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"PRESERVING DEMOCRACY"

AN ADDRESS

by

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ATTORNEY GENERAL OF THE UNITED STATES

Delivered at the
Jackson Day Banquet
held at the
Stevens Hotel, Chicago, Illinois
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9:00 to 9:30 P. M., C. S. T.

Mr. Chairman, Distinguished Guests, Ladies and Gentlemen:

One hundred and eight years ago an historic event took place at a banquet held at Brown's Indian Queen Hotel in the City of Washington. The air was tense with anticipation. Statesmen, politicians, and men of business, by common consent, regarded the long-awaited moment as one of national significance. When, following the custom of the day, the appropriate time arrived, a tall, gaunt man, much hated and much loved, arose to offer a toast to America. It was Andrew Jackson, and this is what he said:

"Our Federal Union; it must be preserved."

We have just heard another message to the American people. It was from the lips of President Franklin D. Roosevelt, who, perhaps more completely than any other Chief Executive, has vitalized and carried forward the Jacksonian tradition. Under conditions strangely dissimilar and yet strangely alike, it is as if he had raised his glass and said, "Our Federal Union; it must and shall be preserved--as an instrument of progress, a servant of justice, a guardian of the happiness and general welfare of the people."

The voice of Jackson was heard by a small group assembled in but one room; and it took weeks, even months, for his message to filter out to the people. The words of Roosevelt were instantly heard throughout the length and breadth of the land. Thus is symbolized the change that has come over America and the unchanging purposes of those who love democracy.

Do not for a moment assume that it is a simple task to preserve democracy and to make it an efficient instrument of government. Great reforms do not come easily. Even after the people have determined upon them, the attempt to enact them into law precipitates a terrific struggle.

Let me tell you a brief but significant story. Those who stood amid the wreckage of the Hoover administration will recall that 6,067 banks had been forced to close their doors. Simultaneously, there was a great demand for money of all kinds for hoarding, not only in safe deposit boxes, but in mattresses and in holes dug in the cellar.

Early on Monday, the sixth of March, 1933, President Roosevelt issued his first proclamation which suspended the operation of all our banking institutions and preserved them from destruction. Thereafter, the President, acting in close cooperation with the Congress, approved a series of acts, and promulgated Executive Orders that effected a sweeping change in the financial structure of our country.

Moreover, the administration secured the enactment of a law insuring deposits to the extent of \$5,000 each in all of the banks within the Federal system. Fifty-eight million accounts come within the protecting folds of that beneficent law; and their owners do not have to lie awake nights worrying about their deposits. These measures were but a part of the inspiring story of a troubled nation finding its way successfully out of financial chaos.

Do you suppose that these great reforms were brought about without a battle? Not for a moment did the great financial interests that center in Wall Street relax their resistance, or forego any opportunity to poison the minds of the people against the policies of the Administration.

When the anti-gold hoarding measures were promulgated, there was a great hue and cry in ultra-conservative quarters. They were assailed as wicked and unconstitutional encroachments upon private rights. But surely there can be no right to hoard in time of national peril any more than there can be a right to seize the best life boats in a storm at sea, or sequester food in a city under seige. The administration was obliged to defend these measures in court--and defended them successfully.

Did the struggle end there? Not at all. Those who maintained that the whole financial policy of the administration was unconstitutional instituted a series of suits, and the government was obliged to resist in the courts the attempts of private litigants to destroy the system that the President and the Congress had created.

It was not until the Supreme Court, by a 5 to 4 decision, upheld the position of the Administration that the battle subsided; and, even now, we hear muffled rumblings of it from time to time, in irreconcilable quarters. The last case that finally rung down the curtain on these subversive efforts was decided less than a month ago. Had this crucial litigation gone against the government it would have added ten billion dollars to the public debt. It would have written up the public and private obligations of our country by sixty-nine billion dollars, and would, overnight, have reduced the balance in the Treasury of the United States by more than two billion, five hundred million dollars. It would have spelled chaos in every quarter of the land.

And what has been the actual result? Our credit never stood higher than it does today, and the American dollar is the soundest monetary unit on the face of the earth.

