

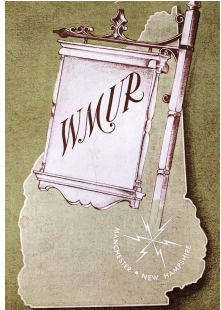
Frances Parnell Murphy
74th Governor of New Hampshire 1937-1941
From Poor New Hampshire Farm Boy to Millionaire Shoe Manufacturer
(1877-1958)



President Roosevelt visits Portsmouth Naval Shipyard, August 10, 1940 with Governor Murphy and Secretary of the Navy Frank Knox of Manchester, center, a Republican and owner of the Manchester Leader & Evening Union (later NH Union-Leader). Ironically Knox was the candidate for vice-president on the Republican ticket in 1936 with Governor Alf Landon of Kansas, when FDR who won his second term. The Murphy family in the parlor of the family home in Nashua.



FRANCIS P. MURPHY, the seventy-fourth governor of New Hampshire, was born in Winchester, New Hampshire on August 16, 1877. He graduated from high school in Hudson, Massachusetts. He went to work in a shoe factory, eventually establishing the J. F. Elwain Company, which became the leading labor employer in New Hampshire. Murphy also had a career in the military. He served in the New Hampshire National Guard as a lieutenant; was



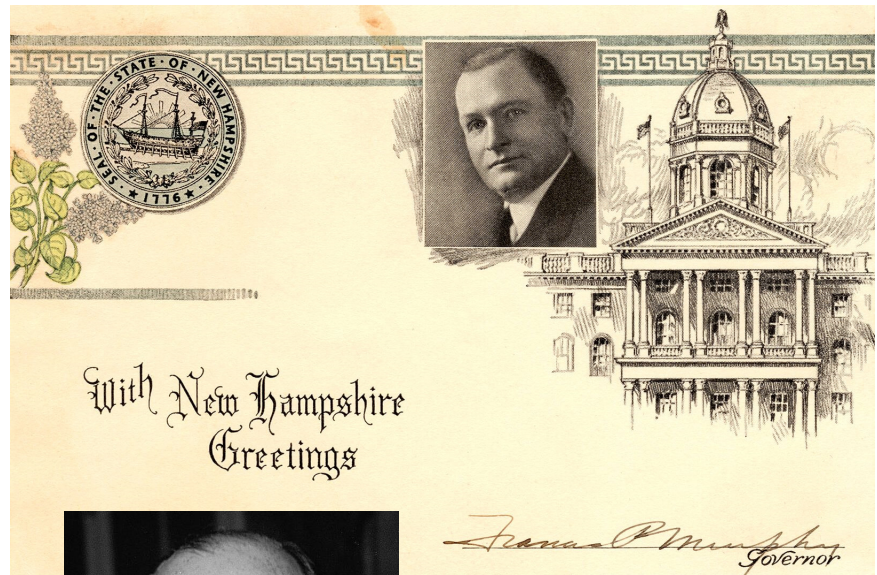
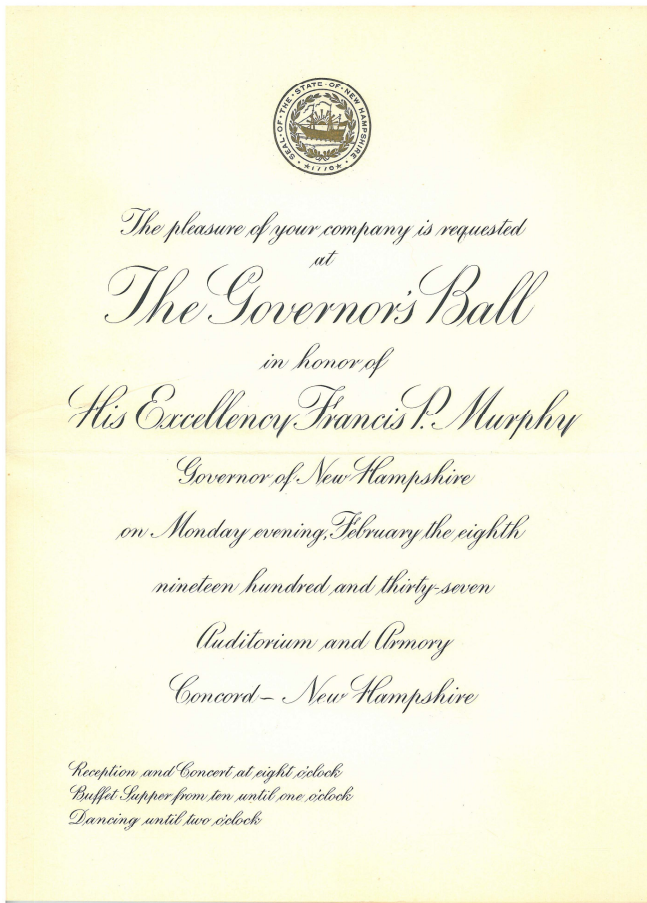
chairman of the electric power supply committee during World War I; and he served as a major on Governor's Winant's staff. Murphy first entered politics in 1931, serving as a one-term member of the New Hampshire House of Representatives. He also served as a member of the Governor's executive Council in 1933. Murphy next secured the Republican gubernatorial nomination, and was

elected governor by a popular vote in 1936. He won reelection to a second term in 1938. During his tenure, construction on the state house annex was initiated; state tourism was promoted; the state's real estate tax was eliminated; a tobacco tax was authorized; and the state police department was organized. After completing his term, Murphy ran unsuccessfully for a seat in the U.S. Senate in 1942. He returned to his business interests, as well as becoming involved in the founding of the WMUR radio and television station. Governor Francis P. Murphy passed away on December 19, 1958, and was buried in the St. Patrick's Cemetery in Newport, New Hampshire. —

National Governor's Association



November 1937: Governor Murphy issues the annual Christmas Seal proclamation to "Town Crier" Secretary of State Enoch Fuller. Joining them are Executive Councilors Charles Dale, Thomas A. Murray, George Hamilton Rolfe, Alvin Mercier, Virgil D. White, and State Veterinarian and Laconia Mayor Robinson W. Smith, second from right, front.



From Time Magazine, June 29, 1942



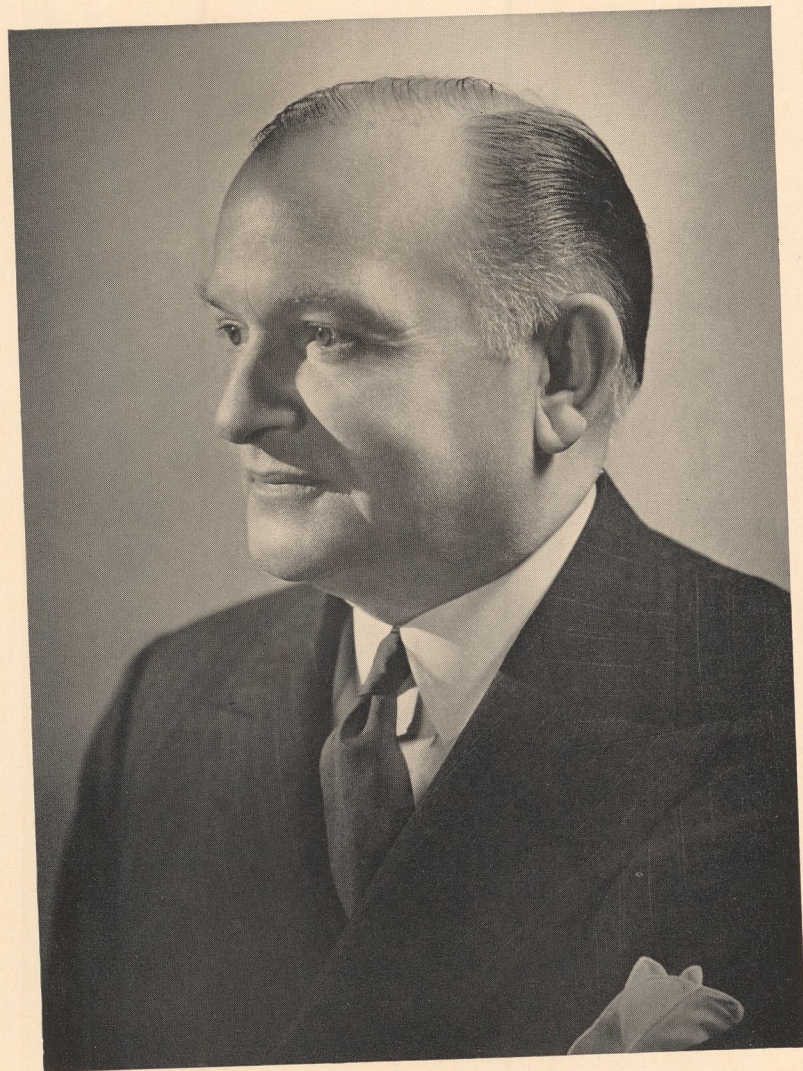
February 5, 1937, Governor Murphy takes the first ride in the chairlift up Mt. Rowe at the new Belknap County ski area in Gilford, funded by the Depression-era WPA relief Program. County Commissioner Joseph F. Smith, over-seer of the project, is at left. The facility is now Gunstock Mountain Resort. That spring, Murphy planted a tree he and his family had donated on the State House grounds. Later during his administration, both the State House Annex would be built across the street at rear of photo (opened in 1940), and the first passenger aerial tramway in North America at Cannon Mountain began operations at the state-owned ski area in Franconia in 1938.



FRANCIS
PARNELL
MURPHY

C. M. Summers

FRANCIS
PARNELL
MURPHY



FRANCIS PARNELL MURPHY

FRANCIS
PARNELL
MURPHY

GOVERNOR
OF NEW HAMPSHIRE

Biography of an American

by
SAMUEL R. GUARD
and
LLOYD GRAHAM



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FOREWORD

THE NATION needs wise men. The world wants strong men. And humankind everywhere, struggling to live as children of God, cries out for leaders who can understand and help.

When you see a sound-minded, poised person, thinking unselfishly the problems of his fellows, you want to meet him. When you find that this person is also practical, able to fashion real progress out of his dreams, you want to introduce him all around.

Now we have found a man who is a great humanitarian, with a deep social conscience; a man who worked his way up from the bottom; a man who began as a poor, barefoot boy on a rocky farm; a man who started to work in a factory nailing packing cases together; a man who became the foreman because he knew how to get along with his workers and who could show them how to do better work, earn more money for themselves; a man who became a director of the company because his superior knowledge of the plant was needed in the board meetings. A success first as a laborer and then as an industrialist, this man found himself with means enough to devote himself to the service of the public. So the people of his state elected him governor — highest office within their gift.

He balanced the budget. He created employment. He recognized relief needs as permanent and put their costs on a current operating basis. He instituted a survey so as to find out exactly what the people of his state were taking in and

paying out. He proved himself a master hand in diplomatic relationships with the Federal Government and with other states. He demonstrated by his works that he is a national leader, even though working in the affairs of a small state.

We should like you to know him, too — as we have learned to know him and to love him — Francis Parnell Murphy, Governor of New Hampshire.

SAMUEL R. GUARD

LLOYD GRAHAM

FRANCIS
PARNELL
MURPHY

That Barefoot Murphy Boy

BLUE AND WHITE is the great hall of the New Hampshire House of Representatives. An air of hushed expectancy pervades this historic assembly room of democracy. It is noon of a cold, blustery seventh of January. The year is 1937, and the Sixty-fifth Governor of the sovereign State of New Hampshire is about to make his appearance; the Seventy-ninth, counting from the first Colonial Governor of 1679.

With a settled sense of achievement and an important, established position in the scheme of things, the newly elected members of the House are comfortably enthroned as the elected representatives of the people in their leather-upholstered seats. Each chair bears upon its back a polychrome stamping of the great Seal of New Hampshire. The members of the House have elected their Speaker. They have formally inspected and certified to the correctness of the balloting for Governor and Executive Council in the preceding election. In an adjoining hall, the Senate has followed approximately the same procedure.

Now the 24 members of the Senate are filing in and are occupying temporary seats down front in the well of the House. Along with them come the honorable judges of the Supreme and Superior Courts, as well as other state officers. On the dais are a battery of microphones and flanking the dais are the vacant chairs which will be occupied by the members of the Governor's Executive Council. Conspicuous in the assemblage are former United States Senator George H. Moses, the former Governors John H. Bartlett and Huntley N. Spaulding. Nearby stands Senate President Anson C.

Alexander, with Bible in hand, ready to fulfill the duty of administering the oath of office to the new Governor.

Space has been reserved in the well of the House for the immediate family of the new Governor. Here are seated a small group: a gentle-faced, gray-haired matron; three smart young ladies, made doubly attractive in the excitement of anticipation; and two young men, equally thrilled, but, as young men often are under such conditions, too proud to show it.

The doors of the gallery of the House are open, of course. Any citizen who wishes to see the new head of state inducted into office may do so — if he can crowd his way in. For it is written in the New Hampshire Constitution, "The doors of the galleries, of each house of the legislature, shall be kept open to all persons who behave decently, except when the welfare of the state, in the opinion of either branch, shall require secrecy."

Word comes that the Governor's party is about to arrive. In a column of twos, escorted by a guard of honor of officers of the New Hampshire National Guard in smart dress uniforms, the new Governor and his Executive Council, garbed in silk toppers and morning attire, are marching across State House Plaza. They pass the dignified statue of Franklin Pierce, fourteenth president of the United States; pass those of Daniel Webster, John P. Hale and General Stark; and climb the State House steps. They enter the House and take their places.

A hush falls. Speaker Oren V. Henderson calls for order. The assemblage rises. The Right Reverend John T. Dallas, D.D., Episcopal Bishop of New Hampshire, utters words of invocation. Senate President Alexander steps forward and intones the impressive oath of office as the new Governor, hand on Bible, repeats the words. Nearby stands the Most Reverend John B. Peterson, D.D., Catholic Bishop of Manchester, who will pronounce the benediction.

The oath has been administered and there is the clatter and rustling of a great crowd adjusting itself to the serious and significant event which is to follow. What manner of man is this new Governor Murphy, of the City of Nashua, who is now to lead them and immediately give them his ideas on a proper governmental program? What manner of man, indeed?

They do well to ask themselves this question for here, patently, is an unusual man. Here is the only Republican to become Governor of any of the 46 states carried by President Franklin D. Roosevelt. Moreover, in a state which the President carried by 3,800 votes, the new Governor, on the opposite ticket, piled up a majority of nearly 30,000. And the new executive is the first Catholic Governor ever elected in a state which is preponderantly Protestant and Puritan. But much more significant is this fact: Governor Murphy is also the largest employer of labor in the state.

What manner of man? Does this mean that the new Governor is an election miracle, a mere fluke in the fickleness of public selection? Or does it mean that here is a man who is so tolerant, so human, so understanding of the position of labor, so endowed by the earthy, common touch, that the people's confidence in him transcends creed, wealth, class, and all other mere political considerations?

Is the man who stands back of the dais in the well of the House an embodiment of the answer to the fervent prayer of the common people, articulated by Josiah Gilbert Holland: "God give us men! . . . Men whom the lust of office does not kill. Men whom the spoils of office cannot buy; men who will not lie; men who can stand before a demagogue and damn his treacherous flatteries without winking; tall men, sun-crowned, who live above the fog in public duty and in public thinking." Is this the kind of man who faces his people for the first time?

"Members of the General Court, members of the Executive Council, and my fellow citizens! . . ."

The new Governor lifts up his eyes. There, within a few feet, are his loved ones. No, not all of them. His mind goes back. It goes back to a mother, his lovely, laughing mother, the proud, ambitious woman, who made countless sacrifices to push her children ahead; the black-haired, red-cheeked, lively Irish colleen, Ellen Lambert, who braved the strange New World and found work and a new life in it, as countless others have done.

His mind goes back to his father, too; the rabid Lincoln Republican. He smiles at the memory of his independent, quick-thinking, freedom-loving father, Patrick Murphy, a man who had fought and bled and all but died south of the Mason and Dixon line.

And if anyone had a right to dislike Democrats, his father had, the new Governor reflected, for to his father in those days the term was synonymous with the Secessionists who had tried to destroy the Constitution.

He, Patrick Murphy, was no pick-and-shovel immigrant who could neither read nor write. He came of a good Irish family and, for a boy of fourteen, he had a good education when he arrived in this country.

In those days, there had been a number of small tanneries scattered along the rivers of Vermont and New Hampshire. Patrick Murphy, the immigrant boy, found work in one of them and learned to be a tannery currier. Abraham Lincoln was elected President and he, a lowly man himself, imparted some of the electric energy of his personality and ideals to other lowly people. The war between the States began. Young men everywhere answered the new President Lincoln's call for volunteers. Young Pat Murphy caught the spirit of the times. He knew very little about it, but this seemed the thing to do. So he joined the Eighth Vermont Volunteers, Colonel Thomas commanding. Patrick Murphy was in the Civil War from the beginning to the end.

In that bitter, bloody battle of Cedar Creek, waged in the

beautiful Valley of the Shenandoah, Patrick Murphy, still a mere boy in his 'teens, was laid low with a bullet in his leg below the knee. During the dreadful, exhausting later days of the war, Pat Murphy, now a man young in years but old in experience, marched with Sherman to the sea. This time he stopped a sniper's bullet in his shoulder. Years later, evenings and holidays in the bosom of his family, Patrick Murphy, the man grown, liked nothing better than to live over those days and lustily thunder forth the martial song, "Marching Through Georgia."

The war was over. The call of the bugle, the whine of minie-balls and the clash of arms dropped out of everyday life. Patrick Murphy went back to the hills of Vermont and met Ellen Lambert. They were married and the time came when they were living at Pond Village, now known as Lake Forest, a mile north of Winchester, New Hampshire.

The fourth boy, in a family that finally numbered eight, was named Francis Parnell Murphy.

All people honor St. Francis of Assisi, friend of the humble and oppressed, one who saw the problems of the common people and chose to devote his life to lightening the burdens of the poor. And there is no doubt that Ellen and Patrick Murphy greatly admired Charles Stewart Parnell, the brilliant Irish patriot, born of an American mother and an English father. Protestant though Parnell was, Pat Murphy knew he fought throughout most of his life to free Ireland from English imperialism. Perhaps there was an intuitive look into the future, which caused them to name the boy born on August 16, 1877, Francis Parnell Murphy.

Some of the older Winchester residents still remember the Murphy family. There is Mrs. Addie Drugg, in her eighties and quite deaf, but amusedly unconcerned over her affliction. There is Mrs. Mary Emerson, a former school teacher, stone-deaf, who lives alone in a place which is only a stone's throw from the little house in which the Murphy family

lived. They, and the few others who still remember, recall Mrs. Patrick Murphy as an extraordinarily good-looking young mother, a hard worker, and inordinately proud of her children. She was, they thought, very ambitious for them.

Mrs. Emerson taught school in the Pond Village neighborhood and the older Murphy boys and girls went to school to her, but Francis was too young at the time. She will tell you in answer to a pad-and-pencil query that her Murphy pupils were quick to learn and naturally smart.

The boy, Francis, was only four or five years old when the family moved from the Pond Village cottage to a farmhouse under Manning Hill, just south of Winchester on the Northfield Road. And when the Governor of New Hampshire thinks of his boyhood he thinks of the house under Manning Hill, near the big bend of the Ashuelot River. A lot of water has flowed around that big bend since the days when Francis, as the youngest of the boys, barefooted, always accompanied by his big Newfoundland dog, Rover, used to drive the cows up Manning Hill to pasture, on frosty mornings before going to school; since then and the time when he stood in the well of the House of Representatives of his native state, its chosen leader, his right hand raised to take the oath of office.

The little house under Manning Hill was crowded with the family. Life was hard. But it was also happy. The father, Patrick, still continued to work in the tannery as a currier for \$1.25 a day. The older boys did what they could on the farm to add to the family subsistence and income. Occasionally, when farm work was pressing, the father would take time out from the tannery job.

Life was hard, yes. But it contained something very precious for this closely-knit, self-reliant family. They got along on a very, very little, measured by the standards of 1940. But they were an independent brood. They asked noth-

ing from anyone and would take nothing. Too proud, forthright, self-reliant.

The children all went to the Winchester school, the school which is still being used. At noon they would all dash home for lunch. More likely than not their lunch would be a huge pan of fresh-baked beans, crowned by a piece of pork. It would be set in the middle of the table; they would help themselves. There would be Johnny-cake, made of corn meal; and milk all around. Those were husky young appetites. Food could be the plainest of plain, but it had to be plentiful and filling. Then, happily enough, the crowd of them would troop back to school.

Clothes were always a problem for the Murphy family. They were always handed down from the eldest to the youngest. Francis was the fourth boy! Former Municipal Judge Alexander F. Peirce remembers the bitter cold November day in Winchester village, when he met the Murphy boy, Francis, still barefooted, clad in a faded shirt and a pair of much-too-small overalls, badly tattered in the lower legs. The boy's unruly shock of hair was crowned by a battered hat, its crown so broken that it was, literally, hanging by a straw. Yet the boy seemed happy enough as he skipped along, picking out the smoothest places to step upon in the frozen mud.

"He was whistling, cheerful and happy. That's the one thing I well remember," says Judge Peirce. "Why should I have remembered anything? Who would have thought a boy like that, by the name of Murphy, would ever become Governor of New Hampshire?"

And there really is no answer to Judge Peirce's question; except that this is, indeed, New Hampshire and the United States of America.

The worst angle of the clothes problem was encountered by Francis at school. The ribald school-boy ditty was all too apt and cruel in his case:

"Paddy! Paddy! Right from Cork,
With patches on his britches as big as New York."

Before he achieved a measure of peace on the matter of the four-times hand-me-down clothes he wore, Francis Parnell Murphy learned to give chase and fight it out in the knock-down and drag-out manner with any boy, regardless of size, who was heard to utter those hateful words. Cork, indeed!

There was a shoe problem. The iron-clad rule of the Murphy family was that shoes could be worn only by the boys after the first real snowfall. And sometimes the weather became very cold before much snow came down over Manning Hill. The very worst was driving of the cows to and from the pasture for milking on frosty mornings. Even to feet that were toughened by a summer of chasing around the farm, through the stubble of the harvest fields, the frozen ground on the frosty mornings was something to cause, at first, a kind of physical agony to be followed by an aching numbness. So when he would "hu' 'y-up" a cow from where she lay for the sleep o' night, this boy would stand in the place where she had been that his feet might absorb the warmth of her body from the ground. This boy knew what a pair of shoes meant to a human being. Later in life he was to turn out as many as 10,000,000 pairs a year.

Of course, in those days, plenty of children went barefooted. But there were people in Winchester who had plenty of clothes, even plenty of shoes. For example, there were the Alexanders. He never passed the great house of the Alexander family on the way into Winchester village, without a feeling of awe and wonder at people who could get to own such a fine big house.

To be sure, it was probably no older than the house under Manning Hill, which had been occupied by a new preacher in Winchester as early as 1770. But the Alexander Mansion

was something apart, standing in its dignified, dominant way on a slight rise of ground well back east of the road, facing broad, well-kept lawns.

The Alexanders had been an early, prolific Yankee family. But the seed had run out and the great house was occupied by a spinster and her brother, the last of the line. The boy, Francis, thinking possibly of the crowded little house under Manning Hill, must have wondered how it seemed to one woman and one man to live alone, with a hired girl, in that great house, a house with rich brass hardware on every door and a fireplace in every one of the rooms. In the Murphy domicile there was but one huge fireplace, with attached Dutch oven. With the aid of only one Franklin stove, it had to heat the whole house.

The time came when work got slack at the tannery in Winchester. Patrick Murphy's little farm did not help much. It was a never-ending, bitter battle for existence for the family, whose needs were, day by day and year by year, growing greater. But Patrick Murphy was a good tannery worker. He found there was better and steadier work to be had in a tannery at Hudson, Massachusetts. So, when Francis was about ten years old and three sisters had followed him into the world, the father moved his family to Hudson.

Life for the Murphys in Hudson was different, and in some ways better. Francis was getting old enough to work and he went to work as soon as possible. In his early 'teens, he began to get jobs in shoe factories, during vacations. He nailed up cases of shoes for shipment. He hustled the cases into freight cars. Shoes possessed a sort of fascination for him. The ambitious mother insisted on keeping him in high school and he managed to complete his high school course before he got a steady job. But by that time he had made a place for himself and was assured a full-time job with the Chamberlin Shoe Company.

The management acquired a shoe factory at Newport,

New Hampshire. Mr. Chamberlin wanted young Francis Murphy to go to Newport and take charge of the packing department. At about twenty-one years of age, the Murphy boy accepted the offer. He left the roof of his parents, and journeyed to Newport. He had grown to be a man.

The Years in Newport

YOU DRIVE almost due west out of Concord on New Hampshire U.S. route 202. At Henniker you turn northwest and at Bradford you continue straight through, as straight as you can drive on any road in New England.

All this time the drive has been one of ever-changing beauty. Silvery lakes and pine-bordered ponds. Long vistas across valleys to the saw-teeth of mountains, haze-hung in purple. Typical New Hampshire farmsteads with genuine Colonial gables, the house attached by a string of buildings to the great barn in the rear and usually to one side.

Often an arch is cut into the mysterious structure, connecting house and barn. Sometimes two arches. In the spring of the year they are empty, but before another winter, on the thrifty farmsteads, you will find them piled to the roof with cord wood, the arch closed neatly flush with the building line.

Most of the houses are large. What do they do with so many rooms? One wonders how they ever heat the places in winter! "They don't," volunteers the driver. "They close up as many of the rooms as they can and just heat those they live in."

You dip down into lovely valleys, swing around turns in the road which are ever-charming, ever-interesting. Now and then the road is lined with the slender white birches. On the hillsides are groups of stately evergreens which, by some freak, escaped the disastrous hurricane of 1938. There are also acres of depressing desolation where the hurricane struck in full force; where trees, uprooted or broken off, rest as they

fell. For the most part, the ravages of the hurricane have been cleaned up. You see the stumps. You see huge piles of lumber, awaiting buyers, covering acre after acre. You see at the sawing points great piles of golden sawdust.

