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SPEECH OF SENATOR HUBERT H. HUMPHREY  
Before the  
~~Ohio Farm Bureau Federation~~  
~~Columbus, Ohio~~  
~~April 7, 1949~~

Those of us who call ourselves liberals -- and all of us, in fact, attempting to create a better tomorrow are concerned with ideas which we think will improve our nation and our democracy.

Those of us who are regular Fair Deal Democrats have assembled our ideas of the good future in a document we call the Democratic Party platform of 1948. I am for that platform. Of course there are times, when it's difficult to know how many Democrats are for the Democratic platform; I suppose about the same number as ~~the~~ <sup>of</sup> Republicans who <sup>the Republican</sup> are for ~~their~~ program. -- But that's not what I have in mind.

Our program calls for a large number of reforms, of important-- even basic -- changes in the face of our American society. We go about those changes slowly; <sup>We</sup> ~~we~~ are not radicals, we are <sup>moderates</sup> reformers and evolutionists. We base our slow movement on faith that man himself is moving upward, that man in society can move ahead.

We have moved far ahead by our standards already. We have seen men and women in this nation get together in cooperative free effort to improve their homes, their communities, their regions, and their nation. In most of these instances our people used the agency of government to cooperate.

Slums have been cleared, through all people working together on many levels of government.

Human relations have been improved, <sup>and</sup> human understanding has been increased by men and women acting through local and state governments -- right in their own community.

The Tennessee Valley Authority stands out as an example of what can be accomplished when Americans organize to improve the natural conditions of their existence. In this case, the natural conditions affecting their lives and economy were centered in their own river valley, and they cooperated to change that valley from desert to prosperity (on a regional basis). ~~The~~ <sup>fourth</sup> miracle was partly one of science. But we here ~~today~~ are concerned more with the miracle of political, of democratic, organization which enabled the people along the Tennessee banks to marshall the wisdom of science and

the wealth of their resources.

On a national scale we have all agreed to some general planning of our economy. We realized that farm people could not be expected to produce at high levels unless we could guarantee them protection from the busts in the market they could not predict or control.

We organized more spectacularly to protect ourselves from extreme indigence in old age — to assure all of us some income when we are too old or too sick or when we cannot find work through no fault of our own.

The giant social security system is an example of cooperation on a national scale to do for ourselves together what we each cannot do alone.

There are many plans similar to these we have already undertaken. Committees of the 81st Congress *has adopted many of them* are even now considering them. We have *adopted a program* before us ~~proposals~~ for an even greater housing effort, for national legislation to assure the advancement of human relationships, for a Missouri Valley Authority, and a Columbia Valley Authority, and a St. Lawrence Waterway; *Further, we propose* for National Health Insurance to go hand in hand with social security and plug the holes left bare in man's relations with mass society and with an economy which cannot watch out for the individual

*Relinal program*

There is little new that we are proposing in our ~~Fair Deal~~. It is not new to clear away the slums which are birthplace of diseased minds and bodies, the center of juvenile delinquency, of fire and thievery, by replacing tenements with respectable and decent living quarters. We did that under the United States Housing act of 1938. That act was called communistic, socialistic, fascistic and damnable by the same people who have opposed advancement in every field since time immemorial. If the words had been invented, I am sure the Sermon on the Mount would have been met by charges of ~~Communism~~ <sup>Communism</sup>, ~~socialism~~ <sup>socialism</sup>, ~~fascism~~ <sup>fascism</sup> -- and atheism, too, if you will. And that's what happened with the Housing act. But we built the houses on land that once had spawned the worst in our urban society, and we still have democracy, we still have freedom, and we've got more of all of them!

We heard the same charges in my own city of Minneapolis when we set up the Mayor's Council on Human Relations, and in other cities and states throughout the country. Today, <sup>many</sup> cities have some kind of human relations groups officially working for their citizens to straighten the warp of prejudice in the minds of the majority race or religion -- the dominant groups. Is this a new concept, is this radicalism -- as has often been charged.



