

Ben Moreell, "To Communism. Via majority
Vote, address delivered at the Annual Meeting of
The Marketing Division of The American Petroleum Institute, 1452 November 10th

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TO COMMUNISM . . . VIA MAJORITY VOTE

By

BEN MOREELL

*Chairman of the Board
Jones & Laughlin Steel Corporation*

An Address

Delivered at the Annual Meeting of
THE MARKETING DIVISION OF
THE AMERICAN PETROLEUM INSTITUTE

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ADDRESS BY ADMIRAL BEN MOREELL
*Chairman of the Board
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to the
MARKETING DIVISION OF THE AMERICAN PETROLEUM
INSTITUTE ANNUAL MEETING
CHICAGO, ILLINOIS
NOVEMBER 10, 1952

TO COMMUNISM—VIA MAJORITY VOTE

THE American Petroleum Industry, with vital interests dispersed in all parts of the world, must be concerned about current trends in forms and procedures of government everywhere but, most particularly, in our own country. Therefore, I am glad to have this invitation to speak to you today. Because it gives me the opportunity to discuss with you what I consider to be the most vital problem of our times. It is this: "How can you and I best fight communism?"

I believe that communism is an evil thing, every trace of which should be rooted out of American life. Most Americans are of the same mind. In fact, the American people are now aroused against communism as they have seldom been aroused before. They fear the danger to our freedoms. And they want to do something about it.

As one who has spent most of his adult life in our military service, I want to enlist for this battle, too. So, over the past few years I have been studying our enemy—communism—in order to prepare myself for the struggle. During the course of those studies I made a shocking dis-

covery, which I am now going to share with you, in the hope that we can help each other solve this problem. But first let me give you the step-by-step account of that discovery.

TEN POINTS OF COMMUNISM

Like most Americans, I began by hating communism because of its methods. I linked communism with outright lying, subtle deception, treason, allegiance to a foreign state, hatred of religion and contempt for the God-given rights of individuals. Wherever the communists achieved power, there followed murder, slave labor, concentration camps, and despotic control of every phase of human life.

But I found that these are only the methods and by-products of communism. I then asked myself these questions: "What is communism itself, as distinguished from its methods? Are not these cruel methods the inevitable result of autocratic rule? Can any *good end* ever be achieved by *evil means*?"

If a person intends to fight something, he should know his enemy in order to plan his strategy. Otherwise, he may do more harm than good. I had heard of Karl Marx and Frederick Engels, the founders of communism. And I had been told that their book, "THE COMMUNIST MANIFESTO", published in 1848, is the "bible" of the communist faith. So I bought the book and read it. And I have been greatly disturbed ever since. You will understand the reason for this when I read to you the ten steps

of the communist program as set forth by Marx. They appear on pages 32, 33 and 34 of the One Hundredth Anniversary edition of THE COMMUNIST MANIFESTO. I shall now read to you from that book; and I assure you that I am not reading out of context:

"We have seen that the first step in the revolution by the working class is to raise the proletariat to the position of the ruling class; to win the battle of democracy.

"The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie [i.e., the property owners]; to centralize all instruments of production in the hands of the State . . .

"Of course, in the beginning this cannot be effected except by means of despotic inroads on the rights of property and on the conditions of bourgeois production . . .

"These measures will, of course, be different in different countries.

"Nevertheless in the most advanced countries the following will be pretty generally applicable:

"1. Abolition of property in land and application of all rents of land to public purposes.

"2. A heavy progressive or graduated income tax.

"3. Abolition of all right of inheritance.

"4. Confiscation of the property of all emigrants and rebels.

"5. Centralization of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly.

"6. Centralization of the means of communication and transport in the hands of the State.

"7. Extension of factories and instruments of production owned by the State; the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan.

"8. Equal liability of all to labor. Establishment of industrial armies, especially for agriculture.

"9. Combination of agriculture with manufacturing industries: gradual abolition of the distinction between town and country, by a more equable distribution of the population over the country.

"10. Free education for all children in public schools. Abolition of children's factory labor in its present form. Combination of education with industrial production, etc., etc."

Those ten measures were the battle plan of communism, formulated by Marx and Engels one hundred years ago. And the same plan is still pursued by present-day communists. When this plan was drawn, none of their ideas was popular in America. Now, let us see how they have progressed during the past century:

BY DEMOCRATIC MEANS

It is important to recall that Marx did not say that these measures should be put into effect by armed revolt, but, using his own words, by "winning the battle of democracy" and by "raising the working class to the position of the ruling class". Once this has been accomplished by legal and democratic elections, the "political supremacy" was to be used as follows: "to wrest, *by degrees*, [again, not by sudden revolution but by the slower democratic process] all capital from the bourgeoisie;" and "to centralize all instruments of production in the hands of the State. . . ."

