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Limitation of Fortunes—Spreading Wealth Among the Masses

SPEECH

OF

HON. HUEY P. LONG

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

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Mr. LONG. Mr. President, I have prepared for the Senate's ready observation some charts undertaking to detail by hieroglyphics and symbols the present situation that has developed, requiring legislation such as I have offered by this amendment.

I have here a chart, Mr. President and gentlemen of the Senate, purporting to show the condition of the wealth of America year by year, particularly as accentuated since the year 1907. I have drawn here two triangles, one standing on the angle and the other on the base. The word "prosperity" here should read "property." That is an error by the printer. I am showing by this illustration that year by year a smaller percentage of the people of the United States have come into the ownership of a larger percentage of the property.

In other words, back in 1907 the plutocratic element of America, the concentrated owning class, comprised, we will say, 7 or 8 or, perhaps, 9 percent, owning something like 50 percent of the wealth. That was in 1907.

In 1916 that plutocratic class had concentrated to a point where 2 percent of the people owned 60 percent of the wealth.

In 1930 that had concentrated to such an extent that the same percentage of the wealth—around 60 percent—was owned by 1 percent of the people.

In 1931 and 1932 our present President, Franklin Roosevelt, analyzed these figures as to the growing concentration of wealth.

Mr. BORAH. Mr. President, may I ask the Senator what authority he has for those figures?

Mr. LONG. I am going to give the authority. For the figures of 1916 I have the authority of the Industrial Relations Committee report.

Mr. BORAH. The reason I ask the question is because there has been so much dispute about the figures.

Mr. LONG. I will give the authority, then, before I proceed further.

There are very meager figures for the year 1907. We know that in 1907 President Theodore Roosevelt summed up in a general way a particular estimate that he had at that time, and deplored the condition in about these words—that there had arisen a condition of concentration of wealth in America that was gradually becoming so alarming that the Congress of America would have to provide by law against any one person being allowed to transfer an immense fortune to an heir in the years to come, to prevent that calamity of concentration from destroying America and its institutions.

Answering the Senator from Idaho, in 1916 a report was made by the Industrial Relations Committee, based upon statistics at that time, reporting that the wealth of America was owned as follows:

Two percent of the people owned 60 percent of the wealth.

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Thirty-three percent of the people owned 35 percent of the wealth.

Sixty-five percent of the people owned 5 percent of the wealth.

They concluded with the warning that a little city with a population less than that of Chicago owned more of the wealth of the Nation than the other 108,000,000 people, or as the census was at that time.

In 1931 I produced here in the Senate the report of the Federal Trade Commission in which they showed from such estimates as they had been able to make of the decedents, that 59 percent of the wealth was in the hands of 1 percent of the people. I fortified that by another review.

In the year 1916—September 23, 1916—the Saturday Evening Post undertook to make an editorial survey based upon the statistics obtainable from the Bureau of Internal Revenue, and estimated that this country had finally worked itself into "a bloated plutocracy comprising, it said, 1 percent of the population lording it over a starveling horde, with a very thin margin of well-to-do in between"; but in 1930, according to the Federal Trade Commission's statistics, 1 percent of the people in the United States owned 59 percent of the wealth.

We have the statistics furnished us by President Roosevelt, before he had been nominated in Chicago and after he had been nominated in Chicago, in which he pointed to the striking fact that some six hundred and odd corporations in America were in absolute control of the economic and industrial lives and fortunes of this country.

I have submitted in the Record here, in the course of several speeches I have made on this and kindred subjects, the statistics of various and sundry concerns, showing the monopoly that has gradually progressed in controlling such industries as rubber, automobiles, banking, copper, telephones, steel, and all such industries of major importance, to the point that there is practically an entire control of the industries of this country today in the hands of relatively few men.

Mr. President, our calculations, based upon such figures as the American Federation of Labor has been able to assemble, and based upon such figures as our Departments have been able to reach, and upon such as have been reported by the rating agencies, are these:

That beginning in the year 1927 there were 435 business institutions closing their doors every day. In other words, the chain grocery stores, chain banks, and chain drug stores had reached such a point of control that beginning with the year 1927 and the year 1928 an average of 435 independent business places went out of existence every day until the crash finally came on in the year 1929. There was not any doubt that we were on our way to a crash sometime around 1929 or before that time. We had reached a point where no such thing as an independent business could survive under the concentrated fortunes existing at that time; so much so that it became a well-known, undisputed fact that no such thing was possible as an independent business that could be organized with any reasonable chance of thriving under the economic concentration existing at that time.

Inasmuch as the Senator from Michigan [Mr. Couzens] has withdrawn his demand for the reading in full of the amendment which I have proposed, I wish to state, before proceeding further, just what the amendment provides.

I take the existing schedules applying on income taxes and, beginning with the tax on incomes amounting to \$300,000, I gradually scale them up until, when we reach a net income of \$1,000,000, exclusive of taxes and of interest, there is no such thing allowed to any one man as an earning in excess of \$1,000,000 a year. I take the income taxes from a net income of \$300,000 and scale them up to the point that when an income of \$1,000,000 net is realized in 1 year by one man he is not allowed any further income, but the balance goes to the Treasury of the United States.

