

(Not printed at Government expense)

Congressional Record

SEVENTY-SECOND CONGRESS, FIRST SESSION

THE DOOM OF AMERICA'S DREAM

SPEECH

OF

HON. HUEY P. LONG

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Monday, April 4, 1932

Mr. LONG. Mr. President, the Senator from Michigan [Mr. Couzens] takes a little exception to the statement made by the Senator from Arkansas [Mr. Robinson], on this side of the Chamber, relative to the reduction of salaries of Federal employees. In the discussion which has been going on here in this Chamber there is really a little bit too much harmony; in fact, this is about 95 per cent the most harmonious discussion to which I have ever listened.

It seems that the Senator from Arkansas [Mr. Robinson] and the Senator speaking for the administration [Mr. Vandenberg] are in accord that taxes should be saved the American taxpayer through whatever eliminations can be made at this time.

I see this morning, in one of the daily papers published here in Washington, that it is reported that a bipartisan drive is on among the leaders of the Senate. It says:

What worries Senate leaders is a fear that the so-called tariff taxes adopted by the House, such as levies on oil and coal, will lead to a bitter fight that will delay the bill. An effort, therefore, will be made to eliminate these taxes and substitute other levies to make up the loss.

As I said here on the floor of the Senate less than a month ago, when the balancing of the Budget reaches the point where there is going to be a tax on the Standard Oil Co., then it is going to become necessary to find other levies; and if you do not find other levies, then the demand is going to come here in the Senate to reduce salaries and wages of the employees of the Federal Government.

THE RICH MEN'S CLUB

I do not speak alone for the men drawing \$1,200 a year nor for the men drawing \$1,500 a year. I speak for the men drawing \$10,000 a year, sitting in the Senate and in the House of Representatives. I say that there is not a man here who can stand the campaign expenses connected with election to the United States Senate and live six years on what he gets in the United States Senate; and to reduce the salaries of Congressmen and Senators to-day is not tending in any direction whatever except to make this body a rich men's club.

We know that there was a coalition over in the House on this tax bill, and on the raising of revenue for the Government. The newspapers tell us that there is a coalition in the Senate. I want to know if there is a coalition in the Senate on this tax bill; if so, whom it is between, where it was made up, where they met, who blessed the conference, and who was at the anointing, if there has been a coalition, conference, agreement or tentative agreement or effort to agree on this tax bill. They tell us it was so in the House, and the leaders said it was so. The publications of the United States condemned every man in the House who did not fall in line behind one or the other of the party leaders.

112401-7963

BLOATED FORTUNES

Of course, there is need of money for the Government. What are we to get? That is not the main need of this country, Mr. President. The reason why the Government needs money, the reason why industry needs money, comes from an infernal condition of concentration of wealth; and never has any of these bipartisan conferences in either one of the Houses of Congress recommended anything being done along the line of the redistribution of wealth here in the United States to avoid the alarming condition that we are in now.

Oh, no; something must be done to balance the Budget; but Mr. Hoover comes in when the time gets about ripe, and you can read his messages between the lines, and you do not have to eat a whole beef to tell when it is tainted—he comes in about the time when there arises the spirit in either one of these Houses to put these taxes where they ought to be put, and changes the estimates of the requirements of the Budget to suit the peculiar conditions and circumstances arising at that time. If the House looks like it is going to become rebellious in raising the funds, they report that there is a mistake of \$500,000,000 in the Budget. Then the matter subsides, and the House becomes docile. Then they demand that other remedies be taken to balance the Budget.

O Mr. President and Members of the Senate, there never was a more determined fight than is being waged to-day—silently, under cover, behind the silken veil, and out in front—to keep this tax bill from going into the field of surtaxes and inheritance taxes, that would give the common man of this country a chance, and to give the wealth of this country an opportunity to be distributed among the people of the United States.

What is the tax bill going to contain when it comes out? We have waited a long time to get some help. If it has already been agreed upon, let us know now from the party leaders, as they gave it out in the House. Let us know in the Senate. Why wait? Is there going to be any relief for the masses of this country in this tax bill? Let us know what is going to come.

On this home by horror haunted—tell me truly, I implore: Is there—is there balm in Gilead? Tell me—tell me, I implore!

What is to be the balm from the tax bill? What is to be the balm?

AMERICA'S CRISIS

Why, if this Congress adjourns and does not provide a law for the effective starting of a redistribution of wealth in the United States you need not be worried about the amount of deficit that there is going to be in the National Treasury. If we adjourn here with this tax bill before us, with a bill passed as a result of it or with this bill passed, without providing a means for the redistribution of wealth in the United States to-day, and allow this snowball to go downhill for two or three more years as it is now, and allow this panic to be exploited as it is now being exploited to concentrate every business enterprise in this country, you do not need to worry about the Federal Government nor the Budget of the Federal Government. You will have a problem before you that is a great deal bigger than any problem of the Budget of the Federal Government.