We had the same concept in 1776 when Thomas Jefferson wrote: "We hold these truths to be self-evident!" It was new then -- it was radical at that time, in that great year of crisis. That year a spark was struck and flames spread from here throughout the civilization of the world. Those flames melted down many of the old encrusted walls that separated man from man in rank injustice. But this, my friends, is 1949. This concept isn't new anymore. What we plan simply is getting our people together full scale to make that concept real.

Is it revolutionary to follow up a successful experiment with full-scale production? American industry grew great on just such methodology. TVA was a pilot plant. It demonstrated that our scientific knowledge was up to our greatest dreams in making rivers flood proof, in holding the soil where it could be farmed, in providing electricity for the thousands who could never have afforded it before. More important, it demonstrated that our democracy could extend to day-by-day administration of a technical project, fully sensitive to the people and always responsible to them. Who is the irresponsible -- the man who says let's do the same thing with MVA and CVA as we have succeeded in doing on the Tennessee? Or is the irresponsible

~~the~~ man who says -- TVA was good -- but don't let it happen again. Let's do something different.

~~Health insurance is not radical either. It is as sensible as necessary and as practical as building an extra room on a strong sturdy house when a new baby arrives. We now secure the future for our working people for the time when they are too old to work, for a time when they cannot work due to illness or unemployment. We secure the future of his widow and his orphans -- not sufficiently yet, you understand -- but we have declared allegiance to the principle at any rate. We propose now to make certain that if he is ill, he will be carried for no matter what the cost or how able he is to pay it. This concept, too, is met with names, not with logic. It is met with the same names as the social security program was called a decade ago. And the same people are calling them.~~

*I repeat,* The Fair Deal is nothing new. It is the third act of the same play we have been witnessing ever since industrialization reached a high point in this nation -- even since man was submerged by steel and cement cities, by 1,000 acre factories and 10,000 acre farms, and by the paper corporations that control them. *TH* The first act was Teddy Roosevelt's

Square Deal. The second act was Franklin Roosevelt's New Deal. The third act will be Harry Truman's Fair Deal.

This is the third act of the same play. The play has been variously called. The social welfare state is one of the newer titles. I choose to look for a different title. I am not sure the term social welfare state describes what we are trying to do and distinguishes us accurately enough <sup>from</sup> for other much dissimilar states.

In naming the goal I have in mind, I would insist upon the term Political-Social and Economic democracy. This is my first political premise. Further, I think that in our title we must take note that <sup>many of</sup> our basic problems are caused by the kind of economy we have developed in our many successful years of free enterprise capitalism. What we are striving to perfect is our democracy -- with all the political connotations of democracy -- and the position, the freedom, the confidence and the security of the individual in an economy he cannot control by himself. What we are doing then lies -- as I see it -- in the realm of <sup>social and</sup> economic democracy. It is a search for and a building toward social economic democracy.

This phrase -- economic democracy -- has been used before. In fact, it has been used to mean many different things before. But let us use it here very carefully and specifically. Let us go back over the term democracy and define it, even though we've lived with it and by it all our lives. Democracy means, after all, that the citizens rule themselves. And in our kind of social organization that can only mean majority rule of the people in dealing with issues that concern them all. Economic democracy then can mean only one thing -- popular control of the economy -- that the decisions of the men and women of this country should govern our economy as well as our <sup>political</sup> policy. This is hardly a startling concept. We have believed <sup>this</sup> in, through much of our history. Through the early days of our nation and into the first stages of industrialization, a high degree of economic democracy prevailed. At that time, the economic decisions were made by the people. Government did not interfere, but instead a different mechanism governed the economy and allowed popular control to a remarkable extent. The other mechanism was a combination of competition and almost unlimited natural resources. The consumer decided how much ~~of~~ <sup>good</sup> would cost, how much should be produced and how much the workers should be paid. This was



all an automatic part of the mechanism of free competition and unlimited natural resources. - *free enterprise worked.*

But, That is not the picture today, as we can see without looking too far-economic decisions are not made by the consumer in the greatest areas of economic life. In the key industries, as well as in a larger number of consumer goods markets, the consumer does not set the production-price pattern -- the producer does. And the producer, usually a corporation, a paper entity, is controlled by a handful of managerial people or by a number of large stockholders. Furthermore, the consumer does not set the wage pattern any longer, but large trade unions have grown up to meet with giant business.

