

EXCERPTS FROM SPEECH DELIVERED BY SENATOR HUBERT H. HUMPHREY (D., Minn.)
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I suppose it was the depression and the economic repercussions of the late 1920's and 1930's that molded my economic and political philosophy. It gave me a respect for hard work, ingenuity, and determination. It brought into sharp focus the reality of suffering that comes from unemployment, mortgage indebtedness, irresponsible financial power, wild-cat market speculation, and ruinous low prices and degrading low wages.

I learned by experience - cruel, sickening experience - the interdependence of our economy - the relationship between farmer - worker - retailer - wholesaler - and manufacturer. I know by experience and not by theory, that a depressed agriculture, an unemployed labor force, spell debt and bankruptcy for business. I know, by experience and not by theory, the dangers that are ever-present in concentration of economic power - in monopoly.

I know what it means to have banks close their doors - and have no Federal Deposit Insurance to protect the bank account. I know what it means to have unemployed people stand around in a drug store, and not to have even an unemployment compensation check.

I know what it means to have farmers without price supports - Fair Trade - for their products. I know what it means to see merchant after merchant close his doors only to see the Big Chain or Corporate enterprise survive and preempt the field. Yes, I think I know what it means to see a nation prostrate and dying while a government of the people, by the people and for the people does nothing but talk of "confidence" and "prosperity around the corner". That is why I support a policy of government that seeks to protect the welfare of the people - that joins hands with the people in preserving the institutions of political and economic freedom.

I support a policy of government that believes in Fair Trade for all parts of the American economy. To me, Fair Trade means a fair

body of rules and regulations that preserves the competitive enterprise system but removes competition from the realm of unprincipled and vicious practices either by government or by business enterprise.

I think my philosophy was well expressed by the late Edward S. Rogers, Chairman of the Board of Sterling Drug Company, in his argument submitted to the Supreme Court of the United States testing the constitutionality of the California Fair Trade Act. Here's what Mr. Rogers had to say:

"The whole process of civilization has consisted largely of the gradual surrender of the individual's right of liberty to make himself harmful or obnoxious to his fellowmen. The liberty secured by the Constitution of the United States is a liberty tempered by restraint. In his business as well as in his personal relationships, every individual is subject to restraints imposed by law for the purpose of promoting the general welfare, comfort, health, morals, or prosperity of the community."

In other words, what Mr. Rogers was saying is that with liberty and freedom come responsibility for moral and principled action. Free enterprise - yes, individual private enterprise - cannot be based upon the philosophy of greed and selfishness or have as its rules the law of the jungle. Business enterprise has a responsibility not only to itself but to the rest of the community. It is through government - a free and democratic government - that a just and fair body of rules for the conduct of society is appropriately designed and fairly enforced.

Fair Trade in the broader sense is what we are seeking in our relationships with the rest of the world. That is, Fair Trade may well be a simplified statement of the aims and purposes of the United Nations. Fair Trade in essence means respect for individual rights, the preservation of competition between responsible people and institutions, a society based upon law and order. These should be the objectives of all freedom-loving people in all aspects of our political, social and economic life.

Let me just develop the concept of Fair Trade in a broader sense. The Securities Exchange Act regulating the stock market was Fair Trade for the market and the stock purchaser.

The Holding Company Act, regulating the financial operations of public utilities, was a body of Fair Trade law in the field of public utility service.

The abolition of child labor was Fair Trade in the field of employment. The establishment of a minimum wage was Fair Trade for the unorganized worker. The guarantee of the right of collective bargaining was Fair Trade for organized labor.

The establishment of price supports, agricultural credit, soil conservation was a body of Fair Trade law for the American farmer.

The insurance of bank depositors through the Federal Deposit Insurance Corporation was Fair Trade for the banker and the depositor.

The passage of the Sherman Anti-trust Act and the Clayton Act set up principles of Fair Trade in the American enterprise system. The establishment of the Federal Reserve Bank system guaranteed Fair Trade in the banking field.

The Social Security Act was but a recognition of the principle of Fair Trade for those who were the victims of unemployment, old age and physical incapacity.

