

SEVEN YEARS OF DEMOCRACY

AN ADDRESS

BY

HON. ROBERT L. OWEN

OF OKLAHOMA

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AN ADDRESS

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HON. ROBERT L. OWEN.

"Mr. Chairman and fellow citizens:

"True Democracy is a religion. It is not completely monopolized by the members of the Democratic Party. Many of its loyal disciples find themselves affiliated with other parties. Democracy truly believes in the rule of the people, in their wisdom, in their common sense, in their common honesty, in their justice, in their patience and steadfastness, in their right and ability to govern themselves. It thinks in terms of the greatest good to the greatest number. Its disciples should be 'Soldiers of the Common Good.' Its great patron saint was Thomas Jefferson, who stood for freedom of religion, freedom of speech, freedom of the press, the education of the people by free schools, the right of every citizen to vote.

"On these principles Jeffersonian Democracy took control of the Government in 1801 and held it for many decades. When the party organization became weakened by selfishness and fell under the control of those who believed in human slavery, it passed from power by a revolt of Jeffersonian Democrats, who would not stand for human slavery. They organized a new party and took the name which the followers of Jefferson had employed in 1800, calling themselves Republicans.

"When the wise and kind Lincoln, on the field of Gettysburg, prayed that the Government of the people, for the people, and by the people should not perish from the earth, he voiced the spirit of true democracy throughout the world.

"When the Republican Party got control of the Government during the Civil War, 1861-1865, every selfish interest that wished to use the powers of government for private advantage gradually attached itself to the Republican Party, courted its leaders, became busy in its organization, contributed to its elections, promoted its nominations, and steadily obtained an increasing influence in its management. Unhappily it seems to be the history of all parties.

"When in 1912, after many years, it became obvious that an invisible government of organized commercial and financial selfishness had gained control of the organization of the Republican Party and of the governing powers of the people of the United States, the spirit of democracy, that sleeps but never dies, arose in the hearts of the Progressive Republicans, under the leadership of Theodore Roosevelt, and by this revolt there was given to the Democratic Party its first real opportunity since the Civil War to demonstrate that it had, through tribulation, come back to the true principles of Democracy of Jefferson, of Jackson, and of Lincoln, and magnificently the Democratic Party has responded. It was assisted on many occasions by patriotic Progressive Republicans.

"We have thousands of new voters who will seek to know what the party did when it got the power to act. They will ask and our unmindful opponents will ask:

"What did the Democratic Party do?"

"Let us answer that:

LOWERED THE TARIFF.

"Immediately it revised the 'robber' tariff. It cut down the prohibitive schedules that selfishly sheltered monopoly in the United States. It put the necessities of life on the free list—the free-list importations have increased a billion dollars a year under Democratic management; it removed unjust tariff discriminations, and by lowering the tariff stimulated our imports and our exports. (38 Stats., 114, Oct. 3, 1913.) Our foreign commerce has increased from four billions in 1913 to ten billions in 1919. Let Democrats always keep in mind that, by logical necessity, ultimately imports measure exports and exports measure imports.

"It established the *Tariff Commission* (39 Stats., 795), to take the tariff out of politics and deal with it strictly as a business matter. The old rallying cry of the Republican Party of the Protective Tariff League, which promoted laws to tax the consumers for the benefit of the selfish members of the league, is gone, because of the necessity now of admitting the commodities of Europe, as the only available means by which the people of Europe can repay the many billions of loans made them by our Government and by our people. It has been demonstrated that a revenue tariff, fairly drawn, is abundantly sufficient to honestly protect American industries against foreign competition.

"The overwhelming majority of American industries, because of the enormous production and productive power of American machinery, can now compete on the most favorable terms with any nation in the world.

"What did the Democratic Party do?

PROGRESSIVE INCOME TAX.

"It placed the taxes on those best able to pay the taxes, and from whom taxes were more justly due. It took the tax from the backs of the consumers and placed it upon incomes, by the *progressive-income tax*, so that those who could pay the cost of the Government without distress should do so. (39 U. S. Stats., 756, Sept. 8, 1916.)

"It passed a *progressive-inheritance tax* so that the wealth of the country should pay for its own protection. (39 Stats., 1091, Mar. 3, 1917.)

"Do the American people want these statutes repealed?

"It passed the *excess-profits tax*, to compel those profiting by war conditions to meet the larger part of the cost of war. (39 Stats., 1000, Mar. 3, 1917.)

"It passed the *war-profits tax* for the same reason. (40 Stats., 1088, Feb. 24, 1919.)

"What did the Democratic Party do?

THE FARMERS.

