

The AMERICAN FORUM *of the Air*



Vol. XII

SEPTEMBER 19, 1949

No. 38

"Do We Want a Welfare State?"

SENATOR WILLIAM E. JENNER

Republican of Indiana

SENATOR HUBERT H. HUMPHREY

Democrat of Minnesota

THEODORE GRANIK

Founder and Moderator
The American Forum of the Air

Announcer: From the Shoreham Hotel in the Nation's Capital, the Mutual Broadcasting System brings you the American Forum of the Air, founded and moderated by Theodore Granik and dedicated to the full and public discussion of all sides of all issues. Tonight the American Forum discusses a subject of vital importance to all of us: the issue of the welfare state, with Senator William E. Jenner, Republican of Indiana, and Senator Hubert H. Humphrey, Democrat of Minnesota. Before we present our guests and the discussion of the evening, here is an important message.

Good citizenship, we know, calls for constant awareness. Living in this twentieth century society has become so complex that it's a full-time job to keep ourselves abreast of what's going on. It's a full-time, 365-day-a-year job, and it takes 150 million full-time citizens to do the job right. There is no alternative to full-time work on this project, unless of course we want to give up the freedom we treasure. Remember that this freedom is the greatest privilege you enjoy. Remember, too, that every privilege carries with it certain responsibilities. Accept your responsibilities as a citizen. Perform your duties as a citizen.

Now, to present the subject and speakers of the evening, here is your moderator, Mr. Granik.

Chairman Granik: Good evening, ladies and gentlemen.

The recent Congressional election in Pennsylvania has again highlighted the national interest in the expression, "Welfare State". You may recall that former Secretary of State James F. Byrnes charged that some of the suggested new federal programs before Congress would create a "welfare state" in which the American people would become economic slaves. However, persons of an opposite school of thought say that what the welfare state undertakes is to give real equality of opportunity, so far as that is possible; to equalize actual burdens and to safeguard the common wealth in the natural and human resources.

So tonight the American Forum of the Air has invited two distinguished United States Senators to help us analyze the meaning of this expression which has become a fighting term. We have Senator William E. Jenner, Republican, of Indiana, and Senator Hubert H. Humphrey, Democrat of Minnesota.

Now, Senator Jenner, do we need to fear the welfare state, or as recently termed, "statism"?

SENATOR JENNER: Mr. Granik, we certainly do. If statism is not on the march, and the President believes he can preserve our form of government and our way of life and still attain its stated objectives, why does he continue to demand dictatorial powers in every field which are the essence of statism? If the power to nationalize steel is not statism, what is it? If the determination to continue to squander America's resources at home and abroad, even if it means increased taxes or return to deficit spending—if that is not statism, what is it?

If the compulsory health insurance program of Oscar Ewing

and his welfare state, which the Senate turned down, is not statism, what is it? If federal aid to education, with its government direction of the nation's schools and its thought control powers, is not statism, what is it?

If the Spence Bill and the Economic Expansion Act of 1949 of Senator Murray for the complete control of the industrial and economic life of this country, including price control and production quotas, are not the bone and sinew of statism, what are they? If the Brannan proposal for subsidizing both the American Farmer and the American consumer, with its crop acreage control, is not statism, what is it?

If the so-called reciprocal trade program without any restrictions on the President's power to destroy any segment of American industrial, economic or agricultural life, which the President demanded and got, is not statism, what is it? If the outrageous powers of a global warlord which the President requested under his original Military Aid Plan are not statism, what are they?

Chairman Granik: Would you care to answer any of those points, Senator Humphrey?

SENATOR HUMPHREY: Thank you very much.

As I gather, the question is whether or not we should fear the welfare state or, as more recently put, statism. Now, let us take the last word first.

Of course, statism in its true definition means a dictatorial, totalitarian state. A dictatorial and totalitarian state is a one-party state. It is a state in which free elections are not permitted. It is a state in which the secret police ride herd on the people. That, obviously, is not the United States of America.