Because communism came to Russia by violent revolt, most of us have thought that the communists would try the same method in the United States. The fact is that Marx taught only the "slow-decay-from-within" method. It was not until about 1903 that Lenin broke with the Fabian socialists and adopted violence as the means to be used in Russia, where capitalism had not developed to the point where its decay could be significant. But the rest of the communist-socialist thinkers continued to follow the strategy of Marx. These included the Fabians and Labor Party of England and the socialists of Western Europe. Even the Russian communists have not abandoned the methods and strategy of Marx in most countries other than Russia.

If this century-old strategy of Marx—what today we call “creeping socialism”—sounds familiar to you in the light of current events in America, you will understand why I am disturbed. You see, I had believed that communism would come by violence. Now I discovered that the goal was to be achieved *not* by *bullets*, but by *ballots*; *not* by illegal, but by legal, means; *not* by a few evil persons, but *by vote of the majority*.

This throws a new light on the problem. It appears that in our struggle against communism, we Americans may well be choosing the wrong battlefield, at the wrong time, and against the wrong enemy. It may be that while we are fighting communist armies thousands of miles away, communism itself is marching steadily forward under the stimulus of easy triumphs here at home.

COMMUNISTIC IDEAS

In view of vows of fidelity by communists throughout the world, we must assume that THE COMMUNIST MANIFESTO is still authentic communist doctrine. Let us, then, examine the ten “planks” of their platform in some detail.

OWNERSHIP OF LAND

The first plank is government ownership of land. Now, it is true that our government has always owned land. But early American policy was to get this land into the hands of private owners as quickly as possible. Sometimes it was

sold at very low prices. Sometimes it was given away. But always the idea was to get it into the hands of private owners, whether it be a railroad, a college, an individual homesteader, or others.

That practice is followed no longer. The policy now is for government to take land from private owners and, in strict accord with Marxist doctrine, to use it “for public purposes”. The public purpose may be an irrigation or flood control district, a Tennessee Valley Authority, a Bonneville power project, forest land, an oil reserve, or any one of a number of others. The Federal Government now owns 24% of all the land within the continental limits of the United States, and its holdings are increasing steadily. During the past thirty years 45 million acres of land have been taken from private owners by the Federal Government, which now owns more than 69% of the area of Arizona, 71% of Utah, and 85% of Nevada. Most of the current acquisitions are east of the Mississippi River. There isn’t too much left to acquire west of the Mississippi. And the trend is steadily upward. The claim of dominant interest in the tide-lands, always until now considered the property of the States, is a striking example of current policy.

As stated, the Federal Government now owns one-fourth of all the land. How long will it be before it owns one-half—and then all of it?

The second communist plank is: "A heavy progressive or graduated income tax." That iniquity was first imposed on Americans in 1913, with the ratification of the Sixteenth Amendment to the Constitution. The tax was described by its proponents as a modest levy, with a normal rate of 1% on personal income up to \$20,000, a surtax up to a *maximum* of 6% at \$500,000; and a flat corporate tax rate of 1%. The sole purpose, they said, was to produce revenue. When a Senator protested that the normal rate might some day rise to the confiscatory level of 10%, he was shouted down in derision! But now the personal tax has progressed to better than 90% in the highest brackets and is being used, *as originally intended by Marx*, as a punitive measure to achieve equalization of status, i.e., to take from the thrifty by force, if necessary, in order to give to the thriftless,—and to act as a powerful deterrent to the formation of private capital, thus making it easier for government to step in with public capital.

To the federal income tax should be added the various state income taxes. This process of progressive confiscation of income is, of course, in complete accord with the communist plan of "wresting, *by degrees*, all capital from the [owners of private property]."

Let me give you a specific example of how this works. In 1951, the total of the income tax payments *to the Federal Government* by the largest company in each of the

twenty largest industries was three times the total amount that was paid by them to the owners of the businesses. That is, for every dollar set aside for federal taxes and dividends by these companies, 75¢ went to the Federal Government and 25¢ went to the stockholders. After that, an additional generous cut of the dividend payments was taken directly from the stockholders by the Government for personal income taxes. How long will American investors be willing to save and to risk their savings in American industry in the face of such powerful discouragement?