"It made a resolute effort to benefit the farmers of the country, and to improve our agricultural output. For instance:

"It passed the *farm loan act*, enabling the farmers of the country to obtain cheap money on long time from the investing public, through nontaxable farm-loan bonds. Over \$300,000,000 have been loaned to farmers, and under this system ultimately the farmers of the country will get nearly all the money they require at the cheapest rates. (39 Stats., 360, July 17, 1916.)

"The farm loan act had the effect of compelling land-mortgage banks to lower their interest rates, and thus has been of great value to the farmers.

"The Republican Senate, without a hearing, reported a bill recently to repeal the tax-exemption features of the bonds based on joint-stock bank mortgages authorized under this bill, but withdrew it when protests were filed.

"The Democratic Party passed the *Smith-Lever agricultural extension act*, under which the vast knowledge acquired by the Agricultural Department in agriculture, horticulture, animal industry, bee culture, farm economics, canning and preserving foods, raising poultry, etc., has been put at the service of every farmer in every agricultural county in America by trained men and demonstration farms. (38 Stats., 1086, Mar. 4, 1915.)

"The Democratic Party passed the *good roads act* and appropriated millions to build, by cooperation with the States, hard-surfaced roads connecting the farms with the cities, to the advantage of both. (39 Stat., 355, July 11, 1916.)

"The Democratic Party has vigorously expanded the *rural-route system*—delivering mail to the farms.

"It has built up the *Parcel Post System*, carrying parcels to and from the farm, and to and from the cities. Do the American people or the farmers want these acts repealed?

"What has the Democratic Party done?

LABOR LAWS.

"It has shown its deep desire to serve those who labor.

"It established a *Department of Labor*; has developed it; has made it useful in steadily improving the conditions of life for those who labor. (37 Stats., 736, Mar. 4, 1913.) It has established *employment bureaus*, to bring the man and the job together. It helps to settle disputes between labor and capital. It has developed the *Bureau of Mines* and the *Bureau of Standards*.

"It passed the *child-labor act*, to prevent employers from denying children their right to be educated, and to have some of the freedom of youth. (39 Stats., 675, Sept. 1, 1916.)

"It passed the *eight-hour law*—one of the great accomplishments desired by organized labor. (39 Stats., 721, Sept. 3, 1916.)

"It passed laws providing for the *minimum wage*.

"It passed the *workmen's compensation act*, for accidents and death in industry. (40 Stats., 961, Sept. 13, 1918.)

"It exempted combinations of laborers and of farmers from the inhibitions of the antitrust act.

"It passed a great act declaring that '*labor is not a commodity*.' This act is regarded as a magna charta for labor, and forbids labor, consisting of human flesh and blood, to be handed about as a chattel. (38 Stats., 731, Oct. 15, 1915.)

"It passed an act providing for *vocational instruction* and is engaged now in giving vocational instruction to many of our young soldiers returning from abroad who have sought this advantage. I heartily wish a larger number were being given these advantages of instruction. (39 Stats., 929, Feb. 23, 1917.)

"Do they who labor desire to rebuke the Democracy for these acts and have these laws repealed?

"It passed the *scamen's act* to give liberty to those who labor on the high seas, to put an end to the slavery practiced on sailors, to provide better conditions of life at sea, and safety at sea for the sailors. This legislation has been of very great value in raising the wages of sailors and making the profession more attractive to young men. It was a necessary step in

order to provide men who would be needed for the great-merchant marine which the Democratic Party desired. (38 Stats., 1164, Mar. 4, 1915.)

MERCHANT MARINE.

"The Democratic Party has now built up a gigantic merchant marine, with 10,000,000 tons of shipping, big enough and strong enough to take our commerce and our flag to every port in the world. This alone is a monumental service to the American people.

MONOPOLIES.

"What did the Democratic Party do?

"It did many things to abate the evils of monopoly.

"It passed the *Clayton Antitrust Act*, providing various means with which to check the practice of monopoly. (38 Stats., 730, Oct. 15, 1914.)

"It established the *Federal Trade Commission*, with authority to suppress unfair practices in commerce. The Federal Trade Commission is destined, by its example, by its policies, and by its work, finally to teach the American people how to control the abuses of monopoly and of profiteering. (38 Stats., 717, Sept. 26, 1914.)

"The greatest of all monopolies in America was the monopoly of money and credit, known as *the Money Trust*.

FEDERAL RESERVE ACT.

"The Democratic Party passed the *Federal reserve act*, established 12 credit centers, with 12 great Federal reserve banks under the control of the Government of the United States through the Federal Reserve Board, so that any citizen having sound credit, based on commodities or on actual commercial transactions, could have his note underwritten by his local bank and get money from the Federal reserve bank. This act took from the Money Trust the monopoly of credits. (38 Stats., 251, Dec. 23, 1913.)

