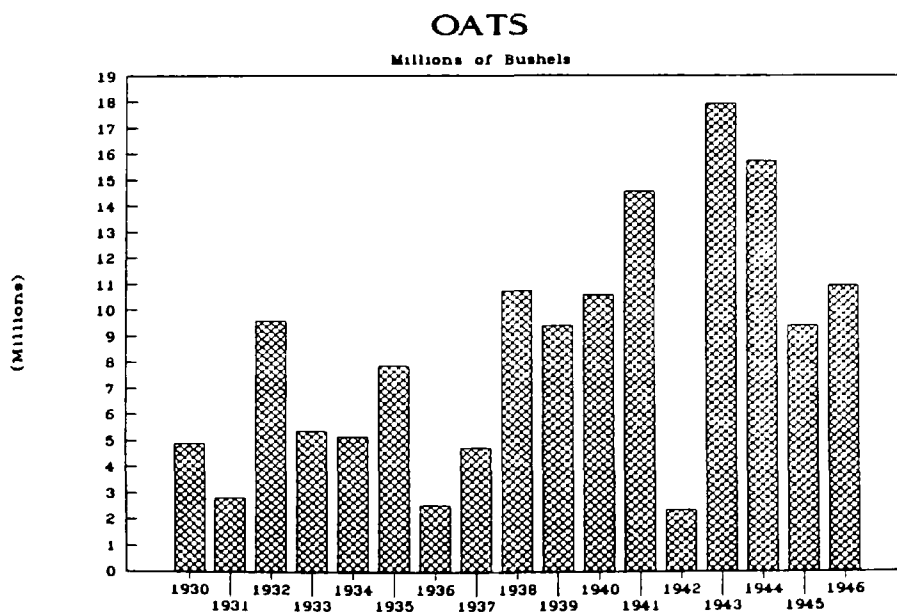
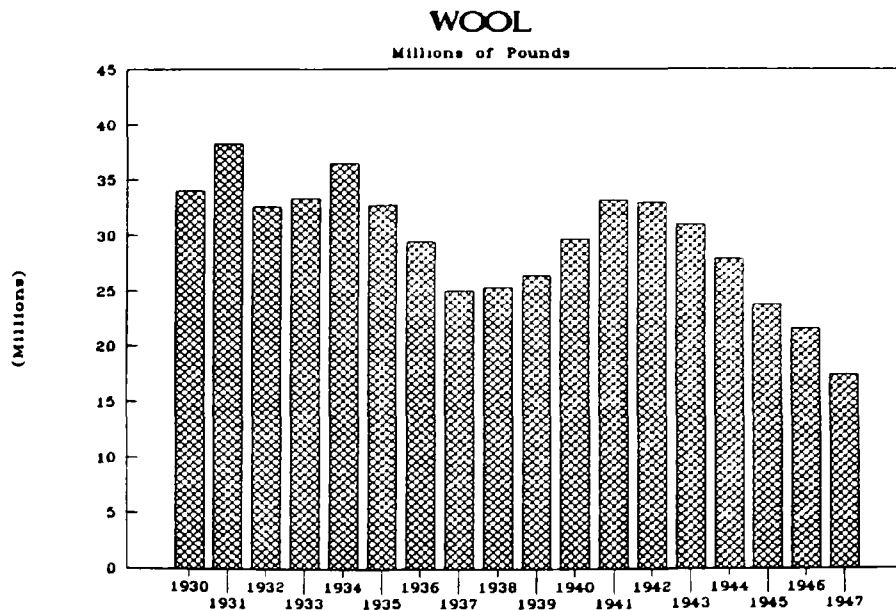


TABLE 37

WOOL

<u>YEAR</u>	<u>POUNDS</u>	<u>CASH INCOME</u>
1930	34,034,000	\$7,147,000
1931	38,214,000	5,350,000
1932	32,538,000	2,928,000
1933	33,370,000	7,341,000
1934	36,472,000	8,389,000
1935	32,712,000	6,215,000
1936	29,351,000	7,631,000
1937	24,892,000	7,926,000
1938	25,245,000	4,797,000
1939	26,319,000	5,790,000
1940	29,624,000	8,591,000
1941	33,149,000	11,271,000
1942	32,964,000	13,186,000
1943	30,945,000	13,306,000
1944	27,866,000	12,261,000
1945	23,707,000	10,431,000
1946	21,485,000	9,239,000
1947	17,317,000	7,793,000

Source: Roy J. W. Ely, Montana's Production: A Statistical Summary of the States Industry, 1930-1948, Bullet.# 12 (Missoula: Bureau of Business Research, State University of Montana, 1948), 21.