THE INHERITANCE TAX

Plank 3 of the communist platform is the inheritance tax, a most effective way of removing capital from private ownership and placing it in the hands of government. And to this we have added the gift tax, a device which Marx apparently overlooked! I hold that these taxes are no more American than is the progressive income tax. The three have become as one—and for the same reason—"to wrest, *by degrees*, all capital from the bourgeoisie". As an example: One of the DuPonts died recently and left an estate of \$75 million. Of this, \$56 million, or approximately 75%, must be paid out in inheritance taxes. The disruptive effect of the liquidation of such an estate is readily apparent. Surely those who are now responsible for managing this productive capital are better able to handle it to the advantage of our whole economy than are

political adventurers. You may condone this action, saying, "Oh! Well, there is plenty left." But I speak here of a basic moral principle, the right to retain private property, which applies to all of us, regardless of the amount involved. Those who wish merely to "soak the rich" should know that the history of the income tax—in our country as elsewhere—shows clearly that once it is established, the tax collector quickly moves into the lower income brackets. His appetite for more revenue is insatiable!

CONFISCATION OF PROPERTY

Plank 4 of THE COMMUNIST MANIFESTO provides for the confiscation of the property of all emigrants and rebels. In America, this is usually done only under the emotional stress of war. When the war is over, the property may or may not be returned to its rightful owners. In the last war, American citizens of the Japanese race, who, it was thought, might possibly *become* rebels, were deprived of their property and placed in concentration camps. The Government compensated these people for the loss of their property by a pitifully small percentage of its real worth. Speculators and political favorites got the rest!

CONTROL OF CREDIT

Plank 5 is, "Centralization of credit in the hands of the State, by means of a national bank." The trends of our Federal Reserve System and Government controls of credit

and interest rates would appear to be exactly what Marx had in mind. Recently there have been recurring expressions of a growing desire on the part of "new" and "fair dealers" to have the Executive Branch of Government exercise control over the policies and actions of the Federal Reserve Board. They have proposed that the Government buy the stock of the Federal Reserve Banks and that all new government money requirements, including those for retiring outstanding bond issues, be provided by delivering noninterest bearing bonds to those banks, which would then establish corresponding credits on their books. These proposals, coupled with repeated recommendations for the issuance of printing press money, recall the dictum, attributed to Lenin, that the surest way to destroy the capitalist system is to debauch its currency, which prompted the late Lord Keynes, high-priest of the "easy money" cult, to state: "Lenin was certainly right. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose."

CONTROL OF COMMUNICATION AND TRANSPORT

Plank 6 of Marx' program is, "Centralization of the means of communication and transport in the hands of the State." Our Federal Communications Commission and Interstate Commerce Commission seem to have made a good start toward the achievement of that objective. At various periods the Federal Government takes over and

operates the railroads. At other times it merely controls them. In any case, our railroads are so strictly controlled and directed by Government that they cannot, with propriety, be pointed to as examples of private ownership and operation. Federal loans and subsidies for highways, bridges, steamship lines, truck lines, air lines, airports, etc., are added evidences of the encroachment of government on this area of private enterprise. And it is pertinent to recall here the dictum of our Supreme Court in a decision handed down in October 1942 that, "It is hardly lack of due process for the Government to regulate that which it subsidizes."

GOVERNMENT PLANNING

Plank 7 of the platform is the "Extension of factories and instruments of production owned by the State; the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan." I believe you are aware of the many factories and other "instruments of production" now owned by the Government. And I am sure that the examples of Government planning for the improvement of deserts, swamps, and river valleys are known to you.

A noteworthy case is electric power generation. On January 1, 1952, the Federal Government owned 10.7% of the total generating capacity in the United States. Construction now in progress or scheduled by both Government and private utilities will result in Federal Govern-

ment ownership of 15.4% of the total capacity by the end of 1955. The corresponding figure for *all* public ownership (Federal, State, and local) is 23.8%. One can easily foresee what will happen when the production of electric power by atomic energy is economically feasible, as atomic energy is now a complete government monopoly.

In passing, it is worth noting that the Federal Government now owns \$750,000,000 worth of synthetic rubber plants. In the first six months of 1952 these government-owned plants produced 62.3% of the country's total consumption of new rubber.