Now there are rules in any society, and there is power inherent in every group, community or state. The question the political analyst must ask -- and all of us in a democracy should be political analysts to some degree -- is where the power lies and who is making the rules. The choice is not between few rules or many rules; between powerless, anarchial society or strong state society. In our economy someone will have power

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and someone will make the rules. The question is not absolute freedom or slavery; none of us are absolutely free. In the freest possible society, living alone on an island, man is a prisoner of the power of nature and must follow the rules of the natural world. In society man must follow rules too, whether the rules tell the 10 employees of a small business that work starts promptly at 9 A.M. or whether they tell the worker he cannot sell his services for more than 50 cents an hour and he cannot buy bread for less than 15 cents a loaf. All of these rules exist in our economy and our society. And if government didn't make such rules, someone else always did. The question we must ask is not whether there should be rules and power to enforce these rules in our society, but who should make the rules and have the power to enforce them.

We have always had the idea that power to make personal rules -- rules that affect only the individual or his immediate family and close associates -- should rest with that individual. His religion, his friends, the pictures he has on the wall, the lectures he goes to, the symphonies or swing he listens to. Those are personal decisions. Those rest with the individual.

The other decisions, those that affect not the individual himself but his whole society -- his neighborhood, city, state or nation, we have always invested in the society that's affected. And we have always believed in the majority making the rules when a society must make a decision relative to its own behavior, its own welfare, its own good future -- the will of the majority shall be taken as the will of that community.

In Jeffersonian days it was true that an economic decision was in the first category a personal one, left to the individual. And the economy ran rather smoothly depending upon personal decisions with no community decisions except in the areas of post offices, roads and protection of certain industries.

Actually, you know, the very class of people now crying for fewer social and community decisions in the economy are the very people who first set up the idea of social or government interference in the economy -- the ~~big~~ businessmen. He wanted tariffs and he wanted subsidies, and he wanted cheap labor imported through government help. He asked for community decisions in the economy. But that is just an incidental point. The main point is for us today to <sup>clarify</sup> our alternatives, to understand what choice we have economically.



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The choice we face is NOT the choice between a Jeffersonian society where economic decisions are made by every individual -- because we know that the farmer cannot control his market; the worker, without government protection of unionism, cannot protect his fair living wage. Some few people ARE making the economic decisions in this country; the question we should ask is not whether these decisions should be made -- of course they should and must be made -- but who among us should make them. The answer of the United States, the answer of democracy, is that the people should make the economic decisions as well as the political decisions.

It is this understanding which explains the root of the controversy about the New Deal and now about the Fair deal. There was no real question about the nature and substance of the depression <sup>faced</sup> by the New Deal. <sup>nor is there any doubt that</sup> Big business prospered under the New Deal. Without ~~it~~ <sup>the New Deal</sup> Big business would have perished. Why then did ~~they~~ <sup>it</sup> oppose Franklin Roosevelt? Because ~~they~~ <sup>it</sup> understood that the New Deal meant a transfer of power. ~~They~~ <sup>it</sup> understood that more important than the kind of decision made is, at the moment, who has the power of making the decision. The New Deal and now the Fair Deal means that power rests in the people and not in privilege. That is the essence of our position and the essence of our strength.

That is the basis of our liberal program, the basis of our deepest beliefs.