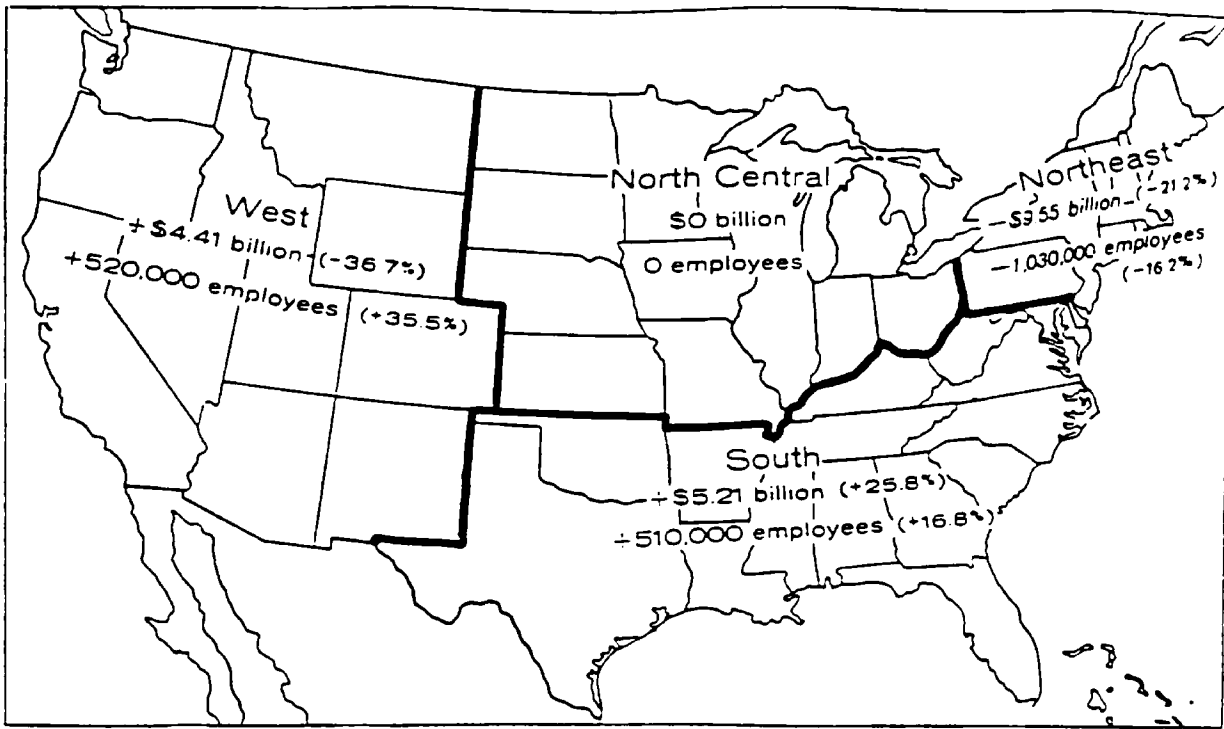


Figure 3:1. Comparative Gain or Loss of Manufacturing, by