At Newbury you have the first glimpse of Lake Sunapee, an Indian name, which is said to mean "Wild Goose Water." There it sprawls, island-dotted, in the sunlight; in ever-changing panorama on the right as the car winds up the hill road on the way to Wendell and Guild. It is at Wendell that you first come upon Sugar River, the outlet of Lake Sunapee.

Sugar River here has no great volume of water. But it is a lively, energetic stream, tumbling and twisting and turning over the boulders in the shadow of the hills. You follow it along for a few miles and there is a mill. You pop over a hill and there is a village and more mills down in the hollow on your left by the river. In another city block you come to a stop sign and the main stem, spreading out at the right into the village common and to the left into the usual business section. This is Newport, New Hampshire.

Newport has about five thousand souls. It is the seat of Sullivan County. Railroad tracks, of which you have now and then caught glimpses on the opposite side of Sugar River from the highway, bisect the village. The chief village industries are shoes and woolen goods. It is believed to have been settled about 1765.

There is the usual assortment of churches, including a Congregational Church erected in 1822 and regarded as having some architectural distinction. One finds a Coniston motion picture house and a Winston restaurant, both reminiscent of Winston Churchill, popular novelist of the early part of the century, and native of Newport, who left us such a fine picture, in his leisurely and often affected "Coniston," describing the people and the politics of upper New England.

The drive to Newport and the village of Newport itself are, in essence, New England, and more particularly, New

Hampshire. It was upon countless villages and small rivers, such as Newport and its Sugar River, developed during more than a hundred years of patient, frugal striving, that the people in this part of the country built their industrial dominance. New England fell into something of a decline after the World War. But, today they are rebuilding it, and in many cases, with marked swiftness and success.

It was to Newport, New Hampshire, that Francis Parnell Murphy came in 1898, when he was twenty-one. He was a poor boy, anxious to work and get ahead in the world; not unlike hundreds of millions of other boys, since the establishment of this nation, who have left childhood homes and started out in life.

In one respect he was better off than many such youngsters. He had a job. He knew what he was going to do. From the time he could work, he had had work, starting with the most lowly jobs. He had nailed up boxes and had otherwise made himself useful in the shoe manufacturing plant of the shoe manufacturer at Hudson, Massachusetts. The Hudson plant burned down. A new plant had been acquired at Newport, and young Murphy, with a good working knowledge of his employer's practices in packing and shipping, had been sent there to take charge of the packing room.

Francis got a boarding place in the village. With his smile, so disarming and friendly, this stocky, broad-shouldered boy made friends quickly. He liked sports and was particularly interested in baseball. He tackled life with enthusiasm and gusto.

But the affairs of the Child-Chamberlin Shoe Company, as it was known in Newport, did not go well and in three years the business was bought out by the W. H. McElwain Company. Young Murphy, still a foreman, was the only executive retained by the new company. This was in 1902. Even under new management, the plant did not prosper. New superintendents were tried successively, but none of them lasted

long. This went on for several years. Well aware of what was happening, young Murphy had the bright thought that he could do much better at the job than the superintendents who had tried and failed. He clamored for a chance to try his hand at running the plant. But in the business world he was still a youngster. And the McElwains turned him down as often as he asked for the chance.

But young Murphy was never the type of individual to be disheartened by refusals. He became more and more insistent. He pointed out repeatedly that he knew the shoe business. Hadn't he started as a mere kid in the most menial job in the place, nailing up cases of shoes and loading them into freight cars? Hadn't he worked as a shipper? Hadn't he had a fling at manufacturing, starting by working on a treeing machine, in shoe factory parlance, become a shoe factory bootblack? Hadn't he become foreman of the packing department? Hadn't he been advanced to foreman of the making room? Hadn't he shown, as a foreman, that he could manage things, that he could work hard, and that he could get those with him to work just as hard, gladly and willingly?

This young fellow's arguments made sense. The McElwain brothers talked the matter over. One of the great troubles with their Newport factory was that they could not depend upon a constant supply of experienced labor. Some of the workers had farms and these workers would calmly take time out during the spring and summer seasons to plant their crops and harvest them. Even the women and girls liked to knock off their work in the shoe plant during the summer and find work in the summer hotels.

This part-time, hit-or-miss production was gradually pushing the plant to the edge of disaster. What the management needed was constant production the year around, not only of this plant, but, preferably, of one twice the size, in order to make the business really successful.

After repeated failures in superintendents, the McElwains

decided that young Murphy could do no worse than the others. They realized that he did have a good grasp of shoe-making and he did get along well with the workers. So they gingerly turned him loose on the job of superintendent to see what he could do. They would give him a year!

This was in 1908. Young Murphy had been in Newport for ten years. In the meantime he had come to know practically everyone there, among others a girl who lived in a little brick house just outside the village of Newport on the road leading south to Lempster. This girl was Miss Mae B. Herrick. Timothy Herrick, who worked in the woolen mill, was her father.

Talk to people, whose memories go back a quarter of a century in Newport today, and they will recite to you the splendor of the occasion on June 24, 1902, when Miss Mae B. Herrick and young Francis P. Murphy were married in St. Patrick's Church. It was a beautiful wedding, the women will tell you, quite likely the most beautiful wedding ever held in the village of Newport. Everybody was there, for everybody liked the young man and young woman who were getting married.

For a while the couple lived at the home of the bride's parents. And then they started a home of their own and the babies began to arrive. First child was Madeleine Gertrude, who is now Mrs. Edward F. O'Brien of Worcester, Massachusetts. Then came Walter Wyman Murphy. He was followed by two sisters, Kathryn Herrick, who is now Mrs. John W. Bryant; and Eleanor Mae, who, in 1938, became Mrs. Donald Walter Erion. These two daughters live in Nashua, New Hampshire. Francis Parnell Murphy, Jr., is the fifth, and the last of the family under the parental roof.

It is easy to see that, from the standpoint of family interest and responsibilities, Murphy, the new superintendent of the shoe factory that had thrown his predecessors for a loss, had plenty of incentive to make good. Within two years he

not only had made this factory a going concern, but two additions had been constructed which had more than doubled its size. From the standpoint of production economy, the objective of the McElwains had been reached. The factory was operating on a profitable basis.

This little matter of licking the Newport situation was not easy. One of the first things Murphy had to do was to get the employees to see the importance of continuous work. He knew that the plant had to have steady, year-around operation. This meant that workers had to do one thing or the other, work in the plant steadily or go about some other business. Friends with all of them, he talked it over at length. They had confidence in him; a large majority stuck to the plant and coöperated with him.

Cornelius Harrigan, one of those men who remain remarkably young at sixty-nine, is today an executive in this Newport plant. He has known Francis P. Murphy intimately since the day when he first came to Newport to take charge of the packing room. He has worked with him, side-by-side.

"Francis was always a great one to be studying things out," Harrigan will tell you. "If anything about the plant operations bothered him and he could find the answer in a book, he would study it till two o'clock in the morning and then show up for work at starting time with the answer. Or, he would get on a train and go away for a day or two — go some place, where he could get some expert advice and find the answer that way.

"Oh, sure, he was a good man to work for. I have seen him dress a man down right before everybody, if that man had been acting smart before the rest of the men. But mostly he would take a man to his office or to one side and set him right on whatever was his trouble. He made it a point to know about the family conditions of everybody who worked for him. He was always doing things for his people when they were in trouble. Murphy has a heart — always had.

"Sure, and I remember when he built the plant additions. First a fifty-foot addition and then in another nine months an extension of a hundred and twenty-five feet. And the people in the plant had steady work and were earning more money than they ever did. They would coöperate with him. They'd do anything for him. And he was a great hand for baseball. Have you heard about that?"

Young Murphy did so well with the Newport plant that the McElwains had him reorganize their largest Manchester factory. He had learned a heap of things in the struggle with the Newport factory. Now he put to work in Manchester what he had learned in Newport. He reorganized the Manchester plant, put in new machinery layouts, reduced costs, increased production and boosted earnings. One of his rewards was to be elected to the board of directors of the company, the first time that any company superintendent had been so honored.

It was shortly after this time that the McElwains decided to build a new factory at Claremont, New Hampshire. Their superintendent-director, Murphy, was assigned to select the site, plan the plant, supervise its erection, plan the layout, install the machinery and put the plant into operation. He continued as superintendent of both the Newport and Claremont plants. He who had been given a year in which to make good!

All this time he had been living in Newport. He had worked hard, just as he would have worked had the business been his own. But he had not made a lot of money. Even such a man does not make much money at first. But he had enough for the time being. The family was thriving. And he had baseball as his chief hobby. Those were happy years.

Francis Murphy's interest in baseball took a managerial slant. He built up the Newport Polar Bears into a team that was the terror of New England; built it up finally to the point where it was difficult to get other teams to play against it.

There was a Twin-State League, New Hampshire and Vermont teams, of which the young shoemaker was the president and leading spirit. Of course, his Polar Bears became the champions of the league.

During the war years, the energies of young Murphy were, briefly, switched into another channel. The power company, serving Newport and several other communities, was so overloaded by the requirements of war industries in the district that it could not supply enough power for all of them. Some, at a time when their services were sorely needed by the government, were shut down for days at a time. At a meeting in Concord with the Public Service Commission, held for the purpose of studying the situation, Francis Parnell Murphy was elected chairman of a committee which was expected to solve the problem. He found ample water power in streams which were not being used, helped organize a company to make and distribute electric power and soon had enough power available for all needs. He had never received any training as an engineer, but that did not seem to bother him greatly.

It was here, in Newport too, that Francis Parnell Murphy had his first real fling at politics. Almost from the time of his arrival in the village, he was known for his unvarying Republicanism. He did the usual things an active party member always does in an American village. He helped elect his favorite candidates. He rejoiced in the local political victories and commiserated his fellows in their defeats. And then he went out for election to membership on the Newport School Board and was elected, the first Catholic who ever held such an office in that village. This threatened to be a tame job, but it did not end that way.

The time came when one of Newport's favorite sons, who had gone out into the world and made a heap of money, wanted to do something for his home village which would also stand as a sort of monument to his success in the big world.



MRS. FRANCIS PARNELL MURPHY, SURROUNDED BY A FAMILY GROUP, WHICH HERE
INCLUDES HER TWO OLDEST GRANDCHILDREN, THREE DAUGHTERS, TWO SONS,
AND TWO SONS-IN-LAW

This man's idea of something for Newport was a new high school. It all sounded perfectly splendid and generous and all that. But the young school board member, Murphy, began to apply some of the acid tests of his hard-won management experience.

Yes, School-man Murphy said to himself, Newport needs a new school. But it needs a new grammar school more than it needs a new separate high school. He suggested to the benefactor that he consider donating a grammar school, because of the need and because it seemed inadvisable to him to saddle the village with the upkeep of a new and separate high school building.

Some day, if you want a good chuckle, get Ernest Robinson to tell you the story. He will grin, cock a shrewd Yankee eye at you and tell you with a twang just what happened. Francis Murphy? You can't tell Ernest Robinson anything about Francis Murphy! Why, he remembers when Francis first came to Newport and went to board in the home of his, Ernest's, wife's mother. He can remember when he married Mae Herrick and they went to live in the Herrick brick house, down the road a hundred yards. Sure, that's the house that he, Robinson, as a carpenter contractor, eventually enlarged and rebuilt for Francis to use as his summer home. Comes here yet, every summer. Certainly, he built all of the additions to the Newport factory for Francis and also built the factory at Claremont. Yes, and a lot more.

But what about the high school? Well, instead of taking kindly to the ideas of Murphy, the school board member, Newport's benefactor went into a huff. In a manner of speaking, he took his toys and went home and would have nothing more to do with Newport, ungrateful Newport. Grammar school, indeed! Francis Murphy was awfully sorry, but he still thought he was right.

The rest of the village was soon in an uproar. Murphy, they thought, had bungled. A mass meeting was called for the pur-

pose of begging the would-be donor of the high school to reconsider. Everybody talked at this mass meeting; everybody except Murphy and one other school board member who stuck with him. They wanted to make a minority report, stating clearly their reasons why they did not think the gift would be advantageous to Newport. But they were not permitted to read it. It was voted that the report be accepted and placed on file. It was one of the few times, perhaps the only time in his career, that Francis Parnell Murphy has ever found himself in the political doghouse.

But here is the pay-off. The town of Newport went ahead and accepted the high school after cajoling the benefactor into a change of heart. Several thousands of dollars were advanced; possibly one-third, possibly two-thirds of the estimated cost, no one seems to know. And then, in the midst of construction, the benefactor died. He had met with reverses and it was found that Newport could expect no more money from that quarter. Newport had to finish the school and its taxpayers had to dig down in their pockets to foot the bill. And they have been paying a big maintenance cost ever since. Any number of people around Newport today, Ernest Robinson will assure you, are ready to admit ruefully that Murphy was very, very right in his estimate of the situation.

A year after the World War was ended the W. H. McElwain Company was merged with the International Shoe Company. Francis Parnell Murphy continued on at Newport as general superintendent for the International Shoe Company until 1921, when he listened to a proposal by J. F. McElwain to join with him and Seward M. Paterson, to form a new company, the J. F. McElwain Company, for manufacturing men's shoes. At a time of depression in a field that seemed hopelessly overcrowded, this looked like a crazy venture. But, as one shoe man today points out, it was nothing of the kind for the reason that here were three men who, in their respective lines, were unbeatable; McElwain in his

knowledge of leather and the leather market, Patterson in his knowledge of shoe selling, and Murphy in his mastery of shoe manufacturing processes.

The company proposed to start in a small way. It negotiated with several communities in an effort to obtain a factory. Newport was apathetic. Claremont turned them down. Out of the negotiations, however, the citizens of Nashua, New Hampshire, provided an \$80,000 plant in their city. This plant was placed in operation in 1923 with 300 workers. For Francis Parnell Murphy and his family the years in Newport were ended. A new phase of his life was beginning.

As one looks back upon his Newport years, they seem, at first glance, undistinguished from the early manhood years of millions of other Americans. He had a job. He worked hard. He got promoted. He married, for love, a girl who made a sweet and a gentle and a loyal wife, a woman who became a splendid mother of their five children. He interested himself in community affairs, particularly in school affairs. He led in sports. He had a fellow feeling for people — a heart that recognized all men as brothers, regardless of race or creed, a heart that went out to people in trouble. All these facts are common knowledge. But they are characteristics which we like to think are common to countless American men and their families.

What, then, distinguished Francis Parnell Murphy from millions of other Americans? What was it in him that made it possible for him in a few short years to lift himself, as it were, by his bootstraps, into a position of recognized importance and even dominance in the shoe industry?

There is nothing very dramatic about the plus characteristics which distinguished Francis Parnell Murphy in these years. But they are nonetheless important. For one thing, he possessed an extraordinary amount of sheer physical energy. Still does. Put it this way: he was willing to expend an extraordinary amount of physical energy on his job. He did

not care how hard he worked to get a job done the way he wanted it done.

For another factor, "Neil" Harrigan gave us the clue. He said that if there was a problem to be worked out in the plant, Murphy would find an answer for it. He might find it in a book, or in a trip to some other plant, or in his knowledge of human nature, or in his technical experience. But he would find it somewhere. A driving, unbeatable spirit was dominant in his character. He might be hampered or temporarily defeated in his purpose, but he has always been able to win the decisive battle, and the war.

Related to this is a clue — a simple one — which Francis Parnell Murphy himself gave us. He was asked how it could be that he had been able to develop shoe production so that a business could be unbelievably successful in a depression and still pay workers fifty per cent more than the average for the industry. The answer seemed simple enough to him. From the Newport days, he has built and laid out many shoe factories.

"After all," said he, "a man ought to be able to do a thing better the second time than the first time, and he ought to be able to do a better job the twentieth time than the nineteenth." That is, in his mind, the complete answer.

Last, but certainly not least, is the fact that the man has a heart. The people who have worked with him — even those who are political and business competitors — have no hesitancy in telling you that he is liberal to a fault; not only liberal in material things, but liberal in thought and action in a broad, human and spiritual sense. Bigotry is a vicious quality which he himself simply cannot comprehend. People who work with him and for him, people who know him intimately, will go the whole way with him as the leader, and do it gladly, unquestioningly.

The years of the Murphy family in Newport were pleasant years. The family was lusty and growing and full of the

energy of youth and health. The work, to the father, was fascinating. There were any number of fine people about the place. While he never did make much money there, he did lift himself above the "bootstrap" stage of personal progress. It is still Newport that he thinks of, in the larger sense, as home. It is there in St. Patrick's churchyard that he will eventually rest, just as Walter Wyman Murphy, his eldest son, tragically wiped out in an automobile accident in the summer of 1939, now lies there on the lovely hill in peace.

The Fruitful Years

THE YEAR 1922 was not a very good time to start a shoe manufacturing business. The country was feeling the effects of the depression. The confidence of industry in New England was at a particularly low ebb. Many persons believed that New England was rapidly losing its supremacy as a shoe manufacturing center to the middle West just as much of its textile industry was going South.

But McElwain, Paterson and Murphy were shoe men who had already established a wonderful reputation in industry in their ability to make and to sell shoes. When it became known that they had plans to start a new shoe manufacturing business, their position in the industry was such that they received many offers of factories from towns and cities in Maine as well as New Hampshire. Of all these offers they accepted one from the enterprising businessmen of Nashua, New Hampshire, who furnished the capital to erect their first plant.

Ground was broken for the new plant on October 1, 1922, and the first shoes were shipped from the plant in January, 1923. During the first twelve months of plant operations, 300 persons were employed and they turned out in that brief period 559,000 pairs of men's shoes. This was probably a world's record for the short time required for building the shoe factory and putting it into production, and also for a first year's production for a shoe factory of this size. At least it was a most outstanding accomplishment in the shoe industry. In this first plant was established a manufacturing system entirely new to the shoe industry and this system was devised by Francis Parnell Murphy.

The J. F. McElwain Company today has eleven plants, all of them in Nashua and Manchester, New Hampshire, making all of the Thom McAn shoes as well as some others. It now employs 5,000 men and women and it pays out \$6,000,000 a year in wages. Before the year 1940 closes this company will have made its 100,000,000th pair of shoes.

It was during the depression that the great Amoskeag cotton mills of Manchester became silent. Governor Murphy is believed to have been the first industrialist to look them over with a view to using some portion of them for shoe manufacturing. One of the Amoskeag units was bought and remodeled into a shoe factory. Today this plant employs 1,400 persons and turns out 10,000 pairs of men's shoes a day; sometimes, on a good day, 12,000.

Go into this, as these writers have done, or into any other of the eleven units and you are immediately struck by the friendly atmosphere of the place. These workers seemed happy about their work and not afraid to stop and talk and answer questions. The first man approached was whistling away as he guided his machine. A woman was intent on her sewing machine but paused and pleasantly answered questions. Yes, she said, she liked the work very much and her pay the week before was \$32.00. This amount, these writers found, was about the average for the whole plant. This means, of course, that some workers draw as much as \$70.00 a week and, as a general policy, no worker, man or woman, is allowed to fall below \$18.00 a week in earnings.

"They don't work for us. They work with us," is the common management comment on the workers in these plants; and personal contact with the workers themselves seems to prove this. They are surrounded with the best possible working conditions and they are paid the highest wages in the industry.

It is a part of the management policy to maintain a broad community interest in the two cities where its plants

are located. Anything that affects the workers of a community adversely, concerns the management. A prosperous community means a better community for everyone to live in and do business in. If a lot of people in a community are unutterably poor and on relief of one kind or another, that constitutes a disagreeable living condition and a challenge to a management such as operates these eleven shoe plants.

In the belief that there is only one way to cure unemployment and that is to give jobs to people in industry, this management feels that industrial leaders in any community owe it to themselves as well as their community to create jobs for as many people as possible at reasonably good wages.

If it is ever, in the exigencies of manufacturing requirements, necessary to shift a worker from a high-paying operation to a low-paying one, this does not mean that the worker goes back to the low-paying rate and has to take a corresponding loss in the pay envelope. It is up to the superintendent, who finds it necessary to make such a shift, to make up the difference in rate, based upon the production experience of past weeks, so that the worker does not lose by the shift. "Any other course," Mr. Murphy tells his superintendents, "is just like walking up to that man and taking so many dollars out of his pocket."

The management points out that it is never necessary to shift a man from a job that pays a high rate to one that pays a lower rate unless something has gone wrong with the flow of production. It is, therefore, a distinct accommodation on the part of the worker to go back to a lower paying operation in order to fill a production gap. Management, then, in fairness to the worker, cannot allow him to be the loser in the pay envelope.

Governor Murphy was a strong believer in most of the requirements of the NRA. All McElwain plants conformed to the code to the letter. Even though the NRA has long since passed into the limbo of social experiments, these



Head of procession of 5,000 employees, who descended upon Governor Murphy at his home, 88 Concord Street, Nashua, the morning after election, November, 1936

Next page, top, crowd arriving at entrance of Governor Murphy's home; bottom, the Governor speaking from the portico



plants continue to observe its provisions. For example, the 40-hour, five-day week is maintained. In the interests of production routine, some workers may start to work earlier than others, but that means they stop correspondingly earlier.

Ordinarily, they do not work on Saturday morning. If it is necessary, because of production requirements, to work overtime, it is company policy that over-time work in any one week shall never exceed two and two-thirds hours and for such work each employee has his rate increased fifty per cent. In other words, it is time and a half for overtime.

For years the McElwain plants have worked continuously on a 40-hour week basis. When holidays fall near the end of the week, such as the traditional New Hampshire Fast Day on a Thursday in April, the plants close Wednesday night for the rest of the week. Then, for two weeks in July each summer, all of the plants shut down. This is usually arranged to include the Fourth of July holiday.

Labor turn-over is kept at a minimum. Employees, once on the pay roll, seldom leave it. Men and women rarely quit their jobs. On the other hand, fathers try to get sons or daughters or other members of their family or close friends into the plant when they see opportunities and know that some one is to be hired. There is a general management policy, however, that shies at hiring more than three or four persons from one family circle. Here, too, the community viewpoint of the management appears. Hiring men or women from other families, which, perhaps, are entirely without means of support, will do more for the community and for the people in it, than hiring six or seven people from one family.

Besides the customary responsibilities of a McElwain plant superintendent, besides his responsibility of seeing to it that employees are able to maintain a good rate of pay, it is also a part of his job to maintain close enough contact with

his workers so that he knows something about their family life and personal problems. On the surface, it is purely a personal matter. But it goes deeper than that. It is actually a reflection of management policy and manner of thinking.

Management, here, does not believe in doing much for workers, except by putting as much as possible into the pay envelope and by providing steady work under good and healthful conditions. It believes that workers do not want things done for them by management. Anything of that kind always comes out of workers anyhow, it is reasoned, so why isn't it better to pay them as high wages as there are possible in the product?

Steady work here is a reality. Since this company started operations in January, 1923, its workers have averaged 47 weeks of work a year, depression years and all.

In this organization you would, of course, expect to find plant baseball teams and an inter-plant baseball league. There is also the top team and, quite likely, some crack players brought in from the outside. It is known as the McElwain All-Stars. This team has always given a good account of itself. There is not much fun in sports or anything else, the management thinks, if you don't take the proper measures to win. That is why, in the spring of the year, a still hunt is made for good, really good, college baseball players. They get jobs in McElwain plants for the summer. And they play ball. And many of them stay on in the plants.

But this interest in sports is as much personal and community in its nature as it is industrial. This is evidenced by Governor Murphy's management of the Polar Bears during his Newport years. It is evidenced by his sponsorship of the team once known as the Nashua Millionaires. It is evidenced by tours and by such stunts as bringing the Philadelphia Athletics to play the Millionaires at Nashua; by such things, too, as giving a bat-boy mascot encouragement and seeing him well on the high-road to baseball major-league fame.

That former bat-boy of the Nashua Millionaires is now the well-known, first-string, major-league catcher, George "Birdie" Tebbetts of the Detroit Tigers.

The vigorous exercise of those personnel policies results in a remarkably well satisfied labor body in the McElwain plants. There have been but two times since 1923 when they left their machines and refused to work. One of the superintendents tells the story:

One morning he came to work and found not a machine turning. He saw, with the chill constriction of the heart that so many industrial men in supervisory capacities know so well, little groups of men and women clustered around the entrances, talking among themselves.

The first time this happened was in November, 1936, the morning after election, by the way. He wanted to know why they were not at work and they told him, both men and women, politely but flatly, that there would be no work that day. They were going to see the new Governor. The word flew from one plant to another. It just was not possible to stem the tide and thousands of McElwain workers, the employment rolls to every last man and woman, as well as many of their friends, descended upon the newly-elected Governor's home at 88 Concord Street, Nashua.

They went by automobiles and a-foot. Those from the Manchester plants did likewise. They had bands and improvised banners and they beat upon tin pans. Traffic in Nashua was tied up for blocks and had to be rerouted. Highway patrolmen tried to help Nashua city police, but it was enough to drive a traffic man mad.

Only a few minutes in advance of the vanguard was the new Governor warned of what was taking place. He hired every hall in Nashua as well as the Nashua Country Club. He ordered caterers on the job from as far away as Lowell, Massachusetts, to supply food and refreshments. He appeared on the portico of his home, listened to their bands, lis-

tened to their songs, listened to their cheers and good wishes, spoke to them briefly in thanks and told them that the party for the rest of the day was on him. The workers made a day of it, celebrating the victory of their boss. But that day cost the McElwain plants the production of 40,000 pairs of shoes.

When Governor Murphy was re-elected in November, 1938, the superintendents tried to head off a repeat performance of this demonstration. One superintendent tried to get his people to go to work by telling them that the Governor was at the State House in Concord. Which was, indeed, the truth. Fine. That suited them perfectly. They would go to Concord, and show the Concord folks what they thought of the Governor. They did. From Nashua and Manchester, they roared over the roads and jammed Concord's State House Plaza and nearby streets with a crowd such as has rarely if ever been equalled for size and enthusiasm in that old city. Again, the party was on the Governor. And this time the McElwain plants lost the production of 50,000 pairs of men's shoes. But nobody cared, really; least, of all, the Governor.