How did the program we set up at the Democratic convention develop from this basic faith in popular economic rule? What is it that the people are searching for; what decisions do they want to make? How did we arrive at the kind of program we stand for?

It takes more than a economist to explain the needs of our people in the kind of economy we have developed. There are very profound and



troublesome psychological ramifications. <sup>The</sup> men and women we know are looking for economic security in an economy too big for them <sup>individually</sup> to control or affect. In an economy growing inhuman and impersonal, an economy too big, too finely geared to consider the individuals that make it up, you and I and our friends are looking for some guarantee that we will not be hurtled unnoticed into a poverty we do not deserve and cannot rise above.

But we are looking for something more than economic security. Man in mass society is looking for himself; trying to find himself, his importance, his relationship to the whole, and seeking out his own personal world where he can live in a relationship with his fellow man that leaves him integrated and self-confident.

The liberals believe first in the importance of each individual ~~and in the basic premise that the majority shall make decisions rather than a small group who are not responsible to the people.~~ We seek the solution to the questions the individuals who make up the majority are themselves seeking. We have found one solution to the problem of economic security and of the impotence of the individual in the economy. We have found it by employing an old principle developed by private capitalistic enterprise--

the insurance principle. Social security and national health insurance are examples of adopting this principle for the benefit of all of us. And we are looking for solutions to the problems of economic security. We have set up a subcommittee to deal with an even more fearful form of insecurity — unemployment, an insurmountable disease that strikes young and old, able and lazy often in the prime of life.

We are looking, too, to see what can be done in the psychological realm, to make of mass man a human being. One of the important agencies which we usually call completely economic, (for only economic purposes), is perhaps even more important in this psychological area of our modern life. It is the trade union, which has really become a force for humanizing industry and an industrial society. Today, through the medium of democratic trade unions, the worker is represented in his community, on governmental boards and commissions and in his own business organization. His word takes on weight and importance, his own representatives have high status among the most influential people of the world. *The Right to be Heard!*

∠ The housing bill is partly economic security and partly a move toward building the kind of personal world that each individual can be

proud of as his own, apart from the uncontrollable mechanism of the world outside his home. That part of our program dealing with expansion of educational opportunities is even more clearly indicative of the movement toward a fuller personal life for all citizens as well as a guaranteed bread-and-butter life.

*The same extent of Research - Public Health etc  
REA - Soil. Conserv. - Price Supports - minimum wage*

What will the social welfare state be like? What does economic democracy look like in its fuller meaning for which we are now working?

Basically we are applying the insurance principle, as I mentioned before, in trying to eliminate the insecurities we all feel when we cannot be certain of good health, of adequate protection against extended old age, when we cannot assure our dependents of support should death takes us from them. Social security and the health insurance plan form the basis of this method. It has been said that these guarantees of minimum income during emergencies will keep us from saving and make us all spendthrifts and cut out all savings completely. This is the imagining of a mind already decided against social security and seeking only a reason to oppose it. —

*These programs provide floors - above which we work —*

*See*

The minimum assistance provided under the Act would hardly discourage savings. It will encourage them. It is discouraging to save carefully week after week for years and find one serious illness to any member of the family runs through the entire life-time's savings. Furthermore as you all know, insurance is a form of saving.

We have been asked, "Why not provide only for the needy?" We answer that this is insurance for the nation, not only for the insurees. We are all affected by the health of all our people, whether rich or poor. We are all responsible for our old people no longer productive. If an insurance system is not used, a subsidy system must be used. We have our choice. Americans deem to prefer equal treatment for all; common coverage for all. They know, as you surely do that the more people covered by insurance, the greater protection at cheaper cost.

The present need for the improvement of social security is easily demonstrated with simple facts. Today, a man cannot stay on the social security payrolls unless he is earning less than \$15 a month. If he does earn less than that sum, he is eligible for allotments which average \$25.41 for the worker and another \$13.45 for his wife. For those who have no social



security payments to their credit, federal and state funds are combined to give them pensions. The average payment under this system was \$42.02 last December. Now it is obvious that such payments will never discourage savings. Indeed, unless the worker saves and saves substantial sums, he will never survive on this kind of allotment.