I have letters which I have received to-day, which I intended to read to the Senate. One man, a peaceable citizen, has undertaken to make a living as long as he could, and finally went into a business prohibited by law because it was the only thing out of which he could make a living for his wife and children. He is now in the Federal penitentiary. Another letter is from a widow with a 19-year-old son that she is undertaking to send to college, living in a college town; and he can not continue his work in the university because she can not find the funds even to buy the books. Yet we are sitting here talking about balancing the Budget.

THE UNBLESSSED COALITION

Who is thinking about those people? Who is thinking about this condition? Who is doing anything about it? Where is this bipartisan conference? I want to find it and write it a letter. Has it been blessed as the House conference was blessed? Have Rockefeller and Morgan and Baruch sent in their ill-fated recommendations and demands that were so effective in other administrations? Have they been sent in now? Is that what we are going to see done in this tax bill that is coming out here?

We are told that there never was a ruling class that abdicated. A great deal of speculation is made over who is the leader and who are the party leaders of this Nation, who are the leaders of Congress. I have been here long enough to say that if I had any legislation in the United States Congress to-day, I would a whole lot rather know that it had the sanction and approval of Morgan and Rockefeller and Baruch than to know that it had the sanction and approval of every party leader in both Houses of Congress. They are here to fight the tax on the importation of oil. They are here to fight the tax on stock exchanges.

We have a cotton exchange and a stock exchange in the city of New Orleans, just as they have a stock exchange and a cotton exchange in the city of New York, and I am not afraid to tell you that there is not a more nefarious enterprise that ever operated on the face of the globe than the stock exchanges and cotton exchanges in the city of New York and in the city of New Orleans. They have lived for years out of the miseries and the slim profits that might have meant some convenience and comfort to the people of this country, and there is no tax on the living face of the globe that can be more justly and properly assessed than a tax on the stock exchange and a tax on the cotton exchange. I am not politically afraid for them to know that I have expressed exactly those sentiments on the floor of the Senate. It does not make any difference to me whether they like it or not.

Now, these men are fighting the inheritance tax and the surtax. The newspapers tell us that this is a great effort to soak the rich. Soak the rich—the "soak the rich campaign." It is no campaign to soak the rich, Mr. President. It is a campaign to save the rich. It is a campaign the success of which they will wish for when it is too late, if it fails, more than anyone else on earth will wish for it—a campaign for surtaxes to insure a redistribution of wealth and of income, a campaign for inheritance taxes to insure a redistribution of wealth and of income.

IS WALL STREET ALONE TO HAVE THE COALITION?

Since we had a coalition of the Republican and Democratic leaders in the House and in the Senate that the House Members rebelled against, is it not possible that there can be some coalition of the Members of the United States Senate in the interest of the people of this country to raise these surtaxes and these inheritance taxes and to save these other forms of taxation that mean a prosperous America? Could there not be some anointed move from the Senate that would mean the protection of the people of this country?

Evidently we do not realize that there is a crisis. Apparently we do not. We do not have to go very far to find it out. Mr. Herbert Hoover, in his speech in Indianapolis the other day, said that we were now in the midst of the greatest crisis in the history of the world. If Mr. Hoover can be believed, neither disunion, rebellion, war, nor pestilence

compares with the condition that faces the American people to-day. Mr. Hoover may not ever say this again. I do not think he will say it again. I think he had a rather unguarded moment, and probably his speech was not censored as it is going to be censored in the future. As campaign days draw closer, the artist who can make words mean and not mean will no doubt interpolate these messages in such a way that they will offend but few, and benefit probably fewer. But Mr. Hoover went on to say that a different means of taxation had to be found for this country; that we had to find a means of taxation that would take the taxes off the small man. That is what Mr. Hoover said. I am going to read in a moment just exactly what he did say; that we had to formulate a tax policy that would take the taxes off the farmers and home owners of this country; and in the same speech—which evidently was not censored as most of them probably will be hereafter and probably have been heretofore—he went on and said that the remedy was by the distribution of wealth.

But now every power of the administration which can be brought from the White House is exerted against anything being done which means the distribution of wealth among the people of this country.

THE LIGHT OF AMERICA'S DREAM IS FADING

The great and grand dream of America that all men are created free and equal, endowed with the inalienable right of life and liberty and the pursuit of happiness—this great dream of America, this great light, and this great hope, have almost gone out of sight in this day and time, and everybody knows it; and there is a mere candle flicker here and yonder to take the place of what the great dream of America was supposed to be.