Apart from the extraordinary labor relations which are so largely based upon the Murphy concepts of a successful business in a prosperous community and nation, the rest of his success in shoe manufacturing merely gets back to his simple statement that a person ought to be able to do a thing better the second time than the first.

The J. F. McElwain plants are marvels of efficiency, of a new system which survived the devastating depression, a real test. This involves the plant lay-out, the use of equipment, and the systematized routine of production. One of Mr. Murphy's greatest achievements was the development of a system which made it possible for his workers to cut down the time of turning out a Goodyear welt shoe from eighteen days to six days. No one in industry needs to be told what such an advance can mean in business profits.

Waste space in plant lay-out is, according to this management, something to criticize. Every possible device which shoe machinery people can provide and many others that Murphy and his plant men have been able to devise, have been made available to workers so as to lighten their effort. This makes their time at the plant resultful from their standpoint as well as that of the management.

Superintendents and others who have watched the development of this system of manufacturing shoes will tell you that it has only been achieved, bit by bit, by a close application to details. Mr. Murphy himself was never tied to a desk. He knows how to use a desk in his business, but in perfecting a manufacturing detail, he was much more likely to do it out in the plant. In all this lies the secret of this company's profits in depression years. In it lies the secret of paying extraordinary wages to employees. In it, also, lies the ability to provide good shoes for a shoe-hungry public at a price which is much lower than the public was in the habit of paying for shoes only a few years ago.

Today, this organization is filled with men who are imbued with the management's policies, ideals and understanding, which provide a definite course for all to follow in their relations with the public, their communities and the workers. Gradually the burden of management detail has been shifted by Mr. Murphy to the shoulders of those associated with him, who had proved themselves capable of carrying it. Several years ago his natural community interest and fellow-feeling for other people, plus the possession of sufficient means to work for the public without the need of thinking about a cash return, led him into the field of politics. He went into training for statecraft.

In the earlier Nashua days, he served as chairman of the Nashua Community Chest campaign. Governor John G. Winant, in 1925, appointed Francis Parnell Murphy to his personal staff with the rank of major and to many of his inti-

mates he is still best known as Major Murphy. His Nashua constituency elected him to the House of Representatives of the General Court in 1931 and there he served as chairman of the important Ways and Means Committee. During the following year he was sent as a delegate to the Republican National Convention and in 1933 he was elected to the Governor's Executive Council where he served two years. He had also served during 1929 and 1930 as a member of the New Hampshire group on the New England Council.

All this can now be seen as a schooling, as a part of Francis Parnell Murphy's customary plan of acquiring experience before tackling a job. Experience has been for him, indeed, a great teacher. Even in Newport he learned something about local politics. On Governor Winant's staff he acquired an intimate view of the problems of the chief executive.

"Major Murphy and I," John G. Winant once said, "have not always seen eye to eye in dealing with problems of government, but I know of no man who has done more for the state than he. We need in this state more concerns like the J. F. McElwain Company and more individuals like Major Murphy."

Francis P. Murphy learned the intricacies of New Hampshire legislative procedure while serving in the General Court and as chairman of its most important committee. And then he took a post graduate course in his preparation for statecraft by serving on the Executive Council of the Governor, which is by no means a routine assignment. The Council has very definite confirming power.

All this was in preparation for a broader political career which was really launched when Mr. Murphy became Governor of New Hampshire in the election of November, 1936.

The Years in the State House

TWO FACTS stand out brilliantly in the election of Francis Parnell Murphy to the office of Governor of the State of New Hampshire.

The first of those facts will certainly command the attention and respect of politicians of whatever party everywhere: his ability as a vote-getter.

The second sharply-defined fact is that he entered office, not as an amateur in statecraft with all of the likelihood of bungling that this implies, but as a man who was actually qualified for the office. His executive experience in business trained him effectively as an administrator, and the work he had already had in state offices gave him an intimate knowledge of what needed to be done.

With regard to the first advantage, that of the vote-getter, he ran for Governor at a time which will be remembered as the most disastrous election ever experienced by the Republican party. Be reminded that Franklin Delano Roosevelt, in 1936, carried normally Republican New Hampshire and every other state except Maine and Vermont.

In New Hampshire, 218,114 votes were cast for Presidential electors. Of this number 108,460 were cast for Roosevelt and Garner, and 104,642 were cast for Landon and Knox. Lemke and O'Brien drew 4,819 and Browder and Ford, a mere 193.

In the same election, 208,806 votes were cast for Governor. Of this number, Francis Parnell Murphy won 118,178; the Democrat candidate had 89,011 votes and the Farmer-Laborite, 1,617.

In other words, while Roosevelt won the state by 3,813

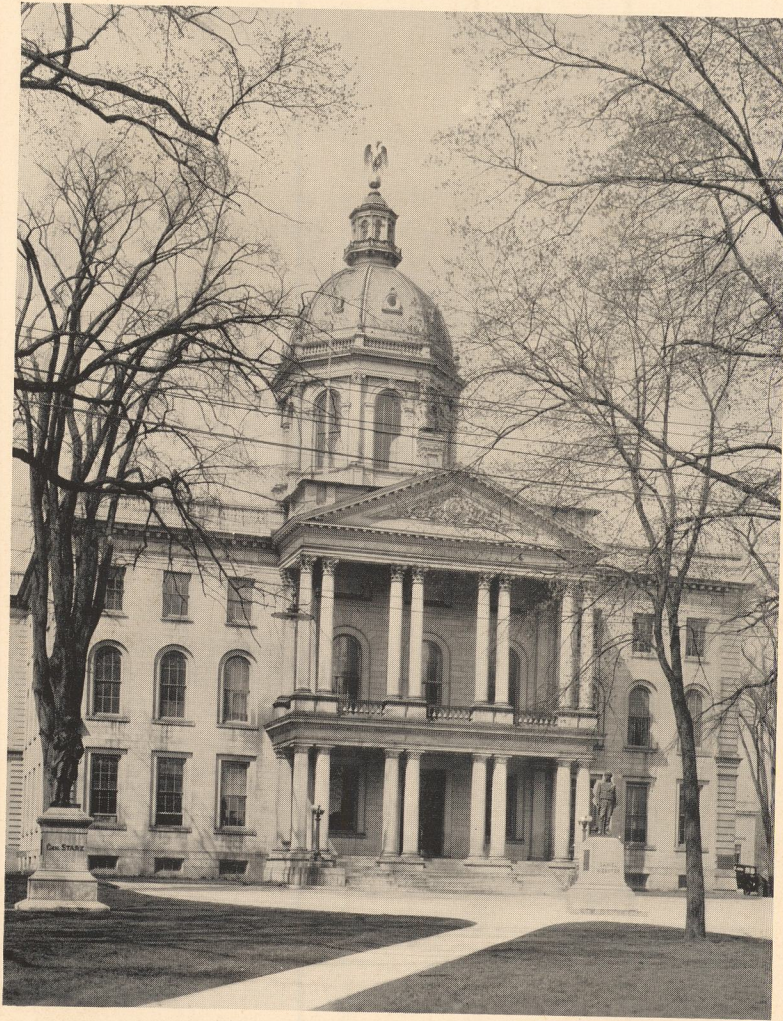
over his nearest opponent, Murphy, in the opposite political camp, won by 29,167 votes over his opponent. As every politician knows, it is difficult, indeed, for a candidate to reverse the trend which has set in for the head of the ticket. It is an even greater accomplishment to reverse the trend by so wide a margin. This meant, of course, that a great many Republicans, on the one hand, voted for Roosevelt; but a great many more Democrats, on the other hand, voted for Murphy.

Now let us go on to the election results of the second try for the office; always keeping the fact in mind that a man in office necessarily makes enemies of every disappointed office seeker, even though he does a good piece of work in behalf of the people.

In 1938 the voters of New Hampshire cast only 188,925 votes for Governor. Of that number 107,841 were dropped in the boxes for Governor Murphy and 80,847 were dropped in the boxes for his opponent. This gave the Governor a plurality of 26,994 votes, which, considering the number cast, meant a slightly better ratio for 1938 in the count for the Governorship, than in the vote of 1936.

In order to give a clearer detailed picture, we turn to the communities in which Governor Murphy is best known; that is, Sullivan County, of which Newport is the county seat; and Hillsborough County, which contains the largest city in the state, Manchester, and also Nashua, his home. Newport, it will be remembered, is where the Governor lived for twenty-five years. It is there he married, raised his family and first demonstrated his genius as an executive and administrator.

Sullivan County gave Francis Parnell Murphy 6,291 votes in 1936, compared with 3,795 votes for his opponent, a plurality of 2,496. In Newport, the county seat, Murphy drew 1,345 votes and his opponent but 867. There was about the same proportion in nearby Claremont in the same county. Sullivan County in 1938 gave Murphy 5,907 for reelection, compared with 3,060 for his opponent. The proportions



THE STATE HOUSE AT CONCORD, NEW HAMPSHIRE

in Newport and Claremont were practically the same as in 1936.

The background of Hillsborough County is vastly different from that of Sullivan County, which is normally Republican. There is great significance in the Hillsborough County vote when you realize that it is normally Democratic and that Francis P. Murphy was the first Republican candidate for Governor ever to carry the county. Here the city of Manchester is normally carried by the Democrats by 10,000 or 12,000 and Nashua usually goes Democratic by 5,000 votes. Let us see exactly what this Republican did here.

Hillsborough County, 1936, gave Murphy 33,701 votes and his opponent 26,471 votes. Nashua gave him 7,614 votes, compared with the Democrats' 6,041 in 1936. The county score for reelection in 1938 was somewhat closer, but the margin was still respectable. The Governor's vote was 29,733, compared with 28,033 for John L. Sullivan, Democrat, himself a Manchester man and a most worthy opponent by all accounts. In this instance Governor Murphy carried his own normally Democratic city of Nashua by a vote of 7,176 to 5,484. Mr. Sullivan, as was to be expected, carried his home city but by a margin of less than 4,000 instead of the usual Democratic plurality of 10,000.

It might be added that in the campaign for reelection Governor Murphy carried Rockingham, Carroll and Cheshire Counties by better than two to one, and met with only a slightly less outstanding success in Belknap, Sullivan and Grafton Counties.

What are the reasons for the extraordinary vote-getting ability of Governor Murphy? No doubt part of his success results from the same causes that have made him successful in business and have caused his labor relationships to be outstandingly agreeable. He knows human nature and he has a heart which goes out to people and makes it possible for him to get their viewpoint.

Governor Murphy's years of experience in business have made him a great organizer and a great administrator. He knows how to organize to win his objective. Life, to him, is a great experience — a great game — but, like any other game, it is oceans more fun to win at it. Governor Murphy is no political glamor boy, speaking in the jargon of the columnists and news reel editors. But he possesses something infinitely more precious: a strong element of sincerity, which one senses immediately. The first time these writers heard Governor Murphy speak, it was before a large group and the manner of speaking was extemporaneous. The outstanding first impression on this occasion was that here stood a man of great compassion for his fellow man, a man of compassion who thinks clearly and understandingly, and speaks fearlessly and directly.

Why this compassion? Probably part of it, judging from those who should know, is inherited from an affectionate, understanding mother and a liberty-loving father. Probably a larger part of it is the result of the Francis Parnell Murphy memory, which is a long one and stretches back to those bare-foot days on Manning Hill. It is a photographic memory for detail. One time Governor Murphy was in one of the McElwain shoe factories. The superintendent explained a technical problem he was facing in turning out a boy's shoe. The Governor gave careful ear and then said: "Tom, go try Last No. 1429." The superintendent found that last on the rack amidst thousands of others, applied it to his line and it did the business.

It is more than likely that the characteristic of compassion is the indirect cause of Major Murphy's entry into politics; that and a keen sense of personal pride. The question is frequently asked: He is already a success, so why does he bother with politics? And that is a fair question in view of the American tradition of successful business men, who feel it sacrilege to mix into the grit and grime of politics.

The Murphy attitude towards politics is part and parcel of his life-long feeling of community interest, as has been so ably expressed in his shoe factory employment policies. He believes that it is not only the right but the paramount duty of business and professional men of experience, pridefully and conscientiously to participate in statecraft. He believes that it has been to the eternal detriment of American democracy that more men of means have not been willing to enter politics and conscientiously and unselfishly fulfill their patriotic duty to the country which has made it possible for them to win material success. He has little patience with that certain type of American business man whose nearest approach to participation in the affairs of government is to sit upon the side-lines and bleat more or less pointless criticisms at whatever administration is in power, often merely because it is in power.

Governor Murphy takes a great, though somewhat reticent, pride in the fact that he did not seriously enter the field of state affairs until he had ample funds to indulge his interest without the spectre of financial loss, or the golden lure of financial gain entering the equation at all. As Governor of the State of New Hampshire, he receives a salary of \$5,000 a year, plus transportation, an office in the State House and other necessary expenses. New Hampshire, however, does not furnish its chief executive with a residence. So, to Governor Murphy, the financial aspect of the Governorship is a mere incident.

From the national viewpoint and in the mind of the person who enters New Hampshire cold to the state situation, the most astounding factor in the success of Governor Murphy, both as a vote-getter and as a satisfactory executive, is the fact that he is a Catholic. New Hampshire is a state which had a Constitutional provision as late as 1876 that none but a Protestant could hold the office of Governor or, for that matter, member of the Executive Council or of the

General Court. It is a state which is 68 per cent Protestant, literally soaked in Puritan traditions. Yet these writers have talked with scores of people of all creeds and races and have never heard a murmur against Governor Murphy on the score of religion, or of national derivation. In fact, religion has never been mentioned unless these writers have raised the question.

It is part of America's shame that Protestants and Catholics alike, who have won office at the hands of the people, have often used those offices unblushingly to give favors to people of their own creed, thus piling up hate and bigotry and suspicion in a form of government which, at its best, should be utterly free from those elements of disintegration.

It is quite clear that Governor Murphy has made his appointments utterly without a thought of religious connections. His confidential secretary at the State House is a Protestant. His favorite chauffeur, who has been in the state employ for fourteen years and has seen many Governors come and go, is also a Protestant. It almost seems that, if anything, Governor Murphy has leaned over backwards in his desire to keep the religious element out of the state's business.

It is safe to say that if all office holders, since the birth of American democracy, had possessed the same mental attitude on the subject of religion in statecraft, and had followed the same policies in that respect as Governor Murphy has followed, religious bigotry would long since have passed into the discard of democratic impedimenta.

Governor Murphy's personal feeling on this subject is no better shown than in his contribution of the Ellen Lambert Murphy Memorial Community House at his birthplace, Winchester, New Hampshire. On January 17, 1938, Governor Murphy gave an address at Winchester, in dedication of the memorial to his mother. It was, in many respects, one of the happiest days of his life. With him, to do him honor and to honor his extraordinary mother, were Governor Charles F.

Hurley of Massachusetts and Governor George D. Aiken of Vermont, as well as hundreds of other people, assembled regardless of race and creed. Here was crystallized in one striking instance of many Governor Murphy's passion for a liberal mind and the dispersion of bigotry. The Catholic, Episcopal, and Methodist Episcopal bishops of the area also participated in the dedication program. Here, again, his sense of community responsibility found expression.

Perhaps the chief motivating spirit in helping Governor Murphy with this enterprise was the Rev. George Truman Carl, pastor of the Federated Church, Protestant, of Winchester. The management of this community center today rests in a board which includes Catholics and Protestants and people of every national derivation located in the villages of Winchester and nearby Ashuelot.

This community center includes much of the Alexander farm as well as the great Alexander house, which, as a bare-foot boy, Governor Murphy passed daily as he went to and from school. The last of the Alexander clan had passed on. The house was ideally located for a community center. A nearby barn was torn down and upon its site was built a hall, with a stage and kitchen facilities as well as bowling alleys.

Here nearly all community activities center. There is no day or evening when the center is not in use. There are motion pictures, dinners, bowling, dancing, woodcraft demonstrations, and a great variety of other activities. It has been a boon to the Boy Scouts, the Girl Scouts and the Sea Scouts. Miss Emily G. Atherton, a local girl, well trained in handicraft and community center work, has vastly stimulated interest in somnolent local crafts, using the rooms of the great Alexander house as headquarters for meetings, exhibits and classes.

The Ellen Lambert Murphy Community Center gives one a striking demonstration of how life can be made interesting and meaningful to those people who reside in small, remote

communities. If there had been more such centers in the small villages of America during the last fifty years, the movement towards the bright lights of the cities would have been far less pronounced.

The most satisfying thing about this memorial, in the mind of Governor Murphy, is that it has succeeded measurably in his desire to have it create a spirit of "neighborliness, of tolerance of opinions, of civic enterprise and good citizenship." It has fostered community ideals and united community action, with people of all creeds and national characteristics working harmoniously together. It gives free play to sports and recreation, including Governor Murphy's beloved baseball. It is daily encouraging design, music, drama and practical handicrafts in the community.

In a way, Governor Murphy feels, this memorial in the name of his mother has made it possible for her, "in a sense to become a second helpful mother to all of the boys of Winchester" for many years to come.

The Legislative Leader

IF IT IS TRUE, as Miguel de Cervantes wrote, that "The brave man carves out his fortune, and every man is the son of his own works," then it would be impossible for anyone to appreciate the full significance of Francis Parnell Murphy as a statesman without scrutinizing in some detail his work as a leader in legislative matters and as a state administrator while Governor of the State of New Hampshire. In this and the chapter immediately following, an attempt is made to reveal the man and the statesman by his works, drawing from the record only those portions which are the most revealing and significant.

One of the least lovely characteristics of American democracy is the capacity of office seekers to make promises and their inability to keep those promises when they are elected.

Very often politicians do not love the people in January as they did in November. The understandable eagerness to lure votes causes certain types of politicians to make promises which cannot be kept. Sometimes the intentions of the office seeker are of the very best; but, after election, he may bog down in his own lack of ability, or he may run afoul of governmental checks which nullify his efforts. And so, at times, the most honest of promises fail of fulfillment.

A Governor, or the President, also, as everyone knows, is particularly likely to be balked in his efforts by the legislative bodies. This negative treatment may be due to very good constitutional reasons. Or it may be strictly personal. It may be due to executive tactlessness. And it may follow party lines, on the theory that anything suggested by the opposition cannot possibly be right.

Generally speaking, no chief executive is a match for a cantankerous and recalcitrant legislature. The ultimate power in American democracy rests, after all, in the hands of the people and the people's representatives.

As yet, the chief executive of state or nation, inasmuch as he is the spokesman and administrative head of the political unit and also the titular head of the party which elected him, must assume leadership. He must familiarize himself with the needs of his state or nation and he is expected by the people and the legislators to make proposals of needed legislative action. The chief executive proposes, but the legislative branch disposes.

One measure of a chief executive, from the standpoint of the people who elected him and, indeed, those who voted against him, is determined by his ability to make good on his campaign promises. In detail, it depends upon his experience and knowledge of statecraft and upon his ability as a leader to woo the legislature into taking action which will help him keep his promises.

Happily, every now and then, there is evidence that the American voters are developing long memories as to the authenticity of campaign promises. They seem to be sensing, possibly more than a century ago, when a candidate is making promises which he intends to try to keep. They seem to sense, more than formerly, whether or not he has the ability to keep them; whether they are worth keeping.

Voters are pardonably cynical on the subject of campaign promises. But they are no less eager to give credit to a public servant who attends their interests with both energy and ability. After all, voters do judge an office-holder by results, possibly much more so than some of them realize. They do judge a chief executive by his leadership in legislative matters and by the way in which he handles the state's business. He must be statesman as well as administrator if he progresses.

When Major Murphy became Governor of New Hamp-

shire in January, 1937, he brought to the office not only a wide experience in business administration, but experience in statecraft as well. He had participated in local politics. He had served in the legislature. He had been chairman of an important legislative committee. He had been a member of the Governor's Executive Council. He had served as aide with the rank of major on the personal staff of Governor John G. Winant. So, he had ample knowledge of the things that are necessary to make an administration click.

If anyone had any doubts as to what Francis Parnell Murphy intended to do when he won the Governorship of New Hampshire in November, 1936, those doubts were speedily dispelled when he gave his inaugural address at the opening of the General Court on January 7, 1937.

There were certain things for which he stood. He felt, for example, that state government must be adjusted more intimately to the changing times, meaning economic and social conditions. It must, he thought, help its citizens solve their economic problems. He told the people that he visualized the "State of New Hampshire" as meaning more than a mere government, but including, rather, the interests of all the citizens. He announced his intention of finding out more about the business of the state, speaking in the broad sense. He felt that this knowledge was necessary in the efficient governing of the state. He made it plain that he had much more interest in human values than in material resources. He visualized a plan for aiding industry and thereby reducing unemployment. He declared for state assistance in protecting the credit and the financial structure of towns and counties. He urged a 48-hour maximum work week for minors and women. He asked for the closest possible co-operation with the Federal Government to take full advantage of its Social Security legislation. He demanded that the upward tax trend be halted and, if possible, reversed; and

that the state take steps to eliminate the state real estate tax, or at least greatly reduce it.

Then the General Court went to work. Most of the members knew that the things Governor Murphy had said and stood for were right and of advantage to the state. And most of them liked him personally, admired him because they knew his experience and executive genius made him intimately familiar with state needs and methods of conducting the state's business. One after another bills embodying Governor Murphy's recommendations were presented and passed.

Ordinarily the General Court in New Hampshire sits but a few weeks, perhaps two or three months, once every two years. But this time the session stretched beyond twenty weeks. Members began to get restless. They were irritable and jumpy. They wanted to adjourn. But the word went around that there would be no adjournment until the General Court got through with Governor Murphy's legislative grist. They put it through the legislative mill and were finally able to adjourn after thirty-two weeks, the longest session of the legislature ever known in the State of New Hampshire. And for this each legislator drew \$200 for the session, plus mileage home and back each week-end.

But the legislative results were impressive. With two exceptions every one of the twenty-eight "administration" bills had become laws. The one exception that came to a vote was the merit system bill, a state civil service measure, advocated by Governor Murphy. This was voted down in the House of Representatives. Revived in the session of the General Court of 1939, it was again voted down.

The second administration measure, perhaps the "pet" proposal of Governor Murphy, was withdrawn when the State Supreme Court in a requested advisory opinion on the bill, declared that the law would be unconstitutional. This bill, briefly, contemplated setting up a little Reconstruction

Finance Corporation in New Hampshire for the avowed purpose of aiding employment. Under this bill, small industries could obtain state loans providing the state could be shown that the loans would be the means of putting men back to work. No loan could be made for more than \$100,000. This was in line with Governor Murphy's inaugural statement that there really is no cure for unemployment except employment — employment in the normal activities of industry. He knew well that there were many small industries, even in a state the size of New Hampshire, which could be kept in existence and weather difficult business conditions, if they had a small amount of working capital. Just so long as they could be kept going, they would continue to be employers of labor and, by that much, keep the state's relief load down and the standard of living up. Perhaps a more indirect approach to the problem, as in the case of aid to the Brown Company, which will be described, might have conformed to Constitutional requirements.

Of the twenty-six measures which passed the General Court and became laws, several are worthy of mention insofar as they reveal Governor Murphy's thinking and statecraft. Perhaps the most outstanding and revealing achievements revolve around his financial policies, which could be summed up as having four main objectives: first, to halt or reverse the upward trend of taxation; second, to recognize welfare costs as a current charge and, therefore, meet them out of current income rather than by bond issues; third, to push improvements in the state, but arrange to have the expense of such improvements placed on a self-liquidating basis; and fourth, to pay interest on bonds and retire them without resorting to additional property taxes.

In the last year of the administration preceding that of Governor Murphy the state tax against real estate was \$1,600,000. Despite unavoidable increased financial burdens of the first year of his administration, the real estate tax was

not increased, but held at the same figure. In the following year, 1938, it was reduced by \$400,000, or 25 per cent, the largest reduction ever made up to that time in the state real estate tax.

Later, during the first year of his second administration, Governor Murphy sponsored a new tax bill which was destined entirely to eliminate state real estate taxes. It had never been intended that the state should levy taxes on real estate. This field of taxation was regarded as exclusively for support of local governments and projects. But, when the usual forms of state taxation had failed to meet all of the financial requirements of the state, many years earlier the bad habit of levying state real estate taxes to form a cushion for rounding out the budget had been formed. It had developed into a routine tax matter, of ever-mounting figures, all of which Governor Murphy was convinced was wrong.

So the Governor sponsored a bill for putting a tax on tobacco products, not with the intention of obtaining additional revenue, but merely to substitute one tax for another and thereby eliminate the state's real estate tax. From the first this met with the most bitter and persistent opposition. Governor Murphy knew that there was a great deal of lobbying against the bill and that many of the legislators were unsympathetic, because of the outside pressure that was being put upon them and because they did not realize its full significance and advantages to the people.

There came a day, May 23, 1939, when the bill was reported out of committee, and reported unfavorably. The bill was coming to a vote in the House, and, after quietly studying the situation Governor Murphy knew that the bill was doomed. It is the custom in the New Hampshire General Court for the members of the Senate, the Governor and his Council, and other state officials to gather in the House chamber each morning at the opening of the day's business for prayers. After prayers on this day of the vote on the

tobacco tax bill, Governor Murphy tossed a verbal bomb into the assemblage, when he asked the special privilege of the floor. He launched into a truly impassioned attack on the lobbyists and urged the passage of the bill. An amazed, silent General Court listened as he spoke:

"Steps must be taken to relieve the intolerable tax load which rests upon real property," said Governor Murphy. "Where is the sense or logic of spending the taxpayers' money on promotional efforts to attract new industries to New Hampshire if, through endless mounting taxes, after getting them, we sap the financial strength they need to compete in the national markets? And, where is the justice in encouraging home ownership and in fostering agriculture if government, through higher and higher taxes, makes investment in real property an unsatisfactory venture at best?