That is the first provision.

The second provision of the amendment is this: I take the present inheritance taxes and I scale them up to the point that when a man has inherited \$5,000,000, or has received that much in gifts, no one heir, no one child, no one person is allowed to inherit more than \$5,000,000 that he never did a lick of work to earn in his lifetime.

I allow one man to earn \$1,000,000 a year. I allow one child to inherit \$5,000,000 without doing a lick of work to get it. Then all that is in excess of \$1,000,000 a year in income goes to the United States Government, and all that is in excess of \$5,000,000 in inheritances, goes to the United States Government.

Now I come to the last part of this bill which I have offered as an amendment to the pending revenue bill.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. LONG. I yield to the Senator.

Mr. BORAH. I understand that the Senator's amendment first proposes to put a limit upon incomes of \$1,000,000 a year.

Mr. LONG. Yes, sir; a very drastic provision of the law.

Mr. BORAH. Secondly, he proposes, however, that a person may inherit \$5,000,000.

Mr. LONG. Yes, sir.

Mr. BORAH. With all due deference to the Senator's proposal, it seems to me that ought to be turned around; that a man ought not to be permitted to inherit five times as much as he may earn by his efforts.

Mr. LONG. No; in 1 year. He is allowed to earn \$1,000,000 in 1 year.

Mr. BORAH. He inherits in 1 year.

Mr. LONG. Well, it might be said that he inherits it in a minute, if you restrict it to that time. I allow him total inheritances of \$5,000,000 in a lifetime.

I want to say to the Senator that I think these figures are too high in both brackets. I do not think any one man ought to be allowed to inherit \$5,000,000. I do not think any one man ought to be allowed to earn, exclusive of all interest, taxes, and costs, that much, or to inherit \$5,000,000; but this is more or less in line with the policy of the law. We have not been so heavy on the inheritances as we should have been; and I may say to the Senator that to some extent I am following the Napoleonic law on that subject. I come from a State where that is the law. I am to some extent following in the path of the Napoleonic Code, and I am further undertaking to give to the Congress a scale of rates that will cause sufficient distribution of wealth without crippling the initiative of any one particular person.

In other words, take Mr. Morgan and Mr. Vanderbilt and Mr. Mellon. They will leave at their death, we will say, fortunes of several hundred million dollars; it might be \$300,000,000; it might be a billion dollars. It has been estimated in good times that some of these men owned amounts reaching up to a billion dollars or more. If Mr. Mellon, for instance, should die today, and we will say that he had five children, and left a billion dollars in wealth, he could give to each one of those children \$5,000,000 at his death. That would mean that \$25,000,000 would be inherited by the five Mellon children, if there were that many. That would then mean that \$975,000,000 would go into the Treasury of the United States Government. That would mean that we would not have restricted the fortunes or the lives or the

activities of the sons and daughters of the well-to-do. We would have allowed them more money than they could spend in their lifetime or reasonably use in their lifetime. We would not deprive them of a luxury on the face of the earth. We would not stifle them in any ambition, regardless of what might be the particular glory or satisfaction they were undertaking to accomplish; but we would put into the Treasury of the United States, when a billion-dollar fortune fell to inheritance, \$975,000,000, and allow inheritances not to exceed \$5,000,000 to each child.

Mr. President, this is not a revolutionary matter. It is nothing new. We have known, if we know anything at all, that this country cannot survive with the present set-up, by which concentration is not only encouraged but is practically forced under the present system of laws. We not only should have known—we could not have known to the contrary—that we cannot continue to allow a smaller percentage of the people to own a greater percentage of the wealth without reaching the exact condition which President Roosevelt says the country will reach; that is to say, in the language of President Roosevelt, that we are only a few years away from the time when less than 100 men will own and control and dictate everything in the United States.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BORAH. I understood, from the figures read by the Senator, that his figures disclose the startling fact that 1 percent of the people of the United States own 59 percent of its wealth.

Mr. LONG. From the best figures the Federal Trade Commission could supply.

Mr. BORAH. What the Senator has in view is a redistribution of the wealth of the United States?

Mr. LONG. Yes.

Mr. BORAH. But if the Senator takes the illustration of the Mellon estate, of which he was speaking, and distributes \$25,000,000 among the children, and the balance of it goes into the Treasury of the United States, how is it going to reach that 59 percent which we want to distribute?

Mr. LONG. It is very easy to reach. I am glad the Senator asked that question. I will come to it. It is so simple that I think before I answer it, the Senator will not require an answer.

We will relieve 99 percent of the people from having to contribute the \$975,000,000 that will be contributed by the plutocracy. That is one way. We will build up the country, the rivers and harbors, pay off debts for the wars, or what not, all will be supported, and the money thus gathered into the Treasury will naturally be diffused for the various purposes of government and out to all the people.