The creation of a federal housing program was but Fair Trade for those who wanted to buy their own homes at reasonable rates of interest. Slum clearance and low-cost public housing represent, in my mind, a fair break - or should we say - Fair Trade, for the underprivileged and the victims of our mechanized, industrial society.

The development of our natural resources, our rivers and our harbors, is a fundamental guarantee of the opportunity for Fair Trade in the underdeveloped areas of our nation.

Yes, this principle of Fair Trade is much more broad in its meaning than just in the retail field. The basic purpose of American democratic government has been the guarantee of equality of opportunity and the preservation of individual liberty. In simpler terms, this is, in the language of the businessman, Fair Trade - a guarantee of the opportunity to do business with, to associate with other persons on a basis of fairness and equality, but at all times preserving the differences that come with individual initiative and the development of individual capacity.

There has been a great hue and cry these last few years about the loss of our liberty. Many of those who today oppose Fair Trade laws such as the Miller-Tydings Act, the Robinson-Patman Act say that these laws threaten liberty and freedom. Unfortunately, some people look upon liberty and freedom as a license to exploit and to destroy. The American philosophy of liberty is not merely absence of restraint.

More basically, it is the establishment of conditions of fair play and of equality of opportunity that permits an orderly development of society and a development of individual ability for the benefit of the individual as well as the community.

It is for these reasons that we have laws that regulate zoning in cities, that control traffic, that set up standards of public health protection and sanitary codes.

It is because we look upon liberty as a privilege but also as a responsibility that we have developed laws which regulate our finance, which control and direct our commerce, which protect and develop our natural resources, and which guarantee to the individual citizen his basic rights of free speech, free press, freedom to worship and freedom to assemble.

Now, some people may call this "statism" or they may even call it "the welfare state". I call it "democracy". I call it responsible government and an orderly society.

It is my observation that the sure path to "statism", the sure road to collectivism is the failure to recognize the basic needs of our people and the failure to protect and guard the free flow of commerce in an economic system that is based not only upon free enterprise but upon individual enterprise.

I repeat - the heart and core of the American economic system is individual enterprise - the Small independent businessman. The threat to that economic system is the ever-growing concentration of economic power and that threat is a real one.

This was testified to by a recent report of the Federal Trade Commission which showed that 113 companies, all with assets of more than 100 million dollars, owned almost half of the manufacturing plant and equipment in this country. Other alarming testimony is the fact that from 1940 to 1946, more than 1800 independent firms in manufacturing and mining alone, disappeared as a result of mergers. I have seen statistics that show that in 124 ~~communities~~ commodities, 4 or less companies control 75% of the sales.

Those are facts that the small businessman should study and understand. These are facts that represent economic atomic bombs to a free economic society. It is only through your government - a resourceful, responsible government of the people - that the ever-growing power of economic concentration can be curbed.

It is only through vigorous enforcement of the Anti-trust laws and vigorous action on the part of the Federal Trade Commission that a free competitive system can be preserved.

"Statism" will come to us when business gets so big that it can only be managed and controlled by a government that is even bigger. Just as big business becomes intoxicated with its own power and loses its sense of initiative and imagination and its respect for individual rights, so big government that is designed to check big business can become inefficient, inconsiderate, unimaginative and unconcerned as to individual rights.

"Statism" in simple terms is absolute power - power has many manifestations. There is political power but the essence of political power is economic power, and it is my considered judgment that if "statism" comes to this great nation, it will come because those who cry out the most against it at this day are often unaware of the menace of economic concentration and the destruction of free competition.

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I suppose every man places undue emphasis and importance upon his particular profession or occupation. What we do as individuals inevitably seems important to us. In fact, it is desirable that our work be a vital part of our lives. We as Americans have placed a good deal of emphasis upon performance, energetic activity, accomplishment and success. Most frequently these adjectives have been applied to the business or professional world. Occasionally they are applied to the realm of politics.