"The only answer that can be made to those queries is that it is morally unfair; financially and politically unsound; and economically and socially dangerous to require real estate to produce 92 per cent of all the taxes assessed in this state. The sooner we all realize that and do something about it the better it will be for the State of New Hampshire.

"Since entering the Governor's office I have spoken frequently of the desirability of reducing and, as soon as possible, eliminating the direct state tax, the only levy by the state government which applies directly to real property and, during my first administration, the legislature saw fit to reduce that tax by \$400,000, or 25 per cent, to \$1,200,000.

"In the budget message which I delivered to this body last February, I proposed that the direct state tax be reduced by another \$400,000, or by one-third, to \$800,000 and more recently, encouraged by many thoughtful citizens and reassured by studies of the effect and the estimates of the probable yield from a tax on tobacco products, I have given my approval to the present program which involves the elimination of the direct state tax altogether.

"It was with a sense of great satisfaction that I recommended the taking of this step in the direction of practical tax relief. For many years the taxpayers have heard lip service rendered to the idea that real property was bearing an over-large share of the costs of government. Here is an opportunity to accomplish something really beneficial. On every side it has long been admitted that tax rates must come down, but nothing has ever been done about it. On the contrary, rates have continued to go up until last year, when the average rate for the state reached \$3.48, the peak level for all time.

"Valuations are shrinking. This is happening for a number of reasons, foremost among them being the tremendous damage to standing timber and the dislocation of the lumber market resulting from last year's windstorm and flood.

"Long continued conditions of economic depression have caused real property temporarily to lose some of its attractiveness as an investment.

"The fact that large groups of property holders, particularly among home and farm owners, have little enthusiasm for undertaking to repair or otherwise improve their properties has a strong tendency to lower valuations.

"Finally, property values are tending downward because people seem to feel that their lot is no better than it was a year ago, a state of lowered public morale which can hardly fail to affect valuations.

"I assume that, by placing me in office, the people took me at my word when I told them I accepted, as my pledge, the platform pledge declaring for the elimination of the direct state tax. The administration proposal to eliminate the state tax and replace the \$1,200,000 in present revenues, thus lost, by \$1,000,000 which we have every reason to believe can be derived from a tax on tobacco products, and by a transfer of approximately \$200,000 from the special fund, which, it is estimated, will be larger by that amount in each

of the next two years on account of the state's increased share in the proceeds from racing, is the only feasible plan that has been proposed for the relief of real property owners.

"The tobacco products tax was selected for this purpose as the most logical, the surest and the least burdensome of all other available levies.

"By our relinquishing state participation in taxes placed upon real property, local tax rates will be wholly the responsibility of the towns and counties. It will no longer be possible to exaggerate the effect of the direct state tax and blame the legislature, as is sometimes done, for high tax rates. A reduction in tax rates as provided under the terms of this bill is the surest means by which to restore the level of valuations. But beyond and even more important than that effect would be the purely psychological reaction of the people to this positive attempt to better their condition. Frankly, I believe the effect would be tremendous and that it would operate for the benefit of the state in many ways. It certainly would greatly change the picture and raise spirits generally if those engaged in promoting the industrial advantages of New Hampshire could point to tax rates tending downward or even held stationary.

"Since the introduction of House Bill No. 398 the people of New Hampshire have witnessed one of those curious demonstrations, occasionally seen during legislative sessions, which are so deceiving to many and so disheartening to those who are endeavoring to serve the public fairly and sincerely."

Governor Murphy was acutely conscious of the fact that several lobbyists were anxiously watching him from the gallery of the House.

"The corridors of the State House have been the scenes of great activity on the part of a small army of professional lobbyists who, at a high price per word, try to persuade legislators and state officials to act against their own best judgment. I only wish that I could secure information as to

the amount of money which those opposed to the bill have expended in their endeavors to kill it.

"You have been subjected to the wiles and the annoyances of a highly-paid lobby, representing some of the most profitable enterprises in the world; an industry which can afford to pay one of its corporation presidents a salary of \$325,000 annually, the highest compensation received by any company executive in the world; all of this great array of legal talent and money power ranged against the poor little home owner and the farmer in New Hampshire; fighting desperately lest the rich tobacco industry be obliged to accept a small part of the tax burden which these thousands of small property owners have been patiently waiting for someone to take off their shoulders.

"Every possible means has been adopted for obstructing the passage of the bill. At first, it was claimed that its enactment would ruin the cigar manufacturing industry and the business of selling tobacco products at retail. At the first hearing before the Ways and Means Committee the opposition marshalled groups of employees so that they might explain how adversely the proposed tax would affect their employers, despite the fact that actually the manufacturer would pass the entire tax along to the consumer.

"On the other hand, if the plight of those who sell tobacco products at retail would be as serious as claimed, is it not strange that the opponents of the bill did not arrange to have present at the hearings some of the little storekeepers and drugstore proprietors from Vermont and Connecticut, who have long been operating under cigarette tax laws, to tell you how this tax "ruined" their businesses?

"The opponents of this measure are giving no thought whatever to the problems of the owners of the more than one hundred thousand dwellings in the state; the owners of the eighteen or nineteen thousand farms; or the owners of the ten



NEW HAMPSHIRE STATE OFFICE BUILDING AT CONCORD

Completed, January, 1940

thousand or more store buildings, hotels, manufacturing plants, tourist camps, and the like.

"By establishing a tax on tobacco products, as provided under this bill, we shall create a new tax, it is true, but not an additional tax for the state will give one tax in return for the other. In other words, we shall be able to keep our pledge to the people not to add to their tax burden.

"By enacting the tobacco tax bill we shall be able to go further and keep our promise to the people to reduce the taxes on real property. Since the elimination of the direct state tax and its replacement by revenues from tobacco and other sources will make local tax rates throughout the state 22 cents less than they otherwise might be, this legislature has an opportunity before it to confer a substantial benefit upon the majority of citizens in the state.

"We all know, as Thomas Jefferson once remarked, that 'The purse of the people is the real seat of sensibility.' In general, the people wish to see taxes reduced, or, at any rate, they do not want them to go higher.

"As members of a state government, in duty bound to solve its many problems in terms of state-wide consideration, we cannot permit our honest convictions as to what is best for the people as a whole, for the state as an economic unit, for the public benefit over the long range of years, to be warped by the narrow claims of special interests. We have only to recall how, in times gone by, great interests often successfully opposed the adoption of programs and policies that clearly were in the public interest; programs, which, if adopted, would have enabled our state to make rapid progress, and would have benefited all of the people.

"Today, however, we know the truth and we can only wish that our earlier actions had been based on the broader and sounder outlook which comes from regarding these problems from the standpoint of the public's best interest. In many instances, the interests responsible for the defeat of

good legislation offered in years that have passed have disappeared. Others have declined in importance, the victims of economic change. But the damage was done and the people still suffer from the effects.

"In the place of these older special interests, new and even more powerful ones have arisen, using the same old methods to accomplish their highly selfish ends at the expense of the public welfare. Our legislative history undeniably proves that the influence of such interests on our law-making has invariably been pernicious and always costly for the state.

"We have no reason to doubt, but on the contrary every reason to assume, that, if the influences that are operating powerfully here today are successful in their efforts, history will repeat itself and that once again the people will be the losers.

"For that reason, I urge this General Court to rise above the level of these selfish contentions and to disregard them; to meditate upon the absolute need for adjusting the rates of taxation applying to real property. You are at the fork in the road. Our sense of fairness, our appreciation of state problems, all of them tell us to follow the right fork by eliminating the direct state tax and thus helping, in the only substantial manner that I or anyone else knows of, to correct long-standing injustice which everyone knows exists in the field of real property taxation.

"They call this tax a poor man's tax, but I wish to say to you, Mr. Speaker, that, although I am advocating this so-called 'workingman's' tax, I yield to no man connected with this state government in my interest in and fondness and admiration for the workingman.

"Workingmen have been my associates through all of my life. They have been my greatest helpers and my staunchest friends. Indeed, every drop of blood that flows in my veins is the blood of a workingman.

"During all of this controversy not one of them has entered a protest. I wish to God that there were more citizens in New Hampshire like its workingmen. They do not shirk their responsibility to support the government. They are always to be found in the front line for unselfish service. They wish to play their part and they do not have to ask the assistance of highly-paid lobbyists in finding the path that is righteous.

"I only hope, Mr. Speaker, that the lamp of justice will light the way of those who are called upon to pass on the merits of this bill and I hope they will let it guide them to their duty as, under God's direction, it has lighted my own path."

When Governor Murphy had finished his message, he quietly left the House and went to his own office to await the vote. The measure, House Bill No. 398, went to a vote immediately. Someone, as was sure to happen, demanded a roll call, which showed at the end a thumping majority in favor of the measure, for the vote was 218 to 127. The tide had been turned. And in the first year that the law was in operation, all state real estate tax was entirely eliminated.

While Governor Murphy recognized the logic of treating relief as an emergency measure in 1932, he believed that it was absurd to continue to issue bonds year after year in the face of constantly increasing evidence that relief costs were to be a permanent state charge, rather than an emergency. Relief, he now recognized, was a current operating expense of the state and no budget could be honestly balanced without taking care of the expense out of current income. He had personally advocated a measure to "stream-line" relief administration in the interest of economies and taking local elected officials off the political relief spot. His own measure was killed in the Senate judiciary committee, which drafted and reported out a bill of its own. However, Governor Murphy did achieve his desire of balancing the state budget,

despite the burden of relief, and of placing the income and outgo of relief on a current operating basis. Besides, he was able to retire some of the relief bonds which he had inherited from previous administrations.

The self-liquidating projects, sponsored by Governor Murphy, are based upon his belief, in most instances, that the section of the public which is favored by certain facilities should expect to pay for them, and that they should not be made a burden to the average taxpayer. Quick to see the extraordinary advantages which lie in the state's recreational areas, Governor Murphy utilized his idea for self-liquidating projects most graphically, and thus attracted even more national attention to New Hampshire as a playground.

The first of these projects was the construction of a state bathhouse on the ocean at Hampton Beach, one of the finest spots of its kind on the Eastern seaboard. The project cost around \$100,000 and was opened to the public on July 4, 1937, six months after Governor Murphy entered office. That meant fast planning, quick legislative action, and efficient administration. The Hampton Beach bathhouse is being paid for by modest fees received from the public for the use of the facilities.

Another favorite project of a similar character was the erection of the aerial tramway on Cannon Mountain in Franconia Notch at a cost of \$250,000. It was the first aerial mountain tramway in America and carries passengers more than a mile through the air from the base to the top of the mountain. This, too, was financed by a special bond issue which will be liquidated in ten years from operating income paid over by those who ride up and down the mountain.

An utterly different project, based on the same self-liquidating principle, was the Pittsburgh Reservoir. Pittsburgh is at the headwaters of the Connecticut River, near the Canadian border. The cost of a dam to control the water here amounted to \$2,300,000. It meant creating a lake six

miles long and three miles wide. But, before a single construction contract was signed, Governor Murphy made contracts with water users along the river for the purchase of certain amounts of water. Income from these contracts will pay for this development within thirty years. After that, as in the instances of Hampton Beach bathhouse and Cannon Mountain tramway, any operating income will be velvet for the state. As this was being written the first semi-annual payment of \$53,018 had been made by water users. The dam also proved to be valuable in flood protection.

For several years, increasing state business had meant that more and more state offices had to be located in various rented quarters in the city of Concord. Governor Murphy proceeded to plan the construction of a state office building annex, so that practically all of the state offices could again be under one roof and adjacent to the State House. The total cost of the splendid granite building was \$950,000 of which \$327,000 was paid by the Public Works Administration and the balance, \$623,000 was raised by a special bond issue. The bonds will be retired in fifteen years out of a sinking fund created by diverting to it monies that had previously been spent for leases and rentals to house the offices. In this way the project will not cost the taxpayers any more than they have been paying in rent for state office space.

On April 1st of the year Governor Murphy entered office, New Hampshire had a net bonded debt of \$9,439,187.81. It was a small debt, as state debts go. Though the state has a population of more than 500,000, most of the cities in New England with populations of 100,000 or more had a larger bonded debt. In fact, much smaller cities exceeded the figure. But the outstanding feature of the bonded debt situation in New Hampshire rests in the fact that Governor Murphy made it possible to pay the interest and retire the bonds without calling on the taxpayers for any money in the form of taxes. The state's share of receipts from the race track, from

the sale of beer and liquor, from estate taxes, from gas and electric utility franchise taxes, from gasoline road tolls, from bridge tolls and the like pass directly to a sinking fund for the payment of interest and retirement of bonds. These revenues are amply sufficient to accomplish a steady reduction in the principal sum of the debt.

Some of Governor Murphy's successful legislation in his first session of the General Court established a hairdressers' board, a barbers' board, a board of accountancy and a milk control board. But all of these agencies, by the establishment of a fee system, were made self-supporting.

New Hampshire had long looked with envious eyes on other states, which had established state police systems. Farmers in remote districts were particularly eager for the protection that a police system would give them. But the cost seemed prohibitive to this small state. Governor Murphy solved the problem almost immediately by consolidating the state highway patrol organization and the criminal investigation forces of the state into a state police force, using the funds allotted to those groups and thereby adding no further burden to the taxpayers. At the same time the usefulness of both groups was immeasurably increased. For example, the highway patrol had been charged with the duty of enforcing traffic laws. They had no power so far as any other crimes were concerned. Now, all that is changed.

One of his most important pieces of legislation, and yet one of those most bitterly fought, involved revision of the workman's unemployment insurance laws to the end that the 1 per cent payment assessed to the wages of labor in New Hampshire would be entirely eliminated. An incongruity in the fight was the opposition of the state president of the Federation of Labor at the same time that William L. Green, the national president, approved it.

In proposing this measure for the relief of labor, Governor Murphy saw eye to eye with the policy of the American Fed-

eration of Labor, which made this pronouncement at its 1932 convention in Cincinnati: "No part of the contributions to support unemployment insurance should be paid out of the wages of labor, but the whole should be paid by management as a part of the cost of production. The whole scheme should be so construed as to induce and stimulate as far as possible the regularization and stabilization of employment."

Governor Murphy found great satisfaction in winning the fight which really meant a great deal to labor, especially in the lower brackets, and also proved to mean much to business. Results showed that labor thereby received and spent more than \$1,000,000 a year in New Hampshire beyond what it spent for commodities when the 1 per cent portion of the fund was deducted from wages.

While this was the most impressive of the measures advantageous to labor, nine other measures, sponsored by Governor Murphy and favorable to labor, were put through the General Court in 1937 and eight labor measures in the session of 1939. Two of those in 1937 had to do with restricting hours of labor. Three provided for settlements in the workmen's compensation laws which are more favorable to labor. One covered the subject of piece rate wages. One gave specifications on the payment of wages and virtually made the New Hampshire Bureau of Labor a collection agency for workers having trouble with employers holding up wage payments. One law covered provision for fire escapes in places of employment and another had to do with one day of rest in seven.

In the session of 1939, probably the most important new labor law entered on the statute books was an act enabling coöperation with the Federal Fair Labor Standards Act. The remainder of the labor legislation in the session of 1939 had to do with refinements and improvements in the workmen's compensation laws, in the unemployment compensation laws and in the one-day-of-rest-in-seven law.

No previous four years in the history of New Hampshire

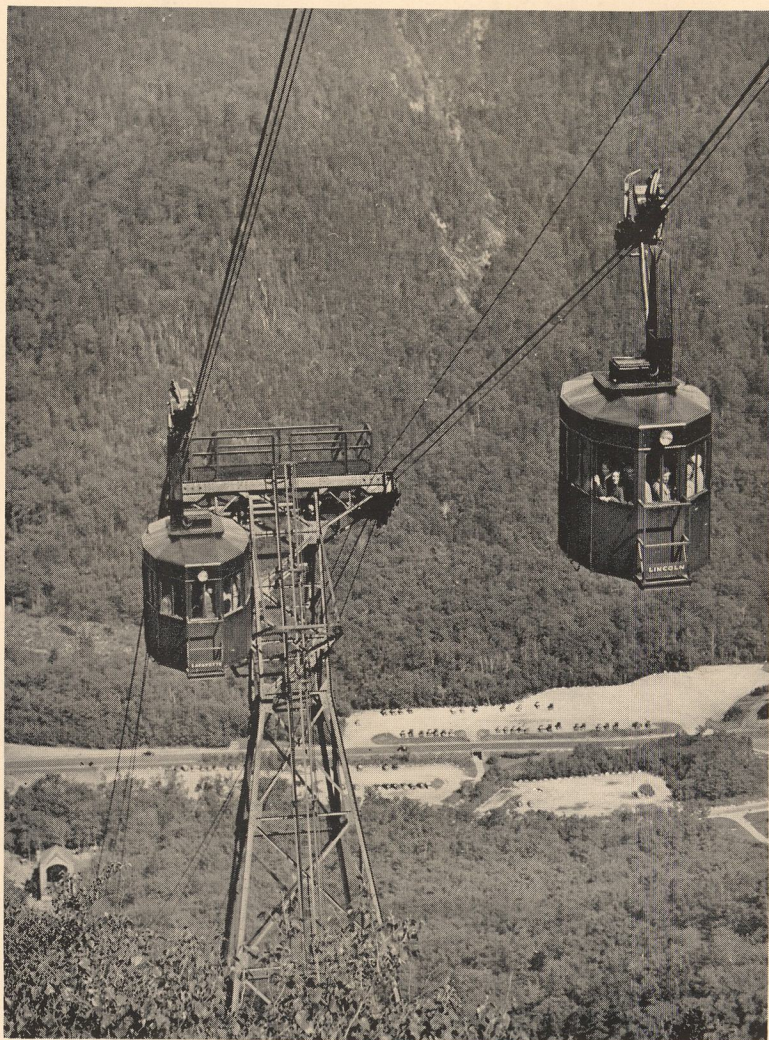
saw so much fundamentally sound labor legislation added to the laws of the state, as in these four years under Governor Murphy, when his administration bills were passed. But his state service to labor did not end with legislation, as you shall see when we consider the Lisbon case.

It would be impossible to give a true picture of Governor Murphy's legislative record without mentioning the fact that, through his initiative, a modern probation and juvenile delinquency law was placed on the statute books. This provided not only a carefully planned program for the state itself, but also a reciprocal probation system in coöperation with every other state in the Union. Had this reciprocal plan been in effect earlier, it is quite likely that at least one murder, committed by an habitual criminal from another state, would have been prevented.

In the first year the probation law was in effect, 400 cases were handled and only four persons failed to live up to probation requirements and only one of those committed a second crime. It is estimated that the new probation system saved the state \$500 prison maintenance for each case and \$50 for guards and supervision for each case.

A piece of administration-sponsored legislation was the schoolteachers' retirement act, which set up a modern system to give retirement protection to the public school teachers of New Hampshire.

Governor Murphy has sponsored several measures designed to accomplish flood control in New England. This legislation was enacted in coöperation with other New England states and with the Federal Government. Involved with the subject was, of course, the eternal question of states' rights. In order to obtain Federal funds to pay for the enormous cost of flood control, New Hampshire as well as other states was called upon to make certain concessions to Federal Government management. These concessions were bitterly opposed.



CANNON MOUNTAIN AERIAL TRAMWAY
FRANCONIA NOTCH, N. H.

For a brief time the situation was in stalemate. But Governor Murphy, who can always be counted upon to be pragmatic, realized that the flood control program must be completed as swiftly as possible. He possessed a full and sad knowledge of the loss of life and the gigantic property damage suffered under flood conditions over recent years. He saw uncontrolled streams for what they are, a constant menace to life and property. He also recognized the fact that it would be impracticable, if not impossible, for New Hampshire to finance the flood control projects. In any case, it was utterly inadvisable, inasmuch as other states were involved in the dangers from New Hampshire flood waters and would benefit by their control. So, in order to get the work done, Governor Murphy sponsored the various legislative compacts and enabling acts necessary to release Federal funds and accelerate the work of Federal engineers and contractors.

Perhaps the most unique piece of legislation, sponsored by Governor Murphy, was an act which created a "Commission for the Promotion of the Wealth and Income of the People of New Hampshire." This act was in line with the Governor's belief that a state, or nation, should not be regarded merely as the government thereof, but as a going concern. He thinks of the people as the stockholders, the officers as the board of directors, of a state business. He believes that it is impossible for any Governor or any legislature to get a true picture of state conditions without constructing a balance-sheet, so that they may clearly see what they own, what they owe, what they take in and what they have to pay out.

The legislature was not asked for any appropriation for the support of this commission, but \$10,000 was raised by private subscription for its work. Governor Murphy himself was the chairman. Commission members included Samuel Crowther, the writer; President Fred Engelhardt of the University of New Hampshire, President Ernest M. Hopkins of Dartmouth College, and Charles F. Bowen, then the Gov-

ernor's secretary. The Commission appointed Dr. Frank G. Dickinson of the University of Illinois to act as director, and Dr. George W. Woodworth of Dartmouth and Professor Arthur W. Johnson of the University of New Hampshire were appointed associate directors. The statistical summary and the handling of the figures was in charge of Franzy Eakin, C.P.A. New Hampshire in the year 1936 was the subject of the study.

Through the creation of this Commission, Governor Murphy made one of the most outstanding contributions to the practical knowledge of statecraft and state economics that has ever been made in the history of western civilization. It was the first move of its kind ever made by any government in any part of the world. It was not simply "an exhibition of mathematical gymnastics," in the language of the report, but "an effort to provide the people with a working knowledge of how they collectively earn their livings, so that, armed with this knowledge, they may have the greater capacity to distinguish between what will forward their welfare and what will retard it and hence to act on informed judgment.

"If we are to have government of the people, by the people, for the people," continues the report, "that is, if we are to have that form of democracy which Americans have cherished, we need an electorate currently informed as to its own affairs. For not otherwise can the electorate intelligently pass upon public policies and choose the representatives who will effect their will. We have recognized this in our provisions for compulsory education, but we are only beginning to recognize that, if this education is to be a force in the ordering of both our private and our public affairs, we must have some information to work with.

"The purpose of bookkeeping in private enterprise is to relate cause and effect by recording where from and where to, and the purpose of double-entry bookkeeping is to make cer-

tain that the where-from and the where-to are correctly recorded, so that actions will proceed from facts and not from the self-deception which arises from considering the facts available as being all the facts. The farmer who reserves his seed corn practices a kind of double-entry bookkeeping — without books or entries. When he sells his seed corn, he knows that he is selling it.

"But in our larger affairs as a people we cannot preserve this intimate personal connection with things and we may sell our seed corn without knowing it. Esau sold his birthright for a mess of pottage. But at least he knew what he was doing — and he got the pottage. It may have been a very bad bargain, but at least it was a bargain. Our information on our economic life today is so sketchy, confused and unrelated that we do not know what our birthright is, much less whether or not we are selling it, and we do not know what our mess of pottage is, much less whether we are getting it.

"The bookkeeping picture presented gives, on the one side, the capital account of the geographic area known as New Hampshire and of the people who are citizens of New Hampshire and, on the other side, the income account. These fundamental accounts answer the questions: What do we own? What do we owe? How did we earn? How did we spend? What did we save? They combine the people's business, banking, governmental and personal activities so that the parts may be seen both in relation and in totality."

The Commissioners never pretended that their report was infallible. In fact they admitted that there "are many deficiencies in the data — and these deficiencies reveal how much more we ought to know about our economic life than we do know.

"The facts as found are sufficiently accurate to prove the utility of double-entry bookkeeping in our public affairs. They demonstrate certain trends and conditions in the af-

fairs of the people of New Hampshire, which have not before been shown and which go a long way toward showing why standards of living are falling, why unemployment and relief threaten to become problems incapable of solution, why business development (including agricultural development) is so uneven, and why political blocs tend to form, based on gaining supposed economic preferences for their members regardless of the consequences to society in general. And, on the basis of facts, a solution of all these problems becomes comprehensible.

"New Hampshire is not in a worse case than the other states of the Union. . . . The picture of New Hampshire is, comparatively speaking, far from a dismal one and, if the facts are grasped and considered action is taken on them, it is easy to believe that the scene can be greatly changed for the better. On the other hand, if certain trends are not checked, the earning of a living by anyone in New Hampshire will become progressively more difficult. . . .

"It is set down as axiomatic that taxation should rest upon ability to pay, but there nowhere exists a factual definition of how to calculate the 'ability to pay.' So legislators have no recourse but primarily to tax those who seem to have the money — without being able to know whether the business unit or individual who draws the check for taxes is actually paying the taxes, or merely acting as tax collector.

". . . The purpose of presenting these accounts is to implement the theories of government with facts, in order that something in the nature of a science of government may be evolved.

"Government, curiously enough, has stayed with theory and emotion in a world in which science has moved away from the area of pure theory into an area of mixed theory and fact — with facts controlling. . . .

"A large part of what we think is economic knowledge and of what we think is governmental knowledge originates

in what somebody said. The acceptance as true of this or that principle has been more often established by force of arms than by factual analysis."

Out of a voluminous mound of material, the Commission found, among other facts, that the net worth of the citizens of New Hampshire in 1936 was \$1,173,666,000. It found that the entire business of the state — manufacturing, trade, agriculture, professional and the like, but not including banking — was conducted at a loss of \$6,925,000. Banking was conducted at a gain of \$812,000. Government, Federal, state and local, spent \$11,637,000 more than it received in taxes. The people, as individuals, saved \$13,761,000. The net loss in business, banking and government amounted to \$17,750,000 as against individual savings of \$13,761,000. So, the people as a whole were poorer by \$3,989,000 after the year's operations.

The Federal Government spent \$15,352,000 more than it collected in the state, the Commission reports, but the state's share of the Federal debt (as estimated on the basis of population and taxable wealth in the state, giving one-third weight to population and two-thirds weight to taxable wealth) was \$127,000,000 in 1936.

The total cash income received by individuals in New Hampshire in 1936 amounted to \$230,000,000, of which \$153,000,000 was received as wages, \$33,000,000 as dividends, interest, rents and royalties, and \$44,000,000 as entrepreneurial withdrawals which were practically wages paid by farmers and proprietors to themselves.