Mr. ROBINSON of Indiana. Mr. President, we would have funds, then, too, to provide for the national defense.

Mr. LONG. Yes; we not only would have funds to provide for the national defense, but the soldiers' bonus would not have to be delayed, we would not have to enact an economy bill, we would not have to be talking about a sales tax, we would be gathering the money into the United States Treasury and diffusing it for roads, for schools, for farm relief, for hospitals, for rivers and harbors, for soldiers and for sailors, for pensions, for the unemployed, for every kind of activity, the guarantee of bank deposits, including, if we might say so, sufficient funds to enable the Reconstruction Finance Corporation to finance the railroads, anything we needed to do; so much so that, according to the estimates which I have made, we would have enough money contributed by the 1 percent of the population of this country in a period of 15 years, at the most, so that it is probable that something like one third of the national wealth would find its way back through the United States Treasury for redistribution, and for expenditure on the part of the Government.

Why are we delaying the work of developing the Mississippi River? It is a big matter. Why are we waiting to provide a Navy? Because of lack of funds. Why are we not paying off the debt we owe to the soldiers? Because, the Senator from Mississippi tells us, the Treasury is bankrupt. Why

are we not discharging \$27,000,000,000 of debt which we owe for the last war? The United States Government is today in debt \$27,000,000,000; \$20,000,000,000 for bonds which are outstanding for a certain length of time and \$7,000,000,000 floating indebtedness, which has been issued by the Treasury since the depression started and a short time before. We find that the United States Government will be needing within a certain length of time not only to raise funds for rivers and harbors, for navies, and for soldiers, but actually to raise money to pay off \$27,000,000,000 of public debts.

From what source is this money to come? If this money comes out of those who have accumulated the resources of this country at the top, the money will gradually come into the United States Treasury and be filtered out to the workingman who is on the levee; it will be filtered out to the rural mail carrier; it will be given to the soldier; it will be given to the sailor; it will be given to the creditor; and gradually, as this country relieves the man at the bottom of the burden of taxes and gives him the benefit of wealth at the top, in reducing his hours of work, in increasing his pay, in giving such relief as may be necessary to banks, to farms, and to labor, everyone in America will share in the distribution of public funds made by the Government. In fact, there is no such thing as public money spent that does not inure to the population almost as a whole.

Mr. President, I stepped somewhat aside from explaining the bill in answering the Senator from Idaho [Mr. BORAH]. Let me illustrate the last provision of the bill. If we had started in time, we would not have to be so very drastic with this legislation at this time. Had we heard the voice of Theodore Roosevelt in 1907, we would not have had 10,000 banks closing in 1930 and 1931. If we had heard the voice of Woodrow Wilson in 1916, we would not have had the calamity in 1929. If we had heard the voice of such magazines as the Saturday Evening Post in 1916 and 1919, we would not have needed this legislation. If we had harkened back to the days of Daniel Webster when, in that speech which he made at Plymouth, he warned that this country had to set up a system of laws to prevent the wealth of this country being concentrated in the hands of a few if we expected the country to last; if we had taken the advice of Abraham Lincoln; if we had heard the voice of Jefferson; if we had heard the voice of every leading man this country had of that day and time, and practically of all days and times, even down to the present day and time; if we had gone back in time, we would not today be required to be so drastic in the legislation that is necessary to relieve this country of the concentration of wealth in the hands of the few which now faces it. But we have waited until the house is nearly burned down; we have waited until there is no such thing as a flowing wealth in the United States. It is concentrated in the hands of the few, and the few have become as cannibals.

The ruling plutocratic class that started at 5 percent gradually shrank until it became 4 percent. In 1916 that same class dwindled down to 2 percent, and in 1930 it dwindled down to 1 percent. They are cannibals among themselves. They not only had begun to take the wealth that was in the hands of the little man and in the hands of the middle man, but they became financial cannibals, eating up the financial existence of one another, until the plutocratic element that was 5 and 4 and 3 and 2 percent as late as 1916, had become a plutocratic element of 1 percent in 1930.

Mr. President, that does not tell the story. In 1916, when 2 percent of the people owned 60 percent of the wealth, there was a middle class, 33 percent who owned 35 percent of the wealth. That was the condition in 1916. But where is the middle class today? Where is the corner groceryman, about whom President Roosevelt speaks? He is gone or going. Where is the corner druggist? He is gone or going. Where is the banker of moderate means? He is vanishing. The middle class, 33 percent of the people, who owned 35 percent of the wealth in 1916, has disappeared; and, according to the most conservative estimates, which are not even disputed, the middle class today cannot pay the

debts they owe and come out alive. In other words, the middle class is no more. There is no middle class. The middle-class individual has either made his way up into the plutocracy of 1 percent of the population, or he has fallen into the general class of the masses of 99 percent of the people who own a very small, dwindled, and restricted percentage of the wealth. There is no middle class.