Now, should we fear the welfare state? Well, frankly, I am amazed that the question was even put, because the welfare state is the legitimate objective of democratic people in a democratic society. The Constitution of this country in its Preamble places an obligation upon the Government of the United States, and that obligation is clearly put: "to promote the general welfare", and within the context of that obligation certain great programs have been inaugurated, and may I point out, Mr. Granik, that every one of those programs was met with exactly the same type of epitaph with which the present programs are being criticized.

SENATOR JENNER: Well, it is a big question, of course, but let us talk about statism. Jimmie Byrnes is afraid of it, General Eisenhower is afraid of it, Herbert Hoover says we are on the last mile, Senator Byrd is afraid of it, Senator George of Georgia is afraid of it, and what is happening? Why don't those people who stand for this statism come out and tell the American people just exactly what is going to happen to human dignity and the free enterprise system? This nation—what is the matter with it? It has grown from a small country into the greatest nation that God has ever known, and now all of the rest of the world comes to this nation for

help in their hour of need, and yet we have these New Dealers who believe in statism and the welfare state who would like to change the whole system.

Tell me, what is the matter with this great nation of ours?

Chairman Granik: Senator Humphrey?

SENATOR HUMPHREY: I want to thank my colleague, Senator Jenner, from Indiana, for at long last identifying what he means by "statism". He says "those New Dealers", and now we are getting down to the definition that my distinguished opponent in this evening's discussion would like, apparently, to have this discussion surround.

I think it would be well, may I say, to just cite what this welfare state has done for this country. I think it would be very good to cite what the welfare state has meant. It has meant housing. That was attacked as statism, and that was attacked as Communism and it was attacked as socialism. It has meant housing and slum clearance.

The Tennessee Valley Authority was attacked in exactly the same manner. The Holding Company Act, Federal Deposit Insurance, the Social Security Program, Unemployment Compensation, old-age insurance, old-age pensions, aid to the blind and maternal and child care—every one of them in the year 1936 was attacked as statism, as the welfare state, as socialism, as undermining the foundations of our Republic.

Price supports to American farmers, acreage allotments, marketing agreements—all of these were attacked year in and year out as statism. It is not unusual.

May I just make this point, Mr. Granik, that back in 1828 John Quincy Adams was attacked in the same manner; and let me quote a statement from one of his adversaries about the then President of the United States. Here is what they had to say about good old John Quincy Adams:

"The government has been fundamentally altered. Instead of confining itself in times of peace to diplomatic and commercial relationships, it is seeking out employment for itself by interfering with the domestic concerns of society and threatens in the course of a very few years to control in the most offensive and despotic manner all of the pursuits and interests and the opinions and conduct of the people."

Now, that was in 1828, and that is the Republican attitude in 1949, which shows how far the attitude has reached.

SENATOR JENNER: Of course, if these gentlemen want to live in a fool's paradise, that is all right with me, but I want them to be honest enough to tell the American people just exactly what it is going to mean.

Now, we will take the Brannan plan, for example. Why, that is going to mean to the farmers, they say, high prices and high income, and to the consumer that "you can get these farm products

very cheaply". Of course, the American taxpayer is going to make up the difference.

Who is the American taxpayer? That is the American people. All of these New Dealers talk about what statism is, and how good the Social Security program is, and all of these welfare programs. Well, let us look at that, Mr. Granik. Let us look the truth in the face.

In the old-age pensions you are asking the old people of this nation tonight to live on an average of about \$21 a month, in an inflated economy brought about by this deficit financing, and trying to finance and care for the world. I will tell you, Senator Humphrey, you can't feed a dog on \$21 a month, let alone an old person, in a great, free America. (Applause)

SENATOR HUMPHREY: I am awfully happy to see my colleague agree with me, because, you see, it has been the philosophy of the Fair Dealers, New Dealers, and these welfare staters that the existing social security program is totally inadequate. As a matter of fact, the Fair Dealers, the New Dealers and the welfare staters believe that the Social Security Program should provide an old-age pension of approximately \$100 a month, and the reason we don't get it is because of the Dixiecrat-Republican opposition in the Congress of the United States.