ANOTHER SLAVE OWNER

The people of this country have fought and have struggled, trying, by one process and the other, to bring about the change that would save the American country to the ideal and purposes of America. They are met with the Democratic Party at one time and the Republican Party at another time, and both of them at another time, and nothing can be squeezed through these party organizations that goes far enough to bring the American people to a condition where they have such a thing as a liveable country. We swapped the tyrant 3,000 miles away for a handful of financial slave-owning overlords who make the tyrant of Great Britain seem mild.

Much talk is indulged in to the effect that the great fortunes of the United States are sacred, that they have been built up by the honest and individual initiative, that the funds were honorably acquired by men of genius far-visioned in thought. The fact that those fortunes have been acquired and that those who have built them for the financial masters have become impoverished is a sufficient proof that they have not been regularly and honorably acquired in this country.

Even if they had been that would not alter the case. I find that the Morgan and Rockefeller groups alone held, together, 341 directorships in 112 banks, railroad, insurance, and other corporations, and one of this group of them made an after-dinner speech in which he said that a newspaper report had asserted that 12 men in the United States controlled the business of the Nation, and in the same speech to this group he said, "And I am one of the 12 and you the balance, and this statement is correct."

Twelve men! If we only had that passing remark, which, by the way, was deleted from the newspaper report which finally went out, although we have plenty of authority that the statement was made; if we did not have other figures to show it, we probably might not pay so much attention to that passing remark.

You want to enforce the law, you want to balance the Budget? I tell you that if in any country I live in, despite every physical and intellectual effort I could put forth, I should see my children starving and my wife starving, its laws against robbing and against stealing and against boot-

legging would not amount to any more to me than they would to any other man, when it came to a matter of facing the time of starvation.

Whoever tries to guard the existence of these fortunes becomes a statesman of high repute. He is welcome in the party counsels. Whoever undertakes to provide for the distribution of these fortunes is welcome in no counsel.

They pass laws under which people may be put in jail for utterances made in war times and other times, but you can not stifle or keep from growing as poverty and starvation and hunger increase in this country, the spirit of the American people, if there is going to be any spirit in America at all.

LET ALL ENJOY OUR WEALTH IF THE COUNTRY IS TO BE SAVED

Unless we provide for the redistribution of wealth in this country, the country is doomed; there is going to be no country left here very long. That may sound a little bit extravagant, but I tell you that we are not going to have this good little America here long if we do not take care to redistribute the wealth of this country.

Here is a report of the Federal Trade Commission published in 1926. On page 58 I find this:

The foregoing table shows that about 1 per cent of the estimated number of decedents owned about 59 per cent of the estimated wealth, and that more than 90 per cent was owned by about 13 per cent of this number.

That is the very conservative and highly subsidized Federal Trade Commission, which said that 1 per cent of the decedents owned 59 per cent of the wealth. It had been previously estimated, as I read the other day from the report of the Industrial Relations Committee, just 10 years before that time, that 2 per cent of the people owned 60 per cent of the wealth, and in 10 years the cycle grew, so that from one Government report the estimate that 2 per cent of the people owned 60 per cent of the wealth, in 10 years had become 1 per cent of the people owning 59 per cent of the wealth of this country. That is how that condition grew.

I have here an editorial which appeared in the Saturday Evening Post at the time this first report was published. This editorial appeared on September 23, 1916, in the Saturday Evening Post under the heading, Are We Rich or Poor? I read from the editorial, which is just a column:

The man who studies wealth in the United States from statistics only will get nowhere with the subjects because all the statistics afford only an inconclusive suggestion. Along one statistical line--

This is the Saturday Evening Post in 1916 before its owner began to come to Washington in a \$3,000,000 yacht. Says this editorial:

Along one statistical line you can figure out a nation bustling with wealth; along another a bloated plutocracy comprising 1 per cent of the population lording it over a starveling horde with only a thin margin of merely well-to-do in between.

That is from the Saturday Evening Post of September 23, 1916.

I saw an article in the World's Work for last month, which gives the details of the Mellon fortune, and totals it up at seven billion nine hundred and ninety million four hundred and twenty-five thousand—that is enough without getting to the hundreds—seven billion nine hundred and ninety million. That is the Mellon fortune, with a footnote to the effect that it did not include two billion one hundred and sixty-six million his brother has. The Mellon fortune \$10,000,000,000, and everybody knows that the Mellon fortune does not compare with the Rockefeller fortune. Thirty-two fortunes of the Mellon size would take every dime of property America has in it to-day. Thirty-two men! No wonder 12 men were in absolute control of the United States.