Mr. President, we cannot wait for all these rich men to die. They are not going to die fast enough for the Government to secure their money through an inheritance tax. Some of them are good men, and we do not want them to die. They are men whom we can use, and they are no different from anyone else.

Mr. President, I have proposed a capital levy tax, within the Constitution of the United States. I have proposed by legislative and congressional action that on a net capital of \$1,000,000 there will be no capital tax, but upon all that is in excess of \$1,000,000 up to \$2,000,000 the Government will take 1 percent. That means that if my friend the Senator from Ohio has a fortune of \$2,000,000, the Government will require him to pay \$20,000 of capital levy tax.

I then propose that on a fortune of from \$2,000,000 to \$3,000,000 we will take 2 percent of the next million, 3 percent of the next million, from \$3,000,000 to \$4,000,000, 4 percent of the next million. I propose that we gradually increase the tax 1 percent on the million dollars of wealth until the point of \$100,000,000, and when we reach \$100,000,000, the United States Government will take 100 percent of all over the \$100,000,000. [Laughter.]

Mr. LEWIS. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEWIS. I suggest that there be order in the galleries. A Senator is occupying the floor debating an important question, and the occupants of the galleries should be informed that it is not a matter of amusement, and that this is not a movie theater.

The PRESIDING OFFICER. The Chair admonishes the occupants of the galleries that they are here as the guests of the Senate, and the Senate rules strictly prohibit demonstrations of any kind. The rules of the Senate must be lived up to.

Mr. LONG. I do not object to interruptions, although I thank my friend, the Senator from Illinois. I want to say, however, that in stating that under my amendment a man would be allowed to own up to fifty or a hundred million dollars, I probably excited mirth. I know that in that particular this amendment seems ridiculous. It seems absurd for us to be trying to limit fortunes to fifty, fifty-five, or a hundred million dollars. It seems almost preposterous that in this day, when from thirteen to fifteen million people are unemployed; in this day, when somewhere in the neighborhood of 60,000,000 people are on the verge of starvation; that in this day of too much to eat and too much to wear, a Member of the United States Senate would be on the floor of the Senate urging such a preposterous proposition as allowing any one man to make a million dollars in a year, or to allow any one child to inherit \$5,000,000 without working for it, or to allow any one man to own from fifty to a hundred million dollars. It seems almost absurd that in this land of plenty and of too much anyone would be urging in the Senate, or be called upon to urge before the lawmakers of the United States, that in order that there might be such a thing as people eating what is here and wearing what is here, we would try to fix the absurd limitation on fortunes of fifty to a hundred million dollars. Yet that has even been referred to as being drastic and radical, a type and order of legislation that might beset the country with evils and destroy its initiative.

Mr. President, there is no sound-thinking man today who need expect to see this country emerge from the present chaos unless there shall be a redistribution of wealth. We need an expansion of the currency; we need more money; that is necessary for two purposes: First, because it is one of the means that will help us accomplish a decentralization of wealth and a redistribution in the hands of the masses; second, in order to allow intercourse in trade do-

mestically and with foreign nations. But even though we do expand the currency, that is not going to accomplish anything like the necessary fundamental reform of redistributing the wealth of the country so that it may be shared among the people.

In order that I may illustrate that idea and to prove that what I am saying is in accord with modern thought, let me say that I am undertaking to carry out and to write into law the policy of the present President of the United States.

Mr. President, I saw the President before he made some of these important announcements. I knew how he felt about these matters probably in advance of many others of the American people. I was glad to ascertain, even before he had become a candidate for President of the United States, how he felt along such lines when he was formulating public utterances that later fell from his lips as important messages to the people. It was in his speech at Atlanta, Ga., where he said that the trouble with America was not the lack of anything; that it was not the lack of foodstuffs that kept people from eating; that it was not the lack of clothing that kept people from having enough to wear; that it was not the lack of houses that kept people from having homes; but it was the pronouncement of the President of the United States that the trouble, in his own words, was an insufficient distribution of the things that this country had; the lack in the hands of the people of those things which they needed in order to give them purchasing power and enable them to live.

I have excerpted these few remarks from his campaign utterances; they are fair excerpts, Mr. President, although the Senate will understand that it has been necessary to eliminate much in order to give just a few utterances that are pertinent.

Says our President:

We find concentrated power in a few hands; the opportunity in business has narrowed; the independent business man is running a losing race. He is squeezed out by highly organized corporate competition, as your corner groceryman can tell you.

That is the language of our President. He further says:

Our economic life is dominated by six hundred and odd corporations. We shall have all American industry controlled by a dozen corporations and run by perhaps a hundred men.

Those are the words of our President, showing, Mr. President, that in the language of our President there is no such thing as a living or a livelihood for the independent business or independent institution in this country; that we are running a losing race, and that if we are not already, in other words which he used—I did not have the space to display all the quotations on this one placard—that if we are not already in the midst of industrial absolutism we are on the way there and bound to reach it unless we retrace our steps and go in the opposite direction; and, says our President, our basic trouble is not a lack of things but a lack of a proper distribution of them.