SENATOR JENNER: I will tell you the reason—

SENATOR HUMPHREY: That is the reason we don't get it. The reason we don't get it is the same, because those forces in this country that would like to deny a legitimate, fair and decent Social Security Program are able to control the avenues of public opinion and to distort the subject matter as it is placed before the American people.

SENATOR JENNER: There you go again, talking in glittering generalities. I will tell the people of America why they can't have more. It is because these people who believe in statism are expecting six per cent of the world's population, which this nation is, to feed and care for and support both economically and militarily the rest of the entire world.

Right in this great nation you can ask any mother who sent her little boy out to school in the last few days. In the next five years in this nation you will have six million children of school-grade age, and there is no place to send them in this great, free America. It would take \$12 billion, tonight, to modernize the school plant of this nation, and you could give the old people more and you could give everybody more but, no, you are spending over 50 per cent of every dollar collected in taxes in trying to help the socialists in England, and the socialists in France, and the Italians and the Turks and everybody over the world. You can't have your cake and eat it, too, and that is why you are asking for more controls.

SENATOR HUMPHREY: Mr. Granik, I am having some difficulty finding just where my opponent stands on these subjects, because the Junior Senator from Minnesota, Mr. Humphrey, has introduced a bill for federal aid for school construction, and that bill has had the

unanimous support of the Labor and Public Welfare Committee of the Senate. Two weeks ago last Saturday it was brought to the floor of the Senate, and none other but the distinguished Senior Senator from Ohio, the Republican leader of the Senate, on the consent calendar, blocked the passage of Federal Aid for School Construction to provide assistance to the States and the localities to build schools. On what basis? That it was too much interference on the part of the Federal Government. And here tonight the Senator from Indiana is saying that that is what we need. I wish that he would join with me and get it out so that we can get that bill passed. He said he was opposed to federal aid to education and yet he talks about the need of people to have better schools. May I say that I am 100 per cent for it.

But let us put this down, because the Senator from Indiana wants to argue about this, and apparently it is foreign policy that fundamentally concerns him. Every dollar that we spend today to stop the onrush of totalitarian Communism in Western Europe is the saving of \$1,000 tomorrow in what could be World War III. The Marshall Plan and the Foreign Aid Programs are investments in peace, and not expenditures. They are investments in peace.

SENATOR JENNER: Oh, yes, that peace! Here we hear it again. Don't you remember that Quarantine Speech of the original statism man, the "Papa knows best", the father of the New Deal, in Chicago, when he said, "Oh, we want peace. I hate war." Do you remember that? America hasn't forgotten. Yes, sir, they haven't forgotten.

Now, then, how are we going to get peace? Why, we are going to tax the American taxpayers, and we are already taking a fourth of all of the productivity of this nation in taxes to build war machines all over the world, and if you will show me one time where an armaments race ever ended up in peace, I will eat it. Of course you can't have peace by entering into an armaments race.

Now, then, Senator Humphrey is talking about education, how he was willing to build more schools. Why, Senator Humphrey has introduced a bill on practically everything, but all of his bills have to do with one thing, and that is spending more money of the taxpayers.

You admitted on the floor the other day, Senator Humphrey, that it had been estimated the various bills that you had introduced in this one session of Congress would cost the American taxpayers all of the way from an additional \$14 billion to an estimated additional \$30 billion. We are already running a deficit balance now, and what would you do to the Treasury?

SENATOR HUMPHREY: First of all, I think that we should correct the record. That wasn't the Senator from Minnesota that said that. That was the ill-conceived and ill-advised advice of the Republican Policy Committee that has been wrong for many, many years. They have been wrong before the American electorate.

Now, just let us come down the line about the statement which the Senator from Indiana said about Mr. Roosevelt's Quarantine

Speech. Frankly, folks, if Mr. Roosevelt's Quarantine Speech had been listened to, had we quarantined Mr. Hitler in October of 1937, had we put ourselves on the side at that particular time of the democracies of the world, we might not have had World War II. But the point is we didn't quarantine them. We followed the philosophy which the Senator from Indiana is expressing tonight, and we followed the philosophy of sticking our political proverbial head in the sand, and we ended up, if you please, having rockets shooting around our entire anatomy.