LABOR CORPS FOR AGRICULTURE AND INDUSTRY

Plank 8 of the communist program is the establishment of labor corps for agriculture and industry. Fortunately, that plan has not yet gained wide acceptance in America, although the Works Progress Administration (WPA) and the Civilian Conservation Corps (CCC) of the early New Deal years made a good beginning on this program. And the recent recommendations by Government agencies for the institution of compulsory unionism certainly contains the nucleus of the idea. In fact, in February, 1921, the Central Executive Committee of the American Communist Party published a statement which suggested that the closed shop is essential to give Communism the control of industrial power necessary to create a Red America.

Many of us have lost sight of the strenuous effort made by the Federal Government, in 1946, to draft all striking railroad workers into a labor corps, a genuine "slave labor act" which was barely averted.

Because of its importance to our subject, I believe a brief review of that incident is in order. As the result of a special message from the President, a bill entitled "Temporary Industrial Disputes Settlement Act" was introduced in the House on May 26, 1946. The bill provided that if management or labor, including unions, refused to return to work in an essential industry after an emergency had been declared *by the President*, the President would have the power to draft *workers, labor leaders, and management* into the Army, on such terms and conditions as *he* might prescribe following seizure of the struck or locked-out facilities by the Government.

The House of Representatives, acting under the alleged stress of a national emergency, suspended its rules and passed the bill, practically without debate, by a vote of 306 to 13.

In the Senate the bill was amended to eliminate the section providing for the draft powers, referred to above. The bill was passed by the Senate but died in Conference Committee.

In the light of current events, it is interesting to note that the removal from the bill of the draft section was the

result of a vigorous attack by Senator Taft, who denounced that section as follows: "I object, in peace time, to giving the President power under which, during an emergency, he could requisition every industry in the United States, put every workman in the United States in the Army, and set up a Fascist state within the United States of America. . . . I wish to say that it seems to me that Section 7 goes further toward Hitlerism, Stalinism, and totalitarian government than any provision I have ever seen proposed in any measure. . . . What is the purpose of including the drafting of labor union leaders? Does that not make this purely a punitive measure, rather than a measure in good faith intended to obtain workmen to operate the company?"

Senator Taft pointed out that the President's authority to fix the terms under which individuals could be drafted into the Army gave him absolute and sole power to fix compensation and all other terms and conditions of service *without regard to the general statutory provisions applicable to the Armed Services*.

Is it not ironical that the man who is now proclaimed by union leaders as the great friend and protector of labor should have proposed such a dictatorial measure, while the man who is being denounced by those same leaders as the enemy and oppressor of labor should have prevented its passage?

It is pertinent, also, to note that we now have Federal laws regulating the wages and hours of labor and other conditions of employment. It is almost inevitable that once the precedent is set for the exercise of government power in this area, it will eventually be used to *oppress* labor as it is now used to *favor* it; political winds shift easily, and sometimes quite rapidly. We appear to overlook the fact that what the Government gives, it can take away; and when it chooses to do so, the taking is usually in increased measure.

GOVERNMENT PLANNING IN AGRICULTURE AND INDUSTRY

Plank 9 of the communist program is the listing of other ideas for government planning in agriculture and industry and population controls. In one form or another we seem to have accepted the fundamentals of all of these.

A series of proposals have recently been made for the decentralization of industry by use of the emergency powers granted under the Defense Production Act.

Certainly no one can deny that the notorious Brannan plan for aid to both farmers and consumers is a vicious scheme to lock a large segment of agricultural production in the vise of bureaucratic controls. And the entire scheme of agricultural subsidies based on "parity", or a percentage thereof, thus linking farm prices to industrial wages, is certainly part and parcel of that "combination of agri-

culture with manufacturing industries" envisaged by this plank of the communist platform.

GOVERNMENT CONTROLLED SCHOOLS

Plank 10 is government ownership of schools, with compulsory attendance and compulsory support. It is quite clear that Marx intended that government ownership of schools should be exclusive, i.e., its fundamental purpose was clearly government *monopoly* control of the minds and bodies of our children. We have already taken important steps in that direction. Recently one of our most eminent educators, the President of Harvard University, frankly advocated the abolition of all privately operated grade and secondary schools.

Now the Federal Government is moving into this area by means of its Federal Aid to Education Program. In a study recently published by Columbia University, the author, Dr. James Earl Russell, traced the many ramifications of federal financing of higher education and reached this important conclusion: "The Federal Government, in a typical post-war year (1947), spent just about 500 million dollars of the 1 billion dollars that it cost the colleges to operate—50¢ of every dollar that the colleges took in came from the Federal Government. And not all of this came in the form of payment of fees for the veterans under the GI Bill. Much of it came from research contracts, direct federal grants, and for other services." Dr. Benjamin Fine, education editor of the New York Times, who

appears to favor participation by the Federal Government in education, seems pleased to report: "The Russell study plainly shows that higher education has become a major concern of the Federal Government."