The distribution of income was rather surprising for it was shown that 51.5 per cent came from manufacturing, 19.6 per cent from service, 13.6 per cent from trade and finance, 9.9 per cent from transportation and communications, and only 5.4 per cent from agriculture.

If government can obtain accurate information currently on the condition of the state, Mr. Crowther believes that "the ultimate usefulness of bookkeeping in government can be

realized and a measure found by which the total amount of taxes levied can be kept consonant with advancing — or at least maintaining — the living standards of all the people.”

The purpose of these writers in discussing the aims, efforts and results of Governor Murphy’s “Commission for the Promotion of the Wealth and Income of the People of New Hampshire” is not to present facts on the State of New Hampshire as such, but, rather, to give a true picture of the situation and its implications in statecraft as part of a definitive interpretation of Francis Parnell Murphy. This particular piece of work, as Governor, indicates perhaps more sharply than anything else, the incisive, advanced thinking of Governor Murphy on the subject of intelligent governmental management in the service of the whole people.

Careful consideration of all of the acts of Governor Murphy in the realm of legislation reveals two distinct trends in his thinking. One trend shows plainly his humanistic nature, his liberality of thought, his feeling that government is the servant of the people and it is therefore the duty of government, considering the state as a community, to do all in its power to lighten the load of the people and make life, for them as individuals, more worth living.

The other trend of thought, shown in the character of the legislation which the Governor sponsored, is merely in line with the pragmatism which is so much a part of his very being. Some men must dream and dreamers are important in the world. But, all too often, they are unable to translate their dreams into action and practical results. Out of his experience and human impulses Governor Murphy has dreamed of great things for the people, but he has also been sufficiently practical to vitalize his dreams with action. Every one of his pieces of legislation seems to carry with it, by implication, to the legislators, to state executives, and to the people: “Come on. This needs to be done. Let’s go to it. Let’s get the job done.”

The Master Administrator

GOVERNOR MURPHY’S characteristic manner of thinking in governmental affairs — that the government is the servant of all the people and should do all possible to make life more worth living — and his practical ability to translate his beliefs and policies into action are perhaps even more strikingly shown in his administrative acts. His liberality of thought, his humanistic policies, indeed, reach their peak of expression in some of his administrative accomplishments. They demonstrate what a leader in government can accomplish when he casts off the shell of out-moded precedents and applies his experience and thinking to the challenging conditions which exist in life today, particularly in the social and economic fields.

John S. B. Davie is a grizzled, grey-haired Scot. He still holds his union card as a molder. But Davie has long been commissioner of labor of New Hampshire. You should hear Davie tell how Governor Murphy stood behind him in his handling of the strike at Lisbon; and of his support in other labor disputes to the end that labor got a square deal, management was not unfairly treated and industries were saved to their respective communities.

Lisbon is a village of about 2,400 inhabitants. It is on the Ammonoosuc River, slightly north and west of Franconia Notch, and only a few miles from the Connecticut River and Vermont. It is a fine community and possesses a fascinating history. It one time had a mining boom, in iron and gold! But almost the only industry there today is a manufacturer of brush handles. A labor dispute developed. It grew bitter and a strike was called. Commissioner Davie

conferred with Governor Murphy and the Governor urged him to go in and achieve a settlement if it were humanly possible to do so. A strike would mean a great loss of income in the community, the Governor knew, and real suffering among the strikers' families. It might also mean the end of the manufacturing business, which would be even worse for the community. Only a few hundred workers were involved but, from the community standpoint, this was none the less serious.

Commissioner Davie went in with an official stenographer and conferred all one day with the workers and, separately, with the management, but got utterly nowhere. Back in Concord that night he reported to Governor Murphy. The Governor told him to go back the next day and try again; the case must be settled.

During the night Commissioner Davie picked an idea out of the air that perhaps the root of the trouble might be found in the belief of the workers that the management was not telling them the truth when it stated that it could not afford to pay higher wages. If this proved to be the basis of the trouble, a solution might be found. Back in Lisbon the next morning, speaking before the workers in a crowded hall, Davie brought this question into the open and found that, beneath all of the tangle of charges and counter-charges, his hunch had been right.

What would the workers say to an official audit of the company to determine whether or not the claims of management were true, that the business could not stand higher wages?

Who, the workers countered, would be the auditor?

Would they be satisfied, Davie asked, if Governor Murphy personally appointed an auditor?

Yes, they would be satisfied with any audit made by an accountant whom Governor Murphy might designate.

Would they remain at work, pending the outcome of the

audit and accept it as the basis for wage adjustments or maintenance of the status quo?

Yes, they would do that, if the audit could start immediately, that is, next day.

Commissioner Davie conferred with the management and it proved to be willing to permit an audit and stand by the results.

The Commissioner then got Governor Murphy on the telephone, explained the situation, and Governor Murphy assured him there would be an auditor from the State House in Lisbon the next morning. There was. Within a few days his report proved to the workers that the company management had told the truth about its financial affairs and the workers were content to continue receiving the same wages as before. They recognized the fact that the business could not pay higher wages and continue.

In the northern end of New Hampshire is wooded, mountainous, rugged Coos County. This is not a one-syllable word, rhyming with loose. The first "o" is long as in dough and the word, perhaps significantly, rhymes with chaos, except that the long "o" takes the place of the long "a." Coos County has been the scene of some of Governor Murphy's most brilliant administrative achievements, outside of the strictly legislative field. And nothing shows the pragmatism and the "get-it-done" administrative characteristic of the man more significantly than the Coos County incidents.

Take the problem of Coos County itself. Under the laws of New Hampshire the appropriations for county government are made, as are those of the state, every two years during the sessions of the General Court. The county members of the House of Representatives hold what are called county conventions. Early in 1939 the Coos County convention was faced with an appropriation demand by the county commissioners, a triumvirate of county executives, for \$504,000

for 1939. In making the demand upon the county convention the commissioners gingerly admitted that perhaps \$504,000 was not sufficient to run this county—less than 40,000 people—for the year. This county's expenditures, like those of most counties, had been rising rapidly in recent years.

Members of the Coos County convention and its county commissioners immediately clashed. The convention protested the \$504,000 demand as excessive and impossible for the taxpayers to meet. The commissioners insisted it had to be. The argument had the effect of bringing the financial affairs of Coos County into sharp focus. It was found that the bonded debt had been shooting up.

It was found that \$130,000 was still unpaid on a 4½ per cent bond issue of \$200,000, dated 1931. Another bond issue, \$170,000 at 3½ per cent, issued in 1934 also lacked \$130,000 of being paid and there was \$18,000 still unpaid on an issue of \$22,000 for 1936. Addition showed that the total was \$278,000. In addition, there had been temporary borrowings of \$300,000 in anticipation of 1939 taxes. Taxes were horribly delinquent.

The members of the county convention were furious at the revelations, but the commissioners stood pat on their appropriation demands. The stalemate was broken when Representatives George R. Paine and Elizabeth H. Mason, both of Berlin, Ward One, of the Coos County convention, took their story to Governor Murphy.

The Governor had no reason to mix up in county affairs and the financial situation of Coos County was a disagreeable shock to his well-ordered mind. He wanted to help, but he had no legal power to do anything. The next move was to get the legal power.

Governor Murphy went into a huddle with some of his state financial experts, notably Stephen B. Story, state comptroller, a shrewd career man in government finance, who was one-time city manager of Rochester, New York. The

result was a bill, commonly called the "Coos County Fiscal Agent Bill," which was concocted by Governor Murphy, aided by Comptroller Story and enthusiastically supported by the Coos County convention. It was poison to the Coos County Commissioners but they had to take it whether they liked it or not, for the General Court passed it; not without a struggle, it is true, but with the dizzying celerity which has characterized a lot of Governor Murphy's legislation when needed in a hurry.

This "Coos County Fiscal Agent Act" is a unique piece of legislation and, in ultra-democratic New Hampshire, its implications are staggering. It proves again, if proof be needed, that a democracy can do anything that a dictator can do, if needs be, and do it better, though perhaps not so quickly. The law established a trusteeship for Coos County for approximately two years, until April 1, 1941. The county commissioners were stripped of virtually all powers and, as the law directed, Governor Murphy appointed a fiscal agent as the state's representative in Coos County, with sweeping powers for the duration of the act. The appointee was Alexander F. Thompson, a Cheshire County man, who had had wide experience in the state service in auditing county relief records and studying related matters on behalf of the state. He knew by experience, some of it presumably not pleasant, what made counties tick and what made them get into debt. Utterly honest, fearless, imbued with Governor Murphy's "get-the-job-done" characteristic, everyone—everyone but the recalcitrant county commissioners—agreed Thompson was just the man for the problem.

When Fiscal Agent Thompson got onto the Coos County job he was pained to discover that the county had spent more than \$247,000, in less than five months, of the \$300,000 which had been borrowed in anticipation of taxes. In other words the county had been spending at the rate of \$50,000 a month and, on the face of it, \$600,000 would be required for the year

instead of the \$504,000 which the county commissioners had requested for the budget, which they had admitted was insufficient. The cash on hand was not enough to pay the bills already created. So one of the first things Murphy-man Thompson did was to borrow another \$100,000.

Right here in this new borrowing came the first hitch. Two county commissioners, Dana Lee of Lancaster and Clark E. Swail of Colebrook, smarting under the Governor's fiscal agent law for Coos County, refused to sign the notes unless they could dictate the expenditures.

Thompson refused to permit them to have anything to say about expenditures. For the time being, however, he said that they could sign the checks then prepared for issue. They agreed and the money was borrowed on temporary notes, on the credit of the state, at less than one-tenth of one per cent.

But Thompson was too smart to allow any possibility of trouble later with the county commissioners. He discussed the situation with Governor Murphy and Comptroller Story with the result that an amendment to the fiscal agent law was put through the legislature, still in session, which gave the fiscal agent all of the powers in the matter of borrowing money, usually held by the county commissioners. With this done, he went to work in dead earnest.

A second loan of \$100,000 on five-year serial notes was floated to provide operating capital. County commissioners had been in the habit of getting \$5.00 a day and expenses for every day they worked. Some of them had gotten in a surprisingly large number of working days. Thompson told them their services would no longer be needed; that when he wanted them to "work" he would let them know. One commissioner, Alphonse M'Cready, was put in charge of the county wood yard, but not even he was given any of the regular duties usually performed by the three commissioners.

Thompson found the county accounts to be in a mess and

promptly asked Governor Murphy for the services of an expert accountant. His Excellency as promptly sent Noe Allard, an accountant for the Public Service Commission, to Coos County for three months to make the first audit of the county books in many years. The state Board of Welfare, at the request of Thompson, sent Mrs. Alene A. Cavanaugh to Coos County as a special investigator.

With these able and discerning assistants, Fiscal Agent Thompson started to squeeze the water out of Coos County expenditures. Scores of leaks were stopped. The traveling expense rate on county business was cut from ten to five cents per mile. The superintendent of the county farm was fired when it was found that he had in one year given away 7,200 quarts of milk to employees of the county. Relief was carefully studied and a drastic cut in expenditures was made without causing anyone who really needed relief to suffer. Robert L. Clark, in charge of the Berlin office of the New Hampshire Employment Service, coöperated in getting relief recipients back on payrolls, whether they wanted to or not. The word went down the line to the able-bodied that if they didn't work, they wouldn't eat. At least they wouldn't eat on public funds.

One big fellow, who refused to work to support his family and was therefore refused relief funds, attacked Thompson in his office, knocked him down, broke his glasses. But Thompson stuck to his guns. The man did not get relief. From this point, the racket angle of relief in Coos County was practically eliminated.

In July and August, when the Thompson program was in full swing, 207 cases left the Coos County relief rolls, though those are the worst months of the year from the standpoint of normal employment. July relief costs were more than \$10,000 less than June. August relief cost \$5,000 less than July and, after the shake-down was completed, costs continued to run about \$15,000 per month less than

when Thompson took over. Able-bodied relievers went into all sorts of private jobs and some of them went to work on the county wood-pile, which provided fuel for other relief clients. In three months the average relief case cost dropped from \$36.58 a month to \$31.51 and continued to drop.

The county had been paying \$2.00 a cord for hauling fuel wood from the production point at West Milan to Berlin, but when the new bids for hauling were opened the same contractor, knowing well that times had changed, was glad to bid \$1.50 a cord to get the job.

Naturally, it was a great satisfaction to Governor Murphy when his Fiscal Agent Thompson finished up within the originally proposed "insufficient" budget of \$504,000, despite the fact that nearly half of that amount was expended in the four months before the agent was put on the job.

By last accounts Thompson's budget for Coos County in the year 1940 will be at least \$139,000 less than the old budget of \$504,000, a saving to the taxpayers of 27 per cent. What will happen after the special legislation ends the services of the fiscal agent on April 1, 1941, no one knows. But it is safe to say that Governor Murphy, through his fiscal agent, has shown Coos County taxpayers some angles on county expenditures and ways of doing business which the county commissioners will be very smart to follow. How many counties are there in the United States that would get out of financial chaos by this method?

Because the initiation of the state financing which involves the Brown Company of Berlin, New Hampshire, took place before Francis P. Murphy became Governor, it may seem that he had little to do with it. But that is not the case. As a matter of fact he was the prime mover in the plan to help the Brown Company and thereby help the state, while he was a member of the Executive Council. He well remembers the day when the Mayor of Berlin and Brown Company officials appeared before the Executive Council with a des-

perate appeal for help, an appeal which strongly moved Murphy, then the Councillor. It was this experience with the Brown Company on the Council which made possible the development of his advanced ideas on the little RFC project.

Right now, through a continuation of this earlier plan, Governor Murphy is doing for the Brown Company, also located in Coos County, the very thing he had in mind when he proposed his little RFC to put people back on payrolls in the state.

As the result of his little RFC proposal, Governor Murphy learned some things about courts which Franklin Delano Roosevelt, and many who have preceded him, had long since learned in sadness. He learned the difference between his own humanitarian practical thinking in terms of getting a job done in the interests of all the people as contrasted to the legalistic thinking of so many in the judiciary. Some judges often forget that they, too, even in the rarefied air on the heights of the judicial bench, are the servants of the people and are expected to render decisions accordingly.

Had Governor Murphy then known as much about the intricate significancies of Constitutionalism as he does today, he would probably have proposed a law which would have been legally "Constitutional" and would have gotten the job done. But that opportunity passed and the Brown Company situation constitutes a curious indication of what he might have accomplished all over the state.

Back in 1933 New Hampshire's General Court passed several acts, known collectively as the "Recovery Relief Acts." These were designed to meet relief and unemployment conditions and to coördinate state efforts with those of the Federal Government. One of the acts was entitled, "An act for the relief of towns and cities and counties through the authorization under certain conditions and restrictions of issuance with State guarantee of emergency notes and bonds by towns, cities and counties." Effective for two years, the

act has been extended and is still in force. One city, one county and two towns were aided under this act. Never, during the depression or since the state began, has there been a single default. From the beginning the credit of the State of New Hampshire has been gilt-edged, as proved by loans as recently as the spring of 1940 at 0.4 (4/10ths) per cent.

Under the Recovery Relief Law, local units of government can apply to the Governor and his Executive Council for authority to issue emergency notes and bonds. When, and if, the authority is granted, the state guarantees the payment of principal and interest of the bonds and handles their sale. Tied up in the same package is an agreement whereby the state appoints a fiscal agent to disburse the funds and virtually administer the affairs of the local community until the emergency obligation is retired.

Financial conditions in the city of Berlin were desperately bad in 1932. The Brown Company, producer of pulp and other wood products, was actually the only employer of labor in this city of about 20,000. It had been employing about 2,700 persons in its mills. Very nearly half of the city taxes were paid by the Brown Company, approximately \$250,000 a year.

The Brown Company then owned and now owns and controls "stumpage" — commercial forest lands — in Maine, New Hampshire and Vermont, equal in size to the State of Connecticut. It also has large holdings in Canada, but that has nothing to do with this situation. Depression conditions brought about a shortage of working capital in the Brown Company, a situation that in 1933 was rapidly reaching a crisis.

In order to continue operations the Brown Company had to have big and constant supplies of pulpwood. This required a large amount of operating capital and also a cycle of time of at least a year before the money could be turned over. The

company had been obliged to borrow money at high rates, as high as 8 per cent, in a desperate effort to keep going. But the end of the rope was in sight. If the Brown Company could not finance the usual winter wood-cutting and logging operations, it would not have the raw materials for its mills to work upon the following season. Not only would the woods crews be out of work, but the mill itself would be forced to shut down, its entire personnel would be on the streets and the company itself, Berlin's largest taxpayer, would be out of business. The Brown Company had to be kept in business, otherwise New Hampshire faced another major disaster, comparable to Amoskeag, in the war against depression.

So a contract was made whereby the city of Berlin purchased "stumpage" — standing timber — from the Brown Company holdings at \$2.00 a cord. The city issued emergency bonds on the state credit, assigning its interest in the wood to the state. Extremely favorable rates were possible because of the state's backing. The money was used to finance logging camp operations on "stumpage" bought from the Brown Company.

The Brown Company then made a contract with the city of Berlin to buy, as needed, pulp cord wood, delivered at its mill, at a price per cord which would include the \$2.00 per cord which the city had paid for the wood standing, plus the cost of production and delivery at the mill. As a matter of fact the Brown Company never saw the \$2.00 a cord paid by the city for the standing timber. By common consent, after detailed observing of legal technicalities, this sum of \$2.00 a cord was applied to the back tax bill which the Brown Company owed the city of Berlin, a bill amounting to more than \$500,000.

But here was the sovereign state of New Hampshire, through special legislation, motivating a new plan of industrial recovery. The state's credit provided the working capital which the Brown Company lacked; provided it at a

cost of about one-tenth what the Brown Company had to pay for money, when it could borrow at all. The state's fiscal agent was the arbitrator, who, in effect, directed the entire operation.

As this is written Berlin is in the midst of its seventh wood-supplying contract with the Brown Company, meaning that the plan has been in operation about seven years. In that time there has been a financial turn-over of more than \$15,000,000 and the operation has been carried on at a cost of less than 1½ per cent, including interest on the borrowings and all administrative expense.

This project has not only made it possible for the Brown Company to continue operating, but it has increased operations. The Brown Company has also done considerable valuable research work in the wood products field. This has made possible the utilization of hard woods and special processes for the production of the "alpha" fibre, selling at a large premium. Its pay roll now stands at about \$120,000 a week. The city's operations in the woods — cutting pulpwood for the Brown Company — keeps 3,000 men at work during the season which extends from early September until the middle of March. The labor demand has been sufficient to absorb all able-bodied men of Berlin and vicinity who would work in the woods.

Because of the civic nature of the wood-cutting project, the state has insisted on a high standard of management. The camps in the woods today are better than they have ever been. They have been remodeled to provide more air per man and better light. They are equipped with better bunks and blankets. The food has always been wholesome. Medical service and inspection are well organized and available to all camps. Water supplies and sanitary conditions are carefully watched.

The cutters are paid on a piecework basis at a rate which has been higher each season than the rate paid in other

pulpwood operations. Those who work on trucking, hauling, swamping, cleaning up, and the like are paid on a day rate.

The camps are managed jointly by a woods expert, representing the state's fiscal agent, and by a representative of the Brown Company. Disbursements in payment of the workers and for all other purposes are made by the Brown Company's representative, but the fiscal agent's operations man must check and approve of every order before any disbursements can be made. All costs are carefully kept and charged up against the cost of pulpwood production, in order to determine accurately and fairly the price at which the Brown Company must buy back the pulpwood delivered at the mill.

The state has no desire to make money on the transaction and never has made any money on it. Its only desire is to keep the relief load in Berlin at a minimum and the pay rolls of legitimate business at a maximum. This is in line with Governor Murphy's reasoning that there is only one cure for unemployment: not relief nor any legerdmain of finance, but employment. Helping legitimate businesses to stay in business and progress, he reasons, keeps employment in any community at the highest possible level. This, according to Governor Murphy, is the very selfish concern of the state, even its duty, in the best interests of all the people.

Governor Murphy believes that a state should go to any reasonable lengths to stand by an employer of labor, who is in trouble, until the employer can again stand alone. Even if a management fails and entails a loss to the state, this loss, Governor Murphy points out, would be much less than the cost of the relief load resulting from an early cessation of the business, not to mention the necessarily lowered standard of living of employable families on relief.

Just how far Governor Murphy's administration is willing to go in this respect is illustrated by what happened in September, 1935. The Brown Company, because high bond interest charges were due, began to fall behind in its cash

payments for pulpwood. The state permitted it to get in arrears to the extent of \$500,000, which represented about one-quarter of one year's pulpwood production of \$2,000,000. And the state's fiscal agent went along with the Brown Company for this considerable distance in order to maintain production and pay rolls.

At the \$500,000 arrearage mark, by common consent the Brown Company filed a bankruptcy application under the famous Section 77B. Even if operations had ceased then, the state would still have been ahead of the game, not only in the almost total elimination of the relief load over the years, but because the \$500,000 in tax arrears to the city of Berlin had been practically wiped out.

The Federal Court saw eye to eye with the management of the Brown Company, with the City of Berlin and the State of New Hampshire that the Brown Company must be kept in operation and that there was no reason why, in time, it could not be a going concern and stand alone. But at this point the State of New Hampshire wanted to be assured of \$500,000 which the Brown Company owed it for pulpwood delivered and used. Wanting it and getting it might well have been two utterly different things had it not been for the fact that the state had a decisive weapon to enforce its desires. It owned all of the cut pulpwood available. If it decided not to deliver the pulpwood to the Brown Company but to sell it elsewhere to protect its investment, the operations of the Brown Company would end then and there. So the state proposed an amended contract with the Brown Company whereby the Brown Company would gradually work off its arrearage of \$500,000 on the basis of \$1.00 a cord additional price for new deliveries. Everyone, including the Federal Court, saw the point and the Federal Court approved the amended contract.

It goes without saying that all this may sound extremely simple on paper, but the seven contracts have been accom-

panied by an extraordinary series of legal and fiscal gymnastics. The best legal talent of New England has been involved, representing the State of New Hampshire, the City of Berlin, the state's fiscal agent for his personal protection, the Brown Company, and the trustees of the Brown Company, as well as the Federal Court.

Interesting and impressive is the fact that New Hampshire has gradually built up a technique for accomplishing legally and within the legalistic interpretation of the Constitution the type of thing which Governor Murphy was thwarted in doing on a more comprehensive scale and by simpler methods when he entered the State House with his proposed Little RFC in 1937. But some ground has been painfully covered, some progress has been made in an important direction, Mr. Murphy believes. Some precedents have been established and, although the present methods are complicated and seem needlessly involved, those precedents cannot be lightly cast aside. In fact, the Brown Company case proves the soundness of Governor Murphy's idea.

There is one other exhibit in the administrative activity of Governor Murphy which must be cited here. This has to do with his promise to improve the financial condition of the state. We have already described how he finally entirely eliminated the state real estate tax. As he had promised to do, he approached the problem of state finance from a businessman's point of view. He applied that which New Englanders pridefully call Yankee frugality. He realized that New Hampshire was suffering, as most states are suffering, from a dwindling real property tax base.

Since the first fiscal year of the Murphy administration, the net state debt, as of April 1, 1940, has shown a decrease of \$892,811.33, not an unimpressive figure when one remembers that New Hampshire is a small state and that, for a decade, the story had been one of annual increases. During the same time Governor Murphy's building program and

projects of construction increased the state's physical assets by nearly \$2,500,000, to which the Public Works Administration contributed \$700,000. During this time, too, New Hampshire has increased highway construction and toll bridge construction so that more than \$9,000,000 of the state debt is for highways and bridges which ultimately will be paid for from gas tax revenues. Since New Hampshire has a transient summer and winter recreational population equal to 250,000 people the year around, adding half to the 500,000 native population of the state, so half of the costs of roads and bridges are in reality being paid for by people who do not live in New Hampshire. All New Hampshire debt, too, is retired from earmarked revenues.

For those who like to read stories of achievement in figures no more impressive exhibit can be shown than the simple table below, which demonstrates that Governor Murphy meant what he said when he discussed tax and state expense matters with his people on the occasion of his first inaugural.

This table shows New Hampshire's state revenue from taxes and fees, the increase and the decrease of state debt annually and the amount of debt each year for the last eleven years:

Year	Direct State Tax	Revenue from other Sources	Total Revenue	State Debt		Net State Debt
				Increase	Decrease	
1929	\$1,560,000.00	\$5,705,867.88	\$7,265,867.88	\$938,444.05	.....	\$2,134,600.62
1930	1,560,000.00	*3,804,944.87	5,364,944.87	1,339,391.67	.....	3,474,082.29
1931	1,400,000.00	5,811,485.56	7,211,485.56	1,634,567.66	.....	5,128,649.95
1932	1,400,000.00	†9,207,270.80	10,607,270.80	588,666.90	.....	5,717,316.85
1933	1,300,000.00	9,119,965.85	10,419,965.85	1,888,228.96	.....	7,605,545.81
1934	1,300,000.00	12,730,481.86	14,030,481.86	3,490,987.56	.....	11,096,533.37
1935	1,500,000.00	16,561,577.82	18,061,577.82	1,009,679.09	.....	12,106,212.46
1936	1,600,000.00	14,784,833.13	16,384,833.13	173,723.63	.....	12,279,936.09
1937	1,600,000.00	17,149,569.48	18,749,569.48	516,977.38	.....	12,796,913.47
1938	1,200,000.00	17,649,995.66	19,249,995.66	.....	\$168,745.92	12,628,167.55
1939	.....	19,383,525.85	19,383,525.85	.....	724,065.41	11,904,102.14

* Prior to 1930 includes both specific and general purposes revenue. Beginning 1930 includes only general purpose revenue.

† Increase due to reclassification at time of establishment of comptrolling system.

This table of figures reveals volumes about the statecraft and administrative ability of Governor Murphy. The first

year his predecessor was in office, 1935, the direct state tax on real estate jumped \$200,000 and in his second year it jumped another \$100,000. Governor Murphy held the direct tax at the same figure as his predecessor during his first year in office, cut it \$400,000 in the second year and wiped it out altogether during his third year.