The same forces that fought the gold clause legislation were active and recalcitrant as each new reform was put forward. They lobbied in the Congress, they advertised in the newspapers, and they fought in the courts. For fully three years municipal power projects have been blocked in 23 States by the injunctive process. The national will as expressed in the Public Works legislation, the desires of the affected communities, and the hopes of those who counted upon work or planned to sell materials were alike set at naught while this unwarranted litigation dragged its weary length through the courts. It was not until last Monday that a Supreme Court decision in the Duke and Alabama Power cases brought to a close this wholesale campaign of obstruction.

To prevent the operation of the Public Utility Holding Company Act seven major suits were brought simultaneously in the District of Columbia and over forty similar suits in twelve different judicial districts, when one test suit would have served every legitimate purpose. There seemed to be, and I say it with regret, a deliberate purpose to engage the government upon so many fronts that effective defense would be rendered difficult or impossible.

In September 1935, a group of fifty-eight eminent lawyers solemnly admonished the nation that the Wagner Labor Relations Act was unconstitutional and not worthy of obedience. They formulated an elaborate opinion covering one hundred and twenty-six pages, published it in the newspapers everywhere, sent copies of it to lesser legal lights, and did incalculable harm in fostering litigation and disregard of law. They spoke as if from on high, they entertained no doubts, they acted with superb confidence, and, as the opinion of the Supreme Court subsequently disclosed, they were completely wrong.

It is something of an anomaly that when great problems are to be met we expect our public servants to supply the legislative solutions, while at that very moment many of the most gifted members of the bar exercise their ingenuity and their experience to break down the structure thus created.

Naturally there is a growing distaste for the elaborate tactics of obstruction that make it so difficult for a democracy to function. The public is fully persuaded that what was unplanned or selfishly guided in the past must take its place in an orderly governmental process and that a great cleansing and rebuilding program must go forward. It is increasingly irritated by those refinements of logic which are calculated to render attempts at social reconstruction sterile or abortive.

And still the struggle goes on. So long as there are evils to be corrected, there will be beneficiaries of evils to resist the measures of correction.

Of late years there has been an increasing trend toward an undue concentration of wealth and economic control. It is a situation of which any responsible government must take notice.

While our anti-trust laws have checked the growth of monopoly, they have not prevented it. We have come into an era of price control by concerted group action and that, I undertake to say, is an intolerable situation. We cannot be expected to permit such practices to impair our prosperity or to throw it out of balance.

A nation as capable as ours of producing an abundance of wealth is not adequately using its powers if there is an insufficient distribution of such wealth amongst the masses of the people. If their incomes are depleted by unjust prices and inequitable wages, there will be precisely that much less to spend for the good things of life. The purchasing power of the future lies in the standard of living of those on the lower rung of the ladder; and there will be found the answer to our hope of a well-ordered national home.

Mass production and all the advantages that flow from operations on a large scale may be, and often are, the sources of great public service. That fact has been demonstrated over and over again. Indeed, it is one of America's outstanding achievements. It must not be forgotten, however, that the control of the vast power involved carries with it not only high responsibilities, but also dangers of misuse against which we must safeguard our Democracy.

In dealing with these problems our purpose should be constructive, not merely destructive. Monopolistic practices should be more clearly defined. This would be helpful to a just administration of law, and would be a mantle of protection to those whose honest desire it is to live within the law. Let it be remembered that the well-intentioned business man is desirous of knowing not only what he is forbidden to do, but also what he is permitted to do. I repeat what I stated on November 29th in a formal address:

"In rewriting the antitrust laws, thought should be devoted not only to strengthening them and making them more intelligible, but attention should also be given to providing protection and encouragement to legitimate efforts of enlightened business men to increase production and employment, to improve working conditions, to eliminate waste, to provide more effective methods of distribution, and to supply better services to consumers and to the public."

I say with all the earnestness at my command that until agriculture, labor and capital, with the aid of the government, have learned the lesson of friendly and intelligent cooperation our Democracy will not rest on a safe foundation.