Let us here again recall the dictum of the Supreme Court that "It is hardly lack of due process for the Government to regulate that which it subsidizes." The history of totalitarian governments indicates clearly that when government moves into education there is great danger to freedom of opinion and true liberal education for our children.

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The ten planks which I have discussed briefly above could, of course, be discussed in greater detail. I have listed only the most familiar and obvious examples. But this startling fact cannot be denied: since Marx enunciated his doctrine slightly more than 100 years ago, we Americans have adopted in varying degrees—practically his entire program.

NO NAME-CALLING

Please note that I have not called any one of those specific measures communism. Nor do I call any person who believes in them a communist. I am not interested in name-calling. I am interested only in fighting communism. But the fact remains that, according to the father of communism, all of the measures I have listed are communistic ideas. And so long as I support any of them, I am—ac-

ording to Marx—supporting the communist program as set forth in his Manifesto. That is what disturbs me, and that is why I bring this vexing problem to you.

After having studied THE COMMUNIST MANIFESTO, the thought struck me that perhaps the fundamentals of communism have changed over the past 100 years and that this program of government controls, directions, prohibitions, and coercions—this movement toward the ultimate objective of state capitalism—is *no longer* communism. So I turned to the present-day writings of Earl Browder, the leader of the communist movement in America for many years.

BROWDER AND COMMUNISM

In his 1950 pamphlet entitled, "Keynes, Foster & Marx; State Capitalism and Progress", Browder lists 22 specific items of present-day governmental action in the United States. These include government housing, social security, tariffs, foreign loans, deficit financing, insurance of bank deposits, guaranteed mortgages, credit and price controls, subsidies, R.F.C. loans to business, and others of a similar nature. Then he states: "They have the single feature in common that they are in the main particular aspects of the tendency to concentrate in the hands of the State the guiding reins of the national economy—i.e., they express the growth of state capitalism [which] is an essential feature of the confirmation of the Marxist theory. . . . [This] makes

socialism inevitable . . ." And by "socialism" Browder means "communism", because he is well aware that they are the same thing. He then goes on to make this startling statement: "State capitalism, in substance if not in formal aspects, has progressed farther in America than in Great Britain under the Labor Government. . . . The actual substantial concentration of the guiding reins of national economy in governmental hands is probably on a higher level in the United States of America."

Thus I find no escape from my dilemma by turning from the "old masters" of communism to the "new". Browder tells us that the ultimate goal of communism has not shifted in any respect since Marx defined it more than a century ago. And, according to Browder, communism has "leaped forward to a new high point in America in the decade 1939 to 1949. It became overwhelmingly predominant in every major phase of economic life and changed the face of politics."

Let me remind you that it is not I—but Browder—who calls these measures communism.

COMMUNISM DEFINED

Finally, in desperation, I referred to my dictionary. It defines communism as "Any theory or system of social organization involving common ownership of the agents of production, and some approach to equal distribution of the products of industry."

This definition serves to confirm what Marx and Browder said. The writings of Lenin, Stalin and other communist leaders are in agreement. Thus, nowhere could I find an easy way out. The definition of communism always emerged as government ownership of industry or rigid government controls over industry, the professions and the people in general.

If this is true—and I see no way around it—then we are indeed in serious straits. We have already noted the great proportion of the total land area owned by the Federal Government. Now let us examine the amount of wealth, *other than land*, which the Government owns. The National Bureau of Economic Research, in its 1950 "Studies in Income and Welfare", puts the figure at 21% of the total national wealth in 1946, an increase from only 8% in 1929. I have no later figures, but my guess is that it would be even higher today. And it should be noted that the Government has more or less control over much land and other forms of wealth that it does not directly own. In fact, in the report of the United States Department of Commerce entitled, "Small Business and Government Licenses", for 1950, the department states: "Practically every business, large or small, is affected by some form of government licensing control. A license is a permit or authorization [from Government] to engage in some business or activity."

Now, let us look at some other areas in which we find significant indicators of the extent to which government

ownership of capital has encroached on the domain of private enterprise and the rights of the States.