Before Governor Murphy entered the State House the state debt had been increasing steadily, one year, 1934, by nearly \$3,500,000. The first year his predecessor was in office the state debt jumped more than \$1,000,000, and there was an increase of \$173,723.63 in his second year. When Governor Murphy entered office, he inherited some financial problems, including one which is particularly distasteful to him; that is, raising relief funds by bond issues. So his first year saw an inevitable increase of state debt by \$516,977.38. But in his second year, 1938, Governor Murphy cut the net state debt by \$168,745.92 and in 1939, by \$724,065.41.

While there was an increase of more than \$2,000,000 from 1937 to 1939 in revenue from other sources than direct real estate tax, it should be emphasized that practically all of this was revenue from the tobacco tax and from fees paid by the public in their use of new facilities of the "self-liquidating" type.

In other words, Governor Murphy has done in New Hampshire that which so many state heads and political leaders have merely talked about elsewhere. He has balanced his budget. He has put current needs, including relief, on a pay-as-you-go basis. He has wiped out direct real estate tax for state purposes. He has given the state an even better financial rating than the good one it has always enjoyed. He has proved that it is possible to operate a unit of government on a sound business basis.

Chart for Modern Democracy

BEYOND the things a man does, nothing is more revealing of his philosophy than the things he says. "Bright is the ring of words," says Robert Louis Stevenson, "when the right man rings them." And Francis Parnell Murphy of New Hampshire is certainly revealed in some of the utterances he has made in public. Some of the things he has said are, indeed, ringing words in these days of a worried, brow-wrinkling world. In this and in succeeding chapters, the most significant and revealing words from the mouth of Governor Murphy are set forth.

A chart for a safe course for modern democracy in a changing world is set forth in his plans here revealed in his first inaugural and his second inaugural addresses, a budget message of 1939, and a special message to his General Court on states' rights and flood control.

The day was the 7th of January, 1937. Snow covered the rugged hills of New Hampshire and the Merrimack was locked in ice, where it coursed not too rapidly to the sea.

In the historic old State House at Concord the General Court, as the New Hampshire legislature is called by the Constitution of 1784, was in session. The House of Representatives, with 422 members — only thirteen less than assemble in Washington to represent the entire nation — convened. An invitation was sent to twenty-four Senators, each representing a district determined by the amount of direct taxes paid, to join with the House in prayers.

The five Councillors were there, the executive officers and officials of the State of New Hampshire. Down in

the well in front of the dais sat the new Governor's family. Unseen, but surely present, was the gently smiling Ellen Lambert Murphy, who had borne this boy at Winchester fifty-nine years before. Her barefoot lad, son of the tanner, was about to become Governor of New Hampshire.

Francis Parnell Murphy stood up, raised his right hand and was sworn in. Then he addressed the people in part as follows:

The government of our state must be made to function more effectively "for the general benefit" of all the people, as the Constitution requires. It must be adjusted more intimately to changing conditions. Its complicated structure must be taken out of the glass case in which we have kept it and brought into closer contact with the people. We must begin to use it as a friendly, coöperative agency for the common welfare.

The common welfare, as I regard it, embraces more than the collecting of taxes, more than the arresting and punishing of criminals, more even than the providing of educational advantages, more than the furnishing of good highways and parks and recreational facilities. Of the very essence of government is the duty of helping its citizens solve their purely economic problems. If there is one lesson, above all others, that the depression has taught us it is that there is a great public responsibility that every citizen be given an opportunity to earn a living and to enjoy happiness in accordance with those standards which the world recognizes as the American way of life.

Our state is a very great and complicated business enterprise, collecting and spending money for numerous purposes in order that its citizens may the more easily earn their own livings. The people support the government and the government in turn facilitates the progress of social and economic existence.

Of the business of the state, taken in this broad sense, we know practically nothing. Neither does any government in the world. We have not advanced far enough in our methods of governmental bookkeeping. Our state comptroller and state treasurer can tell us to a cent what the state government takes in and what it pays out, but the books they keep are incomplete. By the nature of things, they amount to little more than cash accounts.

The fact is, we lack basic facts without which we cannot possibly operate the government of the state as a business. At present, no agency is authorized to compile this important information. We do not know the assets or the liabilities of the people of the state as a whole. We do not know their income or their outgo. We have no knowledge of their real wealth. We have no idea how much money and goods come into the state, or how much of them go out of the state. We do not know if we are paying large sums for the import of goods and services which could with advantage be created within the state. We have no real basis for determining whether the taxes we levy are too heavy or too light, nor do we know whether the tax burden is being laid in the right or wrong places. Are the people getting their money's worth out of public expenditures. As a government, are we extravagant or economical? There is no way to find the answer to those questions because we do not have the facts.

More than a third of a century in business has taught me that there is no way to avoid the facts of arithmetic. Any firm in private business which is not guided by its books of account is bound to go under, for some day there will be more debts to pay than there is money to pay them. In order to govern the State of New Hampshire as a whole and to promote its prosperity in business fashion — the only way in which permanent prosperity can be promoted — we must have available the essentials of business accounting, that is, a balance sheet and an income account for the state as a complete unit.

Realizing that accounting is the foundation of scientific government, as it is of successful business, I intend to have the possibilities of this idea carefully studied without cost to the state. I hope, as a result, that we may have available at an early date a complete bookkeeping picture of the State of New Hampshire, its people, and their economic activities, to the end that in the making and administering of laws we may be guided by facts and thus always be able to work in the highest interest of all the people. If we can do this, and I have reason to believe we can, we shall be placing New Hampshire in the lead among governments in law-making and administration based on facts.

We must think more and more of conserving our assets in the form of human values just as we do our material resources. While giving heed to the needs of those who suffer from normal ailments in this nature, the plight of those who suffer from causes over which they had no control must not be overlooked. Those are the sufferers from economic ills: worthy young men or women who cannot find work; those whose failing strength and faculties have barred them from their usual employment, and those who, while otherwise capable, have become unfit for their normal work because of accident or other misfortune. I would not like to think that relief or any form of assistance involving support in idleness at public expense is the only answer to the problem of such citizens. It is a fact that many of them have the will power and the mental ability needed to adjust themselves to a new occupation. They only need means whereby they can acquire a knowledge of it.

It seems to me that, as a remedy for such conditions, there are real possibilities in adult education, both for the untried youth and for the older person who has been crowded out.

After all, our greatest problem is unemployment. Regardless of all the theories that have been advanced, and all

the experimenting that has been going on, there is only one cure for unemployment, and that is employment. We have in New Hampshire a State Employment Service and a National Re-employment Service which "find" jobs for people but, with so many out of work and opportunities so scarce, that type of aid is not enough. The situation calls for the creation of private employment. Outside of the group of strictly unemployable persons, it is to private industry that the great masses of the unemployed must look for the final solution of their troubles.

It is clear that by assisting industry we shall be attacking the problem of relief in the most direct and in the only practical manner. We shall never solve it by forcing people to become paupers but we can solve it by giving them a chance to rehabilitate themselves and to retain their self-respect and self-confidence.

If it is proper, as we agree it is, for the State of New Hampshire to take part in direct relief operations and to spend a million two hundred thousand dollars in the course of a single year in reimbursing local communities for a part of their expenditures for this purpose, it is just as proper and just as necessary for the state to contribute to the assistance of private industry wherever such action would provide employment and take people off the relief rolls.

Relief giving is not the cure for unemployment. It is only an emergency undertaking, intended to keep people from going hungry and cold and homeless; to tide them over a period of hard times and until they can secure work.

If we take a portion of this money that we are committed to spend on direct relief and use it, in the form of self-liquidating loans, to sustain or develop opportunities in private industry, in the very same communities where the state is now contributing heavily to relief costs, we shall be creating permanent values. Operating in this manner, we shall be able to regain a great portion if not the entire amount loaned.

But even if none of those loans were repaid the financial burden on the state would not be greater than it is under the present method.

Certain distressed industries have already appealed to the state and it has acted without hesitation. For the relief of towns, cities and counties, the Legislature of 1933 authorized them, under certain conditions and restrictions, to issue emergency notes and bonds guaranteed by the state. This law so reduced the relief load and improved credit of the city of Berlin, the town of Groveton, and other towns in the North Country that the authority was extended for two years by the Legislature of 1935.

If this assistance had not been rendered by the state, the city of Berlin and the town of Groveton would have been forced into an economic condition more serious to them than the liquidation of the Amoskeag Manufacturing Company was to the city of Manchester. I believe that this law should be further extended for another two-year period.

Under the provisions of this proposed law, no appropriation is required, authority being conferred to use for the purpose of assisting industry not more than 50 per cent of any funds which may be allocated for relief. It would actually be a part of the relief program. In every instance, the test of eligibility for a loan would be, first, the beneficial effect on relief and the creation of employment and, second, the inability of the borrower to secure funds through the ordinary banking channels.

Most of our industries, our manufacturing, recreational and agricultural interests, will not need financial assistance, but every one of them needs encouragement and needs to be fostered. Nothing should be left undone by the state which would help our industries to maintain their market and if possible to expand them.

For this reason I urge the enactment of a law establishing 48 hours as the maximum work week for women and minors

in industry which would place New Hampshire on a par with any state in the Union as far as the legalized working week is concerned.

The fact that industry was able to conform to an even shorter week during the period of NRA codes, and that important businesses are today continuing to operate on schedules of 40 hours a week or less, is a clear indication of the trend toward shorter work weeks.

I look with favor upon the 40-hour week standard, but believe that any reduction from 48 hours should properly be secured through the medium of interstate compacts, or by means of national legislation applying to all states. To efforts directed through these channels, I subscribe my wholehearted support and coöperation.

The people of this country have attained the highest standard of living of any people on earth, but the depression should have taught us that we have much to learn and much to do.

The workers, including all of us, desire a larger measure of the things that they believe will increase their happiness. We must so conduct our industries that improved methods and increased efficiency shall give to the workers as large a share of the resulting product as justice dictates, together with reasonable leisure for its enjoyment.

There should be a clearer understanding, on the part of all, of the economic fact that the worker is a consumer as well as a producer, and that in assisting the worker to become an efficient, low-cost producer, earning high wages, it is creating greater consumer power and consequently greater opportunity for employment.

The worker also wants security, and this especially the depression has demonstrated. He needs security, for example, against loss due to industrial accidents, unemployment, and old age. Some of this security has been provided by the New Hampshire law passed to conform with the Federal Social Security Act.

From the principle of these enactments there can be no real retreat, but the laws themselves will require continued study to eliminate unnecessary machinery and excessive cost of administration and to insure that the funds that shall be accumulated for the unemployed and the aged shall not be diverted.

The road that has been traveled has been too hard, the results that we see today have been gained at too great cost in human effort, to think of giving up any of the valuable ground that has been gained. A moment's reflection, in an effort to decide upon a single important state function which might be abolished or seriously curtailed, will show the impossibility of securing worthwhile savings by means of what might be termed "extravagant" economies.

It is an unsound method, because there is nothing surer than that the functions of government are slowly increasing in number and that they will continue to increase in future. The experience of the past ten years leaves little doubt as to the correctness of this view. Most people who propose this method of economizing forget that the cost of maintaining new undertakings should never be considered apart from the benefits which may be expected to flow from them. It is the task of the Legislature to decide whether in each case the results will compensate for the costs.

The achievement of economies in the government is not so simple as the making of horizontal reductions in appropriation requests or of eliminating certain services. Those are not the correct answers to the problem. The solution lies in increased governmental efficiency, whereby on the one hand greater results may be accomplished without increasing costs or, on the other hand, whereby costs may be reduced without curtailing services.

Believing that great advantages will accrue to the state from a policy of close coöperation with the national government, I intend to maintain the most cordial relationships

with the various federal agencies, to interest them in New Hampshire's problems, to accept their help and leadership, and to join with them in any undertakings which in my judgment will benefit the state.

I am especially interested to see that New Hampshire farmers be enabled to participate in the National Soil Conservation Program and to share in its advantages.

Two years after Governor Murphy spoke his first inaugural he was called upon to deliver his second. In 1936, Franklin D. Roosevelt, Democrat, carried New Hampshire by 3,818 votes, but Francis Parnell Murphy, Republican, went in as governor with a plurality of 29,167. In 1938, Governor Murphy had a plurality of 26,944, on a 10 per cent lower total vote. His Second Inaugural shows clearly that Francis P. Murphy was in step with the times. He had inaugurated a Little New Deal in the State of New Hampshire and the state was in a much improved financial position.

On the one hand, we encounter stern warnings from taxpayers that we exercise strict economy in making appropriations. On the other hand, we meet an almost equally strong demand that existing public services be extended or that new ones be added. Requirements so opposed can never be reconciled, the laws of arithmetic being what they are.

To guide you [the members of the General Court] in this dilemma, there is one voice, the voice of the people, who have warned us that the burden of taxation upon their farms and homes has absolutely reached its limit.

The problem of unemployment is still with us. In spite of improved conditions in business, the relief of needy persons continues to be one of our major and costly responsibilities. Despite all the money that has been spent, experience has clearly shown us that it is only by the stimulation of private

industry and business, only by the restoration of confidence and the encouragement of individual enterprise, that we can hope to discover a way to solve the problem of relief.

The extent of expenditures, by the federal, state and local governments, for the assistance of needy persons, even in this small commonwealth of New Hampshire is enormous, running currently at the rate of nearly \$13,000,000 annually. Of this sum, the people of New Hampshire contribute about \$4,000,000 in the form of appropriations made for direct relief, as state and local participations in programs under the Social Security Act. We contribute, too, in large measure, to the additional great sums received as grants from the Federal Government.

The size of those figures should give us pause. The first of our duties is to the suffering and the needy. We have given the most formal pledges that no man, woman, or child shall lack food, shelter, and human comforts in New Hampshire, and that pledge we shall redeem to the letter. But we have a second great duty and that is to exercise prudence in the expenditure of money which the more fortunate among our people share with those in need. I urge that we continue to safeguard by strict state supervision all avenues of possible wastefulness in relief administration, especially those which would permit political interests to capitalize human misery.

The creation of new departments and commissions has always been an object of criticism, especially so in these times when the public is keenly tax conscious. We need to be resolute in denying proposals which, while desirable enough, are not absolutely essential to the general welfare. Wherever possible, why not charge the costs to those who are principally to be benefited? For instance, in New Hampshire we have established the Board of Registration of Hairdressers, the Barbers' Examining and Licensing Board, the Board of Accountancy, and the Milk Control Board. In every instance,

the legislation was so drafted as to make each of those units self-supporting on a fee basis. The operations of those bodies have proved of value to the public, yet they constitute no burden upon the general taxpayer.

Another noteworthy instance where this policy was applied during my administration was in connection with the public recreational facilities developed by the state. In the summer of 1938, for instance, 342,000 people found happiness and relaxation at the camping places, bathing beaches and picnic grounds operated by the state, gladly paying the reasonable fees that were charged on the theory that those who benefited most from those public accommodations should pay somewhat more than the average taxpayer who, perhaps, never has occasion or opportunity to use them. In the same way, 92,000 people visited our state bathhouse at Hampton Beach and, under a schedule of charges more moderate than those which prevail anywhere else on the Atlantic Coast for similar facilities, contributed more than the costs of seasonal operation.

Our state has engaged in several other ventures where the public credit has been extended in order to insure construction and operation, but where there exists independent earning power sufficient to liquidate all costs. Outstanding is the now nationally-famous aerial tramway on Cannon Mountain, which, in six months of operation, transported 131,134 passengers. At the time the erection of the tramway was under consideration, it was thought that net profits for the first six months would approximate \$21,500 before depreciation. That estimate was extremely conservative for in its first six months of operation the tramway showed net profits of \$90,765 before depreciation, four times as much as was expected. At that rate, the tramway will have liquidated its costs by 1942 and, thereafter, will constitute a source of public revenue. And do not lose sight of the fact that the tramway has become a recreational asset of tremendous worth,

gaining for our state nation-wide publicity of untold value. Thus, in one way or another, nearly every citizen in the state is profiting from its operations.

Another good example of self-liquidating public enterprise is the great flood control and conservation dam and lake being constructed on the upper waters of the Connecticut River by our state Water Resources Board, at a cost of about \$2,300,000. In due course, this Pittsburgh Reservoir will have liquidated its entire cost, out of income accruing from the sale of its stored water. Eventually, this great artificial lake which we are now creating will be listed among the physical assets of the state, like the mountains, the rivers and the lakes which nature gave us, and, like them, it will cost us nothing.

In the fine state office building which has risen beside this capitol, we have still another type of self-liquidating project undertaken during the last two years. The legislature appropriated the sum of \$600,000 for the purchase of land and the construction of the building. By promptness in acting and by complete coöperation with the federal agencies concerned, we have been fortunate in securing from the national government a total grant of \$288,000, permitting the construction of a larger and finer edifice than had been planned originally. Most important of all, it will not result in an additional burden upon the taxpayers for, while the credit of the state has been pledged to secure the erection of the building, its entire cost will be liquidated by use of the monies which the state has been expending for the leasing and renting of office space.

The success that has attended these ventures should encourage us to apply the businesslike principle of self-liquidation wherever feasible. The dividends in social values that have already accrued from the comparatively small capital investments made by the state in recreational development are so great that it is not hard to justify moderate extensions.

And that is true of other public undertakings having to do with the conservation of human values which, after all, constitute the supreme resource in the grand balance sheet of the state.

Our legislature established a Department of Probation, a new division intended to deal with misdirected lives; to guide those who have strayed from the path of law and honor; and to restore to useful social service those who, otherwise, might terminate their days in a prison cell, supported at the public expense in idleness and hatred. The sum of \$25,000 a year was appropriated for the conduct of this essential work.

The wise expenditure of these funds, since the department has been operating, has saved the state a very great sum of money. Direct savings alone totalled \$57,000, or \$32,000 more than the entire annual cost of the department. To them, must be added the many indirect economies which have followed the conversion of nearly 150 persons from the condition of social liabilities to that of self-respecting wage earners, contributing to the income of the people of New Hampshire and bearing their share in the human burdens.

More deserving of our thoughts than any other, agriculture must continue to have the benefit of programs designed to stabilize and improve it in all its branches. To that, I am definitely pledged.

I recommend that no reduction be made in funds heretofore provided for the eradication of infectious and contagious diseases among farm livestock; that arrangements be made whereby the University and the Agricultural Experiment Station may embark upon a program of scientific research designed to develop new and extended uses for farm products; that the operations of the State Police be correlated with those of local authorities in such degree as may be practicable; that, within the limits of funds available, there be no relaxation in the work of improving rural roads, and,

generally, that the needs of agriculture, our basic economic interest, be fostered in every possible way.

We would fail in our duty to the young if we did not well prepare them for living, which is the object of education. We shall not realize our full duty unless we understand how difficult it is nowadays for young people to attain and preserve good citizenship and how hard it often is for them to meet the demands of modern economic life.

The concept of public education must be widened to include the adjustment of adult persons to new ways of living. The progress that has already been made in our state, in the field of vocational education in agriculture, home economics, trade and industry, is most satisfying. I urge that the existing coöperative relationship between the state and the federal government, under the George-Deen and Smith-Hughes Acts, be extended to the maximum limit possible.

In order to relieve the worry and doubts which fill the hearts of numerous young men and women, anxious to work but unable to find their places in life, I favor a plan of collaboration between educational and business groups for the study of conditions and the devising of ways of helping young people to find employment.

For the benefit of older persons who, for one reason or another, have been displaced in the employment for which they were prepared, and in order to help those of all ages who, through accident or sickness, have become unable to carry on their normal tasks, an effort should be made to provide increased facilities for vocational rehabilitation.

I cannot leave this subject without referring to the unusual possibilities for helpfulness which are provided by the extension service of the public libraries of our state, more especially the work carried on by the State Library Commission. It is natural for us today to think of the libraries as a part of our educational system — along with home, school, church, playground, and work.

In 1938 I approved the establishment of a book-mobile system whereby the library facilities of our state are brought to the door of the most isolated home. The results attained have been so satisfactory that I believe we should moderately expand this service.

In the field of social legislation, our unemployment compensation statute has fulfilled every expectation and made it possible, promptly and accurately, within the space of 11 months, to pay to 35,000 persons benefits totalling \$2,500,000. That distribution came to them, not as a form of welfare relief, but as money to which they were entitled. Those payments powerfully affected the costs of relief in New Hampshire and, unquestionably, exerted a true stabilizing effect upon business.

The elimination of employee contributions, which I advocated, when I was first elected governor, proved to be sound and has saved to the workers of New Hampshire more than a million and a quarter dollars, money that was kept in circulation in New Hampshire for the benefit of our merchants.

In the administration of unemployment compensation, we have followed the policy of "paying-our-way-as-we-go." But we are equally committed to avoid the building up of needlessly large reserves. Why not establish an upper limit to the unemployment compensation fund, with flexible provisions relative to the size of the contributions? That would make it possible over the years, in good times and bad, to maintain the fund at an established minimum figure and yet keep it in adjustment with varying demands.

The steady growth of interest in measures intended to compensate workers during periods of unemployment resulting from sickness gives us fair notice that the time is approaching when the provisions of the Social Security Law will be extended to cover the unemployment hazards that are born of ill health. The risks of shutdowns and layoffs are not

the only ones faced by employees. Ill health is an even greater enemy of steady income.

It is most satisfying to contemplate the great progress that has been made in New Hampshire in the application and fair administration of the principle of the minimum wage. We have led all other states which enacted our type of law in 1933. There are in effect in our state (in 1938) five minimum wage orders, applying to laundries, the clothing trade, restaurants, the hosiery and knit goods industries, and to beauticians. A sixth order, affecting employees in the retail trades, is now pending and soon will be established. This is an excellent record and reflects the progressive and liberal outlook of New Hampshire people in matters affecting the employment of women and minors.

While endeavoring constantly to improve our laws relative to employment in industrial plants, we should not overlook the fact that, in order to escape regulation, certain groups of employers have been arranging to have a considerable amount of industrial work carried on in homes, work which formerly was done in factories. That situation should be studied with a view to determining whether legislation may not be needed to assure to home workers in this group, standards of wages, hours, and other conditions which, generally, will be on a parity with those applying to factory employees. It is my belief that we need a good wage collection law, a law which will provide assurance to workers that wages earned will be promptly paid.

I cannot refrain from commenting upon the enviable record which has been established in New Hampshire handling labor controversies. In these days of industrial unrest, it is good to note that all but three of the twenty-six cases which arose in the course of the last two years were adjusted to the satisfaction of all concerned. Great strides were taken by the passage of a forty-eight-hour law applying to manufacturing establishments; the improvement of the workmen's compen-

sation law, and the revision of the unemployment compensation statute.

My first administration comes to a close with the finances of the state in excellent order and with the state enjoying the highest credit rating in all its history. During these 24 months, we have not issued a single bond.

We have had need for capital in excess of that available in the general funds, but, instead of obtaining money by floating long term bond issues, and committing the state to the payment over long periods of coupon interest rates, ranging from $1\frac{3}{4}$ to 2 per cent, we have followed the practice of borrowing needed funds on short term notes.

Advantage has been taken of the abundance of money available for loan, never paying more than one-tenth of one per cent, and, most recently, borrowing at eight one-hundredths of one per cent, the lowest rate ever paid by the state. The savings in interest charges which have accrued from following this businesslike policy have amounted to a great many thousands of dollars during the last two years.

Our state is distinguished among all the commonwealths in the union for the high credit which it enjoys in the markets of finance; for its thrift as evidenced by the extent of its banked savings; for the strong and persevering natures which its citizens have displayed during hard times, and for their high qualities of independence in thinking and in personal enterprise.

We are living in times when the world of action is fast expanding; when fresh pages are being rapidly written in the great book of human knowledge; and when the tasks of government are steadily becoming more numerous and difficult.

Whatever changes may come, however, we may be sure they will not in the slightest degree lessen the worth of those personal attributes of character which mankind has been building and refining since the beginning.

Do you want to know how a business man would balance a governmental budget? It takes only a few words from Governor Murphy's budget message of February 15, 1939, to show you his underlying policy.

There may be, in the world, those whose magic enables them to give the dollar purchasing power beyond that given it under our monetary system, but, unfortunately, I know of no way by which the state can possibly meet unavoidable additional expenses without finding additional money to pay the bills.

In connection with welfare and relief operations last year \$900,000 in notes were issued. These have all been retired, together with \$100,000 of the welfare and relief notes authorized to cover expenditures during the administration of Governor Bridges, leaving but \$500,000 of these latter yet to be issued and paid.

During the present year notes totalling \$750,000 will be issued, but by June 30 we shall have retired all of those obligations so that, to the great credit of the state, it can then be said that our activities in the field of public assistance during the biennium which is drawing to a close were financed as an operating cost and paid for out of the current revenue, rather than, as previously, out of money borrowed on bonds and notes.

This practice, which I so strongly urged upon the last General Court in my budget message, has proved most effective. By paying our welfare costs as we go along, the State of New Hampshire has placed itself in a position of distinction among all the states. It is my recommendation that, since public assistance is no longer an emergency problem but seemingly one of permanent nature, we steadfastly adhere to the present policy of meeting the costs of relief just as we do any other regular operating cost of the government.

In concluding the message, I wish once more to urge you,

in your deliberations upon the financial problems which the budget attempts to solve, to remember that most important of all considerations are the absolute needs and the taxpaying capacities of the people, who ultimately bear all the burdens and to whose welfare and prosperity and happiness all legislation and all administrative acts are necessarily directed. If we do our financial planning with that thought constantly in mind and against that broad background of economic reality, we shall make few mistakes and shall best serve those who elected us.

On April 5, 1939, Governor Murphy sent this message to the General Court, cutting the Gordian knot of states' rights and Federal building of flood-control works, by moving, in the face of a truly dire need, to get the job done.

Before the Congress of 1938 adjourned, it enacted a new flood control law which asserted the right of the Federal government to enter into any state and therein to acquire title to such lands as were considered essential to the execution of the flood control program.