WHO OWNS AMERICA?

I have here the statistics showing the concentration of American industries.

Iron ore: 50 to 75 per cent owned by the United States Steel Corporation.

Steel: 40 per cent of the mill capacity owned by the United States Steel Corporation.

Nickel: 90 per cent owned by the International Nickel Co.

112401—7968

Aluminum: 100 per cent owned by the Aluminum Trust.
Telephone: 80 per cent owned by the American Telephone & Telegraph Co. It is more than that, as they would state if they understood the subsidizing contract which that company requires every little independent telephone company to sign in order to get long-distance connections. If that were stated, it would be found that the telephone industry in the United States is 100 per cent in the hands of the American Telephone & Telegraph Co.

Telegraph: 75 per cent in the Western Union.

Parlor car: Pullman Co., 100 per cent monopoly.

Agricultural machinery: The International Harvester Co. has 50 per cent.

Shoe machinery: The United States Shoe Machinery Co. has a monopoly.

Sewing machines: The Singer Sewing Machine Co. controls that field.

Radio: The Radio Corporation, 100 per cent.

Sugar: The American Sugar Refining Co., 100 per cent.

Anthracite coal: Eight companies, 80 per cent of the United States tonnage.

Sulphur: Two companies own the world's deposits.

Oil: To show how conservative this report is, it states that 33 per cent of the oil is controlled by five companies, when, as a matter of fact, they own 105 per cent, if you can get that much out of the total quantity of oil produced. That which they do not own they have absolute dominion over and manipulate the oil tariffs and the importations of the foreign group in such a manner that no independent man can stay in the oil business in this country to-day in competition with the Standard Oil Co.

Meat packing: Two companies, 50 per cent.

Electrical equipment: Two companies, 50 per cent.

Railroad rolling stock: Two companies, monopoly.

Chemicals: Three companies, monopoly.

Matches: Two companies, monopoly.

Rubber: Four companies, monopoly.

Moving pictures: Three companies, monopoly.

Aviation: Three companies, monopoly.

Electric power: Four groups, monopoly.

Insurance: Ten companies, 66 per cent of the insurance in force.

Banking: 1 per cent of the banks control 99 per cent of the banking resources of the United States.

That is the concentration that has occurred in this country.

The statistics further show that only 2 per cent of the people ever pay income taxes. Mr. Mellon points out that that is a grave condition; that the law has been miraculously at fault in failing to collect an income tax against a larger percentage of the people.

It is not the law that is at fault. That is not the trouble at all. It is the infernal fact that 98 per cent of the people of the United States have nothing, rather than it being the fault of the fact that only 2 per cent of them pay any income tax.

Mr. Mellon wants to broaden the tax, so he said in his statement. He has gone to Europe by this time—at least we hope so. Mr. Mellon said that he wants the law broadened so as to cover more than 2 per cent. That means that he wants to go into the pockets of the little man living from hand to mouth on the bank of some creek or in some little cabin with 40 acres and a mule. That means that he wants to reach down lower into the lower strata and take from the starvation wages of that class of people so that he might relieve the upper crust from paying the burdens of government.

I have here the address by President Hoover delivered at Indianapolis. Here is what he said:

Above all schemes of public works which have no reproductive value would result in sheer waste. Public works would result in sheer waste.

The remedy to economic depression is not waste but the creation and distribution of wealth.

"The creation and distribution of wealth." He said further that in this creation and distribution taxes have got

to be lifted from the small man. Therefore, Mr. President, there is necessity that something must be done in this crisis for the benefit of the people of the country, as well as for the benefit of balancing the Budget.

OVER 2,000,000 EARN LESS THAN 504 PLUTOCRATS

I have the statistics here. Here is how the income is being distributed. In 1929 there were 504 supermillionaires at the top of the heap who had an aggregate net income of \$1,185,000,000. That is 504 people. These 504 persons could have purchased with their net income the entire wheat and cotton crops of 1930. In other words, there were 504 men who made more money in that year than all the wheat farmers and all the cotton farmers in this great land of democracy. Out of the two chief crops, 1,300,000 wheat farmers and 1,032,000 cotton farmers—2,300,000 farmers raising wheat and cotton—made less than those 504 men.

From the official statistics we find that \$538,664,187 was the net income of the 85 largest income-tax payers in 1929. The 421,000 workers in the clothing industry received in wages \$475,000,000. Those 85 men could have paid the entire wages of the clothing industry of the Nation and have had \$100,000,000 left. Yes; there has got to be relief from this condition.