Region, 1929-54

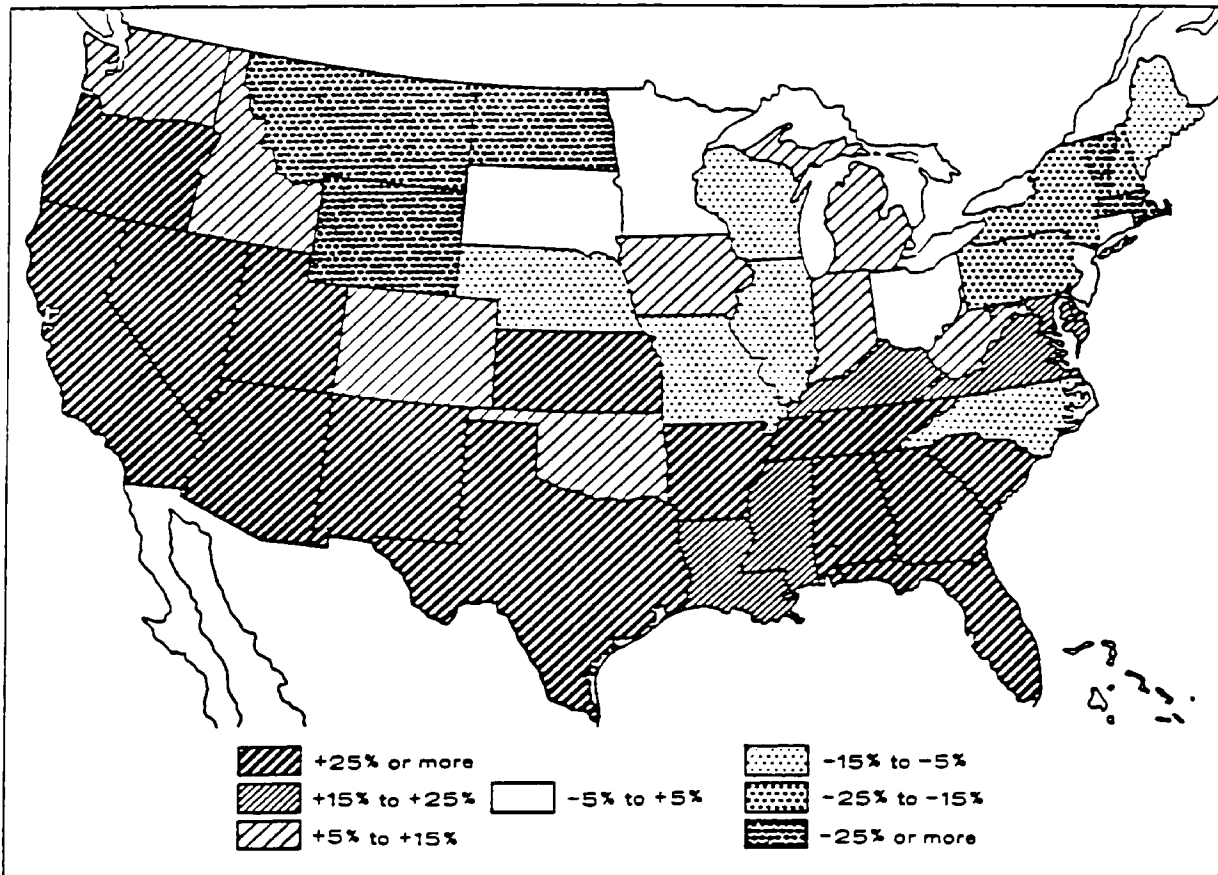
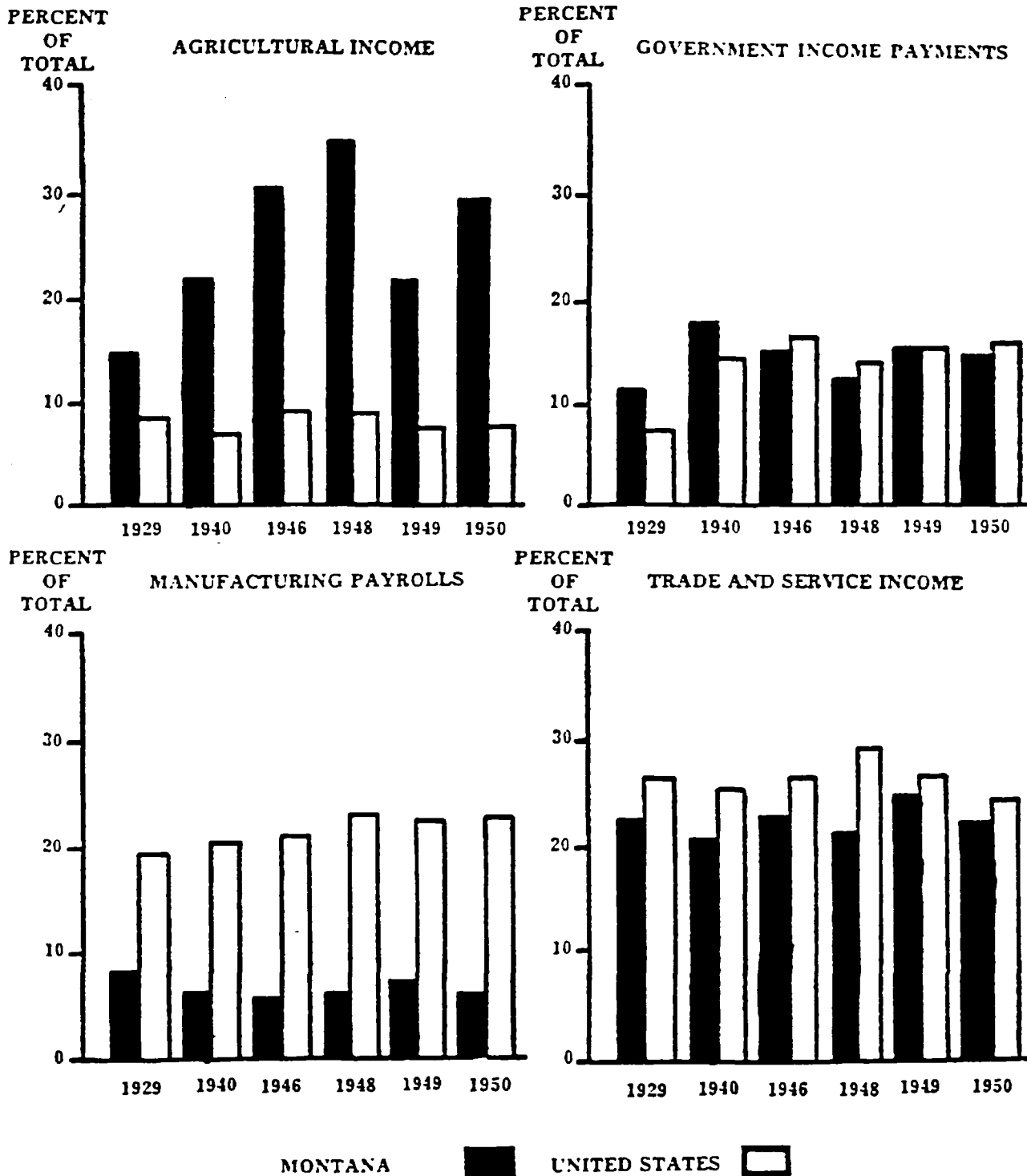