The administration bill now before Congress will provide between \$25 and \$96.60 for the single man and \$37.50 to \$144.90 for a married man. One cannot say that even these sums will keep a man and wife in something better than poverty, the administration bill will, at least, answer the very hopeless and sad instances of near starvation about which I receive letters almost daily from our older people.

Furthermore the administration bill begins the move toward complete coverage which the whole system makes logically necessary. Groups of workers are excluded for little more reason than that their employers had a strong lobby or the administration of their payments might prove too difficult. Of the monthly average of more than 57 million workers in 1948, only 35 million were covered by old age and survivors insurance. Federal and state grants provided for the needs of the ~~the~~ excluded from the insurance. But the general insurance principle should and can

provide for all these individuals and at the same time insure society as a whole from burdens of upporting the aged, sick and widowed. For the very mechanics of insurance, as you well understand, efficiently plan for eventualities, they don't just provide for them. (While the individual is insured, society, too, finds the principle working to lay by the needed wealth to support the needs of our people.)

You see -- the danger -- of inviting a politician to speak before you -- I end up by giving you a sales talk on insurance.

The insurance principle must also be extended to the health field. The need to aid our lower and middle classes to get the best possible medical care is clear in the statistics. The opponents of National Health Insurance have just discovered the astounding deficiency in health services and only the last month have been shaken into considering some method of dealing with the problem. This is a little shocking since most of our opposition comes from the very people who have been responsible for the doctor shortage and who have been closest to the facts in the case-- The American Medical Association. / ~~Talk about a closed shop, my friends; the AMA makes the A.F.I. look like pikers.~~

We have heard the alternative plans to Health Insurance, thrown up like hasty breastworks before an onrushing army of determined facts and figures. Those hasty defensives -- the Taft proposal and its little brother, the coalition compromise bill -- simply won't hold back the facts. Four out of five Americans cannot meet their own medical needs. Many will suffer serious diseases that could have been prevented because they cannot spend the money for an annual or semi-annual examination.

To the overwhelming facts on medical needs, our opposition says "There aren't enough doctors." So, they imply, we'll go on distributing medical services on the basis of wealth instead of need. And we'll take no steps to increase the available doctors and nurses. Let me say that the liberals intend to take steps. *I am a cosponsor of* ~~I have introduced~~ a bill with my friends and colleagues, Senators Pepper, Murray, and Neely to help our medical schools turn out more and better doctors and nurses. Our solution was not to deprive the lower and middle classes of medical care because it was in short supply. Our answer -- the liberal answer -- was to increase the supply. And the final cost to the whole economy is ZERO, because

bad health costs money whether we count it or not, because preventive care and quickly recognized illness save doctors' services in the end. The cost is ZERO.

You know that's something the conservatives in this country have never realized. From the days of the McKinley theory that the wealth of the rich would gradually filter down to the poor until the days of the same philosophy in the words of Senator Robert Taft, opponents of change have really taken seriously a joking phrase we often use -- the phrase about pulling yourself up by your own bootstraps. I don't need to tell you that just can't be done. You find, after pulling <sup>AND</sup> tugging that your feet are still in the same place. The only way to raise the body politic as a whole is to raise the lower extremities up step by step, and then the rest of the body can take a step upward. The only way to save the unhappiness of the <sup>Severe</sup> ~~severe~~ costs and the time wasted in illness in this country is by providing all of our people with the kind of care that will keep them healthy. The mere lifting of the weight of worry about illness will go far toward that goal. And the country as a whole will rise in health and wealth.