In a country that has based its political institutions upon representative government and government by the consent of the government, politics becomes everybody's business. The history of our country will demonstrate that individual participation in the affairs of politics has been a matter of growth and development. It is known that at the time of the ratification of the Constitution only a small minority of the people were privileged to vote. However, the impelling force of the democratic faith required that the franchise—the right to vote—be extended to an ever-increasing

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number of people, until today, with very few exceptions, we have universal suffrage--freedom of the ballot for all adult citizens.

This is the democratic process at its best.

It was inevitable that as more people became participants in the processes of politics, more people would become vitally concerned with the decisions of government. When government was the special prerogative of those who owned property, the decisions and policies of government were inevitably directed towards the benefit of this group. As the right to vote was extended to more and more people, the decisions of government became ever more important to a wider group of people. Today we see government the vital concern of every citizen. Even the most politically uninformed realizes that the decisions of this government will affect his life, his business, his family and his future.

In this country--as in others--there has been a constant struggle between those who have held the reins of power and those who aspire to a share of that power. I think it is fair to say that the 20th Century has witnessed a dramatic demonstration, of the

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realization of Lincoln's challenge to America -- "A government of
the people, by the people and for the people" -- and this is as it
should be, because no man is free -- no man is master of his own
destiny -- unless he is a shareholder and a participant in the
policy-making of his government. Some people do not like this,
but those who believe in the principles of democracy not only like
it but realize that it is a cardinal principle of human freedom.

All of us are familiar with such phrases as "the
American way", "the American system", or, as we say, "our way
of life". We make these statements and use these phrases with such
ease that seldom do we stop to think just what we are saying or
what these phrases really mean.

Permit me to take just a little of your time to make a
declaration of our faith and to outline that faith in such positive
terms that it will serve as a standard to which all decent and good
men can rally in this era of turmoil and fear. Do we have a faith?

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Indeed, we do! It is the product of centuries of struggle and sacrifice. It has come down to us refined from the teachings and philosophy of the great teachers and philosophers of the ages. Yes, I could refer you to the legal doctrines of Cicero, the philosophy of the old Roman stoics, the teachings of Aristotle, the doctrine of natural and spiritual law of Thomas Aquinas, the theory of the social contract of Rousseau, the belief in majority rule of John Locke -- these and others are the patron saints of a democratic faith. To all of this must be added the immortal teachings of Christianity and the testimony of the Old Testament prophets.

We must include the spiritual in with the political because democracy is more than politics -- it is a faith rested upon the relationship of man to his God.

The teachings of these philosophers and prophets inspired our own Thomas Jefferson as he gave to us those immortal words of the Declaration of Independence -- "We hold these truths to be self-evident that all men are created equal, that they are endowed

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by their Creator with inalienable rights of life, liberty and the pursuit of happiness."

This is the democratic faith, in short, precise and penetrating language -- the doctrine of human equality, the belief in the dignity of man, the recognition of human freedom, and an acceptance of human brotherhood. All of these are our articles of faith. The whole system of representative government, based upon the principle of popular sovereignty, comes from an acceptance of a faith that recognizes human equality, a brotherhood of man, and a fatherhood ~~of~~ in God.

It was from such a noble faith that we developed a political and economic system in which no man was to govern another without his consent, in which the doors of opportunity were to remain open not merely because of economic convenience, but because of a stern moral code.

The politics of a republic, based upon a democratic faith, are moral and intellectual challenges to every citizen. The politics of democracy demand that representative government be deeply concerned

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with human welfare. The politics of democracy require a steadfast devotion to the principles of human equality and individual liberty.

A political system based upon such high and noble principles and dedicated to such humanitarian purposes requires the eternal vigilance of the people -- and when I say "of the people", I mean of all of the people.

I trust that this short and incomplete analysis of the democratic faith does not seem too unreal and philosophical. It is important that we understand the inspiration and motivation of our ~~pol~~ political and social system. A careful study will reveal that democracy is not ~~merely~~ merely a structure of government, but, more basically, a set of social relationships. It is based upon mutual respect, competition of ideas, trust in a majority with respect for minority. It is an expanding philosophy. It is flexible to the needs of the people. Its flexibility does not sacrifice principle. In fact, its ability to grow and develop preserves and protects the principles.