"This act has enabled the 25,000 banks in the United States to accommodate our national commerce without asking permission of any private monopoly. This act has made panics impossible. It has given great stability to the banks and to credits. Under this act in six years the resources of the national banks have increased from ten billions in 1913 to twenty-two billions in 1919. All the banks included have had their resources increased from twenty-five billions to forty-eight billions under Democratic management in six years. Not a single national bank failed in 1919.

"This act enabled the United States to finance Europe, to organize and conduct and to win the greatest war in history. Those who fought this act are now asking the people of the United States to put them in control.

"Do the business men of America want this act interfered with or to rebuke those who passed the act over persistent Republican opposition?

"The Democratic Party has developed the *postal savings banks* for the accommodation of those timid people who do not deal with the banks but are willing to trust their deposits with the Government, and their deposits are thus made available for the banks. Under these acts the banks of the United States have had the greatest prosperity in their history and at the same time have substantially lowered the rates of interest to American business men.

"What did the Democratic Party do?

"It has passed many acts improving the *Public Health Service* for the conservation of human life.

POPULAR GOVERNMENT.

"It has done many things to promote *popular government*. It was due to the Democratic Party and the Progressives that the *direct election of United States Senators* was put into the Constitution. This amendment has made the Senate of the United States more responsive to the opinions of the people, and will make it still more responsive than it is now.

"Do the people want to vacate or abandon this right or rebuke the Democracy for demanding greater power for the people?

"The Democratic Party *democratized the committees* of the United States Senate by giving the committees control of the chairmen and of conferees.

"The Democratic Party established *modified cloture in the Senate* so that a few men could not by unlimited debate permanently defeat the will of the Senate itself. (1917, vol. 55, p. 19.)

"It passed an act forbidding *bribery in elections*.

PEACE TREATIES.

"It negotiated *peace treaties with all the important nations of the world except Germany, Austria, Bulgaria, and Turkey*, who wanted war—and got it.

IT CONDUCTED THE WAR TO VICTORY.

"*It kept this Nation out of war until it became clear that the liberties of America and of the world were in jeopardy from the aggressive conduct of the Teutonic allies. When war became necessary for the protection of the honor, the dignity, the liberties of the American people, the Democratic administration organized the Council of National Defense; organized the Nation for war, down to the very crossroads; passed the declaration of war and the great war measures; established the War Industries Board, the War Trade Board, and the food and fuel control; financed the entente allies; passed the war marine insurance act; set up the War Risk Insurance Bureau; organized over 30,000 four-minute men; called to the colors 10,000,000 Americans; raised an army of over 4,000,000 men; expanded the Navy and merchant marine; provided the munitions of war; trained and transported the required forces to Europe; protected them from disease and vice as far as humanly possible; broke up the German submarine campaign; crumpled the lines of the German troops in France; crushed the morale of the Teutonic forces and compelled their military leaders to beg for an armistice, in effect an unconditional surrender, thus saving the civilization of the world from the greatest military menace in the history of mankind.* (39 Stats., 649; 38 Stats., 711.)

PROGRESSIVE REPUBLICANS.

"Mr. Chairman, I wish to express my warm and heartfelt respect for the patriotic Republicans and citizens of other parties who loyally cooperated from the Atlantic to the Pacific in winning this Great War. And I wish to express my deep gratitude to those progressive Republicans who cooperated with the Democrats in the great legislative program of the six years of Democratic control.

"What did the Democratic Party do?"

"Why, it passed the *'selective-draft act,'* by which rich man and poor man; educated man and ignorant man, Protestant and Catholic, Jew and Gentile, black and white, took their position side by side on the battle line or in the service of the country where each was best fitted to protect the liberties of their common country. Never was a more democratic act passed. No man was permitted by law to buy a substitute with money, but every man's life and service was put upon a basis of equality in the defense of his country. (40 Stats., 76, May 18, 1917.)

"What man had the impudence to question the 'Americanism' of the Democratic Party in all these great accomplishments? What is 'Americanism' if it be not the great policies which the Democratic Party have put into execution when it stamped out sedition at home, whipped the Hun abroad, and made America the commercial, financial, and moral leader of all the world, so that all great nations do homage to the United States, and small nations, when they bend their heads in prayer, pray God to bless the American people. America has become the beacon light to all mankind, and no narrow partisan can hide this light under a bushel or question the glorious Americanism of the Democratic Party.

"Under the *War Risk Insurance Bureau* was written insurance for our soldiers abroad of \$40,000,000,000, and under our war marine insurance act American commerce was protected without loss to the Government.