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The exact thing holds true for housing. We have certainly

heard the trickle down theory about housing the last few years. Don't try to tell me the conservatives have come very far since 1890. We're still getting the same theories in an entirely different world. Build expensive houses, we hear. Then the old houses will be vacant for the workers. Well I'm going to defy the laws of physics and talk about a trickle UP theory. I'm going to leave the talk about pulling somebody up by the bootstraps to Paul Bunyan and talk some real sense about raising the standards of the whole by taking that slow and gradual step upward from the bottom.

Six million American families live in the slums today. And Now I'm talking of something I have been close to -- this problem of the city and housing. How much do your cities pay for police services? How much for fire protection? Your cities spend a surprising sum of money for police and fire and social welfare work in the slums that would not be necessary if those American citizens lived in decent houses. In Atlanta, for instance, slum areas paid  $5\frac{1}{2}\%$  of the real estate taxes and got back 53% of the police, fire, public health and social worker funds spent in the city. The United States Conference of Mayors reported on one city's

survey that showed just what I have in mind. One-third of the people live in slums and blighted areas. They suffer from half of the disease in the city and they have 35% of the fires. They receive 45% of the cities' services, and pay only 6% of the real estate revenue. Forty-five per cent of the major crimes are committed by the men and women who live in these slums and 55% of the juvenile delinquents come from out of this rotten growth that betrays our heritage.

These facts are known, they have been known by every citizen who lives in a city and by every man and woman who has looked for a house in the last ~~three~~ <sup>four</sup> years --and judging from my experience as Mayor of Minneapolis, that is nearly everybody. And these facts were known by the Congress of the United States way back when Harry Truman was a Senator. ~~And the Wagner-Ellender-Taft Bill has been up and down and on everyone's tongues since that time. But it hasn't built one house.~~ <sup>yet, for three years</sup> <sup>was bottled up</sup>

The Congress ~~has been~~ <sup>was</sup> stymied by a little undemocratic maneuvering in the

House of Representatives and the people have <sup>the waiting</sup> to wait. Well, it ~~shouldn't~~ <sup>is over</sup> be long now. We ~~are going to~~ <sup>have put a</sup> stop that fruitless tugging at our bootstraps

and <sup>have</sup> take <sup>or</sup> a healthy step upward, feet first, and with the eyes of the whole

country on the goal -- a decent home for everyone.

And how much will that decent home cost? Nothing. Because like good health, good housing is productive, bad housing is destructive. Your insurance figures tell you that. I needn't tell you ~~people~~ about fire hazards and health hazards and police records. You have the statistics *SO YOU KNOW THAT* better than I have. ~~Slums cost money~~ and let me repeat what I said last year in this very state, at Springfield, Ohio: "Make no mistake about it. Either we lick the slums or the slums will destroy the city."

Well, I suppose you ask, what about private enterprise? Don't you believe in the free enterprise system?

That's a fair question and I give a clear answer. I surely do believe in the private enterprise system. But it's only a system. I do not make the mistake of worshipping it as a golden calf, or preaching its overthrow as if it were the devil hovering among us. It is a system. And it has worked well, ~~in spots~~, and I hope and shall do all I can to see it continue ~~in these areas of our economy where its function really gives us economic democracy~~. But I see no reason to think more of a mechanical

economic system than of the wishes of the people. There can be no doubt in anyone's mind that the men and women of our cities want houses. The facts prove they are not getting them from private industry. They can *ONLY* get them through government. *help and encouragement,*

Why is it that our economic system, which should work so smoothly and give everyone what <sup>HE</sup> they want and deserve<sup>S</sup> in life, slips up occasionally and leaves us wanting things we cannot get through private business? The first observation is that the free capitalistic system has never worked perfectly in this country. Quite regularly we have had cycles of depression and unemployment. And what could be more foolish than worshipping a mechanical system so completely that we are willing to let men rot mentally and psychologically from lack of work when everyone in the nation needs the goods that those men would be delighted to produce? *IN THE EARLY DAYS* ~~But these~~ *THOSE* short-term spells of economic illness always passed for one reason or

another. Today, they do not pass so easily.