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I If there is one real fact of human history, it is the fact of change. Civilizations have come and gone. We have witnessed the rise and fall of empires, the dominance of particular philosophy and creeds. History has given us the story of the struggle of humankind to lift itself from bondage and oppression. The history of our great nation tells the dramatic story of a diversity of people, living together in one nation, contributing to the richness of a culture.

Our dedication to liberty and freedom has released untold energy and talent. We are a living example of what can and does happen when mankind is permitted to utilize his talent and ability. We have placed a premium upon individual performance. Yet at all times the rules of our society have required respect for the rights of others.

Another way to put it, is, that we have created a political and social structure that allows for growth and change, without violence and revolution. We have ~~not~~ not resisted change -- in fact we have encouraged it. Change and adventure was the spirit/ of the pioneers --

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experimentation -- taking a chance -- trying something new -- has been a part of the fabric of our life.

It is only in recent years that the turbulence of change has seemed to bewilder us. I cannot believe that we have lost the pioneer spirit. I cannot believe that we are afraid of the future. I cannot believe that men and women of this generation wish to direct their thoughts to the "good old days."

No, whether we like it or not, we are citizens of today and tomorrow. There are no yesterdays that can be relived. Change is the order of the day! This world of ours is not the world of yesterday! Our own country has changed from a predominantly rural and pioneer society to a highly sensitive, industrialized economy. Our people move from city to city and state to state. Our business economy becomes ever-more centralized and concentrated. Our Banking and credit structure of today is vastly different from that of the early 1900's.

~~Like~~ Like it or not -- we live in the age of bigness -- big business -- big labor -- big production -- big money -- and this inevitably means big government.

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It does us little good to deplore these facts. It will do us good to understand them. It is imperative that we know how to meet the problems inherent in such a modern day national economy.

I mentioned that this was an age of bigness -- big business, big labor, big finance, big production and consumption -- also big government. All of this bigness bothers people. The bigness of government seems to frighten even the most courageous. But, my friends, government in this nation of ours is a reflection of the body politic and the economy. You can't expect to have model "T" government in the age of the hydramatic drive -- or government geared to the covered wagon, in the age of atomic energy and jet propulsion. You, as practical business people know that, with our nation changing from an agricultural economy to a highly centralized industrial economy, you can't have, nor should we have, a government geared to the

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needs and problems of the late 1800's. This is the mid-point of the 20th century -- a century of turmoil, of tension, of change, yes, even violent change. Your government has grown big not because any one person wanted it that way. It wasn't planned -- there was no conspiracy -- your government grew to immense proportions, because it is representative government. It represents, it reflects, it symbolizes the nature of the society in which you live. Yes, it symbolizes that society in many ways. There is confusion at times -- uncertainty and indecision. That's the world picture, too, isn't it? There are no patent remedies, no easy answers, no miracle cures.

Our century, the 20th century has been one of social and economic convulsion, revolution, and painful adjustment. Look back over the yesterday -- two world wars, a world-wide depression, revolution, communism, nazism and fascism, the break-

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up of empires, the collapse of world trade, a rapidly increasing population, and incredible industrial and scientific advancement. Is it any wonder that people are confused and bewildered? Is it any wonder that just as business has changed, so has government?

I believe the people of this nation are primarily interested in two things:

1. Freedom and opportunity
2. Security, both domestic and foreign

Unlike some, I do not think that the two are incompatible.

From my standpoint, one of the functions of government is to help provide people with the opportunity to achieve security.

And I think that one of our most basic problems today is to find ways in which the government may help keep open the avenues of opportunity which have served to make this nation great — opportunity for the small as well as the large.

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I am not now and never have been, opposed to bigness for its own sake. My idea of helping the businessman is not based on penalizing those that have been successful in moving from the category of small to big. Rather, I favor the affirmative approach of keeping the avenues of opportunity open so that the small man can become big if he has the ability and the energy to do so.

I cross swords with bigness only when size is used as a means of restraining or hampering growth -- only when it is used as a means of curbing or restricting the opportunities available to the smaller independents.

Our great economic system is based on the principles of vigorous -- but fair and equitable competition. Everybody ultimately benefits from this competition, the businessman as well as the consumer.



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