Figure 3:2. Comparative Gain or Loss (Per Cent), Value Added by Manufacture, by State, 1929-54

Victor R. Fuchs, Changes In The Location of Manufacturing In The United States Since 1929 (New Haven: Yale University Press, 1962)p., 4.

MAJOR SOURCES OF INCOME PAYMENTS TO INDIVIDUALS,
 SELECTED COMPONENTS AS PERCENT OF TOTAL,
 MONTANA AND THE UNITED STATES, SELECTED YEARS,
 1929-1950



Source: U. S. Department of Commerce, Office of Business Economics.

APPENDIX - B

TITLE I—INDIVIDUAL AND CORPORATION INCOME TAXES

108

Part I—Amendments to Chapter I

SEC. 101. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE.

Except as otherwise expressly provided, the amendments made by this title shall be applicable only with respect to taxable years beginning after December 31, 1941.

SEC. 102. NORMAL TAX ON INDIVIDUALS.

Section 11 is amended to read as follows:

53 Stat. 8.
26 U. S. C., Supp. I,
§ 11.

*SEC. 11. NORMAL TAX ON INDIVIDUALS.

"There shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax of 6 per centum of the amount of the net income in excess of the credits against net income provided in section 25. (For alternative tax, if gross income from certain sources is \$3,000 or less, see section 400)."

53 Stat. 17.
26 U. S. C. § 25;
Supp. I, § 25.
Post, pp. 811, 815,
825, 827, 828, 835.

SEC. 103. SURTAX ON INDIVIDUALS.

Section 12 (b) is amended to read as follows:

"(b) RATES OF SURTAX.—There shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual the surtax shown in the following table:

53 Stat. 5.
26 U. S. C., Supp. I,
§ 12 (b).

*If the surtax net income is:	The surtax shall be:
Not over \$2,000.....	13% of the surtax net income.
Over \$2,000 but not over \$4,000.....	\$200, plus 16% of excess over \$2,000.
Over \$4,000 but not over \$6,000.....	\$580, plus 20% of excess over \$4,000.
Over \$6,000 but not over \$8,000.....	\$980, plus 24% of excess over \$6,000.
Over \$8,000 but not over \$10,000.....	\$1,460, plus 28% of excess over \$8,000.
Over \$10,000 but not over \$12,000.....	\$2,020, plus 32% of excess over \$10,000.
Over \$12,000 but not over \$14,000.....	\$2,660, plus 36% of excess over \$12,000.
Over \$14,000 but not over \$16,000.....	\$3,350, plus 40% of excess over \$14,000.
Over \$16,000 but not over \$18,000.....	\$4,180, plus 43% of excess over \$16,000.
Over \$18,000 but not over \$20,000.....	\$5,040, plus 46% of excess over \$18,000.
Over \$20,000 but not over \$22,000.....	\$5,960, plus 49% of excess over \$20,000.
Over \$22,000 but not over \$24,000.....	\$6,940, plus 52% of excess over \$22,000.
Over \$24,000 but not over \$26,000.....	\$8,020, plus 55% of excess over \$24,000.
Over \$26,000 but not over \$28,000.....	\$9,220, plus 58% of excess over \$26,000.
Over \$28,000 but not over \$30,000.....	\$10,500, plus 61% of excess over \$28,000.
Over \$30,000 but not over \$32,000.....	\$11,860, plus 64% of excess over \$30,000.
Over \$32,000 but not over \$34,000.....	\$13,300, plus 67% of excess over \$32,000.
Over \$34,000 but not over \$36,000.....	\$14,820, plus 70% of excess over \$34,000.
Over \$36,000 but not over \$38,000.....	\$16,420, plus 73% of excess over \$36,000.
Over \$38,000 but not over \$40,000.....	\$18,100, plus 76% of excess over \$38,000.
Over \$40,000 but not over \$42,000.....	\$19,860, plus 79% of excess over \$40,000.
Over \$42,000 but not over \$44,000.....	\$21,700, plus 82% of excess over \$42,000.
Over \$44,000 but not over \$46,000.....	\$23,620, plus 85% of excess over \$44,000.
Over \$46,000 but not over \$48,000.....	\$25,620, plus 88% of excess over \$46,000.
Over \$48,000 but not over \$50,000.....	\$27,700, plus 91% of excess over \$48,000.
Over \$50,000 but not over \$52,000.....	\$29,860, plus 94% of excess over \$50,000.
Over \$52,000 but not over \$54,000.....	\$32,100, plus 97% of excess over \$52,000.
Over \$54,000 but not over \$56,000.....	\$34,420, plus 100% of excess over \$54,000.
Over \$56,000 but not over \$58,000.....	\$36,820, plus 103% of excess over \$56,000.
Over \$58,000 but not over \$60,000.....	\$39,300, plus 106% of excess over \$58,000.
Over \$60,000 but not over \$62,000.....	\$41,860, plus 109% of excess over \$60,000.
Over \$62,000 but not over \$64,000.....	\$44,500, plus 112% of excess over \$62,000.
Over \$64,000 but not over \$66,000.....	\$47,220, plus 115% of excess over \$64,000.
Over \$66,000 but not over \$68,000.....	\$50,020, plus 118% of excess over \$66,000.
Over \$68,000 but not over \$70,000.....	\$52,900, plus 121% of excess over \$68,000.
Over \$70,000 but not over \$72,000.....	\$55,860, plus 124% of excess over \$70,000.
Over \$72,000 but not over \$74,000.....	\$58,900, plus 127% of excess over \$72,000.
Over \$74,000 but not over \$76,000.....	\$62,020, plus 130% of excess over \$74,000.
Over \$76,000 but not over \$78,000.....	\$65,220, plus 133% of excess over \$76,000.
Over \$78,000 but not over \$80,000.....	\$68,500, plus 136% of excess over \$78,000.
Over \$80,000 but not over \$82,000.....	\$71,860, plus 139% of excess over \$80,000.
Over \$82,000 but not over \$84,000.....	\$75,300, plus 142% of excess over \$82,000.
Over \$84,000 but not over \$86,000.....	\$78,820, plus 145% of excess over \$84,000.
Over \$86,000 but not over \$88,000.....	\$82,420, plus 148% of excess over \$86,000.
Over \$88,000 but not over \$90,000.....	\$86,100, plus 151% of excess over \$88,000.
Over \$90,000 but not over \$92,000.....	\$89,860, plus 154% of excess over \$90,000.
Over \$92,000 but not over \$94,000.....	\$93,700, plus 157% of excess over \$92,000.
Over \$94,000 but not over \$96,000.....	\$97,620, plus 160% of excess over \$94,000.
Over \$96,000 but not over \$98,000.....	\$101,620, plus 163% of excess over \$96,000.
Over \$98,000 but not over \$100,000.....	\$105,700, plus 166% of excess over \$98,000.