On July 1, 1952, the population of the United States was $1\frac{1}{4}$ times the population on July 1, 1932, twenty years earlier. But during this same period the total *federal* revenue from all sources, excepting trust fund receipts, increased from \$1,924,000,000 to \$62,129,000,000, or 32.3 times.

At the same time the non-tax revenues of the Federal Government increased from \$111,000,000 to \$1,814,000,000, or $16\frac{1}{2}$ times. Of these non-tax revenues, approximately 53% were derived from what might be termed government operations of industry, such as sales of electric power, interest on loans, dividends, rentals, sales of minerals and other products, etc.

As a corollary, it is interesting to note that for 1951, government payments (Federal, State and local) accounted for 15.3% of the *total of all income payments throughout the United States*. These government payments were more than *double* the country's total agricultural income and two-thirds of the total manufacturing payrolls!

Against the increase in population of $1\frac{1}{4}$ times, the total Federal civilian employment increased from 622,000 in 1932 to 2,600,000 in 1952, or 4.2 times. Of special significance, as indicating the transfer of power from the States to the Federal Government, is the fact that in Oc-

tober, 1950, the date of the latest available figures, Federal civilian employees *located in the States themselves* outnumbered state employees in 36 of the 48 States. The totals for the 48 States were as follows:

State civilian employees 1,077,000

Federal civilian employees 1,980,000

i.e., there were almost twice as many Federal employees located in the States as there were State employees. It is important to recall, at this point, that Lenin stated in 1917 that political power must be completely centralized before communism can successfully take over, i.e., power must be transferred from the States to the Federal Government.

A corollary of this is that in 1932, of the total tax take (Federal, State and local), the Federal Government received only 22%. But in 1951 the Federal take had increased to 74% of a much larger total.

A statement of the grocery manufacturers of America is to the effect that the taxes we pay are costing us more than the food we eat. They estimate that in the current year the average family will spend about \$900 for food, but will pay approximately \$1,100 for taxes, both direct and indirect.

In this connection, it is pertinent to note that in recent years there have been major Government interferences with the distribution of the country's food supply. For example, from 1945 to 1951 the government purchased \$478,209,000 worth of Irish potatoes, or 14.4% of the

total national production. Practically all of these were wasted or given away. There was negligible cash return to the Government. From 1945 through the first half of 1952, the Government purchased \$318,000,000 worth of eggs, and from 1949 through 1951, \$158,000,000 worth of butter. Almost any businessman will testify to the inflationary effects on living costs of these capricious interferences with the free market economy.

It is said that Jefferson declared, "That government is best that governs least." It appears that the socialists have appropriated this dictum to their own use, in this corrupted form: "That government is best which spends most."

I will not cite the many other examples of the constantly lengthening steps toward complete Government ownership of our capital. But I would like to invite your attention to two outstanding illustrations of how originally well-intentioned schemes for "doing good for the people" rapidly deteriorate into vote-buying or purse-lining activities.

The first is Federal Social Security. This started out in 1937 purporting to be a well-conceived plan for old age benefits on a sound actuarial basis. With the passage of only 15 years, it has lost its original character. In 1939 the name of the plan was changed from "benefits" to "insurance", although the plan moved far away from ordinary insurance principles. The 1939 amendments, coupled with

those of 1950, justify the opinion that the plan is becoming a vast vote-buying scheme, admitted by some recognized experts to be unsound actuarially. For example, at a cost to them of only \$54, a couple could receive a pension totalling \$12,000, based on their life expectancy. Even Federal actuaries have indicated that, under existing law and current procedures, the fund could be "broke" in 48 years! It is no secret that the revenues are spent for current expenses of Government, so that the payments, when due, will have to be provided by current taxation. The amount which the Government states is held in the reserve fund of this account is \$16.6 billions; but \$16.3 billions of those moneys have been spent for general expenses of Government and there is nothing in the till to show for it except Government I.O.U.'s! If you would like a long vacation—and "total security"—at Government expense, I recommend you adopt that practice in your own business!

Parenthetically, other Government trust funds (unemployment insurance, national service life insurance, civil service retirement, etc.) have been handled in the same manner, so that, at present, there is a total of \$39.3 billions of Government I.O.U.'s in the treasury as reserves for these funds. This represents more than 15% of the entire Federal public debt of the country.

These trust funds are putting into the hands of Government vast financial powers which constitute an open invitation to Government officials to increase the scope of their "squander lust".