Mr. Gompers was termed a socialist when he said:

Hundreds of thousands of our fellow men, through the ever-increasing extensions and improvements in modern methods of production, are rendered superfluous. We must find employment for our wretched brothers and sisters by reducing hours of labor or we will be overwhelmed and destroyed.

That was his statement, but the statement that the country faced any such thing as destruction was heralded as a preposterous statement, but Mr. Hoover came back and clarified the matter. He did not disturb Mr. Gompers's ashes because they are underneath the earth all alone. Mr. Hoover came back and went Mr. Gompers one better. He said this is "the greatest crisis the world has ever known."

I have here a newspaper article in the nature of an interview with the Senator from Michigan [Mr. COUZENS]. I want to read a line from that. This was published in the St. Louis Post-Dispatch of May 27, 1931:

Senator JAMES COUZENS (Michigan) does not believe the depression in this country is due to world depression.

And I do not either.

Nor does he believe that our recovery depends upon world recovery.

Nor do I.

He believes, and emphatically says, that American capitalists caused the American depression mainly by taking an exorbitant share of the earnings of American industry, and that recovery can be accomplished only by securing the livelihoods and increasing the purchasing power of American workers.

ALL AGREED "NO SWOLLEN FORTUNES"

I have here an article appearing in the Saturday Evening Post on the question of the distribution of wealth of this country. Whenever fear comes around, as it did in 1919, there was a fear that Bolshevism was going to overrun this country like it threatened to overrun Europe. Then we get such expressions as this. We can not get them at any other time. Here was the Saturday Evening Post, the great conservative journal, saying this:

We want prosperity in America, but not swollen fortunes.

That is the Saturday Evening Post saying that we do not want "swollen fortunes in America." Then it went on to say:

We want big rewards for men who do big constructive things, and jail sentences for the big fellows who steal the fruits of their work and the savings of small investors.

They wanted to put Rockefeller and Morgan in jail, according to this editorial; but to-day the cry is, "Soak the rich," and the man who undertakes to levy a penny on the concentrated bloated fortunes in the hands of a few of them is considered an outlaw.

There have been altogether too many mavericks loose on the range, sucking cows on which they have no claim. There would be no real railroad mess, no necessity for trying to pare down wages in basic industries—

112401—7968

The same thing prevailed then that prevails now, the same condition practically, and the Saturday Evening Post said:

There would be no real railroad mess, no necessity for trying to pare down wages in basic industries, if there had been no banker control and no flagrant watering of the stocks of these corporations.

That was the Saturday Evening Post in 1919. It said, "We want prosperity, but no swollen fortunes," and that the men who have made most of those swollen fortunes by impoverishing the labor of the country ought to be put in jail. We are not trying to put them in jail. We are trying to save them from committing physical suicide in this country and pulling the temple down with everybody else in it.

But we have a coalition! We have a coalition of the Democratic Party leaders and the Republican Party leaders. Yes; we have a coalition. Who are the appointed of this coalition of Democratic and Republican leaders that is going to eliminate everything that means protection of the common men in this country? Where is this coalition? Where does it meet? With whom does it meet? Has it ever for once come out before the American people with anything except the statement that they have to hold the House in order? Will they come out with the same declaration that they have got to hold the Senate in order—not trying to do anything particularly, but only holding everything in order? The House is described as "being in rebellion" when it rebels against its leaders.

Is there going to be one coalition? Is that going to be the extent? Are there not men enough in the Senate of the United States who will see to it that there is a coalition for the people of the United States? Is there not some way there can be a coalition that takes into consideration the man with the house full of starving children, or has there got to be only one coalition to protect the banker control, which it was said, as I have pointed out, ought to have been in the penitentiary 20 years ago? What is to be the coalition?

The pastor of Mr. John D. Rockefeller's church had something to say about it. I do not suppose he will ever say it again. They probably did not get to look over this speech of his in advance. If they had done so, it would possibly have been different. There would have been a different interpretation of it and they would have had more interpolations in it. Here is what Mr. Rockefeller's pastor said on December 28, 1930:

See the picture of the world to-day—communism rising as a prodigious world power and all the capitalistic nations arming themselves to the teeth to fly at each other's throats and tear each other to pieces. * * * Capitalism is on trial. * * * Our whole capitalistic society is on trial.

I should say it is on trial—not the capitalistic system, but the lack of capital.

Then Mr. Rockefeller's pastor proceeded:

First, within itself, for obviously there is something the matter with the operation of a system that over the western world leaves millions and millions of people out of work who want work, and millions more in the sinister shadow of poverty.

There is bound to be something wrong with the system. Then he proceeds:

Second, capitalism is on trial with communism for its world competitor.

And it is.

The verbal damning of communism now prevalently popular in the United States will get us nowhere. The decision between capitalism and communism hinges on one point: Can capitalism adjust itself to the new age?