"If the surtax net income is: The surtax shall be:
 Over \$100,000 but not over \$150,000— \$50.140, plus 79% of excess over \$100,000.
 Over \$150,000 but not over \$200,000— \$98.640, plus 81% of excess over \$150,000.
 Over \$200,000— \$139.140, plus 82% of excess over \$200,000."

SEC. 104. OPTIONAL TAX ON INDIVIDUALS WITH GROSS INCOME FROM CERTAIN SOURCES OF \$3,000 OR LESS.

(a) **OPTIONAL TAX RATES.**—Section 400 (relating to optional tax) is amended to read as follows:

55 Stat. 689.
24 U. S. C., Supp. I, § 400.

"SEC. 400. IMPOSITION OF TAX.

"In lieu of the tax imposed under sections 11 and 12, an individual who makes his return on the cash basis may elect, for each taxable year, to pay the tax shown in the following table if his gross income for such taxable year is \$3,000 or less and consists wholly of one or more of the following: Salary, wages, compensation for personal services, dividends, interest, or annuities:

Act, p. 802.
53 Stat. 5.
26 U. S. C. § 12.
Supp. I, § 12.
Post, p. 846.

"If the gross income is over—	But not over—	The tax shall be—		
		Single person (not head of a family)	Married person making separate return	(1) Married person whose spouse has no gross income or (2) Married person making joint return or (3) Head of family
\$0	\$525	\$0	\$0	\$0
\$525	550	1	0	0
\$550	575	4	0	0
\$575	600	7	0	0
\$600	625	11	0	0
\$625	650	15	0	0
\$650	675	20	3	0
\$675	700	24	6	0
\$700	725	28	9	0
\$725	750	33	14	0
\$750	775	37	18	0
\$775	800	41	22	0
\$800	825	46	27	0
\$825	850	50	31	0
\$850	875	54	35	0
\$875	900	59	40	0
\$900	925	63	44	0
\$925	950	67	48	0
\$950	975	71	52	0
\$975	1,000	76	57	0
\$1,000	1,025	80	61	0
\$1,025	1,050	84	65	0
\$1,050	1,075	89	70	0
\$1,075	1,100	93	74	0
\$1,100	1,125	97	78	0
\$1,125	1,150	102	83	0
\$1,150	1,175	106	87	0
\$1,175	1,200	110	91	0
\$1,200	1,225	115	96	0
\$1,225	1,250	119	100	0
\$1,250	1,275	123	104	0
\$1,275	1,300	128	109	1
\$1,300	1,325	132	113	4
\$1,325	1,350	136	117	7
\$1,350	1,375	141	122	10
\$1,375	1,400	145	126	14
\$1,400	1,425	149	130	17
\$1,425	1,450	154	135	21
\$1,450	1,475	158	139	25
\$1,475	1,500	162	143	29
\$1,500	1,525	167	148	24