Now, let us take a look at the other side.

SENATOR JENNER: Well, I will tell you where you are going to end up now with advocates such as you wanting to spend \$20 to \$30 billion more than the government is already spending, Senator Humphrey. You know that this federal budget is going to be \$45 billion, and you know that the costs of state and local government this year in this great country are about \$16 billion. You know that that tax load is taking out of America about one-fourth of all of the productivity of this nation. Yet we are worried about the dollar shortages of other countries all over the world.

Last year this nation in the peak of prosperity presumably had a deficit of almost \$2 billion. This year we will have a deficit of \$5 billion, and next year it is estimated to be \$10 billion. Yet you want to add \$30 billion more on top of that.

SENATOR HUMPHREY: I think we ought to make one brief comment about that, and that would be simply this: Let us take a look at what happened in the economy. From the days when we had no welfare state, back in the days of the Republican Party and Mr. Hoover, we had a national income of around \$32 to \$34 billion, and the facts reveal that in the year 1932 the corporations had a \$3 billion net loss. From 1940 to 1948, the corporations of this country with all of this terrible Fair Deal and New Deal and welfare state, ended up with \$168 billion net profit, after taxes; that is after they pay the taxes.

Chairman Granik: Thank you. We are going to give you a chance to continue in just a moment.

Before we do, here is a message from your announcer.

Announcer: In just one minute from now, you will hear America in action. For then individuals in this public forum will stand up and fire questions at Senator Jenner and Senator Humphrey. These questions will come from people with a healthy, searching curiosity to know more about the purpose and function of government in a democracy, to know how their representatives in Congress think on the subject. Then our questioners and you who hear them will make up their own minds.

Questioning of authorities and men in the high places of our land is the ironclad right of American citizens, of the audience here tonight, of you by your radio, and of your neighbor next door. Every American must know how his leaders think on basic issues.

Question. Question your mayor, your councilman, your Governor, your Congressman. For only by asking will you be answered, and only after getting those answers will you be able to vote intelligently.

Politics, the conduct of this democracy, is your business. Only by knowing what's going on can you run your business well. Now, it's time for questions from our audience, so here again is your moderator, Mr. Granik.

Chairman Granik: Now for questions from the studio audience. I see my assistant, Marie Garber, has a gentleman with a question for one of the speakers.

QUESTION: My question is addressed to Senator Humphrey.

I would like to know if it would ever be possible under the Fair Deal to get a balanced budget?

SENATOR HUMPHREY: I would be very happy to answer that question. Of course it would be possible under the Fair Deal to have a balanced budget. As a matter of fact, in 1946 under the Fair Deal we did have a balanced budget.

SENATOR JENNER: Wait just a moment.

SENATOR HUMPHREY: One of the reasons we don't have a balanced budget in this year of 1949 and the fiscal year of 1948 is because of the ill-conceived Republican 80th Congress' Tax Reduction Bill which gave a three per cent take-home increase to the man with a \$3,000 income, and a 66 per cent take-home increase to the man with a \$200,000 income.

SENATOR JENNER: Now, let us get the record straight. The only time, ladies and gentlemen of America, that this country has had a balanced budget in the last 16 years was under the Republican 80th Congress. That is the only time. That is the record.

Now, wait just a moment. As far as the tax bill is concerned, let us get the record straight on that. Seven million Americans were relieved of paying taxes under that "awful Republican Congress". But the same President is back, and he has a majority in both houses of the Congress, but you don't see him raising taxes, do you? No. Let us keep the record straight.

You would also have the American people believe. Mr. Humphrey, that all is well in America. Why don't you talk to these men who are making an average—and this is the average payroll in America tonight—of \$43 a week. You should try to keep a wife and children and a family and clothe them and educate them on \$43 New Deal dollars a week.

SENATOR HUMPHREY: That is one of the finest New Deal speeches I ever heard. That is exactly what we are attempting to do: to raise the standard of living.