THE EXAMPLE OF MARIE ANTOINETTE

When the poor people of France cried for bread, Marie Antoinette said, "If they have no bread let them eat cake." They reared back and took the head of the King and the Queen. To-day Marie Antoinette has been outdone forty times over. The poor people have plead for jobs, for the right to work; they have plead for a living; they have plead for their homes; they have plead for clothes to wear; they have plead for food to eat. There are plenty of homes;

there is ample food; there is everything that is needed for humanity; but instead of saying, "If you have not bread eat cake," the American people witness a so-called bipartisan agreement that, under the claim of "balancing the Budget," reaches down and puts a tax upon people crying to this Government for relief.

Mr. John Dewey proceeds to say that there has got to be a redistribution.

Here is a quotation from the dean of the Harvard Graduate School of Business Administration, Wallace B. Donham:

If we have not in our several countries the brains, ability, and the cooperative spirit necessary to cure such world-wide conditions as those in which we now find ourselves, then our mass production, our scientific progress, our control over nature may actually destroy civilization.

And that is what is going to happen. Machines are created making it possible to manufacture more in an hour than used to be manufactured in a month; more is produced by the labor of one man than was formerly produced by the labor of a thousand men; fertilizers are available whereby an acre of land can be made to produce from two to three or even four times what it formerly produced; various other inventions and scientific achievements which God has seen fit to disclose to man from time to time make their appearance; but instead of bringing prosperity, ease, and comfort, they have meant unemployment; they have meant idleness; they have meant starvation; they have meant pestilence; whereas they should have meant that hours of labor were shortened, that toil was decreased, that more people would be able to consume, that they would have time for pleasure, time for recreation—in fact, everything that could have been done by science and invention and wealth and progress in this country should have been shared among the people.

REFUNDING MILLIONS TO THE WEALTHY

Mr. President, the senior Senator from Arkansas, our Democratic leader, whom I respect very highly and whom I honor for the great service which he has done to this country, saw fit to join in the clamor for the reduction of wages. I maintain there is no need of reducing any wages. Anyone should have seen the trouble which was coming when former Senator James A. Reed, of Missouri, rose on this floor when the tax bill of 1926 was under consideration in the Senate and said that the Democratic Party had been betrayed by its leaders. I thought that statement was a bit beyond the proper or necessary limit at the time; but the surtax was manipulated downward and the drive went on.

The coalition between the progressive Senators and the Democrats managed to keep the surtaxes not where they should have been, but nearer where they should have been than otherwise would have been the case. However, all of a sudden, the famous coalition occurred and the Duke's Mixture amendment went through here. It might have done North Carolina some good; it might have done some good to some college or colleges in North Carolina, but it was a means by which the Treasury paid out millions and millions and multiplied millions of funds. It was a retroactive amendment to open wide the gates of the Public Treasury and tell the capitalists to come and get not only what the Government was going to collect, but to come and get what they had already paid. So there were refunded out of the Public Treasury enormous amounts of money.

That was followed by the Mellon crusade to return and throw to the winds or to the public financial manipulators of this country hundreds of millions more of dollars. Then, Mr. President, they pared down the income tax rates from 65 to 50, to 40, to 25, and down to 20, and the inheritance tax rates were pared down in about the same manner and proportion, until now a bipartisan bill comes here, with all the blessings it ever had and a defunct Treasury as a result of it, concerning which ample warning was given at the time. A blind man could have seen what the country was being led into.

Over in the House there was proposed to the bill, which has been sent here from that body an amendment known as the Swing amendment. It does not entirely, according to the

estimate of the President and his departmental heads, provide enough taxes to balance the Budget, and, according to him, they want to make a few little changes, but to them it is pretty satisfactory. Surely it is satisfactory. They managed to sweat the rate down to a point where the bloated fortunes of this country will have to pay but very little more than they have been paying, and they made the whole measure temporary, in that it is to last only two years. Why only two years? Because the people of this country get strong enough about every 25 years to make a fight and get a break and enjoy a chance of doing anything, and if the proposed taxed legislation can be made at the end of two years ipso facto to cease, it is not going to amount to a snap of a finger. That provision is in the bill.

There have not been provided, as the public press or some portions of the public press have been led to believe any such inheritance taxes or surtaxes as we formerly had in this country. Proponents of the bill are trying to say that they are going back to war-time rates, but they are not going back to the war-time rates by a jugfull. Their maximum is 40 per cent. They stop increasing the latter upward, in the case of surtaxes, after \$100,000 is reached. They do practically the same thing in the case of inheritances over a million dollars. The war-time rates, however, do not compare with what the rates ought to be now, because at the time of the World War 2 per cent of the people owned 60 per cent of the wealth, whereas in these times 1 per cent of the people own 59 per cent of the wealth. In war time we had no such conditions as we have to-day, and we have the word of President Herbert Hoover to confirm that statement, that this is the greatest crisis the world has ever faced, in war times or any other times.