The Federal Government is now in the insurance business in a big way. The Tax Foundation reports that as of the end of 1950, the figures for "life insurance in force" were as follows:

By private companies and
organizations \$244,000,000,000

By Government agencies ... 252,000,000,000

Also, the Tax Foundation estimates that by the end of 1952 the figures will be:

Private insurance \$296,000,000,000

Government insurance 325,000,000,000

The tremendous financial power concentrated in the hands of Government by this business is far greater than that held by all of the private life insurance companies, fraternal organizations, assessment organizations, and savings bank life insurance departments combined.

The second illustration is the Reconstruction Finance Corporation. The R.F.C. started operations under President Hoover in 1932. Its purpose was to afford temporary relief to distressed businesses and financial institutions in a period of serious national economic emergency. As with all schemes of this kind, the *objective* was good. But when Government plays with other people's money, the temptation to become careless or dishonest appears to be irresistible. Progression from conservative management in the public interest to carelessness, to political domination,

to downright corruption, *followed the usual pattern for activities of this kind.*

We started with the conservative administration of men like General Charles Dawes and Jesse Jones. But, in later days, we have had the malodorous prefabricated housing case, in which the Government sank about 40 millions in a scheme which many experts predicted could not possibly succeed; an automobile company of dubious antecedents, now defunct; racetracks, barrooms, gambling joints, snake farms, and, recently, offices for chiropractors and dentists, with mink coats, deep freezers, and questionable legal fees providing the general aroma for the entire operation.

As a corollary to be expected, the Government penetrates into the managements of those companies which it aids and in several instances has placed Government agents in strategic executive positions or on the Board of Directors of the companies concerned. Thus does the government camel get his head into the tent of private enterprise!

That the Government's appetite for control of private business is insatiable is indicated by the recent illegal seizure of the country's entire steel industry, an iniquity which was erased by the narrow margin of two votes in the Supreme Court.

I know it is not necessary for me to tell you gentlemen of the various interferences by the Federal Government in

the oil and gas business. A recent tabulation indicates that well over 30 Federal Government Agencies intrude into your business in one way or another.

I could cite other examples. The fact is that we are now mobilizing to fight a communist enemy who is supposedly thousands of miles away. But, in truth, we need not travel so far to find him.

COMMUNISM IS AN IDEA

This is not so surprising if one but stops to reflect. Communism is not an army, nor even a dictatorship. Communism is an idea. It is a belief that individual freedom, as a way of life, will not work; a belief that certain ordinary mortals like you and me, who, mostly by fortuitous circumstance, happen to occupy the seats of government for a short time, are far more capable of running your life than you are; it is a fear that if we, the people, are left free to manage our own affairs, most of us will go hungry and be cold; it is a repudiation of the free market, where willing buyers and willing sellers voluntarily arrive at a figure agreeable to both; it is a false thesis that employers and employees belong to different classes and are natural enemies; it is a process whereby some people use the power of government to make other people conform to their views and desires; it is a coerced debasement of the intelligence and integrity and dignity of the individual human being, who must bow his head in deference to the views of political masters.

I maintain that, contrary to current beliefs, the destruction of the Russian Army and the Russian State would not stop the growth of these communistic ideas in the United States or anywhere else. We could imprison every card-carrying member of the Communist Party in America, and these communistic measures would continue on their merry way. I fear that we are deeply infected at home with the virus we intend to fight abroad. It appears that we are resolved to prove that our system and our philosophy of life are better than those of the communist state and that, in order to do so, we are willing to adopt their system for the contest; that we are determined to show them that we can run communism better than they can; that we are willing to carry more weight in the belief that our strength, *acquired under freedom*, will permit us to win even with this added handicap!

We cannot imprison or shoot an idea. We can only study it and try to understand it. If the ideas we sponsor — knowingly or unknowingly — are communist ideas, democracy will be of little help. It is just as much a communist idea if the majority imposes it upon a minority in a democracy as it is if done in the name of a dictatorship.

Now I know that those who disagree with me will say that this is a democracy and that we can vote for anything we please; that, in fact, we can vote to turn all industry and all income over to the Government, if we so desire.

That is true; but consider this: It is also true that we could vote, by constitutional amendment, to re-establish slavery in America. Would that make slavery "right" or "democratic"? We could democratically vote to have a state religion and to force everyone to conform to the majority decision; but that would make a mockery of democracy and the right to vote. We can democratically vote to print enough money to give every person a million dollars; but would such exercise of the franchise help anyone except those who wish to destroy America?