May I point out when the Senator from Indiana says that 1947 was the year that the budget was balanced, I would like to remind him that it was balanced on a tax program passed by the 79th Congress in 1946, and that the Republican 80th Congress in 1948 ripped

the insides out of the tax program with an ill-conceived tax measure that gave tax relief to how many? To 7 million, he says. They were 7 million people that had a cash gross income of \$600 a year, and they took off the \$1 tax and they said "Look how good we are to you", but when they came to the millionaires, when they came to the multimillionaires that had anywhere from \$100,000 net to \$250,000 a year, the record is perfectly clear. It went up from a 25 per cent increase in take-home pay to 66 per cent increase in take-home pay on \$250,000 income.

SENATOR JENNER: Again I say the only time the budget has been balanced in the last 16 years is under the Republican Congress, and I also say that the American working people today can't live under these New Deal, statism, baloney dollars, on \$43 a week. Furthermore, Senator Humphrey, I am not even talking about the 4 million Americans who are unemployed tonight and the 8 million who are working on part-time work.

Chairman Granik: Let us have the next question.

QUESTION: I would like to know how does the increase of government protection threaten our liberty if the people by their votes can change the functions of government and the people who administer them.

SENATOR JENNER: If the people have the truth they come up with the answer, but the American people are not being told the truth. They haven't been told the truth for several years. The secret commitments that are involving us in this global giveaway program, the playing of "Stop the Music" to the world which is bankrupting this nation, is going to serve to drive the American people into slavery and the loss of human liberty and human freedom.

SENATOR HUMPHREY: I would be very happy to answer some of these charges. First of all, let us answer them in this way:

The Republican Party historically has fought agricultural price supports until they became a matter of law, and then they said "Me, too". That raised the farmers' income from a deficit to the grand total of up into the \$30 billions, until the farmers of America today have a relative sense of prosperity. The Republican Party fought and called it statism when we proposed minimum wages, and my distinguished colleague on this platform tonight voted for amendments to keep down the minimum wage instead of putting it up to 75 cents an hour. Yet he cries crocodile tears over the poor and the unemployed, and over those who are partly employed.

I would like to point out in reference to the Marshall Plan and the Foreign Aid Program that every dollar of that money is money that is spent back in the United States of America, with the exception of a sum total of six per cent of the grand total that we put out. It is taking American dollars, to be sure, to buy American goods, to do what? It is to give full employment to the American people.

SENATOR JENNER: Why, Senator Humphrey, again, why don't you tell the American people the truth?

SENATOR HUMPHREY: I am trying to.

SENATOR JENNER: You know that the Marshall Plan, you know just recently Sir Stafford Cripps was over here and made another one of those deals. I don't know what it is all about, and you don't either, because they haven't told you the truth. But we do know this: that we are fighting a cold war with Russia, supposedly, and yet England has entered into a trade pact with Russia. In fact, all of the Western Europe Marshall Plan nations that you speak of have entered into 88 trade pacts, and they are trading with Russia and yet we are fighting her.

England has entered into a trade pact, a bilateral agreement with South America that prohibits the American farmer and the American businessman from even trading in South America. Yet they say "Open your markets in America." Sure, that is where you are going with your reciprocal trade program. You are going to penalize American industry and American labor and you are going to lower their standard of living to the sweat shops and the peonage labor and the slave labor of China and India.

SENATOR HUMPHREY: These are strange arguments. The same people who are now worried about England are the high protective tariff boys of the United States Congress, the same ones that want to cut off the trade between our nation and other nations. They are the same people today who cried the loudest about the Communists, who see a Communist behind every bush and every pot and plant and every club. They are the same people who can't understand that our best allies in this cold war are the 50 million people on the British Isles, and the democratic peoples of Western Europe.

May I say that the choice in Europe today, Mr. Granik, isn't a choice between the National Association of Manufacturers and the Communist Party, but it is a choice between freedom-loving people and totalitarianism.

Chairman Granik: I know that there are more questions, but we would like to have the closing arguments.