"The Democratic Party passed the *War Finance Corporation act* for the protection of our business men under the extraordinary interruption and stress of war.

"It passed the *capital-issues act* in order to safeguard all credits of the country and make them available for war. (40 Stats., 512, Apr. 5, 1918.)

"It organized the *Red Cross movement* down to the cross-roads, and in this Great War enterprise the Democratic Party gladly availed itself of the patriotism of citizens of all parties.

TWO GREAT AMENDMENTS—WOMAN'S SUFFRAGE; PROHIBITION.

"By the combined efforts of the progressive men in both parties two great amendments to the Constitution of profound social and moral significance have been passed—woman's suffrage and prohibition. Of still greater importance is the fact that these great reforms were due to the progressive men and women in the homes of America.

THE ELECTION OF 1918.

"Before the Great War had terminated successfully there came on the election of 1918, in which the party lost many votes because men who were aggrieved by the conduct of the war, by the selective-draft act, by the operation of the Army and naval forces; many men injured by the priority orders and the conduct of the railroads where the administration had to give the right of way for war purposes; many men injured by the Government commandeering materials and men; many men hurt by the sudden raise in prices, due to the Government competing for men in the shipbuilding yards and in munition plants; many offended by high taxes and by the extravagance and waste of war visited their displeasure on the Democratic Party.

"Many men of German blood or of German sympathy who resented the United States going into war.

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"Many men who opposed war as a principle were either turned against the Democratic Party or their devotion to the party was weakened.

"There was a general disposition to blame somebody, and the administration was the victim.

"The Democratic Party, with its leading men intensely occupied with the winning of the war, were in no position to present the accomplishments of the Democratic Party to the people of the country.

"Moreover, in 1918 the United States had the extraordinary affliction of 'Spanish influenza,' which killed in that year 447,000 of our people and over 380,000 of them died in the fall of 1918. Under the advice of physicians political meetings were forbidden.

"Was it any wonder the Democrats lost both Houses? Moreover, the result of the war was still unknown. It is now generally conceded that the President's famous preelection letter alienated many liberal or progressive Republicans and vitalized those who were partisans to strenuous activity in resentment of what they construed to be an affront and lack of appreciation of their loyalty in supporting the war activities of the administration.

"Mr. Chairman, I wish it might be truly said that none of our people during the Great War, either Democrat or Republican, had made any mistakes in the management of the war in the Army or Navy, or of the railroads, or of the telegraphs or telephones, or of any of the Government's affairs [Republican and Democratic citizens were almost equally divided in these activities, but the percentage of errors and wrongs was very small considering the magnitude of our operations in the war]; but I can truly say that the record of accomplishments in the last six years of complete executive and legislative control by the Democratic Party is the most magnificent ever made by any party in any country.

"The Democratic Party found the United States in depression in 1913, threatened with a panic. The New York banks declared in the summer of 1913 that they did not expect to be able to furnish the money to move the crops in the fall, and the country banks were advised not to expect the customary rediscount privileges. The Democratic administration thereupon furnished the money out of the United States Treasury to move the crops and repeated the same operation in 1914, and now, after six years of Democratic management, the country has been brought up to a condition of the greatest prosperity in its history. The banks are crowded with money, the people are living better than ever, business is prosperous, everyone desiring to labor can find the opportunity, the trains are crowded, and the hotels are overflowing.

"Is it possible that the alleged delinquencies of a few individuals, great or small, shall blot out the legislative and executive accomplishments of the Democratic Party?

"Is it possible that the human frailty of a few citizens in office will be urged as a just reason for reversing and condemning at the polls the ideals and the progressive, constructive policies of the Democratic Party and rebuking the spirit of loyalty and service by which it has been inspired?

"Mr. Chairman, such a judgment would be as thoughtless and as unjust as the condemnation of our sons who won the

battles of the Argonne because some of them blundered and lost their way in the excitement of battle or came out of the carnage with muddy shoes and bloody uniforms.

"The Democratic Party was wounded in this Great War. It was wounded in many ways, but it came nobly through every trial and brought to the American people the most glorious victory ever recorded in all the annals of time. It made America the leader of the world.

"No party in history ever deserved better of the people than the Democratic Party now deserves of the people of the United States.

THE PEACE TREATY.

"Our President, whose leadership and whose sympathies were behind the record of the last six years, went to Paris and brought back a glorious peace treaty, establishing peace among all the nations of the world, by which all the nations of the world pledged themselves to respect and preserve the territorial integrity and political independence of other nations; to settle all international disputes by conciliation, arbitration, and peaceful adjustment; to end competitive armament; to coerce any outlaw nation again attempting to deluge the world in blood by a world-wide economic boycott and by such pressure as should be necessary to restore order.