If the gross income is over—	But not over—	TABLE 1—		
		Single person not head of a family	Married person filing separate return	Married person whose spouse has no gross income or married person making joint return as head of family
\$1,525	\$1,550	\$171	\$152	\$38
\$1,550	1,575	175	156	42
\$1,575	1,600	180	161	47
\$1,600	1,625	184	165	51
\$1,625	1,650	188	169	55
\$1,650	1,675	193	174	60
\$1,675	1,700	197	178	64
\$1,700	1,725	201	182	68
\$1,725	1,750	206	187	73
\$1,750	1,775	210	191	77
\$1,775	1,800	214	195	81
\$1,800	1,825	218	199	85
\$1,825	1,850	223	204	90
\$1,850	1,875	227	208	94
\$1,875	1,900	231	212	98
\$1,900	1,925	236	217	103
\$1,925	1,950	240	221	107
\$1,950	1,975	244	225	111
\$1,975	2,000	249	230	116
\$2,000	2,025	253	234	120
\$2,025	2,050	257	238	124
\$2,050	2,075	262	243	129
\$2,075	2,100	266	247	133
\$2,100	2,125	270	251	137
\$2,125	2,150	275	256	142
\$2,150	2,175	279	260	146
\$2,175	2,200	283	264	150
\$2,200	2,225	288	269	155
\$2,225	2,250	292	273	159
\$2,250	2,275	296	277	163
\$2,275	2,300	301	282	168
\$2,300	2,325	305	286	172
\$2,325	2,350	309	290	176
\$2,350	2,375	314	295	181
\$2,375	2,400	318	299	185
\$2,400	2,425	322	303	189
\$2,425	2,450	327	308	194
\$2,450	2,475	331	312	198
\$2,475	2,500	335	316	202
\$2,500	2,525	340	321	207
\$2,525	2,550	344	325	211
\$2,550	2,575	348	329	215
\$2,575	2,600	353	334	220
\$2,600	2,625	357	338	224
\$2,625	2,650	361	342	228
\$2,650	2,675	366	347	233
\$2,675	2,700	371	351	237
\$2,700	2,725	376	355	241
\$2,725	2,750	381	359	245
\$2,750	2,775	386	364	250
\$2,775	2,800	391	369	254
\$2,800	2,825	396	374	258
\$2,825	2,850	401	379	263
\$2,850	2,875	406	384	267
\$2,875	2,900	411	389	271
\$2,900	2,925	416	394	276
\$2,925	2,950	421	399	280
\$2,950	2,975	426	404	284
\$2,975	3,000	431	409	289

Deductions for dependents.

In applying the above schedule to determine the tax of a taxpayer with one or more dependents there shall be subtracted from his gross income \$385 for each such dependent."

APPENDIX - C

Renuevo a Vuestra Excelencia el testimonio de mi más alta y distinguida consideración.

E. PADILLA

Excelentísimo señor GEORGE S. MESSERSMITH,
*Embajador Extraordinario y Plenipotenciario
de los Estados Unidos de América.*
Presente.

[Translation]

DEPARTMENT OF FOREIGN RELATIONS
UNITED MEXICAN STATES
MEXICO CITY

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MEXICO CITY, April 26, 1943.

MR. AMBASSADOR:

With relation to the conversations held in this Department between representatives of the Embassy in Your Excellency's charge and of the Farm Security Administration, on the one hand, and of the Departments of Gobernación, of Agricultura y Fomento, of Labor and Social Welfare and of this Department of Foreign Relations, on the other, with the object of examining the amendments which it would be proper to introduce in the arrangement of August 4, 1942, relative to agricultural workers who enter the United States to render their services, it is a pleasure for me to make the following statement to Your Excellency:

56 Stat. 1759.

The Government of Mexico, which is pleased to render this collaboration to that of the United States of America, is grateful for the spirit of understanding evidenced by the representatives of the Embassy and of the Farm Security Administration and, in view thereof, takes the liberty of submitting to Your Excellency's approval the text which would amend the above-mentioned arrangement of August 4, 1942, in the understanding that these amendments will apply both to the workers who were engaged under the arrangement in question and to those who have been engaged and will continue to be engaged in accordance with the request of the United States Government. The amendments to the arrangement of August 4, 1942, are written in capitals:

[Here follows the text of the revised agreement, the English version of which appears on p. 1158.]

In case Your Excellency, as I hope, considers the text of the arrangement acceptable as it is set forth in the foregoing sections, it will be sufficient for you to communicate it to me in writing for the same to come into force.