SENATOR JENNER: In closing, Mr. Granik, I want to state plainly where I stand, and I am in good company. If statism is not on the march, why is it that every request that comes into Congress asks for more power, more money, more controls, more surrender of constitutional functions of Congress into the hands of the Chief Executive?

Now, here is where I stand. Thomas Jefferson said "I am for preserving to the States the powers not yielded by them to the Union and to the legislature of the Union, in the constitutional share in the division of the powers. I am not for the transferring of all of the powers of the States to the general government and all of those of that government to the executive branch. I am for government rigorously, frugally and simply supplying all of the possible savings of the public revenue to discharge of the national debt, and not for a multiplication of officers and salaries merely to make parti-

sans and for increasing by every device the public debt on the principle of its being a public blessing."

Chairman Granik: Now, your summary, Senator Humphrey.

SENATOR HUMPHREY: It is my considered judgment that the kind of program that the Government of the United States is now engaged in is one to promote the general welfare. It is this same sort of a program that has been fought historically, and it was fought when Andy Jackson was President of the United States, when Lincoln was President of the United States, when Wilson was in the White House and when Roosevelt was in the White House. It is the program that gave the American people some slum clearance, and some low-cost housing. It is the program that gave us public power and TVA, regulated the stock market to keep the cheats and the burglars out, and regulated the holding companies of this country and provided federal deposit insurance for the little people that deposited their money in the bank and provided aid for hospital construction and health assistance and minimum wages and agricultural price supports.

Mr. Granik, it also provided aid to the blind and to the needy and unemployed. That is the kind of a program that we talk about when we talk about the welfare state program, the Fair Dealing program. That has meant what to the American people? It has meant more freedom and more opportunity.

Chairman Granik: Thank you, gentlemen. We are very grateful to you.

Tonight's broadcast concludes the 21st year of the American Forum of the Air, and now that we are in the age of television, many of our listeners have asked to see as well as hear our distinguished speakers. I am sure that you would enjoy, as did our studio audience, seeing Senators Humphrey and Jenner present their views tonight. So, within a few weeks The American Forum will start its 22nd year on another network as a simultaneous radio and television feature, thus making it possible to bring our speakers into your home on radio and television at the same time. Please consult your local papers for new time and stations—and while we are arranging our new schedule of programs, we would welcome your suggestions on headline personalities you would like to see and hear simultaneously on the American Forum.

So, until then, good night.

Announcer: You have just heard the American Forum of the Air, founded and moderated by Theodore Granik, and dedicated for the last 21 years to the full and public discussion of all sides of all issues. Tonight the American Forum originated from the Main Ballroom of the Shoreham Hotel in Washington, D. C.

The debaters you heard were Senator Hubert H. Humphrey, Democrat of Minnesota, and Senator William E. Jenner, Republican of Indiana, discussing the vital issue of the welfare state.

Our thanks go to them for taking time out of their busy schedules

to come here to discuss this important question with us and our nationwide radio audience.

For reprints of tonight's discussion, send ten cents to Ransdell Incorporated, printers and publishers, Washington 18, D. C. That's ten cents to R-A-N-S-D-E-L-L, Incorporated, Washington 18, D. C. Please allow at least two weeks for delivery.

The American Forum of the Air is produced by Joe McCaffrey. Alan Filippis speaking.

This is the Mutual Broadcasting System.

The Proceedings of

THE AMERICAN FORUM OF THE AIR

As broadcast over the Coast to Coast Network of the Mutual Broadcasting System, are printed and a limited number are distributed free to further the public interest in impartial radio discussions of questions affecting the public welfare

by

PRINTERS

RANDELL INC.

PUBLISHERS

810 Rhode Island Avenue, N. E.

WASHINGTON 18, D. C.

(When requesting copies by mail, enclose ten cents to cover mailing)

The proceedings of the American Forum of the Air are held every Monday evening at 10:00 o'clock, Eastern Standard Time, in the New Ballroom of the Shoreham Hotel, Washington, D. C., before an audience. The public is cordially invited to attend these broadcasts and to submit questions from the floor to the participants. Admission is free and no tickets are required.



J-1348



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