"After many months of study and acrimonious debate the treaty of peace at last has four-fifths of the Senate in favor of it without amendment or with reservations that, after all, do not seriously change its meaning.

"The covenant of the League of Nations ushers in a new democratic era in which all the great nations have agreed that all just government is based on the consent of the governed.

"The monarchies and autocracies are crushed. The democracies of earth are completely and overwhelmingly triumphant throughout the whole world.

"But to accomplish this magnificent result our people lost a hundred thousand of our best young men, twenty-six billions of money, and dislocated all of our internal affairs.

"Shall we now lose the reward of these sacrifices—the greatest opportunity of service in our history—by refusing to ratify the treaty and thus fail to assume the moral leadership of mankind which is tendered our Republic by the unanimous sentiment of all the free nations? Shall Senators take a small revenge on the President for his alleged neglect of the Senate, reject the treaty, wound all the friendly nations of earth, who fought to the death in the cause of liberty side by side with us, and lose our preeminent position with them purchased at such a sacrifice? Shall the beloved youth of the world, our own best beloved, have died in vain?

"If the treaty be not perfect its errors can be corrected without tearing down the entire structure. Justice and reason will prevail in the assembly of the world's best representatives. The treaty should be ratified without delay, with such reasonable reservations as shall put the American people whole-heartedly behind it.

THE FUTURE.

"And now, Mr. Chairman, we are face to face with the immediate future. It is not enough to say what we have done; it is of the greatest importance to say what we shall do. The spirit and purpose, the vision and constructive genius which the

Democratic Party has exhibited in the last six years, justifies the faith that this great party can be better relied on than any other party to solve the reconstruction problems following the war.

THE HIGH COST OF LIVING.

"The greatest problem confronting the country is the high cost of living, which deeply concerns those of fixed salaries, fixed wages, fixed small incomes.

"Many causes have combined to bring about the high cost of living and cut down the purchasing power of the dollar. The principal causes are:

"1. Credit expansion in the form of United States bonds and certificates of indebtedness, short-time Treasury notes, exceeding \$26,000,000,000.

"Expansion in bank deposits, amounting to nearly \$20,000,000,000 from 1913 to 1920.

"Expansion of Federal reserve notes, made necessary to meet rising prices and the consequent increased demand for actual currency.

"Expansion of gold sent to America to balance our excess commodity shipments abroad, amounting to eleven hundred million dollars:

"These expansions of credits make dollars much easier to get and make the exchange or purchasing value of the dollars less because dollars are easier to get.

"Similar foreign credit expansion in foreign bonds, bank deposits, and currency has in like manner reacted on prices abroad and raised the prices of foreign commodities imported into the United States.

"2. Diminished production. European labor for five years, and American labor for two years, has been largely withdrawn from the production of goods and raw materials required for normal peace times. In the United States we withdrew from the factories, fields, mines, forests, and fisheries over 4,000,000 men and put them under arms and in training for war, and we withdrew probably 10,000,000 laboring people from the activities of peace to the activities of war, causing a diminished production of goods.

"3. Increased consumption. The increased consumption by war in the destruction of property on land and sea, by the waste and extravagance of war, emphasized diminished production.

"4. High cost of labor: Because of the urgency of war and strenuous competition, extraordinarily high prices were paid for labor in our factories, in munition plants, in shipbuilding yards, and other Government and private works engaged in war purposes. The withdrawal of millions of men for war added to the scarcity of labor and doubled the prices paid.

"The extraordinarily high pay led many men to work half time—lowering production. They satisfied their wants with half-time labor.

"5. The extraordinary European demand for the necessities of life added greatly to the demand for American goods and raised prices in America on all the necessities of life.

"6. Impairment of transportation: Transportation on land and sea was subjected to ruinous losses. Millions of tons of ships were sunk. There was no time to repair or rebuild cars or locomotives, or to keep the railways in good condition, and

now transportation is lacking efficiency even where production is available, thus adding to the cost of living.

"7. The excess-profits tax and certain war taxes have been shifted to the price of commodities, and thereby upon the consumer, raising the cost of living.

"High taxes of all kinds are in some degree put on the cost of goods wherever possible.

"8. Interstate monopolies, restricting production, restraining trade, hoarding necessities of life and raw materials, and exacting unfair profits and high prices has added immensely to the high cost of living.

"9. Profiteering: Many people are taking advantage of unsettled prices and conditions and the absence of a suitable mechanism to control it, to profiteer on those who are compelled to buy.