I renew to Your Excellency the assurance of my highest and most distinguished consideration.

E. PADILLA

HIS EXCELLENCY GEORGE S. MESSERSMITH,
*Ambassador Extraordinary and Plenipotentiary
of the United States of America.*
City.

No. 1214

Act. 2, 1152

56 Stat. 1759

EXCELLENCY:

I have the honor to refer to the note No. 317 dated April 26, 1943 in which Your Excellency formulates certain proposals made by the Mexican Government for making the Agreement of August 4, 1942 between the Governments of the United States of America and Mexico a more workable instrument under which Mexican agricultural workers may be recruited in Mexico to work in the United States for a temporary period.

The United States representatives who have been discussing the proposed changes with the representatives designated by the Mexican Government for this purpose have been gratified by the generous spirit of cooperation which has animated these discussions and which has helped to bring them to a successful conclusion.

I am incorporating into this note the text of the Agreement of August 4, 1942 and indicating by underlining those additions or changes agreed upon by my Government:

"In order to effect a satisfactory arrangement whereby Mexican agricultural labor may be made available for use in the United States and at the same time provide means whereby this labor will be adequately protected while out of Mexico, the following general provisions are suggested:

"General Provisions

"1) It is understood that Mexicans contracting to work in the United States shall not be engaged in any military service.

"2) Mexicans entering the United States as a result of this understanding shall not suffer discriminatory acts of any kind in accordance with the Executive Order No. 8802 issued at the White House June 25, 1941.

"3) Mexicans entering the United States under this understanding shall enjoy the guarantees of transportation, living expenses and repatriation established in Article 29 of the Mexican Federal Labor Law as follows:

'Article 29.—All contracts entered into by Mexican workers for lending their services outside their country, shall be made in writing, legalized by the municipal authorities of the locality where entered into and visaed by the Consul of the country where their services are being used. Furthermore, such contract shall contain, as a requisit of validity of same, the following stipulations, without which the contract is invalid:

'I. Transportation and subsistence expenses for the worker, and his family, if such is the case, and all other expenses which

originate from point of origin to border points and compliance of immigration requirements, or for any other similar concept, shall be paid exclusively by the employer or the contractual parties.

'II. The worker shall be paid in full the salary agreed upon, from which no deductions shall be made in any amount for any of the concepts mentioned in the above sub-paragraph.

'III. The employer or contractor shall issue a bond or constitute a deposit in cash in the Bank of Workers, or in the absence of same, in the Bank of Mexico, to the entire satisfaction of the respective labor authorities, for a sum equal to repatriation costs of the worker and his family, and those originated by transportation to point of origin.

'Once the employer establishes proof of having covered such expenses or the refusal of the worker to return to his country, and that he does not owe the worker any sum covering salary or indemnization to which he might have a right, the labor authorities shall authorize the return of the deposit or the cancellation of the bond issued.'

'It is specifically understood that the provisions of Section III of Article 29 above-mentioned shall not apply to the Government of the United States notwithstanding the inclusion of this section in the agreement, in view of the obligations assumed by the United States Government under Transportation (a) and (c) of this agreement.

"4) Mexicans entering the United States under this understanding shall not be employed to displace other workers, or for the purpose of reducing rates of pay previously established.

"In order to implement the application of the general principles mentioned above the following specific clauses are established:

"(When the word 'employer' is used hereinafter it shall be understood to mean the Farm Security Administration of the Department of Agriculture of the United States of America; the word 'sub-employer' shall mean the owner or operator of the farm or farms in the United States on which the Mexican will be employed; the word 'worker' hereinafter used shall refer to the Mexican farm laborer entering the United States under this understanding.)

"Contracts

"a. Contracts will be made between the employer and the worker under the supervision of the Mexican Government. (Contracts must be written in Spanish.)

"The employer shall enter into a contract with the sub-employer, with a view to proper observance of the principles embodied in this understanding.

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" Admission

"a. The Mexican health authorities will, at the place whence the worker comes, see that he meets the necessary physical conditions.

" Transportation

"a. All transportation and living expenses from the place of origin to destination, and return, as well as expenses incurred in the fulfillment of any requirements of a migratory nature shall be met by the employer.

"b. Personal belongings of the workers up to a maximum of 35 kilos per person shall be transported at the expense of the employer.

"c. In accord with the intent of Article 29 of the Mexican Federal Labor Law, quoted under General Provisions (3) above, it is expected that the employer will collect all or part of the cost accruing under (a) and (b) of Transportation from the sub-employer.

" Wages and Employment

"a. (1) Wages to be paid the worker shall be the same as those paid for similar work to other agricultural laborers under the same conditions within the same area, in the respective regions of destination. Piece rates shall be so set as to enable the worker of average ability to earn the prevailing wage. In any case wages for piece work or hourly work will not be less than 30 cents per hour.