Having made myself modern, I go back to the year 1907, when Theodore Roosevelt was considering this question. I display in abbreviated form on this placard on the wall [indicating] the words of Theodore Roosevelt along about 1907:

We shall have to adopt—

Said Mr. Roosevelt in 1907—

some progressive tax on all fortunes, so as to put it out of the power of one to hand down more than a certain amount.

Those are the words of Theodore Roosevelt; and yet, Mr. President, we have waited for 26 years after Theodore Roosevelt had uttered that warning, and we now see that plutocracy of about 5 percent that owned half the wealth grow to a plutocracy of 1 percent that owns about 60 percent of the wealth. We have waited until that plutocracy have put the independent bank out of business; until they have put the independent drug store out of business; until they have shriveled up the dry-goods store, the hardware store, and the grocery store; we have waited until they have depressed the farmer to a point where he cannot earn the cost of pro-

ducing a crop. We have waited, Mr. President, until we have had foodstuffs and wearing apparel piled so high that one cannot see the sun for them, and yet we let one half the people of the United States starve and go naked and homeless in a land of too much because we have not heard the words of Theodore Roosevelt in 1907; we have not heard the words of Franklin D. Roosevelt, and we have not transformed our promises and platitudes into law, as the people of America were entitled to expect, when we conducted the late successful campaign.

Mr. President, in order that I may go back further and perhaps to even greater authority, I will refer to the words of a commission appointed by Woodrow Wilson. There are Senators in this body who were here in 1916—I think my friend the Senator from Arizona was here then—and they will recall that ex-President Woodrow Wilson appointed an industrial relations committee, which conducted a thorough survey all over the United States. It took several months, and in the course of that survey they called in the leading economists of this country, including Mr. Basil Manley, Judge Walter Clark, John D. Rockefeller, Jr., Judge Gary. There were called before the industrial relations committee the leading economists, the leading industrialists, the leading labor-union men who were to be found in that day and time.

It was the purpose of that committee, appointed and created under the administration of ex-President Woodrow Wilson, to find out what was the trouble with the United States. What did they report? I give you the first finding of the Industrial Relations Committee. They said, Mr. President, that the cause of the industrial unrest and the poverty and misery in America prevailing in the year 1916 was first as found in the words on the placard on the wall—

Unjust distribution of wealth and income.

They showed, Mr. President, by the tables of that day and time, that it was a physical impossibility for a country to live and thrive and for its laborers and farmers ever to have an opportunity to educate their children and live in respectability with the wealth of the country concentrated to a point where 2 percent of the people owned 60 percent of the wealth. At that time the Industrial Relations Committee showed that 33 percent of the people owned 35 percent of the wealth. Are we that well off now? We were supposed to correct the conditions that prevailed in 1916, but instead of having done that, instead of having provided against a condition which at that time allowed 33 percent of the people to own 35 percent of the wealth, we have let the middle class that owned 35 percent, be wiped out, obliterated altogether. We have left the plutocratic class of 2 percent dwindle to where 1 percent have as much wealth as 2 percent had when they owned 60 percent of the wealth, and the 65 percent of the people who owned 5 percent of the wealth of the United States in 1916 do not own enough to pay their debts, and most of them are at the point of starvation.

Now, I get back, Mr. President, to the fundamental law. I am going back very briefly and succinctly, if I can, to the fundamental law that has been proved by time and by experience. At the conclusion of the Napoleonic wars, or some of them, the French people found that France had gone through such a constant scourge of war that it was impossible, except through a redistribution of income, for that country to live and survive. Therefore the law of France was arranged upon a basis providing, to some extent, for the redistribution of its wealth. That was done in this way: If a man with five children died, he was compelled to divide his wealth more or less equally among his heirs. He was not allowed to set up a trust or a fidei commissum. He was required to bequeath to his children his wealth, more or less, in equal parts. They were allowed to take the money at once and dispose of it in such way as they saw fit, except idiots and minors, who were placed under guardians and tutors. Under the law of France—and there were other laws which I have not the time to enumerate—the wealth of France was gradually thrown back into the treasury and

diffused into the hands of the people. That was the French law.

That law was written into the law of the State of Louisiana. Strange as it may seem, following war after war which France had gone through, following scourge and pestilence, France has always been able to emerge from every calamity simply because she kept her wealth more or less equally distributed. She is better off today than any country of which we know. It is because under the Napoleonic code France has provided for a more or less equitable distribution of wealth that she survives today. Why did we not survive? For the opposite reason, if I may say so.

Another proof is that the State of Louisiana, which provided to some extent the same law which France enacted, has, as a State, had a fair share of this Nation's wealth, regardless of adversities under which its people have struggled; and today, Mr. President, it may be pointed to as having one of the best systems for distributing wealth among its people, because back far enough the law was so framed as to compel fortunes to be distributed equally among heirs with certain portions to be paid to the State. But Louisiana suffers now because the Nation is collapsing.