There are some who have felt that a constitutional question of fundamental importance was involved, inasmuch as there exists among the statutes of our state a law establishing a Land Use Board and specifying that, save in the cases of sites for post offices, customs houses and similar buildings, consent to the acquisition of land in New Hampshire by the United States Government shall be granted within certain limitations and then only following public hearings and voting on the question in the towns involved; and finally upon receiving the approval of the Governor and Council.

It is my positive opinion, that the United States Government in the exercise of its national sovereign power undoubtedly has right under the Constitution and under exist-

ing Federal and state laws to acquire, without consent of the state, whatever lands it may need for flood control purposes. The national government has taken the position, however, that, since these undertakings are for the welfare of the people of the state, it will not initiate them against their wishes but only provided the Legislature grants exclusive Federal control over the lands in question, subject to concurrent jurisdiction on the part of the state for the service of criminal and civil processes.

Supreme among the attributes of sovereignty is the political power of the state to control its own lands and to enforce criminal and civil laws therein. That power is not ours to revoke even did we have the desire to do so and we do not propose to surrender it even to the Government of the United States. However, we cannot blind our eyes to the fact that no major question of flood control can be answered without the cooperation of one or more other states.

Since the great rivers of New Hampshire flow through other commonwealths on their way to the sea, and since flood conditions which arise in our state are borne on to other states and there magnified many fold, the control of the waters of our streams is an undertaking which clearly is interstate in character and whose costs logically should be assessed upon the nation as a whole.

I have exerted every ounce of my strength in seeking to maintain these fundamental rights unweakened, and to protect the sovereignty and the natural resources of the state. At the same time, I have been unable to overlook the absolute necessity of acting to protect the lives, health and property of our citizens, to conserve our water, our forests and our lands, and to insure the future economic safety of our state.

After all its troubled wanderings around New England and its many journeys to Washington and back to New Hampshire, flood control returns once more into the only hands which have power to act upon it. There is no board,

commission, or conference group that can help in the slightest degree. The General Court only has complete power.

By the enactment of this bill, we shall, at Federal expense, have met the urgent demands of our own people who in the floods of 1927 and 1936 suffered damages exceeding \$20,000,000 and, to the utmost degree consistent with sovereignty, we shall have met our humane and friendly obligations to our sister states and to the national union.

Murphy Republicanism

THE PRINCIPLES of the Republican Party mean different things to different people. And certain elements of party policy and philosophy must change to meet changing conditions while certain other elements must be held eternally fast. The Republicanism of Abraham Lincoln and that of Theodore Roosevelt were quite different in character. Yet, in one thing they were alike; they had the common touch; the power to move, avalanche-like, great numbers of American voters.

As a Republican born and bred and also as a Republican by preference, Francis Parnell Murphy of New Hampshire is naturally concerned about the future of the Republican Party. It must, he believes, be returned to the masses, if it is ever again to become a force in American life.

At a Victory Dinner given at the Hotel Bancroft, Worcester, Massachusetts, on the evening of January 2, 1940, in honor of William A. Bennett, elected Mayor of Worcester and on that day inaugurated, Governor Francis Parnell Murphy of New Hampshire arose and gave his fellow Republicans his conception of the state of the party and the type of program it needs today.

I do not look to 1940 with too much encouragement as we have quite a task to put our house in order. In beginning, I would like to reminisce with you for a few moments, glancing back over the many years during which the Republican Party, as the sponsor of public administration in the nation, rendered services of distinguished character and of the utmost benefit to all the people.

The Republican Party continued to render these valuable services until the never-to-be-forgotten days of 1912 when its ranks, which had for so long held solidly together, were weakened by the formation of a third party, thus directly paving the way for the election as President for the first time of Woodrow Wilson.

I find myself wondering if those who have ambitions to lead the Republican Party in our times are profiting by the lessons of that experience of twenty-seven years ago. And I cannot help being seriously concerned when I meditate upon the various issues which are being advocated for sponsorship by the Republican Party during the coming campaign. Even more am I disturbed by the lack of unity exhibited by these would-be leaders.

I am very emphatic in my opinion that we need to go back to old Republican principles.

In those days (of the Republican Party's success) the party was widely acclaimed and acknowledged as the most dependable and successful political agency by the great masses of the workers in our industries, and it was almost unanimously acclaimed by producers throughout the country as their protector because of its definite stand on the tariff as an instrument of protection for American industries, and as a means for safeguarding the American working man from the unfair competition of cheap foreign labor.

As is too often true in life, however, the passage of time and a succession of victories generated carelessness and led to a forgetting of fundamentals. The leaders of the Republican Party gradually became less concerned with the problems and the feelings of the working man and fell under the influence of wealth and "big business" in politics.

This tragic indifference on the part of Republican leaders toward the common people in time created a political opportunity of which the present national Democratic administration has taken full advantage. The New Deal has

held out the strong hand of helpfulness to the working people; promising and obtaining for them measures of social security, higher wages and social relief which by tradition, experience and fundamental intention should have been offered by the Republican Party had not its leaders fallen under the spell of the deceptive voices of those who place special interest above public service.

Observing what has happened in the past, I am disturbed by the type of campaigning which those who aspire for high public office have so far been conducting, knowing that there is little or no value in wholesale criticism of what the present administration has accomplished unless that criticism be accompanied by concrete suggestions of helpful policies and better programs.

It is absolutely foolish and ridiculous for any Republican leader to say that the New Deal is altogether wrong when every fair-minded citizen knows that many of the developments which it has sponsored are good and when the average man knows very well that out of the New Deal many advantages and benefits have proceeded to those who most needed them.

In many instances there can be no question of the basic worth of the ideas, it is only the mechanical details involved in translating those ideas into agencies of public helpfulness, and in making those agencies effective, that can be criticized. It is upon these aspects of the record of the present administration that the strongest and keenest criticism should be directed.

It seems clear to me that in the Republican record of administrative accomplishment we have a most powerful argument. However, up to this time I have heard no Republican candidate stress the value of the achievements of Republicans who are now holding office, entrusted with the responsibilities of public administration. In my opinion, the old adage that "actions speak louder than words" was never susceptible of better application than during this present political campaign.

Certainly in the record of such an able Chief Executive as your own great Governor, Leverett Saltonstall, you have achievement to which you can point with pride. It is one of the great political assets of the Republican Party in Massachusetts today that your Governor, who, upon taking office, found himself faced with many problems and forced to withstand tremendous pressures brought upon him from many directions, stood four-square for the basic Republican principles of sound financing. He knew that current operating expenses ought to be paid for out of current revenue, instead of by borrowing and thus only putting off the inevitable day of reckoning. He knew that this meant broadening the tax base but he also knew it was the sound thing to do and the people appreciate his courage.

In other words, Leverett Saltonstall's courage and fearless action exemplified in a striking way those sound principles of Republican doctrine, that we cannot borrow ourselves out of debt, and that we cannot spend ourselves into prosperity.

What a Republican Governor has accomplished here in Massachusetts in the interest of honest and sound government, the other New England Governors have likewise done in their respective states so that, today, these New England States, each headed by a Republican Governor, are able to offer to the country a wonderful example of efficiency and effectiveness in office.

Their leadership merits the highest esteem of the people. It is to the accomplishments of such men that the Republican Party should today be directing the attention of the voters, with a view to developing public confidence and appreciation of performance in office, rather than by destructive and useless criticism of the opposition.

As I peer into the future and as I observe the manner in which the political campaign is now beginning, I see that not only are the party leaders overlooking this, the most powerful

argument available, but there are strong indications that those who make use of wealth for wealth's sake are once again attempting to dazzle your delegates, and the delegates from my state and the delegates from other states, by dangling candidates before our eyes who have never spent a single hour in the legislative halls of either state or nation, candidates who have never experienced a single day amidst the problems of executive administration of a business or industry, and who cannot by any possible stretch of imagination be assumed to have a knowledge of the great many problems which the next national administration will be called upon to solve.

You know as well as I do that the problems which are facing this nation and which must be solved, if prosperity and happiness are to be our lot, are economic problems, such as increasing wage and material costs; the problem of agricultural surpluses; the dislocation of our foreign markets; the perplexing question of unemployment and what to do about it; the high and yet higher mounting costs of government; the increasingly heavy federal deficits; the growing demands for social security; the disturbing long-term upward trend in taxes, and the finding of ways and means for relieving business and industry from the restrictions which now hamper its expansion and the creating of attractive opportunities for the investment of American capital in productive enterprises, which, in my opinion, will go a long way toward solving the unemployment problem.

These are problems which the lessons of a third of a century in business lead me to approach with great caution and thoroughness but during this campaign I have found out, by reading the newspapers, that the solutions to these profound economic questions can apparently be found with readiness and ease by reading the law books and understanding the procedure in the criminal courts.

The nation is today crying out for leadership based upon

practical experience, leadership which knows and understands the problems of the workers and producers alike, a leadership which appreciates the evil effects of restricting business and over-regulating business opportunity, leadership which appreciates that public budgets must be balanced and governmental costs must in future be placed upon a reasonable basis.

Only the other day I was reading about Carl Sandburg and how he came to write what is generally regarded as the greatest and finest biography of Abraham Lincoln.

I take it that Sandburg is an every-day fellow, not highly educated, but possessing an enormous fund of common sense and discerning judgment, based upon wide experience in public affairs and broad contacts with his fellow men. That must be so because in his remarks he said:

"For thirteen years I have worked hard to take Abraham Lincoln away from the religious bigots and the professional politicians and to restore him to the common people to whom he belongs."

For seven years I have been contributing my mite with the same earnest desire to do for the Republican Party something like Sandburg did for Abraham Lincoln, to purge it of unhealthy leadership based upon religious bigotry, to cast out the falseness, the deceit, and the prejudice, which professional politicians have thrust into it; to return the party to the common people whence it derived that high name which for so many years stimulated our thoughts and actions, and brought happiness and prosperity to the working man, the Grand Old Party!

I want to see the Republican Party restore to this nation that ideal character of American citizenship so well described by Henry Grady, one of the strongest commentators upon our national life, when he wrote:

"He who kindles a fire on the hearthstone of an

honest and righteous home, burns the best incense to liberty."

"He does not love mankind less who loves his neighbor most."

"Exalt the citizen. As the state is the unit of government, he is the unit of state."

"Teach him that his home is his castle and his sovereignty rests beneath his hat."

"Make him self-respecting, self-reliant and independent."

"Let him lean on the state for nothing his own arm can do and on the government for nothing his own state can do."

"Make him practice independence to the point of sacrifice and learn that humble things with unbartered liberty are better than splendor bought with its price."

Conserving Human Assets

THAT A STATE or a nation should be so administered that it will benefit all of the people and make life for all more worth while, is a primary thesis of Governor Murphy of New Hampshire. He has always been concerned about the human side of relief. Progressive labor legislation has been one of his outstanding accomplishments. He decries bigotry and pleads for the spirit of human brotherhood. He looks to the improvement of life for the farmer. When he studies state finance, it is in terms of how it will touch the lives of human beings.

In his address before the Men's Club at the Congregational Church of Gorham, on May 5, 1937, Governor Murphy gave utterance to his belief, reiterated on many subsequent occasions, that the problem of Relief is no temporary affair.

That government and government functions must undergo changes in sympathy with new requirements is only too obvious. No manufacturing enterprise can operate successfully if its plant is equipped with out-of-date machinery. Neither can needs of the people be served effectively if their government lacks facilities to cope with new problems.

Today, more than ever before, attention is being devoted to problems affecting the welfare of the people. The realization is gradually dawning that our supremely valuable resource in New Hampshire is not waterpower, not our fertile soil, nor any branch of industry, but our wealth in the form of human character, resourcefulness and energy.

Because these values are far more significant to progress and to prosperity than the purely material assets upon which

the people depend, the conservation of life and the promotion of health and happiness is in the long run more important to the state than the conservation of natural resources upon which so much emphasis has been placed in recent years.

For that reason, those parts of the program which relate to the treatment of delinquent and neglected children, to the establishment of an adequate system of probation, and to welfare and relief, are of a particularly urgent character.

Stripped of their disguises as emergency undertakings, welfare and relief are now recognized as routine government functions with which the public may expect to be burdened.

This work should, hereafter, be entrusted to a department permanently established as a part of the state government, financed as other state departments are financed, through which may be administered in one horizontal administrative system every phase of public assistance, whether in the form of aid to the aged, to the blind, to the dependent child, or that form of assistance we know as direct relief.

The time has arrived when the relative contributions of federal, state and local governments must be redistributed in the light of present and expected burdens.

Because the state has definitely become a partner with the United States Government in welfare and relief undertakings under the Social Security Act, our statutory mechanism must be reorganized so as to permit the highest possible degree of coöperation with the Federal Government, thereby insuring maximum benefits to the state's needy.

What should an employer do about such legislation as the Wagner Act? Here's how Governor Murphy, the largest employer of labor in his state, paying 50 per cent more than the average wage in his industry, phrased his characteristic "diplomatic" answer before the New England Shoe and Leather Association meeting in Boston, March 23, 1939.

The fact that, unfortunately, the first violations of such forward-looking social legislation as the National Wage and Hours Law should have been found in our industry, and right here in New England, should spur the industry to redouble its efforts.

The association should assume vigorous leadership in securing the whole-hearted coöperation of its members with government and with other businesses.

To that desirable end, those who would harm the industry by petty "chiselling" and those who lack the social responsibility which leaders in a great industry should possess, ought to be purged from the ranks of its membership.

Governor Murphy's address at the Governors' Session, 13th New England Conference at Hotel Statler, Boston, on November 19, 1937, revealed his appreciation of ideas as the state's greatest resource.

Many solutions have been suggested for meeting the problems of finding work for the jobless, securing the employed against unemployment and restoring to agriculture its normal share of the national income. It is by creating new forms of wealth, new industries, new kinds of markets, and in that way alone, that America can find a solution of its ailments.

What the country needs is not a redistribution of industry, transplanting of farmers, additional laws and restrictions to hamper business, but workable, new ideas. When a farmer in New Hampshire undertakes to grow medicinal herbs as a commercial enterprise, as many are now doing, he thereby creates new wealth.

New England is exceedingly rich in natural assets. What of the potential value of the vast forest mantle which covers over three-quarters of New England's area and, in my own State of New Hampshire, over 80 per cent? In the labora-

tories of the Brown Company, Berlin, New Hampshire, they have taken the wood waste such as occurs from about seventy woodworking factories in Vermont, Maine, and New Hampshire and, after five years of experimentation, have developed a product based on the use of hardwoods, which two-thirds of the trade prefer to the older process which used spruce wood alone.

If the chemists had not unlocked the door to this new opportunity, the Brown Company would have been forced to cut its fibre production in half, or else face the prospect of running out of wood in twenty-five years. The new development has made the industry perpetual because, since hardwood regrowth is 50 per cent faster than spruce, the danger of exhausting the supply is eliminated.

No public personage in America presents a more dramatic figure than Francis P. Murphy, self-made statesman, talking before a conference of Jews and Christians. Listen to him at the Chamber of Commerce dinner in Boston on March 22, 1939.

We have met here this evening, not as Republicans or Democrats, not as business or professional men and women, but as Protestants, Catholics and Jews; thus at once establishing the underlying spiritual motives which prompt us, in these dark and perilous times, together to seek justice, amity and understanding among men.

The fact that we, in common with great numbers of fellow citizens likewise seeking guidance and strength, turn for sustenance to the deep springs of religious faith augurs well for the future solidity of democracy in America, for the very concept of democracy was born of spiritual ideals and democracy could no more exist apart from them than day could reign without the sun.

The sacred principle of freedom, the foundation stone

upon which has been built up all that we know and love as the United States of America, is essentially a recognition of the surpassing values that reside in human hearts.

The Declaration of Independence which made us a nation was prompted more by the desire to secure individual freedom than to establish America as an independent state. What the colonists sought was freedom to live, to work and seek happiness under a government of their own choosing, without hindrance save from those restrictions which they themselves elected to impose. They wanted the right, as individuals, to complete freedom of religious beliefs. They craved the right to live naturally, in the way that human beings, created in the image and likeness of God, should be able to live.

To make certain that these and other fundamental principles relating to individual freedom would become and remain part and parcel of the organic law of the country, the people amended the Constitution at the very first session of the Congress by adding the ten articles which form the Bill of Rights.

It was upon the broad and noble concept that democracy is born of religion, deriving its strength from the high spiritual values that reside in human personality, that America began its existence as a state and it is in accordance with that principle that it has since thriven.

In consequence, for a hundred and fifty years ours has been a land where men and women have been able to live by plans of their own devising; to dream great dreams and to strive to translate them into actualities. Within the limits of laws which the people collectively have approved, every citizen, regardless of race, creed, or economic status, has been free to develop himself socially with never a fear that a superior power would one day set out boundaries for him and say, "Thus far shalt thou go but no farther," and lay down channels for him saying, "In this way shalt thou speak and think but in no other ways."

America's ultimate dependence for its strength upon the sum total of the individual impulses, the thoughts, judgments, the accumulated cultures, and the thousand and one essences which emanate from free and independent personalities, has been America's salvation.

This was the first nation to rise upon the earth which was founded on and sustained by complete faith in the capacity of citizens to govern themselves without the aid of kings, kaisers, czars, or other rulers or dictators who, according themselves superhuman powers, would assume to think and plan for all.

This was the first nation in all time where sovereignty was definitely located in the people themselves; where government is not the ruler but merely the instrument, existing for the benefit of the people and devoting itself to the purposes of the common welfare.

It is the first nation to erect itself upon a sublime faith that God, who marks the sparrow's fall, has implanted in every human breast spiritual values and a dignity and earthly worth which make the people, as a group, infinitely more capable of making wise decisions than all the princely rulers that history has recorded put together.

No one, realizing the supreme importance of the individuals in the democratic society of America, past and present, could fail to condemn without utmost loathing every attempt by bigots and extremists to raise racial and religious issues in our own country or to view with distress the triumph of intolerance and hatred in other parts of the world.

Living here, in free America, among people who are tolerant and charitable above all else, it is difficult to conceive how any people could wring from their hearts the last warm drop of the blood of brotherly love. If we did not know to the contrary, we would find it difficult to believe that in these supposedly enlightened days one race of human beings could vent such hatred upon another as, for example, has been heaped upon the Jews in Germany.

The utter viciousness that has been displayed by governments elsewhere in recent years in dealing with nations marked for conquest or, within a nation, in ruthlessly "liquidating" whole classes of its own people in order to forestall counter-revolution, has no parallel save in the death struggles of primitive tribes in the jungles of darkest Africa or in the ruthless destruction which marked the path of early oriental despots.

Against these relapses from civilized relationships between men and between nations, there is little that can be done save to comfort and assist those upon whom the blows fall and to protest continuously and effectively against the injustice and the inhumanity of it all.

There is, however, one thing that we can and should do and that is to draw the attention of our own people to the significance which these recent foreign developments have for them and for their country.

There was a time, a few years ago, when the German people stood in need of warning of dangers that were lurking in the shadows. But if, at that time, it had been predicted that personal liberty would one day disappear from that land where happiness had so long reigned; if it had been said that the entire nation would become severely regimented, physically, intellectually, and spiritually, into a way of living as drab and futile as that known by the members of an ant colony; if it had been prophesied that the ancient faiths of Protestant, Catholic and Jew would be degraded by national edict and their religious leaders subjected to insult and indignity; if such prophetic suggestions had been uttered a few years ago in Germany, they would have been condemned as the dreams of one insane. Unfortunately, all those things, which one would have deemed impossible, have actually come to pass.

Freedom vanished in certain foreign lands because the people, occupied with the problems of depression and severe

national distress, did not fight to retain their liberties. When they awakened to the danger, it was too late. In this, there is a lesson for us.

There is danger that the people of America, feeling secure against the foes of liberty, may not realize the persistence of their enemies and the nature of their methods and strengths until grave damage has been done.

Meetings such as this serve a most helpful purpose in placing the problem squarely before the public. They serve another and even more important purpose in that they emphasize the vital need for brotherhood among all men if civilization throughout the world is to avoid a disastrous setback. In unity of thought and action, there is strength and hope for progress. But this does not receive its impulses and direction from any one race or nation but from all.

There is no people on earth that has not made its contribution to civilization. By the degree that any race, or any nation, or even any individual being is hampered in the natural course of its cultural unfolding, the whole world suffers. Hence, every such obstruction is essentially harmful.

The worldwide movement seeking to establish the basis for brotherhood among men is the only sure antidote for the poison of intolerance. The lessons of the past teach us confidently to expect that the future, too, will prove that the accusing finger of spiritual righteousness and power can overcome the bayonet, the air bomb, and the waves of deceitful propaganda. The blasts of intolerance soon blow themselves out but the great truths which are justice, charity, and good-will persist eternally.

In our own country, the Constitution provides that the "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof," and in my own state of New Hampshire, the Bill of Rights guarantees that

"No subject shall be hurt, molested, or restrained, in his person, liberty, or estate, from worshipping God in the manner and season most agreeable to the dictates of his own conscience."

Thus, for more than a century and a half, there has been embodied in the fundamental law of nation and state an affirmation of the great democratic principle of religious freedom. By these solemn declarations, as well as by a recognition of a condition of equality of freedom and independence among men at birth, and their endowment with certain natural, essential, and inherent personal rights, the people laid down the legal foundation upon which men, regardless of race or creed, might erect a noble superstructure of brotherhood. And our very hearts prompt us so to build. So do the urgings of every generous emotion, for it is from the spirit of brotherhood that they spring.

Since brotherhood is universal in its scope, the spirit of charity, man's sublimest impulse to noble action in behalf of fellow men, knows no frontier in time of distress. No more does sympathy, whenever civil or religious rights are anywhere violated by arrogant authority. National boundaries do not restrain the outpouring of messages of encouragement and hope from human hearts when power-made rulers suppress God-given liberties.

The pages of history afford ample proof that oppression and progress repel one another. Wherever minorities are tyrannized by majorities, nature rebels and national stagnation invariably results. On the other hand, they demonstrate that greatest progress in every field of human endeavor occurs only when and where men truly appreciate the values which their fellow men have each to contribute to the common wealth and to the common culture.

No nation can afford to deny any man, or any group, or any race, equality of opportunity thus to contribute and,

consequently, to participate in the national welfare and prosperity. Genius, the vital element in all progress, whether in the arts, the sciences, or in industry, is much too rare in the world to permit reckless discarding of it anywhere.

In the history of our own country, the brightest pages are tributes to brotherhood, for the United States was conceived in brotherhood, founded on brotherhood, and it is maintained by brotherhood. Men of all manner of religious beliefs and all lines of racial descent have shed their blood in our wars, or have sunk down, exhausted and worn, after years of striving that this America might persist and prosper.

The nation's debt to those who have thus gone before, and from whom we have received this beautiful land as a heritage, can be repaid only by the displaying on our part of generosity, of unselfishness, and tolerance equal to that which they showed.

America's generosity and tolerance in these humane relationships have reaped for the nation a wonderful harvest. The cultural treasures of the whole earth have been laid at our feet, to use as we will. Refined and adapted, they have in essence passed into American life, imparting to it extraordinary richness and depth.

When, on every side, there is evidence of the cultural and spiritual advantages which these many racial strains and religious faiths have brought to our civilization, it is bewildering to find those in authority in foreign lands brutally following policies designed to exalt one particular race or one particular religion over all others, even over those which until recently were deemed permanent features of national culture.

From the safety of these protected shores, the American people have looked on with dismay as they saw one nation after another forsake the precious concept that all men are born heirs to certain natural rights from which no earthly

power can separate them, and that governments must be made to conform to those rights.

They have seen men lose courage when they had arrived at the very threshold of victory and there surrender all they had gained in years of struggling to rid themselves of overlords, to secure representative government, and the manifold benefits of freedom.

In these days, so dark and forbidding for minorities in many other countries, America has good cause to rejoice that tolerance prevails here; to be proud of its democratic institutions, and proud of the enlightened public opinion from which they derive their strength.

But, America has cause also to be extremely watchful in these times, for there are present in our midst those who possess no love for popular government and who seek by stealth to undermine confidence and to create racial and religious dissensions.

Against such disruptive forces the strongest weapons are coöperation and mutual respect, and friendship. We should strive to improve these bonds of unity; to expand tolerance into genuine friendliness, and to remove every obstacle to good fellowship among men.

Above all, let us not have the racial and religious quarrels of Europe re-enacted in this country. In a nation where Protestants, Catholics, Jews, and other sects worship and work side by side in peace, there is no place for agitators who seek only to disrupt the harmonious relationships that exist.

Remembering at what fearful cost our forefathers won the liberties we now so lightly enjoy, let us dedicate ourselves to the solemn duty of preserving it, no matter at what price.

Because the advantages and the blessings of brotherhood are so numerous and important I would once more stress the essentially religious nature of our American democracy and remark how great is the task of brotherhood under it. Democracy is not accepted as a social creed by many of the

countries of the world but the divinely-inspired principle of brotherhood among men has been taught by every great religious leader in world history and it has been sanctified by inclusion in the doctrines of every faith.

It is a spiritual tradition common to all churches and one which everywhere in the world is held in the highest esteem. So, tonight, when Protestant, Catholic, and Jew sit down and break bread together, may we not re-pledge ourselves to this great principle.

This is the acceptable time to resolve for the good of America; for the good of the men and women who elsewhere are suffering and are downtrodden; to do our part to overcome bigotry of every sort; to supplant hatred and ill-will by good-will; to banish suspicion and prevent oppression.

In that way, we shall all share in the great work of promoting universal brotherhood and by our individual helpful attitudes we will be obeying the infinitely kind scriptural injunction, "Thou shalt open thine hand wide unto thy brother."

As a barefoot boy, shoemaker and industrialist, Governor Murphy has been fascinated by the new "frontiers" opening up before the advance of chemistry and the new uses it can develop for farm products. But he realizes, too, that some way must be found to pay for our advances. Listen to his talk before the National Farm Chemurgic Council at Detroit, Michigan, May 26, 1937.