INALIENABLE RIGHTS

All these measures—and others of a similar nature—could be enacted legally and democratically under the concept of majority rule. But would any person be so foolish as to say that they *should* be enacted? Will any thinking person say that a law is "right" merely because a majority has voted for it? *We must always remember that our Constitution was designed to protect the freedom of the smallest possible minority—one person—against the demands of the greatest possible majority—all other persons combined.* That single idea of inalienable rights of the individual person is—or, at least, was—the fundamental spirit of the American tradition of government. And if we lose that concept of government, by force or by our own votes, the American dream of liberty will be ended. *And we will not be any the less communist merely because the majority favors it.*

I am very glad that we have a form of government that requires voting, because so long as this condition exists, there is nothing to prevent us from voting against these immoral measures that are leading the American people into bondage to their own government. It is still possible to achieve freedom. If we really want to face the responsibility, to pay the price, we can still have it!

Many of the advocates of the various measures which add up to Marx' program justify their actions by pointing with horror to instances of the misuse of human and natural resources under the capitalist system, as it developed in the western world. I freely admit and decry those abuses, although I am sure that for each such case I can show many other cases of unselfish and generous use of time, energy and money for the public welfare. Furthermore, in any discussion of abuse of human resources, it is pertinent to mention the cruel and inhuman acts which have occurred, and are still occurring, under the socialist regimes of Hitler, Mussolini, Stalin and others. But let that pass; I am sure few will deny that, at least in the United States, there has been a steady, substantial and voluntary improvement in our social consciousness and behavior. I hold that our sole hope for continued progress in this area lies in improving the moral stature of men so that they will know what is right and want to do it—not in granting, by votes or otherwise, ever-increasing power and dominion to our Federal Government

to regulate and control our morals, our lives and our property.

A PROGRAM

Now you may ask: What do you propose to do about all this? What is your program?

The first thing I propose to do about it is exactly what I am doing now—to present the problem to you for your thoughtful consideration.

The second thing I propose to do about it is to be *for* an idea instead of *against* an idea. I propose to be for *freedom*—instead of merely against *communism*. And I define freedom as the right of any person to do as he pleases so long as he does not interfere with the equal right of any other person to do as he pleases. To me, freedom means absolute equality under the law for all persons, i.e., I believe the law should never mention a race, or a color, or a particular religion, or a business organization, or a labor organization, or any other group or person. The law should state that no person may steal from another person or defame or defraud him; no person may force another person to pay a certain wage or to charge a certain price; each person must fulfill his voluntary contracts, whether they be in business, marriage, or elsewhere; no person is to have access to the power of government to force his will or his opinion upon any other person; government is to serve as the impartial arbiter

of justice when any person tries to force his viewpoint about prices, wages, or religion upon any other person; the force of compulsion should not be used except in defense against another person who has initiated the use of force.

These ideas I believe to be sound and progressive. I believe that they would bring peace and prosperity to our nation and to any other nation that adopts them. In my opinion, the communistic ideas of government ownership and controls are evil and reactionary. I am convinced that their progression will inevitably result in the moral and material degradation of the individual human being.

I intend to continue my studies of freedom and communism. My understanding of the subjects convinces me that I must defend the ideas of freedom and private ownership and reject the ideas of communism and government ownership. This I intend to do. I sincerely hope that you, too, will give your thoughtful consideration to these matters that are of such vital importance to all of us.

I believe the dominant influence in the minds of the founders of our Republic when they prepared the Constitution of the United States and our Bill of Rights was an overwhelming fear of the power of centralized government. I have seen no finer statement of this than that contained in the following resolution proposed by Thomas Jefferson:

["Resolved, that] . . . it would be a dangerous delusion were a confidence in the men of our choice to silence our fears for the safety of our rights: that confidence is everywhere the parent of despotism — free government is founded in jealousy, and not in confidence; it is jealousy and not confidence which prescribes limited constitutions, to bind down those whom we are obliged to trust with power: that our Constitution has accordingly fixed the limits to which, and no further, our confidence may go; . . . In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

Many years ago a great philosopher asked:

"If men use their liberty in such a way as to surrender their liberty, are they thereafter any the less slaves?"

The answer to that question lies in the solution of this communist threat to our freedom. Let us, then, resolve to revive that heritage which was handed down to us by the founding fathers at such great cost in blood and treasure. Let us join with them in their resolve to be free and independent, to which end, we, too, as did they, should "with a firm reliance on the protection of Divine Providence—mutually pledge to each other our lives, our fortunes, and our sacred honor."

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