"10. The unequal distribution of wealth, exaggerated by war, has led to extravagance and waste by thousands who have profited and set a false standard of prices in many lines by the reckless expenditure of those who need not measure the cost, compelling people who can not afford it to pay fictitious and false prices.

"11. Wholesale speculation in stocks, commodities, real estate, and business has led to excessive interest rates—going up on the stock exchange to 20 and 30 per cent; a 6 and 7 per cent rate by the Federal reserve banks, and 7, 8, and 9 per cent for commercial loans. This is one of the most serious factors in the high cost of living, because as goods pass through various hands each adds a merchant's profit to the original high cost. It has also resulted in depreciating United States Liberty bonds, because they bear a reasonable and moderate rate of interest, and seem a poor investment beside current rates much higher.

"Speculation in stocks alone was employing on the New York Stock Exchange within the last few months \$1,900,000,000 loaned by banks on call or short terms for speculation. Such credits should be preferably used by the commercial banks for industry and commerce at legal rates.

REMEDIES.

"Some of the causes of the high cost of living can be almost immediately corrected, and steps should be taken of a concrete character by which to reduce the cost of living. Among the remedies which are obvious is *to stop the expansion of credit for unproductive purposes*, such as pure speculation in stocks, commodities, and real estate.

"The productive power of the people of the United States amounts to approximately seventy billions per annum, and will supply all the credits required for the most vigorous development.

"2. *To stabilize the Federal reserve note issue and keep the currency at a relatively stable figure.*

"The per capita circulation in the United States in 1890 was \$22.82; in 1900, \$26.93; in 1910, \$34.33; in 1914, \$34.35; in 1919, \$54. The expansion in 1919 included \$11 gold per capita sent from abroad in exchange for goods.

"3. *The taxes should be reduced and the cost of the war should be extended over 50 years, so that the cost of the war will be distributed over the future and not fall too heavily upon the present generation or compel high taxes in paying the principal at this time.*

"5. *The Federal Reserve Board should lower the normal rate of interest for discounting for member banks to not exceeding 3 or 4 per cent as a normal rate, increasing the rate if banks seek discounts in excess of a fair proportion of the reserves to which such bank is entitled.*

"6. *The United States Government should be conducted on a strict budget system, limiting expenditures to a moderate income by reasonable taxation. Extravagance and waste in government should be prevented and treated as a serious wrong. Very great economies are possible in governmental administration and should be vigorously worked out under the most improved modern methods.*

"7. *The people of the United States should demand reasonable interest charges, and usury should be checked. The artificial usurious rates charged on call loans in the Stock Exchange in New York should be forbidden by law, and restrained by the powers of the Comptroller of the Currency and the Federal Reserve Board and by act of Congress if necessary.*

"*Call loans on stock exchange collaterals should be converted into time loans for the benefit of the stock exchange as a true market place and as a sound public policy. Time loans can not command very high usurious rates.*

"*It will be impossible for the railroads of the country to get money on their bonds at decent rates unless the normal interest rates are brought down. Unless the railroads can be financed on a fair interest rate for their bonds the public will pay the bill in higher freight rates and passenger fares. If the interest rates are brought down to a reasonable basis, the United States Government bonds will come back to par.*

EXCESS PROFITS.

"*The excess-profits tax should be repealed, and the Government should go out of partnership with those who are charging the American people excess profits. The Federal Trade Commission should have its powers expanded as an agency by which to reduce the high cost of living by restraining unfair practices in interstate commerce.*

RIGID ECONOMY NECESSARY.

"*During the war it was exceedingly difficult to entirely prevent waste and extravagance, but now the Government should enter upon a policy of rigid economy in the management of its affairs. Economy is as essential in Government as it is in private affairs, and if we are to lower taxes it is essential that every expense should be avoided consistent with the efficient conduct of government.*

MONOPOLIES.

"*The practices of interstate monopolies in limiting production in order to limit supply and charge extortionate prices should be stopped by the Government as an unfair practice. Unfair price fixing and hoarding for speculation should be forbidden. It will be far better for monopolies to turn out five times as much at 20 per cent profit than charge 100 per cent profit on one-fifth of the output. Even those who profit by monopoly should remember that they themselves are the victims of other monopolies, and that their profits would be more valuable if their dollars had a larger purchasing power. The Sherman antitrust law has failed, because the Supreme Court declared that 'reasonable restraint of trade is not obnoxious to the statute,' and no man knows what a 'reasonable restraint of trade' signifies.*

"The Federal Trade Commission should have power to limit interstate monopolies to a reasonable percentage of profit on their turnover, so that the public interest is preserved while not denying an abundant reward to those who transact the business of the country. This has been fairly well accomplished by the Cartel system.

PROFITEERING.