That has not been done elsewhere in America. We have allowed a man to go along until he accumulated a million dollars and then to die and hand that fortune down to his most proficient son, and that son has taken the fortune of a million dollars and has rolled the snowball down hill and died and picked out his most proficient son and handed him a fortune of \$10,000,000; and then we have allowed someone else to take the fortune of \$10,000,000 and roll it through another generation and die with a fortune of \$100,000,000, until greed and grasping faculties and monopoly have enabled a few men to get together and squeeze the lifeblood out of every independent business of every kind and character, and practically to make themselves masters of fortune, of finance, and of Government and life in the United States.

Are we going to let that condition continue? I do not know how the President would feel; but in view of what President Roosevelt has said, I do not see how he can feel other than that his principles had received a stab in the back at the hands of everybody in Congress who would not vote today to carry out those policies and those pronouncements to the people.

If I were President of the United States—and I have only the human impulses that I think any ordinary human being like myself would have—if I were President of the United States and I had gone before the people of the United States pleading against this unjust distribution of wealth; if I had gone before my countrymen complaining of this bloated plutocracy of 1 percent existing in the land of plenty, existing in superluxury, and to the misery of the masses; if I were the President of the United States today who had warned the American people about this terrible calamity and growing canker; if I sat in the White House after having pointed out these difficulties and after having promised a relief and a deliverance from such aggravated and accentuated concentration and disaster; if I were in the shoes of the President of the United States, having pointed out these conditions with the results that are here to prove it; if I were the President of the United States and saw Members of the House and Members of the Senate voting against the redistribution of wealth, to which I had dedicated my political lifetime, I would feel that not only had the Congress failed to catch the spirit of the time but had failed to stand by my platform and to aid me in the work I had undertaken.

I know some may feel that it might have been well to have urged upon the President further to consider the logic of the situation. I have not done so. I have taken our great President at his word. That he says nothing now for these things does not detract from what he has said. I have come here to help him carry out his promises to the people. I have come here to help him because of his oft-repeated pronouncements in public and in private conversations, because in both I have heard him say these things to the American

people. I have come here undertaking by an amendment to a revenue act to give to the Congress of the United States an opportunity to decentralize the wealth of the country.

What I have proposed is what I advocated in the last Presidential campaign. What I said in the last Presidential campaign, Mr. President, was stated at the request of and with the knowledge and upon the advice and consent of the great man who now occupies the position of Chief Executive. Nothing that I said at this time or at that time is any different in spirit or in letter from what the President has himself announced to the people of the United States before and after his nomination, and before and after his inauguration as President of the United States.

There may be some who think the calculations should be different. There may be some who think that instead of a man being allowed to earn a million dollars a year he should be allowed to earn only \$500,000 a year. There may be some who think instead of a man being allowed to earn a million dollars a year he ought to be allowed to earn \$1,500,000 a year. I have undertaken to set a figure that is approved by practically all men who have discussed the question, a figure at which no man can say his earning has been restricted in any way that will cripple his business, dwarf his initiative in business, or deprive him of a possible luxury.

With reference to the \$5,000,000 of inheritance, I agree with some of the critics that \$5,000,000 is too much for any one child to inherit. There may be some who think most likely, as the Senator from Idaho [Mr. BORAH] indicated, that probably \$5,000,000 is out of order and out of proportion with the other provisions of my amendment. But be that as it may, I have undertaken to allow an inheritance in the millions sufficient so that there can be no such thing as a crippling of initiative and so there may be no such thing as luxury denied to the possessor of or the person inheriting that kind of fortune.

There may be some who figure that the capital tax levy ought not to allow \$100,000,000 before taking all of a man's money, but I have undertaken to set a figure which I feel will be sufficient to allow us a revenue to the Government sufficient to care for its needs and to accomplish decentralization.

I would like to give the Senate the estimates which I have made, based upon normal circumstances, and after that I have nothing further to say in support of the amendment. Here is my calculation. No; it is not my calculation. Here is the calculation which has been supplied to me. I have been told that within 10 years possibly, but certainly within 15 years, under this decentralization plan the Treasury of the United States would have an income of around \$150,000,000,000. Not less than \$10,000,000,000 and most probably as much as \$15,000,000,000 average per year would come to the Treasury of the United States Government as the result of the amendment which I have offered.

Why do we wait for money to carry on public works and improvements? Why do we wait for money to pay the soldiers' bonus? Why do we wait for money to clear up deficits in the Treasury? Why do we wait for money to pay the \$27,000,000,000 of bonded indebtedness of the United States? Why do we wait here, having to go and take the crippled, the aged and the injured soldier who has fought in defense of his country, and throw him out of the hospital and leave him at the mercy of the world, without a home to occupy, without clothes for his back and without food to eat? Why do we wait in this stifled condition with a land overflowing with milk and honey, flour and meal, potatoes and cream, everything on the living earth here in abundance and superabundance that mankind might desire to consume? Why do we wait in this country with people starving to death by the millions, when we have so much here that they could not eat it if everybody was given everything he wanted to eat to start with?