We had no such unemployment in war time as we have to-day. We had no such hunger and starvation and idleness; we had no conditions to compare with those now existing; and so, instead of those rates being held down to the war-time basis, they should have been boosted far beyond that on the centralized wealth of this country in order to give the people a share of the profits being earned in the country to-day. But the rates have not even been made equal to those of the war time. The war-time rates went up to 65 per cent, while the rates in the bill now pending in the Senate stop at 40 per cent.

Mr. President, I intended to close, but I want to make one more observation, briefly. I do not mean to criticize the courts of this country particularly. I mean to criticize the method by which the courts are composed. We are going to have to couple to tax legislation some antitrust legislation or write into the present antitrust law what the Congress originally wrote into it. The original Sherman antitrust law provided that any restraint of trade was a violation of the law; any monopoly, any conspiracy in restraint of trade was obnoxious to the law. When the question came before the Senate, on the floor of the Senate an effort was made to write into the bill that anything that "unreasonably" restrained trade would be prohibited, but the Senate and the Congress refused to write the nefarious so-called rule of reason into the antitrust law when it was passed.

Those who opposed the law came back to the Senate of the United States and tried to get it amended, but the Senate committee said we will not write the rule of reason in the law because it would destroy the antitrust law. So they went before the United States Supreme Court in Case No. 1, and the court held that there was no rule of reason in it, and the common law did not apply; they went back in case No. 2, and the Supreme Court said, "The common law does not apply and any restraint of trade is prohibited." They went back in case No. 3, and the Supreme Court said, "We are surprised that anybody should urge this question again, but we now again tell you for the third time that any restraint of trade is prohibited, and there is no rule of reason in the law." They went back the fourth time, and the Supreme Court of the United States said the same thing; they went back the fifth time and the Supreme Court of the United States said the same thing; but,

oh, my, suddenly one day the papers blazoned forth the news that President Taft had done a most liberal and constructive and monumental thing in naming a Democrat, a former Confederate soldier, Chief Justice of the United States, and there were plaudits over the appointment. A little later other judges were placed on the Supreme Court of the United States, and then the monopolists went back to the Supreme Court. The trust lawyers who had fought this law had been made the masters of the law by being put on the Supreme Court of the United States, and then, with the dish all cooked up, the motions were gone through of again presenting the case to the United States Supreme Court after they had passed on it five straight times, and the United States Supreme Court wrote a long opinion through its Chief Justice, Mr. White, from my native State of Louisiana, and said that "the rule of reason" had to be written into the Standard Oil case and the American Tobacco Co. case, and this country has virtually been without an antitrust law ever since.

Mr. William Jennings Bryan wrote a letter about this to Mr. Taft at the time.

William J. Bryan, three times Democratic candidate for President of the United States, openly charged Taft with backing the Supreme Court.

Mr. Bryan said to Mr. Taft—

You promised that you were going to amend the antitrust law in the presidential campaign of 1908, but you have got a Congress on your hands that will not permit its amendment, so you have appointed a Supreme Court—

And President Taft made more appointments to that bench than any other President—

and you have secured that amendment to the antitrust law by the Supreme Court.

Mr. George W. Perkins, head of the Steel Trust, came out with a statement. I quote:

George W. Perkins, associated with J. P. Morgan in trust control, delivered a speech in which he complained that the Republican Congressmen had not tried to redeem their platform promise, but that it had been redeemed by the Supreme Court in the recent trust decision, wherein the rule of reason was applied.

In other words, they amended the law by the other legislative body that Mr. Taft had set up at the time—the Supreme Court of the United States—and that is not the only law that they have amended in that way; not by a jugful.

We had some jurisprudence against these public-service corporations. I appeared here before the United States Supreme Court in those cases, and before the other Federal courts in these cases. They involved the basis of value of a public-service corporation's property—whether it would be the actual prudent investment or whether it would be the so-called replacement value, less depreciation.