Our economic <sup>*interdependence*</sup> ~~independence~~ <sup>AND</sup>, our complicated economic machinery brings the whole nation down when its individual segments get a little woozy. Furthermore, the unfettered capitalism just doesn't work properly



anymore. When Alfred Marshal wrote the economic theories of free enterprise over a half century ago, he recognized that the integral in that system was competition. <sup>and</sup> that when competition became imperfect or when monopoly set in completely, none of the rules of free enterprise applied anymore. Monopoly and monopolistic competition which brings price-fixing and production control are on the way to wrecking the large areas of free enterprise that still do function properly in this country. And the very people who shout most for free enterprise are the people doing <sup>THE</sup> most to wreck it.

The House Small Business Committee announced in 1947 that our economy was in appalling danger of monopoly. <sup>Two Hundred</sup> ~~200~~ non-financial corporations owned over half of the assets of nonfinancial corporations in the nation. In the late thirties, the government's Temporary National Economic Committee showed that about one-third of all the goods we produce were made by companies that had only 3 serious competitors or less. This is not free enterprise, my friends. Let's stop fooling ourselves. This is economic

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aristocracy, government by the few. And this movement toward monopoly goes on faster and faster. Between 1940 and 1948, 2450 manufacturing companies disappeared and their assets of \$5.2 billion (5% of the total assets of manufacturing corporations in the entire country) were taken over by bigger firms. Now this is a frightening business, and if you don't believe in price setting by government and wage setting by government and production setting by government, or some form of socialization of basic industries, you will agree that something has to be done to stop this movement toward more control by fewer people in our economy. Because, make no mistake about this -- if it comes to a choice between control by a few managers and stockholders who are not responsible to the majority or socialization of industry, I'll stay with the people.

What can those of us do who believe in economic democracy without complete government control? There are a few legislative courses we can take. We can plug up the large loop hole in the Clayton anti-trust act which allows for mergers of businesses by one corporation buying up the assets of another. We can appropriate more money for anti-trust activities and force competition through the courts. The history of this kind of action

is full of pitfalls and disappointments and long drawn out struggles.

It's bound to be. Some of the corporations now increasing their monopoly hold on industry can buy and sell many of our whole states — and can out-hire the anti-trust division in the legal market by millions of dollars.

LET'S NOT

But the struggle, I think, is worth the effort. ~~We can't~~ delude ourselves into thinking we can restore full competition to big business-dominated industry. But we can maintain enough competition so that in many industries, at least, the firm that tries to cut production and raise prices will lose out to its competitors. Anti-trust action has been successful in few

instances. But it is certainly worthwhile, I think, to try <sup>TO MAKE IT MORE EFFECTIVE</sup>

American citizens, without waiting for government action, have <sup>ARE</sup> turned trust-busters themselves. They ~~have been~~ joining together in cooperative business. Farmers have organized their numbers to deal more favorably with the wealth that is accumulated corporatively to buy from them and sell to them. That is the farmer's collective bargaining -- numbers against dollars. And consumers got the idea, too, and joined together to buy for themselves certain goods and services that were being profiteered without

the opposition of normal competition. I think you will find that where there is robust and active competition, people will make use of profit enterprise. When competition becomes weak and allows price-fixing and profiteering, cooperatives can and have stepped in to protect the interests of the consumer. Sweden is a good example of the power of cooperatives to break monopoly without government action. ~~They~~ <sup>COOPERATIVES</sup> are simply one other kind of economic democracy, one other method of allowing the individual to make decisions in our economy, either as part of the majority or as an individual. Cooperatives can do part of the job of trust-busting that would otherwise cost the government years of time and millions of dollars.