"a. (2) On the basis of prior authorization from the Mexican Government salaries lower than those established in the previous clause may be paid those emigrants admitted into the United States as members of the family of the worker under contract and who, when they are in the field, are able also to become agricultural laborers but who, by their condition of age or sex, cannot carry out the average amount of ordinary work.

"b. The worker shall be exclusively employed as an agricultural laborer for which he has been engaged: any change from such type of employment or any change of locality shall be made with the express approval of the worker and with the authority of the Mexican Government.

"c. There shall be considered illegal any collection by reason of commission or for any other concept demanded of the worker.

"d. Work of minors under 14 years shall be strictly prohibited, and they shall have the same schooling opportunities as those enjoyed by children of other agricultural laborers.

"e. Workers domiciled in the migratory labor camps or at any other place of employment under this understanding shall be free to obtain articles for their personal consumption, or that of their families, wherever it is most convenient for them.

"f. The Mexican workers will be furnished without cost to them with hygienic lodgings, adequate to the physical conditions of the region of a type used by a common laborer of the region and the medical and sanitary services enjoyed also without cost to them will be identical with those furnished to the other agricultural workers in the regions where they may lend their services.

"g. Workers admitted under this understanding shall enjoy as regards occupational diseases and accidents the same guarantees enjoyed by other agricultural workers under United States legislation.

"h. Groups of workers admitted under this understanding shall elect their own representatives to deal with the employer, but it is understood that all such representatives shall be working members of the group.

"The Mexican Consuls, assisted by the Mexican Labor Inspectors, recognized as such by the employer will take all possible measures of protection in the interests of the Mexican workers in all questions affecting them, within their corresponding jurisdictions, and will have free access to the places of work of the Mexican workers. The employer will observe that the sub-employer grants all facilities to the Mexican Consuls and the Assistant Labor Inspectors of the Mexican Government for the compliance of all the clauses in this contract.

"i. For such time as they are unemployed under a period equal to 75% of the period (exclusive of Sundays) for which the workers have been contracted they shall receive a subsistence allowance at the rate of \$3.00 per day.

"For the remaining 25% of the period for which the workers have been contracted during which the workers may be unemployed when such unemployment is not due to their unwillingness to work they shall receive lodging and subsistence without cost to them.

"Should the cost of living rise this will be a matter for reconsideration.

"The master contracts for workers submitted to the Mexican Government shall contain definite provisions for computation of subsistence and payments under this understanding.

"j. The term of the contract shall be made in accordance with the authorities of the respective countries.

"k. At the expiration of the contract under this understanding, and if the same is not renewed, the authorities of the United

States shall consider illegal, from an immigration point of view, the continued stay of the worker in the territory of the United States, exception made of cases of physical impossibility.

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"Savings Fund

"a. The respective agencies of the Government of the United States shall be responsible for the safekeeping of the sums contributed by the Mexican workers toward the formation of their Rural Savings Fund, until such sums are transferred to the Wells Fargo Bank and Union Trust Company of San Francisco for the account of the Bank of Mexico, S. A., which will transfer such amounts to the Mexican Agricultural Credit Bank. This last shall assume responsibility for the deposit, for the safekeeping and for the application, or in the absence of these, for the return of such amounts.

"b. The Mexican Government through the Banco de Crédito Agrícola will take care of the security of the savings of the workers to be used for payment of the agricultural implements, which may be made available to the Banco de Crédito Agrícola in accordance with exportation permits for shipment to Mexico with the understanding that the Farm Security Administration will recommend priority treatment for such implements.

"Numbers

"As it is impossible to determine at this time the number of workers who may be needed in the United States for agricultural labor employment, the employer shall advise the Mexican Government from time to time as to the number needed. The Government of Mexico shall determine in each case the number of workers who may leave the country without detriment to its national economy.

"General Considerations

"It is understood that, with reference to the departure from Mexico of Mexican workers, who are not farm laborers, there shall govern in understandings reached by agencies of the respective Governments the same fundamental principles which have been applied here to the departure of farm labor.

"It is understood that the employers will cooperate with such other agencies of the Government of the United States in carrying this understanding into effect whose authority under the laws of the United States are such as to contribute to the effectuation of the understanding.

"Either Government shall have the right to renounce this understanding, giving appropriate notification to the other Government 90 days in advance.

"This understanding may be formalized by an exchange of notes between the Ministry of Foreign Affairs of the Republic of Mexico and the Embassy of the United States of America in Mexico."

In accepting the above text as the arrangement under which Mexican Agricultural workers shall be recruited and employed in agricultural work in the United States my Government agrees that all the conditions set forth in the revised agreement will apply equally to those agricultural workers already in the United States or on their way to the United States under individual work agreements as well as to those who may be recruited for such work in the future.

Accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

G. S. MESSERSMITH

His Excellency

Señor Licenciado EZEQUIEL PADILLA,
Minister for Foreign Affairs,
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