Why? It is because we have taken the purchasing power out of the hands of the masses, because we have allowed the greed and avarice of the little bloated plutocracy of less than 1 percent of the people of the country to reach the

point that they have amassed all the gold, all the wealth, all the silver, and all the property of America into so few hands that they actually have more satisfaction in owning that concentrated fortune and in the starvation of half the population of the country than they would have even though their fortunes allowed everybody to have plenty and themselves to enjoy whatever luxury could be supplied.

Why talk about a farm problem when nobody has money enough to buy cotton goods to wear? No one need go around trying to find the source of the trouble. If anyone wants to find out why we cannot sell any more cotton, I will tell him why. It is because the women have not any money with which to buy calico. That is why we cannot sell any more cotton. Does anyone want to know why we cannot sell any more silk? The first reason is because 99 percent of the people have not any money with which to buy silk. Does anyone want to know why we cannot sell shoes in the shoe stores, groceries in the grocery stores, and dairy products? It is simply because 1 percent of the people controlling 59 percent of the wealth cannot eat any more than any other 1,000,000 people can eat and consume.

When we have taken the purchasing power away from the people, when we have not fed and clothed 99 percent of the people living in a land of too much to eat and too much to wear, and when they do not have anything to buy, anything to eat, or anything to wear, how does anyone expect to sell the wheat crop and the cotton crop, the corn crop, and whatever else is planted by the farmers of the country?

Our factories are idle. Certainly they are. How could they be anything else? Take the statistics as shown by the income-tax returns and it will be found that there is such a small percentage of the people earning anything like a livable income in this country that it would be impossible today to have any such thing as busy factories.

Let us return our country to reason and equity.

Therefore, Mr. President, I submit my amendment, and ask that we may have the yeas and nays.

Mr. NYE. Mr. President, I desire to express myself briefly on the pending amendment offered by the Senator from Louisiana. I am numbered among those who are urging at this time that there can be hope for little or no recovery for America until we have accomplished, in some manner or other, a decentralization of wealth that has grown by such leaps and bounds in recent years. While the inflationary features of the farm bill were pending before the Senate, I offered an amendment which, had it been accepted, would have increased the income-tax rates on incomes in excess of \$100,000 a year.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Louisiana?

Mr. NYE. I am glad to yield.

Mr. LONG. I want to ask the Senator to let me suggest the absence of a quorum.

Mr. NYE. I am not going to yield for that purpose at this time.

The VICE PRESIDENT. The Senator from North Dakota declines to yield.

Mr. NYE. The scale of taxation upon incomes under my amendment would range from 55 percent on incomes of \$100,000 or more, to 75 percent on incomes of a million dollars or more per year. I was prevailed upon at the time of its offering to have it referred to the Committee on Finance, which was then considering the pending tax bill. So the amendment went to that committee.

I now understand, of course, that the amendment did not receive favorable consideration at the hands of the committee, but I intend to move that amendment to the pending bill in the event the amendment of the Senator from Louisiana shall be defeated. Yet I hope I am not going to have occasion to offer my amendment; in other words, I hope that the amendment offered by the Senator from Louisiana is going to prevail, and because I so much want that it shall prevail, I am going to plead with the Senator

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from Louisiana to do a thing which I am certain will enlarge the chance for the adoption of his amendment by the Senate.

His amendment deals with income taxes, with inheritance taxes, with gift taxes, and with the so-called "capital tax." I wonder if the Senator, in view of the largeness of the contract involved in his amendment, will not consider and finally consent to the elimination from his amendment of that portion of it dealing alone with the capital tax?

Mr. LONG. Mr. President, as I understand, the Senator is suggesting the elimination of the capital tax levy feature of the amendment, leaving the income-tax and inheritance-tax provisions as they are. Is that what the Senator suggests?

Mr. NYE. That is all. I suggest only that the Senator strike from his amendment all the language beginning in line 15, on page 4, striking out all on pages 5, 6, 7, and 8, and down to line 13 on page 9.

Mr. LONG. Mr. President, I have been urged so to change my amendment, and I am willing to modify the amendment. Accordingly, I accept the suggestion of the Senator from North Dakota.

Mr. NYE. I am sure the Senator will thereby improve the chance for his amendment in a large way.

The VICE PRESIDENT. The Senator from Louisiana modifies his amendment. The question is on agreeing to the amendment as modified.

Mr. LONG. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kendrick	Pope
Ashurst	Cutting	Keyes	Reed
Austin	Dickinson	King	Reynolds
Bachman	Dieterich	La Follette	Robinson, Ark.
Bailey	Dill	Lewis	Robinson, Ind.
Bankhead	Duffy	Logan	Schall
Barbour	Erickson	Lonergan	Sheppard
Barkley	Fess	Long	Shipstead
Black	Fletcher	McCarran	Smith
Bone	Frazier	McGill	Steiner
Bratton	George	McKellar	Thomas, Utah
Brown	Goldsborough	McNary	Trammell
Byrd	Gore	Metcalf	Vandenberg
Byrnes	Hale	Murphy	Van Nuys
Capper	Harrison	Neely	Walsh
Carey	Hayden	Norris	Wheeler
Clark	Johnson	Nye	White
Connally	Kean	Overton	

The VICE PRESIDENT. Seventy-one Senators have answered to their names; a quorum is present.