"Profiteering should be dealt with in the same manner by National, State, and local authorities, and public opinion should be aroused so as to make those guilty of profiteering feel the disapproval of the public, and so that suitable remedies may be provided to abate this evil without denying the just rewards for initiative and industry in commerce.

PRODUCTION—LABOR AND CAPITAL.

"It is of extreme importance that production should be stimulated, and this involves many factors. It involves reasonable, stable, low interest rates. It involves equally the rights of labor, of management, of capital, and of the public. Labor is both manual and mental and is entitled to the fullest consideration. The efficiency of labor for several reasons has been seriously impaired. Labor is estimated in many lines to be from 30 to 40 per cent below its productive capacity prior to the war, notwithstanding the high prices paid for labor due to the unrest of labor and the dislocation of labor under war conditions; to the extraordinary prices paid during war times; to extraordinary profits during war by the employers of labor; due to trained men being taken away from the stations in which they were expert to other more profitable lines in making war material. Readjustment is needed. This can be promoted by encouraging frank and free discussion and arranging peaceful methods by which labor will participate in what it produces above a bare living wage. The employee should not be regarded merely as a money-making machine, but altogether as a human being, entitled of right under the Constitution to life, liberty, happiness, and a reasonable participation in the profits arising from labor. This policy is advisable both for the sake of the employer and the employee. When the workman knows that he is working both for himself and his employer he will not indulge in or permit the killing of time, the waste of material, of energy. Labor management and capital should work together on the principle of service to all mankind along lines of cooperation in a spirit of fellowship, sympathy, and mutual support. It will not do in a democracy to rely solely on the physical powers of the Government and brute force to control human unrest. That remedy is a two-edged sword, dangerous alike to capital and to labor, and to the stability and peace of the Government itself. The doctrine of mere arbitrary force should not be seriously entertained by thinking men who love liberty after the lessons of this war.

"Neither labor nor capital can be expected to render willing service unless it receives a just and satisfactory compensation.

"To prevent strikes and lockouts, the causes should be found and removed.

"Increased productivity should be for the service of all, and not exclusively or unduly for profit.

DISTRIBUTION.

"Much can be done in promoting improved methods of distribution through improved organization, through terminal warehouses and distributing centers and a central board of information.

tion through which sound advice can be given to those engaged in the process of distribution.

"The improved use of warehouse receipts as a basis of credit through the expansion of the acceptance system in furnishing credit for goods in process of actual distribution.

GOOD ROADS.

"The building of hard-surfaced roads and the use of motor trucks and automobiles is a very important part of cheapening the process of distribution and lowering the cost of living. The United States should vigorously promote this development in conjunction with the States.

LAW AND ORDER.

"The powers of the Government should not be subjected to the dictation of organized minorities, whether representing capital or representing labor or any special group, but the right of men to organize and petition the Government should not be denied. The right of men to organize for collective bargaining is a just and reasonable right which should not be interfered with, but conflicts arising between organizations of men representing capital and representing labor should be adjusted by means provided for conciliation, mutual accommodation, and by public opinion. In such controversies the public is entitled to a substantial representation, so that the interests of the public shall not be disregarded by those who are merely seeking their own interests. A just settlement of such disputes can be arrived at and is one of the great problems remaining to be solved in a manner just to the public and to those who serve the public alike.

SEDITION LAWS.

"The existing statutes are sufficient to punish those guilty of overt acts against the dignity of the national statutes, and there is no need for the passage of extreme laws based on excitement and fear of bolshevism in the United States. The punishment of the advocacy and organization of actual conspiracy to change the forms of our Government by assassination should be vigorously inflicted, and additional law should be provided to cover such conspiracies, if it actually prove to be necessary. The people of the United States are overwhelmingly honest, loyal, patriotic, and can be relied upon at all times to protect the country against sedition and treason.

"We saw during the war the best evidence of this. The only danger was that the people themselves might go too far and act on suspicion in dealing with the ignorant and thoughtless who exercised the American privilege of occasionally indulging in foolish speech.

"It has taken a long time to build up our great Government, based on its ideals of liberty, justice, and humanity, and the people of the United States will not permit any man or set of men by violence and force to tear down constitutional Government in America. Law and order must be and will be rigidly enforced. It can be and should be enforced without extreme sedition laws which might destroy liberty and break down freedom of speech and freedom of the press. Ignorance should be controlled by education where possible, and force should only be used where milder remedies fail.

"Our Constitution provides a peaceful, reasonable way for its amendment, and those who by organized societies are secretly engaged in advocating the overthrow of our Government and

social institutions by fire and sword should be treated as guilty of criminal conspiracy and sedition.

