

## Biography Resource Center

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### Leland Olds

1890-1960

**Birth:** December 31, 1890 in New York, United States

**Death:** August 3, 1960

**Occupation:** Economist, Public Official

**Source:** *Dictionary of American Biography, Supplement 6: 1956-1960*. American Council of Learned Societies, 1980.

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### BIOGRAPHICAL ESSAY

Olds, Leland (Dec. 31, 1890 - Aug. 3, 1960), economist and public official, was born in Rochester, N.Y., the son of George Daniel Olds, professor of mathematics at the University of Rochester, and of Marion Elizabeth Leland. In 1891 the family moved to Amherst, Mass., where George Olds assumed the chair of mathematics at Amherst College. In 1924 he became president of the college, succeeding Alexander Meiklejohn.

Olds entered Amherst in 1908. A serious young man, he early exhibited a concern for the welfare of workers, whom he regarded as victims of industrialization. Influenced by Henry George's *Progress and Poverty* and by Charles M. Sheldon's *In His Steps*, he sought to apply Christian principles to the amelioration of industrial problems. After receiving the B.A. in 1912, he worked in a social settlement in Boston; undertook graduate study at Harvard, Columbia, and Union Theological Seminary; served as pastor of a small Congregational church in Brooklyn; and spent a few months during 1918 in the army. He also did economic studies for the Council of National Defense and the National War Labor Board, where he began a long association with the labor attorney Frank P. Walsh.

In the early 1920's, Olds married Maud Agnes Spear; they had four children. The family lived in Northbrook, Ill., where Olds served on the school board, directed Boy Scout activities, and played cello in the local orchestra. Deceptively mild-mannered, he possessed a hard set of convictions about the wrongdoings of American capitalists, and a writing style midway between the muckraking of the Progressive Era and the work of later radical journalists like I. F. Stone. Professionally, he continued to devote his energies to the labor movement in research tasks for the railway brotherhoods and as industrial editor of the Federated Press, a news service with an assortment of clients among labor journals. In this post, which he held from 1922 until 1929, he wrote some 1,800 articles, their content ranging from the nature and tendencies of industrial capitalism to the effects of particular business decisions and public policies. Blunt in tone, sharply critical of the values implicit in the "New Era" of American business, these articles were "certainly radical," as Olds himself acknowledged. Their radicalism and their appearance in Communist publications such as the *Daily Worker*, one of the many clients of the Federated Press, haunted Olds years later, in the fear-ridden climate of the Cold War.

When the Federated Press ran short of funds in 1929, Olds's friendship with Frank P. Walsh took him to New York, as economic adviser to Community Councils of the City of New York, a group advocating the reform of public utility regulation. For Olds the utility issue embodied some of the principles for which he had been fighting for many years. With Walsh and others, he advised Governor Franklin D. Roosevelt on a legislative program aimed at reasserting public control over power resources and utility corporations. One result of this legislation was the creation of the Power Authority of the State of New York, and from 1931 until 1939 Olds served as its top-ranking staff member. In this position, and because of his influence with Roosevelt, he remained in the vanguard of the great power fight of the 1930's, a leader in the struggle for such reforms as the net-investment rate base, regulation by competition, uniform utility accounting, and public development of the St. Lawrence River.

In 1939, Roosevelt appointed Olds to the Federal Power Commission (FPC). To a remarkable degree he fitted the ideal of the early architects of regulatory agencies. An expert in the field of electric power, Olds had splendid credentials as a champion of the "public interest," and a confident sense of where that interest lay. Because of his experience as a journalist, he excelled in translating complex regulatory issues into everyday language. Olds served as chairman of the FPC during about half his tenure, which lasted a decade. He was proudest of his achievement in hammering out consensus, and usually decisions by the five-member agency were unanimous. Olds's pursuit of harmony in this instance (and in others, such as his faith in cooperative economic enterprises) clashed with his equally sincere belief in market competition, and with his characteristic conviction that private interests and the "public interest" were usually antithetical. Known as a tireless worker and advocate of public power, Olds downplayed the public ownership controversy during World War II, and directed the resources of the FPC toward efficient use and development of power for the war effort.

During the war years, and more so afterward, Olds led the commission into ever deeper involvement in the regulation of the natural gas industry. It was this struggle that made him nationally famous, and that finally cost him his job. Originally aimed chiefly at pipelines, the Natural Gas Act of 1938 eventually affected prices at the wellhead, that is, the field prices at which gas was sold to wholesalers. In the midst of a major congressional debate over price regulation, embodied in the "Kerr Bill" of 1948, Olds and Commissioner Claude L. Draper completed a study that strongly contended that the FPC had both the authority and the duty to regulate wellhead prices. The opposing view, held by other members of the commission, was also thrust forward by powerful legislators from the gas-producing Southwest, including Senator Robert Kerr of Oklahoma and Senator Lyndon B. Johnson of Texas.

In 1949, when President Harry S. Truman appointed Olds to a third five-year term, the issue of his confirmation became a test of strength between advocates and opponents of wellhead price regulation. The confirmation subcommittee, chaired by Lyndon Johnson, heard witnesses who complained that Olds had changed his mind on the gas question, or that his new position was simply wrong. Equally damaging was the dramatic resurrection of his radical writings of the 1920's. Though "Red-baiting" efforts had been unsuccessful during Olds's 1944 confirmation hearings, the context had changed; the new hearings came during the year in which Communist forces triumphed in China, and only a few days after the Soviet Union exploded its first atomic bomb. Thus, despite Truman's support and the pleadings of prominent New Dealers and advocates of regulation, the Senate rejected Olds's appointment by a 53-15 vote. Some observers portrayed him as a martyr to anti-Communist hysteria. Others read object lessons on the fate of aggressive regulators. Lyndon Johnson's unbridled floor speech against Olds was one of the least creditable performances of his career.

After the confirmation fight Olds faded from public view, serving briefly as a federal adviser, then as a private consultant in his own business, Energy Research Associates. During the 1950's he occasionally published articles on energy and related topics. He died at Bethesda, Md.  
-- Thomas K. McCraw

## FURTHER READINGS

[Olds's personal papers are in the Franklin D. Roosevelt Library, Hyde Park, N.Y. Representative articles include "The Temper of British Labor," *Nation*, Apr. 19, 1919; "Yardsticks and Birch Rods," *Harper's*, Nov. 1935; and "The Economic Planning Function Under Public Regulation," *American Economic Review*, May 1958. He also contributed to federal economic studies: *Inquiry on Cooperative Enterprise in Europe* (1937); and

*Natural Gas Investigation . . . Report of Commissioner Leland Olds and Commissioner Claude L. Draper* (1948), which was instrumental in the Senate rejection of 1949. The fullest sources on Olds's career, other than his personal papers, are the records of his confirmation hearings before subcommittees of the Senate Committee on Interstate Commerce: *Leland Olds' Reappointment to Federal Power Commission: Hearings* (1944); and *Reappointment of Leland Olds to Federal Power Commission: Hearings* (1949). Joseph P. Harris, "The Senatorial Rejection of Leland Olds," *American Political Science Review*, Sept. 1951, is a good scholarly analysis of that episode. An obituary is in *New York Times*, Aug. 5, 1960. On the power issue consult Forrest McDonald, *Insull* (1962); Thomas K. McCraw, *TVA and the Power Fight, 1933-1939* (1971); and Philip J. Funigiello, *Toward a National Power Policy* (1973).]

## SOURCE CITATION

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