Most of those in charge of great enterprises realize the significance of this problem and are patriotically concerned about it. There are minorities, however, within these groups that blindly resent any activity upon the part of the Government and insist upon a free hand to deal with industry and labor as they see fit.

They have not grasped the idea or the ideals of a modern democracy. They do not realize that a new day has dawned and that the yesterdays will not return.

"The Moving Finger writes and having writ
Moves on. Nor all your piety nor Wit
Shall lure it back to cancel half a line
Nor all your tears wash out a Word of it."

In these modern days our industrial and financial system is so delicately poised that the creation of a morbid psychology may have

injurious results. Those who spread disturbing rumors or indulge themselves in forebodings of disaster, curiously enough, end by terrifying themselves. They remind me of children who tell ghost stories around the fireplace and frighten themselves so much that they are afraid to go to bed.

The opposition to the President's policies does not come from the people; it comes from relatively small but very influential and powerful groups.

It is, perhaps, not strange that those who have long controlled the affairs of Government and have turned their power to private advantage, should be resentful of a leadership that is less concerned with their privileges than with the needs of the country as a whole.

No tribune of the people ever stored up love for himself in the House of Privilege. Every great leader we have ever had has been the victim of calculated slander and reckless invective. All of our great Presidents have had their detractors. Washington knew them. Jefferson knew them; and so on down the list of the illustrious men who gave all they had in the service of their country. No one knew them better than the Great Emancipator, whose body lies not far from here and whose mighty spirit still broods over a troubled people. He knew them in all their meanness, all their malice, and all their venom. These wretched traducers proclaimed him a tyrant, a dictator, and a usurper. They said that he had loaded the country with intolerable taxes and had "piled an enormous debt incalculably high." They said that he was an enemy of our form of Government and had "torn the Constitution to tatters."

The struggles of Andrew Jackson with political and financial privilege; his sturdy attempts to make the doctrines of Jefferson living and breathing things; his titanic battle with Nicholas Biddle and the Bank of the United States; and the unbridled criticism to which he was subjected have their counterparts today.

The popularity of Jackson survived all his battles, and such was the reverence in which he was held, it is said, that many people went on voting for him fifty years after his death--even in the State of Vermont. And so it is with Roosevelt. After each struggle he emerges stronger than before.

Nor has the administration been less successful in foreign affairs. Through international understandings skillfully arranged by a great Secretary of State, our languishing trade across the seas has been expanded and revived. The doctrine of "the Good Neighbor" was promulgated and a feeling of friendliness fostered amongst the nations on this side of the Atlantic which has not been known for generations.

So hard put to it are the critics of the Administration that they suggest that affairs in Europe have been better handled than here and that the unemployment problem abroad no longer creates a serious menace.

I think it was Josh Billings who, with reference to a certain person, remarked that "the difficulty with him is that he knows so many things that are not so." If you look across the waters to the troubled peoples in foreign lands, you will find little encouragement for the criticism of conditions in this country. To mop up unemployment by

putting millions into the army and setting more millions to work manufacturing munitions may be one way to meet the unemployment situation, but it does not accord with American ideals.

And let me add this too! With millions of storm troops set upon a hair trigger for release into another international conflict, with constantly accumulating bombing planes ready to destroy the cities and the populations of Europe, with supplies of poisonous gas being feverishly prepared for their hideous purpose, with one country already plunged into the vortex of a ghastly fratricidal conflict, and with two great nations slaughtering thousands upon the field of battle and destroying countless numbers of innocent non-combatants, we are justified in uttering a fervent prayer of thanks to Heaven that we have in the White House a man who loves peace, and, above all men else, knows how to preserve it with honor.

We face the future with high courage. Our country will go on and it will prosper. It will contribute increasingly to the happiness of its people and gain in dignity and in influence amongst the nations of the world. I sometimes think that the people are wiser than the wise men of finance and industry. They know a great leadership when it comes to them, and just as they loved and trusted Jackson, so they love and trust Roosevelt.

The rich and the powerful may have forgotten what he did for them, but the lowly and the dispossessed have not abated one iota of their faith. The people have not forgotten. They could not forget. No one can make them forget. They know what they have been through with him, and they propose to go with him to the end of the road.