In the case of Smyth against Ames the Supreme Court of the United States had held that you had to consider the cost of the property and all other elements in determining the value of public-service property. In the case that I had, which, by the way, was a telephone case, the Circuit Court of Appeals—and they were upheld by the Supreme Court as far as they could go—held that that theory was still the law; that the cost and the replacement and all those elements had to be considered in determining the value of property; but they began to load down the court. The corporations began to pound, with all the anvils and with all the iron, that they should consider nothing except the cost of replacement of utility property, because they had all the engineers in the world. The ordinary city can not fight a public-service corporation case. It cost the State of Louisiana all the money it could rake and scrape to fight one telephone case, and the telephone company submitted a bill of costs of about \$500,000 for fighting that case, and then charged it back into operating costs. The ordinary city can not compete with the company's experts and technicians in cases of that kind. Finally, however, they loaded the Supreme Court down until the question was right before the court again; and in the Carrollton Railroad case, from the State of Georgia, as I remember, they came out again and said that they considered the cost of

property and these replacements together in deciding its value. But then when they got another case up there, lo and behold, the skies opened, and they sent out to the Northwest and got a man and put him on the Supreme Court of the United States who had been doing more to bring about that doctrine of replacement value than any other man we knew of. He was made a member of the Supreme Court of the United States; and then they brought up the Indianapolis waterworks case, and they reversed the whole kit and boodle, and said that the dominant cost theory must be on replacement.

That is how this matter has been manipulated. We have created boards and commissions, and we have courts. We have passed laws, and we have enacted various and sundry things, but we have never been able to create a commission that lasted very long. We have never been able to get a rule of law interpreted that stood for any particular time unless they began, by some contrivance or machination, to make the element that was affected by it the master of the law that was being enforced. They have become the masters of the law.

How long is it going to last? How long can it last? How long will it last? I tell you, Mr. President, it can not last very long.

In conclusion, I am not asking any man in the United States Senate to do anything harmful to the rich people of this country. If you want to do them a favor, provide some way to put some of that wealth among some of the people of this country. If you want to make their lives secure, provide a way for relieving the anxieties of 90 per cent of the people in this country to-day who are in absolute fear of want and impoverishment. Provide a way whereby the world is going to provide a living for the people of the United States, if you love these rich people as much as I love them. Yes, sir; provide a way to distribute it. If we sit here in this Congress and let this tax bill go back with a clause ipso facto annulling the law at the end of two years, so that these taxes will no longer be collected; if we do not raise these surtaxes and these inheritance taxes to a point where they can not continue to perpetuate these massive fortunes in the United States, like a snowball going downhill; if we do not regulate them, when you have gone and gathered it all and all and all, in what condition are you going to leave the country? It is in it already. You do not have to go any farther. It is in it already. You mark my words; when we come back to the next meeting of the United States Senate things are not going to be any better than they are right now, and not as good. You mark my words; you will look back on the year 1932 as a prosperous year in 1933.

You remember what I am saying. If we do not provide surtaxes and inheritance taxes to break up these large fortunes, and to provide for the needs of this Government from sources that are able to pay the cost, when we come back here in 1933 you are going to find a changed condition, and you will be wondering how conditions could have been as good in 1932 as they are now.

BUT WHY NOT THE DREAM OF AMERICA?

But O Mr. President, if we could simply let the people enjoy the wealth and the accumulations and the earnings and the income and the machinery and the contrivances that we have. If, with the invention of every machine, we could secure the education of every man; if with increased production of every kind there could be less toil, more hours of pleasure and recreation; if there could be a happy and contented people enjoying what the Almighty has made it possible to provide; if there could be people clothed with the materials that we have to clothe them with to-day, and no place to put them; if the people could be fed with the food that we have to feed them with, and no place to put it; if the people could be sheltered in the homes we have to-day that the Federal Land Bank has taken away from them because they can not pay the interest on the mortgages—if that could be done, if we could distribute this surplus wealth, while leaving these rich people all the luxuries they can possibly use, what a different world this would be.

"THY SOUL SHALL BE REQUIRED"

Do not take away anything they need. Leave them with all the luxuries that the world can provide them for hundreds and hundreds and hundreds of years. Leave them with every palace, with every convenience, with every comfort; but do not allow the concentration and stagnation of wealth to reach the point where it is a national calamity.

Will we do that? Will they do it? No; we know they will not do it. Will we do it for them? Maybe we will. Maybe we will not. There ought to be a coalition of the people; there ought to be a coalition of the Senators repre-

112401—7968

senting the rights of the people in a situation of this kind, as efficient as is the coalition of the bi-partisan movement recommending and sponsoring the other side of the field.

We can do this. If we do not we will leave these masters of finance and fame and fortune like the man in the book of old, who said to himself, so the Bible tells us:

I will pull down my barns, and build greater; and there will I bestow all my fruits and my goods.

And I will say to my soul: Soul, thou hast much goods laid up for many years; take thine ease, eat, drink, and be merry.

But God said unto him: Thou fool, this night thy soul shall be required of thee.