Ever since I was sixteen years old, I have been connected in some way with the making of shoes, even though I started out by merely nailing up the cases in which they were shipped. Not much more than ten years ago, it was universally accepted in the industry that eighteen days was the shortest period of time in which it was possible to turn out a pair of men's Goodyear welt shoes. Many years of practical

experience enabled our company to devise a method whereby this period could be shortened to six days.

It is due to this and other improvements which have taken place in manufacturing methods that New England has been able to maintain its supremacy in the shoe industry which for many years had been showing a tendency to move to the Middle West.

In the course of my experience, I have seen science give to the shoe industry constantly better machinery and materials. In the future, I hope to witness even greater progress. One of these days, chemists may find a way to mould or in some other manner fabricate a shoe direct from the raw materials. If the shoes that could be produced in that manner prove better than the ones our company is making, we shall welcome the change.

In that case, we will not be asking for a law prohibiting the manufacture of shoes by the new process, and neither will the men we now employ be out on the streets looking for work. We shall be making shoes in the new way. We will be employing more men than we now employ. We will be paying them better wages than ever before. That has been the record of the company in the past and it is the policy in accordance with which we intend to continue to operate in the future.

You all probably know that in the construction of a certain type of men's shoe a special leather strip, known as the welt, is used to join the upper and inner sole to the outer sole. Because of the importance of this stitched joint to the success of the finished shoe, and because it is exposed equally with the sole to all the wear and tear of use and weather, it has never been practicable to make use of a leather substitute in the making of welts.

In the course of the past year, a product has been developed in a small plant in New Hampshire which the several tests have shown to possess greater endurance against wear and weather, greater tensile strength, and more uniformity in

texture than leather, and other qualities which make its use feasible not only for welting but also for soles, bags, and many other uses, and this at less cost than leather.

But it is hardly necessary for me to talk about the linking of science and industry in a great city like Detroit, which lives and prospers by an industry which did not even exist in the days when, as a boy, I worked on my father's farm.

As a business man, I am able with my associates to make decisions based upon facts. We have our books of account and we know that, if we are to stay in business, we must not only continue to take in more than we pay out, but we must also take in enough money to pay proper wages and salaries to the human beings we employ.

We consider this very important and we pay high wages in our company, 50 per cent above the average in the industry. It is our belief that unless a company can make a good product, market it at a fair profit and still be able to pay good wages it has no economic right to exist.

Besides the wages we pay our workers, we must also pay proper wages for the use of the machinery and tools and the buildings we occupy, as well as pay for their upkeep and repair. It is of vital importance, too, that a balance be maintained between the wages we pay people and the wages we pay for things. If we do not do this we shall either have no things for the people to work with, or a lot of things and no people to work with them.

So far, in enumerating the various expenses which a business concern must meet if it is to continue in operation, I have not mentioned the important item of taxes. When it comes to that question, I find myself on both sides of the fence.

As governor, I am confronted with the problem of raising sufficient revenue to meet the requirements of the state budget and this money must be raised either by taxation or by borrowing. As an executive in private business, I am faced with a series of tax bills especially designed to tap the profits

of industry. As an individual, I am obliged to meet still other tax bills.

I find that these different levies of taxes to which I am liable have very little relation to my absolute capacity to pay as an individual and, as far as business is concerned, it might be said that there is no such thing as capacity to pay taxes. Taxes are just an added cost and everyone knows that added costs of manufacture are eventually borne by the public.

I have spoken of the state budget and I ought to point out that there is a great difference between private and public budgets. In the former, expenditures are regulated in accordance with the income available. In the latter, it is customary to vote to spend money for what is wanted and then somehow find the money to pay the bills.

From the earliest days, taxes have been laid to meet the costs of government. Funds needed for this purpose were provided by you chemists and engineers because you have been able, year after year, to improve processes and cheapen production faster than the politicians have been able to tax away the wealth that flowed from these improvements. The result has been that working men and everyone else have been able to share in an increasingly larger surplus of national wealth.

Within the last few years, however, there has developed an entirely new philosophy relative to the purpose of taxation. Since the word "depression" came out of the dictionary to be used commonly, instead of the more homely expression, "hard times," as my father used to call them, there has come an urgency that a new function be given taxation. It is proposed that instead of levying taxes merely as a means of supporting government they be used as a means of redistributing wealth and thereby attaining a great material security of life.

It has been steadily drummed into the ears of the public that some people get far too great a share of this world's goods and others get far too little. The idea is that, by a skill-

ful use of the taxing power, money can be taken away from the rich and handed over to the poor. As a result, it is claimed, part of society will be "levelled down" and part will be "levelled up," with generally beneficial consequences on the content of life.

This idea has caught the imagination of great numbers of people and it constitutes the reason why pleas for economy in government fall flat. The people have been led to believe that somehow or other high taxes provide a method for promoting the general welfare.

If high taxes will serve to accomplish that result, then I am for high taxes; but, first of all, I wish to know whether high taxes really do redistribute the national income for the benefit of those who are supposed to benefit from such a policy and, second, I am curious to know whether by doing that we shall be redistributing wealth or rather redistributing poverty!

I think that before we make decisions in these important matters we ought to know whether we are actually taking money from those who have and turning it over to those who have not, or whether we are destroying the national assets and making the creation of wealth, such as this conference is doing, more and more difficult, so that in the end everyone will be "levelled down" and no one at all will be "levelled up."

Some people, thinking narrowly of the possibilities of agriculture, have been unduly impressed by the fact that nearly 90 per cent of the soil mantle of New Hampshire is rated as "poor" or unsuitable for cultivation. On the basis of that fact they have suggested that restrictions be imposed on the use for farming purposes of those areas where the soil is not fertile. It was assumed that probably the best farmer in the world could not successfully make a living on certain parts of New Hampshire's sandy soil with its stones and boulders.

That would be true if he tried to cultivate such land for general crops, but there is no reason why a resourceful farmer

cannot raise poultry on land which is useless for cultivation because in that industry the ground is used mainly as a table upon which the poultry grower strews his feed.

As a matter of fact, New Hampshire's sandy soil has proved to be ideal for poultry growing and that industry is expanding so rapidly as to have attracted widespread attention.

Again, about 80 per cent of the area of New Hampshire is covered with forests, large and small, and some experts have advised that the major ideal use of these forests is recreational. To accept that theory and use it as an absolute guide for state development might prove to be a grievous error.

The forests of our state are our greatest single natural asset, and to estimate their value solely on a basis of their beauty, their importance as a field for recreational pursuits, and their significance in connection with flood control, and as a breeding ground for wild life, would be to take a position unwarranted by the facts and economically unsound.

Until this time we in New Hampshire have been thinking of our vast woodlands merely as sources of lumber, of pulpwood, or firewood. Looking at them through the eyes of the experts of the Chemurgic Council, they turn out to be a great reservoir of raw materials from which may be fabricated countless products, new and substitutes for old, for which there already is a rich potential market.

The prospect of using our forests as vast assets which are constantly renewing themselves is bound up closely with the progress of industrial chemistry. It is to the Chemurgic Council, the Chemical Foundation, and the many other great agencies of scientific research that we must look for sure guidance in these matters.

The future promises much. Applied science will continue to create ample opportunities for individual success. On these new economic frontiers, the young men and young women of today and tomorrow will find adventures in business surpassing even those of other days.

The Constitution and Citizenship

The views of Governor Murphy of New Hampshire on the Constitution were revealed briefly during an address which he gave at Hancock, New Hampshire, on September 2, 1937, the occasion being Hancock's 58th annual Old Home Day.

IN SUCH TIMES AS THESE, when many people have become restless and skeptical under the stress of the hard times through which the country has passed in recent years, it is in the great constitutional charter of our nation that we must place our confident trust. This trust has been justified by long and trying experience.

What the stars and the compass have been for the navigator on the deep, the Constitution has been for the people of the United States. It has been the guide by which the nation's policies have been shaped, by which a safe course has been steered, and by virtue of which a few scattered bands of settlers have become a mighty republic whose people have attained the highest standards of living and achieved the greatest happiness ever known by any people on the surface of the earth.

The Constitution is the beacon of hope in whose radiance your forbears, and mine, trusted for guidance to a land where they might worship God according to the desire of their own hearts and souls; for safe conduct to a land where they and the children to whom they would pass on their heritage might find equality of opportunity to prosper and be happy.

It is because of the existence of this guarantee in the fundamental charter of our land that the hopes and the thoughts of downtrodden and suffering human beings every-

where, for generation after generation, have been turned with yearning toward America. Were it not for this solemn guarantee, were it not for the promise it held forth, the story of America would probably have been much different than it is.

Great praise and all honor, then, for the people of America's small towns of whom the nation expects much. You are descended from men who understood their rights and who did not hesitate to maintain them. The man from whom this very town takes its name, John Hancock, was one of the wealthy merchants of Boston. But the fear of losing his possessions did not deter him from affixing that bold signature which was signed, first of all, to the Declaration of Independence.

Lest anyone minimize the risks he assumed by his action at Philadelphia, let it be recalled that at the time the British offered general pardon to the citizens of Massachusetts if they would submit to the King, they made exceptions in the cases of John Hancock and Samuel Adams. Beyond a doubt, it was the intention of the British authorities, if given an opportunity, to hang those two patriots for treason to the Crown.

In the belfry of this church hangs a bell which was cast in the foundry established by Paul Revere, the daring rider of Lexington and Concord. When you hear its deep-throated notes booming through the village think of the man whose name it bears and for what he stood.

Governor Murphy is a New Englander. Born and bred in the Granite State, he is a Yankee, if there ever was one, with a Celtic heart. His father was a well-educated Irish immigrant, who married an Irish colleen, Ellen Lambert. Francis Parnell Murphy knows how a new citizen must feel. This is a portion of an address which he gave before nearly 500 newly naturalized citizens at a

Welcome-to-New-Citizens program held in Practical Arts Auditorium, Manchester, New Hampshire, on May 19, 1937.

It is with happiness that I welcome you into the ranks of citizenship. Knowing the work you have undertaken, under the guidance of the International Institute and its advisory council, to fit yourselves for this responsibility, I am sure that America is the gainer by your adoption as I also am sure that you will never regret the decision which made you Americans.

You bring to us the blood and the traditions of older nations in other parts of the world and we offer you unrestricted opportunity for success and health in a comparatively new and happy land.

Do not forget your mother country, but use its cultural influence and the strength of character it has implanted in you to nourish and sustain the democratic institutions of America, under which you now live and work, by agency of which you are governed, and by which you expect to prosper.

In the last analysis, all the defects in our governmental machinery, which we criticize so much, all the waste and the inefficiency of administration of which there is so much complaining, and all the inadequacies of social justice as provided in existing laws, may be attributed to a lack of interest on the part of the voters.

My earnest suggestion to you, citizens newly undertaking political responsibility in this country, is that you acquire a knowledge of the problems of your community and government, that you ascertain the agencies which are concerned with those problems and that, by your influence and your support, you enable those agencies to carry on their work efficiently in order that the public well-being may be enhanced and the advantages of life in your community preserved or improved.

Let absolute faith in the ability of the people to govern themselves abide in your heart and do not doubt that, in spite of alarms and criticisms and dire predictions on the part of the few, the government of the United States will continue to go on functioning in accordance with the wishes of the great majority of its people, continue to provide abundant opportunities, continue to hold out hope for even greater prosperity and greater happiness for all.

And, finally, it is my hope that you will realize how greatly the nation is indebted to men and women of courage and independence, and that you, yourselves, will make yours those sterling qualities of self-reliance and thrift which marked all of the great characters in the history of your mother country and in the history of America.

At the dedication of the Ellen Lambert Murphy Memorial at Winchester, New Hampshire, where he was born, Governor Murphy stood on January 17, 1938, and presented to the community a Center, which he had acquired, restored and constructed, in honor of his mother.

It does seem such a very long time since I lived in that little house down under Manning Hill. Or in our home of a few years at Pond Village. Those were the days when it seemed to me that the whole world was mine to enjoy. It offered me pleasures on every side. Of the summertime delights of swimming, hunting, exploring in the woods, and the coasting, skating and other joys which come with the long, cold winters, I had my share, thank Heaven!

But, as was generally true of boys in those times, I also had my share of hard work. And for that I also thank Heaven because it permitted me to learn life's lessons in a way which have made them unforgettable. Often I have spoken of what I like to think of as my barefoot days, when to me shoes were things to be worn only on Sundays and on other very special occasions.



THE ELLEN LAMBERT MURPHY MEMORIAL COMMUNITY
HOUSE, WINCHESTER, NEW HAMPSHIRE

For a long time I was sensitive about that period in my life. I placed no particular store by it and rarely mentioned it. I believed that people might be inclined to pity or perhaps attempt to belittle a young man whose parents, when he was a boy, could not afford to provide him with shoes, save when snow was on the ground. However, I came to realize that those days were the days when I received my real schooling in the fundamental attributes of manhood. And I have, instead, become very proud of them, and I hold their memory now in the greatest respect.

Fortune, by one of its unaccountable moves, has made it possible for me to recognize my heavy debt of gratitude to this little town of Winchester where I first saw the light of day. I long ago resolved that whenever a means became possible I would give my appreciation the form, not of a tribute directly from me but rather that of a useful public memorial in honor of my dear mother. About her, as long as she lived, our entire family existence revolved. Her sacrifices, patience, courage and sound counsel guided us surely in those early, trying days and has since never ceased to influence our lives.

It occurred to me that I could erect a memorial to my own mother which would symbolize the homage due mothers everywhere. I wanted it so that the gentle character who reared me might in a sense become a second helpful mother to all the boys in Winchester.

Tonight the town of Winchester has a community center which is unsurpassed by any place of its size in New England and, perhaps, in the entire country.

I hereby dedicate these buildings to the encouragement of the eternally glorious arts of design, of music, of drama and of practical handicraft; to the fostering of community ideals and community action; to the development of wholesome sports and recreation; to the dissemination of a spirit of neighborliness, of tolerance in opinions, of civil enterprise and good citizenship.

America's Heritage

America has no more picturesque rural church than the Sandown Meeting House, on a low hill beyond Cbester. On the second Sunday of every August the Sandown Meeting House Association holds an annual service there. Into the canopied goblet-pulpit walked Governor Murphy on August 8, 1937, and delivered an address that is well-nigh a classic for clarity, beauty of diction, and reverential poise.

"And there I will meet with thee,
and I will commune with thee."

THOSE SIMPLE WORDS, spoken by God from the summit of the mountain, when he had concluded his instructions to Moses for building the temple, embody the sentiment that prompted the erection of this house.

The sanctity, the quaintness, and the dignity, with which one hundred and sixty-three years have meantime vested this noble edifice, are responsible for our reverent presence here today.

Standing before you, in this high pulpit, gazing down into your happy faces, I feel weak and humble when I think of the many great men whose voices have echoed in this chamber and the many great causes that have been defended here.

From this very elevation, the penetrating gaze of Josiah Cotton, descendant of the Puritan divine, John Cotton, each Sunday searched the hearts of the little flock who listened to his words of wisdom with awe and admiration.

This selfsame pulpit, from which I have the privilege to address you today, has quivered in unison with the vigorous eloquence of the Reverend Mr. James Collins, second pastor of the church, who preached in days when sermons were long and well fortified with hell's fire and brimstone.

This pulpit rail has been thumped by the aggressive Reverend John Webber and his successors, preaching for the Congregationalists, and by Elder George Pickering, who brought Methodism into Sandown.

From this spot, the gospel of Christ was expounded for a great many years with a burning zeal and with a degree of vigor which rarely have counterparts in this present-day world of ours.

Congregations sat patiently in those identical, uncomfortable pews, where you sit today, and heard the name of Jesus Christ invoked in praise and that of Satan scorned and condemned.

With the arrangement of their subjects ever so logically divided, the early clergymen who held religious services in this meeting house preached sermons that were masterpieces of theological reasoning.

For their time, those sermons were fitting. To their auditors, they were completely acceptable.

Although, by now, the character of services, sermons and religious observances have lost much of the oldtime rigor, I am sure that people are no less religious today than they were in the days when this building was erected.

Deep in the hearts of men and women, there abide today the same soul-satisfying convictions which strengthened their forbears. The same age-old spiritual currents, with their burden of eternal verities, are flowing through the world, imparting to life a purpose, ennobling human actions, and encouraging men to lofty mental speculation.

With what mystic treasures of wisdom time has encrusted the walls of this chamber! It is impossible to enter here

without experiencing a sensation of awe which predisposes one to respect and to reverence.

Those feelings proceed from the crowded memories of sixteen decades, clustered all about us, making their presence felt.

Before the United States of America was, this structure stood here, practically as we see it today. Since 1774, town meeting has been held in this room every year without exception, so that the clerks' official records constitute a veritable history of the American Nation — religious, social, economic, military, and political — viewed through the practical eyes of the people of succeeding generations as they transacted the business of the town.

To Sandown, to this meeting house, when it was new and up-to-date, came Josiah Bartlett. This great man, who, from a quiet existence at Kingston went to Philadelphia and dared ask the privilege of being the second to sign the Declaration of Independence, stood where I am standing today and explained to his fellow citizens the significance of the step that had been taken at Philadelphia.

In those aisles, the brave soldiers of the Continental Army rested their muskets as they prayed for God's blessing before leaving for the war. Here, too, they foregathered after the surrender of Lord Cornwallis, to thank the Almighty for His mercies and to rejoice in the victory.

The story of Sandown's old meeting house, so very famous among historical remnants, has been told and retold times without number.

Doubtless everyone present here today knows that it was intentionally built as close to the geographical center of the town as practical considerations would permit.

Everyone, too, is familiar with the story of the shortage of rum, resulting in the contractor's having on his hands the first real labor disturbance in New Hampshire.

The curious rivalry for the use of the hall, between the

Congregationalists and the Methodists, and how the latter on one occasion had to resort to "breaking and entering" in order to hold service, is a tale which has had many good tellers.

How many, however, have taken the trouble to climb that steep ladder to the attic and view the extraordinary system of roof timbers, timbering which has supported the extensive roof of this building for one hundred and sixty-two years and which is just as strong, just as practical, today as it was on the day the roof-raisers put it in place?

Architects have come from far and wide to inspect professionally, with admiration, that fine timber tracery, the wonderful system of bracing, the unusual method of securely joining heavy beams, without the use of spikes or bolts.

In recognition of their value to the history of architecture, every detail of the construction of this fine old building has been reduced to working drawings and filed safely away among other historical treasures in the national and state archives.

Even the details are noteworthy. Look at those panels in the balcony rail, constructed out of boards twenty-eight inches wide, without a blemish. Notice the boards in the floor, some of them measuring twenty-two inches in width. Observe how tightly the windows fit. How many would guess that there are 1,084 panes of glass in them or that over half of them are the original panes?

With all this wealth of tradition and history which has been safeguarded here, it seems to me that it would be at once most appropriate, enjoyable and educational if — on the occasion of some future observance of Old Home Day in Sandown — an attempt were made to revive the scene as it actually was in this building in the days of long ago.

Consider the unique possibilities of a plan whereby the dignified ceremony of "going to church" would be revived; where the occupants of each pew would, for the occasion, as-

sume the name and act the part of the original holders, even dressing as they dressed in those days!

Think how interesting and instructive it would be to attend a service marked by the presence of the Sandown Pioneers; to observe the slaves in their special pews in the balcony; to hear the choir sing the grand old hymns and to see and hear the likeness of the Reverend Cotton deliver one of his famous sermons!

For one day, in such a pageant of the past, the entire town of Sandown could relive this one long-gone scene in its glorious history, just as the people of Oberammergau every tenth year re-enact the Passion Play.

The prospects of substantial rewards, both financial and in the form of enjoyment, for an undertaking of this kind are so real that I strongly recommend the idea for your careful consideration.

It is truly a pleasure, a joy and a source of deepest satisfaction to visit Sandown and to participate in Annual Old Home Service in this ancient meeting house.

The happiness I see on every side speaks volumes and volumes for the real value and the merit of the institution of Old Home Week, established thirty-eight years ago, in a moment of inspiration, by former Governor Frank W. Rollins.

Before me are men and women who went forth from this little town and made important contributions to the history, the literature, the social, industrial, military and the political life of the state, the nation and the world.

Today, you have journeyed here, obeying the injunction of Jesus who, in the gospel according to St. Mark, bids us, "Go home to thy friends."

You have come back to this beautiful, old-fashioned community to forget the cares which have burdened you during the year; to smile and receive the smiles of neighbors, friends and relatives; to shake hands, to hear news and relate

your own; to thrill at the sight of the familiar old spots, hoping to see here again all the loving old faces.

If only time did not have to rush on so fast! If only the months and the years could pass more leisurely!

If only each Old Home Day, as it came, did not bring vacant chairs! But that would be a state too perfect for life here on earth and its existence would even make heaven seem less inviting.

Since love of home and all that attaches to home is implanted at the fountain seat of our affection and our love, home coming after a long absence thrills our emotions as nothing else does.

No matter what we may accomplish, or where we may travel in the world, no experience can generate the thrill produced by the simple act of going home. That thrill is yours today.

And, it seems to me this holds a deep significance for us all.

In these troubled times, when strange religious and political doctrines are urged upon us, and accepted by many, we see clearly that it is upon the people of the small communities that the nation must ultimately rely for strength to defend its institutions and its liberties.

It is to people of towns like this that we must turn for help in times of crisis, to people who are anchored solidly to sound religious and political principles by many generations of manly, independent, thrifty living.

You, gathered here today, constitute a vital part of America's dependable defense against the encroachments of communism, fascism and the other destructive "isms" which are being propagated so actively.

Against these subversive doctrines, emanating from foreign lands, the only effective safeguard is good citizenship and abiding religious convictions, for these two necessarily go hand in hand.

No man can fulfil the responsibilities of citizenship in

our democratic nation unless he believes, as the framers of the Declaration of Independence did, that the power to govern proceeds from on High, and that man has certain rights that are God-given and hence beyond revoking by any temporal power.

You, strong-minded children of the small town, gathered here today, are a part of the slow acting force which shattered the confident attack recently made on the independence of the Supreme Court.

You are the kind of people who in the past have maintained the integrity of the Constitution of the United States and you are the people who will uphold it in the future.

Here, in this grand old building, we have a striking symbol of this vital relationship between religion and liberty, between faith in God and love of freedom.

In this chamber, in which we are assembled, the forefathers of Sandown met both to worship their Creator and to transact the civil affairs of the town.

When today's exercises are over and we leave the old meeting house to its historical memories and to the brave spirits of the pioneers who guard it, let us think of it, not simply as a fine specimen of early architecture, but rather as a symbol of unified, spiritual and temporal life.

As we go down from this hill, many of us not to return here again until the changing leaves of the calendar bring another Old Home Day to Sandown, and as we look back upon the old meeting house standing here serenely in its whiteness and its simplicity, let us carry away in our hearts the thought so well expressed in the following lines, written especially for this occasion:

Venerable edifice
Which has cradled God's house
Within its sturdy frame!
Wise, old walls

That have echoed words
Of the humble and those of fame!

Impart to us,
From your ancient hoardings
Of wisdom, increased measure
Of faith in God.
Renew our strength, our courage
Out of your accreted treasure.

Faith! To accept
Religion's steady counsel,
Guiding when, uncertain, we need light.
Strength! To endure
The wicked siege which enemies
Lay against men's every right.

Courage! To falter not
In securing more abundant life
For all, regardless of station.
O time! Exact light toll
Of this hallowed milestone
In a people's path to salvation.

The Stature of a Man

THERE ARE MANY WAYS of measuring the stature of a man. He is judged by the kind of life he lives, by the things he has been able to accomplish, by what he says, by the honors and material success he wins.

Perhaps more significant than all of these measuring devices is the ability of a man to continue growing, to continue learning, to give full value to all of the elements of conditions which are constantly in a state of change.

New England is noted for the high character of its educational institutions. The bricks of Harvard, Yale, Groton and Exeter, as well as many others, are extremely impressive; and so are the educators, past and present, who have guided the destinies of these institutions. But many of the greatest men of the nation were never on the rolls of any of them.

When Francis Parnell Murphy received his diploma with the graduating class of the Hudson, Massachusetts, high school, that was the end of his formal education. It had meant a struggle and many sacrifices for his parents to keep him in the village school at Winchester, New Hampshire, and an even more difficult time for him to complete the high school course at Hudson.

The information of these writers is that he was not only a smart boy in school, but a diligent one. And, after high school, he did not stop learning. That, to him, was only the beginning. When he first began to receive responsible positions in the shoe factories, he often sat up most of the night,

seeking the answer to knotty problems of shoe factory management in books.

From books, newspapers, magazines and conversations — from his contacts with people — his eager mind sought new information, broader knowledge. He went on learning. He never stopped learning. And therein, perhaps, is the best measure of the man, the best index to his capacity as a practical, liberal statesman, whose mind is in tune with modern needs and conditions.

Despite the fact that his formal education ended with high school, three great educational institutions have recognized the fact that he has gone on learning, that he has become a highly educated man.

St. Anselm's College, a Benedictine institution which has turned out many great churchmen, conferred the honorary degree of Doctor of Laws on Governor Murphy in June, 1937, at its Forty-fourth commencement exercises. A similar degree was conferred in the same year by the University of New Hampshire and the honorary degree of Master of Arts was conferred at the 168th commencement of Dartmouth College, in June, 1937.

In conferring the degree at Dartmouth, the citation, uttered by its President Ernest Martin Hopkins, is especially worthy of quotation:

"Your career is illustrative of the fact that still, as of old, New Hampshire offers the opportunities requisite for self-government and self-advancement and produces the stock to avail itself of these. Son of a father who served with a record of valor throughout the period of the Civil War; reared against a background of economic scarcity upon a small and stony farm, employed from early years in the industry in which, through organizing ability and understanding in human relations, you have advanced stage by stage from packer in a small plant to high executive in the great concern with which you are associated; meanwhile always

interested in public affairs, local and state, and participating in these, after two years of service upon the Governor's Council, you yourself have become the respected Governor of this Commonwealth. The College has satisfaction in this opportunity to enroll you among those whom it honors for self-attainment."