Mr. LONG. Mr. President, I want to take just long enough to say to Members of the Senate who have come in recently that I have modified my amendment by striking out the capital-tax-levy feature of it, leaving it to apply only as to inheritance and gift taxes and income taxes, limiting the incomes to \$1,000,000 and inheritances and gifts to \$5,000,000. I ask for the yeas and nays on my amendment.

Mr. TRAMMELL. Mr. President, may I ask the Senator a question?

Mr. LONG. Certainly.

Mr. TRAMMELL. The Senator provides for an increase of income taxes on incomes of \$300,000 and upwards?

Mr. LONG. Yes.

Mr. TRAMMELL. The increase does not begin until the incomes reach \$300,000?

Mr. LONG. That is correct.

Mr. TRAMMELL. And, with reference to inheritances, what is the minimum from which the amendment proposes to start?

Mr. LONG. I have just scaled them from whatever they are now on up to \$5,000,000. I do not propose to affect them to any extent whatever in any of the lower brackets.

Mr. TRAMMELL. That is the impression I gathered from reading the Senator's amendment; that it does not affect the lower brackets in any of the taxes.

Mr. LONG. That is true. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LA FOLLETTE (when his name was called). On this vote I have a special pair with the senior Senator from Virginia [Mr. GLASS]. I understand if he were present he would vote "nay." If I were at liberty to vote, I would vote "yea."

Mr. LEWIS (when his name was called). I am paired with the Senator from Rhode Island [Mr. HEBERT]. Not knowing how he would vote, I withhold my vote.

Mr. LOGAN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. McKELLAR (when his name was called). On this vote I have a pair with the junior Senator from Delaware [Mr. TOWNSEND]. I transfer that pair to the junior Senator from Massachusetts [Mr. COOLIDGE] and vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote. If permitted to vote, I should vote "yea."

Mr. VANDENBERG (when his name was called). On this vote I am paired with the senior Senator from Oklahoma [Mr. THOMAS]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. FRAZIER (after having voted in the affirmative). On this amendment I have a special pair with the senior Senator from Maryland [Mr. TYDINGS]. Therefore I withdraw my vote. I understand if the Senator from Maryland [Mr. TYDINGS] were present he would vote "nay." If I were at liberty to vote, I would vote "yea."

Mr. FESS. The Senator from West Virginia [Mr. HATFIELD] is necessarily detained on official business. He is paired with the Senator from Arkansas [Mrs. CARAWAY].

Mr. LEWIS. I desire to announce that the Senator from Ohio [Mr. BULKLEY], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Georgia [Mr. RUSSELL], and

the Senator from Colorado [Mr. COSTIGAN] are necessarily detained from the Senate on official business.

I also wish to announce the following general pairs:

The Senator from New York [Mr. COPELAND] with the Senator from Delaware [Mr. HASTINGS];

The Senator from South Dakota [Mr. BULOW] with the Senator from Connecticut [Mr. WALCOTT];

The Senator from New York [Mr. WAGNER] with the Senator from Missouri [Mr. PATTERSON]; and

The Senator from California [Mr. McADOO] with the Senator from Vermont [Mr. DALE].

I wish further to announce that if the Senator from Arkansas [Mrs. CARAWAY] were present, she would vote "aye."

The result was announced—yeas 14, nays 50, as follows:

YEAS—14

Bone	McGill	Overton	Trammell
Cutting	Neely	Pope	Wheeler
Dill	Norris	Reynolds	
Long	Nye	Shipstead	

NAYS—50

Adams	Carey	Harrison	Murphy
Ashurst	Connally	Hayden	Reed
Austin	Couzens	Johnson	Robinson, Ark.
Bachman	Dickinson	Kean	Schall
Bailey	Dieterich	Kendrick	Sheppard
Bankhead	Duffy	Keyes	Smith
Barbour	Erickson	King	Steiwer
Barkley	Fess	Logan	Thomas, Utah
Black	Fletcher	Loneragan	Van Nuys
Bratton	George	McCarran	Walsh
Brown	Goldsborough	McKellar	White
Byrd	Gore	McNary	
Byrnes	Hale	Metcalf	

NOT VOTING—31

Borah	Costigan	La Follette	Stephens
Bulkley	Dale	Lewis	Thomas, Okla.
Bulow	Davis	McAdoo	Townsend
Capper	Frazier	Norbeck	Tydings
Caraway	Glass	Patterson	Vandenberg
Clark	Hastings	Pittman	Wagner
Coolidge	Hatfield	Robinson, Ind.	Walcott
Copeland	Hebert	Russell	

So Mr. LONG's amendment was rejected.