"It is my opinion that political prisoners guilty of no overt criminal act should be released immediately and all others brought to summary trial and not subjected to indeterminate imprisonment awaiting trial.

CONSERVATION.

"The great policy of the conservation of our natural resources is another means by which the high cost of living can be abated by increasing production through the use of these great natural resources. It should be vigorously maintained and extended to bring into use these values.

UNITED STATES BONDS.

"The United States bonds which were sold to the people under the Liberty loan and Victory loan campaigns ought to be brought back to par, and this can be done by insisting upon lower rates of legal interest through the Federal reserve banks and through the member banks and forbidding the high usurious rates on the stock exchanges—which run up to 30 per cent on call loans—which have the effect of raising the commercial rates throughout the United States. Even the reserve banks under this influence raised rates to 6 and 7 per cent. It logically follows that United States bonds bearing moderate rates are discredited and brought below par, when contrasted with very high commercial rates, and when banks and citizens borrowing on $4\frac{1}{2}$ per cent Government bonds are charged 6 per cent for credits. If Government bonds plus the credit of a citizen or bank are not entitled to credit at the rate of interest the Government bond bears, it need not surprise the country if the bonds sell for a 10 per cent discount.

"For 50 years before the war the normal rate of interest in France and Belgium was 3 per cent. In Great Britain the acceptance rate during the war was only $3\frac{1}{2}$ per cent. United States bonds bearing 2 per cent, with the circulation privilege, have been selling at par for years.

POPULAR GOVERNMENT.

"The policy of the Democratic Party in promoting popular government should be steadily adhered to in order that the sovereignty vested in the people of the United States may have a concrete mechanism through which it may exercise the governing power. The popular-government process is of the greatest importance to accomplish this and to enable the people to so control the Government that it may function in their interest and be comparatively free from the organized selfishness that is continually exerting itself to lay its hands upon the governing powers of the people in a thousand crafty ways.

CLOTURE IN UNITED STATES SENATE.

"Even now a majority of the people's representatives in the United States Senate can not control the Senate because of its minority serving rules that permits a minority to control its acts. Unqualified cloture or 'the right to move the previous question' is a reform absolutely necessary to deprive the special interests of undue power in the people's Senate. It ought to be demanded by the people.

INITIATIVE AND REFERENDUM.

"You have seen in Oklahoma the value of *the initiative and referendum*, which has now been adopted by more than 20

States, including such Commonwealths as Massachusetts, Ohio, California, Mississippi, and Missouri. This law puts the powers of government into the hands of the people and enables them to initiate any law they do want and veto any law they do not want.

"The *primary law*, the *short ballot*, the *preferential ballot*, the *corrupt practices prevention acts* are essential in preventing organized minorities and plutocratic influences, through machine-rule methods, getting control of the governing power.

"The *publicity pamphlet* issued by the Government to each citizen giving the argument for and against candidates and public measures is necessary for the information of the citizen that he may vote intelligently and escape the undue influence of the press columns too largely controlled by selfish interests.

"When these processes of popular government shall have been perfected and the people are in complete control of their own Government, the powers of monopoly and of profiteering can be effectively controlled and the high cost of living reduced. When this is accomplished we shall have had an answer to Lincoln's great prayer that 'A Government of the people, for the people, and by the people should not perish from the earth.'

"To accomplish these great ends the liberal elements of America should unite.

"It will surely be conceded by thoughtful and just men that the Democratic Party is very substantially controlled by the progressive and liberal elements of the country, and that the Republican Party can not hope to make itself the liberal party of America. We, therefore, have a just right to appeal to Progressive Republicans and liberal men of other parties to cooperate with the Democratic Party. We have a right to invite them to join us on terms of equality in order that the progressive elements of the Nation through the Democratic Party may control the laws of the country along progressive and liberal lines. If this cooperation can be accomplished, the liberal elements of America will be able to control the Government in the election of 1920, and the prosperity which has been brought about under the liberal and progressive statutes of the last six years will be continued and improved upon.

"Those who love democratic and progressive ideals, who love the common good, who worship liberty, justice, and humanity should do so 'in spirit and in truth,' and not be diverted by partisan pride, far less by sordid or selfish motives, from faithful service to the great cause.

"Hundreds of thousands of progressive men affiliated with the Republican Party in former elections believe in our ideals, and reluctantly follow the reactionary leaders who are continually protecting or favoring monopoly. These progressive citizens belong with us. They can be made to know that their ideals can best be obtained through the Democratic Party.

"The just solution of our vital domestic problems require progressive citizens to unite. I appeal to you to lay aside all partisan bitterness and invite to your support forward-looking citizens of other parties. Let us work harmoniously together in promoting social and industrial justice and human happiness.