Finally we ought to discuss the better known kind of collective bargaining, the kind between unions and management. We've been hearing a good deal about big labor lately, but I think no one could in all fairness say that labor is organized to the size and strength necessary to bargain all they need and deserve out of big business. We've been talking about the size of big business in terms of the assets they own. That's frightening enough, but when we describe the size of big business in terms of their <sup>FI</sup> ~~employees~~ <sup>SIXTY PERCENT</sup> the picture is even more shocking. 60% of the manufacturing workers



in this country are employed by only 2% of the manufacturers. It takes pretty big unions to deal with that kind of control. Actually, only about 30% of the manufacturing workers are organized, and every cent in the union treasury comes out of wages that in most cases still do not equal a minimum non-luxury budget for a city worker, as figured by the Bureau of Labor Statistics. In other words, the dollars unions get together in their treasuries, their only assistance in time of strikes or lay-offs, is money that should be spent for a dentist appointment for the kids or a new dress for the wife. But union men around the country have learned these past bitter decades that they have to put their dollars together to strengthen themselves enough to get their just demands. Let no one idly say that workers are getting too powerful, until they check up on the facts of wages, profits and living standards. The facts show the opposite of what the newspapers and magazines are trying to make everybody think. Unions aren't too big -- they're too small; they're not too strong -- they're too weak. To achieve economic democracy, unions must become larger; but union THE GROWTH OF democracy must be maintained with union numbers and power. They must continue to be associations where each voice is equal and listened to.

Democracy can be dynamic. If it is not, we will meet a more dynamic society and be subdued.

That, then, is the picture of the kind of society a liberal is seeking to build. There are perhaps some measures that are distasteful to you. But you must not compare the picture I have painted to Jeffersonian democracy or to the life of a big businessman of today. Let's face the facts of our whole economy today, and seek to deal with those facts instead of with what we wish were true. We can maintain democracy and yet have a government that will not allow an absurd reverence for a system to prevent it from taking the field against injustices or stepping in to prevent the human decay of depression. The mere recognition that depression will not long be tolerated, will subdue the fear of depression which so strongly affects our economy and drives it toward what we fear. A government truly representative, devoted to the demands of the majority, can, without even taking action, weaken the depression phobia that affects all economic decisions of business and labor.

There are, faults, of course, in government interference in the economy. But for a change let's take up the ax against the faults of

government and correct them instead of demanding that government leave the economy alone to drift toward economic aristocracy with no democratic voice. There is no other way to bring the voice of our people back into the economy than through the methods I have just outlined. We have never heard alternate solutions to our needs -- only loud wails and screams against government interference, no matter what the grievous sins and errors there are to correct. Let's face our needs. Let's recognize that while business may not want more government interference, there are millions of workers and farmers in this country, <sup>WHO</sup> ~~too, and~~ they will end up slaves of big business -- and little business will too - unless some agency of democratic rule does step in and do the things I've outlined.

We can correct the errors of government. The Hoover Commission is a beginning of self-examination, and I hope we get some good solid improvements out of those reports. After all, we have begun to establish economic democracy through government so recently <sup>THAT</sup> there is bound to be some inefficiency. <sup>AND</sup> There's inefficiency in private business, too, <sup>Don't</sup> let's forget that, -- ~~But~~ no one ever proposed to do away with it. I will grant the great problems in maintaining responsible government through bureaucracy --

but it can be done. I am convinced that the mechanics of government are not the most important part of democracy. What is important is that the eyes of the people stay glued on their government and that they are vocal about what they see and what they think they ought to see. As long as the people are alert to what is happening, their power will be sovereign. The mechanical problems are great-- but they can be solved if we recognize the needs our government must satisfy and set our collective minds to working out the kinks in the governmental machinery that must do the job.

I don't believe in giving in to a growing accumulation of power in irresponsible hands when democracy can be dynamic enough to shift its course and keep the power in the hands of the people. There have been men of little faith in the past. There are men of little faith today. But there have never yet been enough to beat the faithful in a free election. That is why the liberal feels secure. For the faith ~~of~~ <sup>THE</sup> liberal rests with the people; and the course of the liberal leads always toward more complete democracy.





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