

# Social Security History

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## Excerpts From Huey Long's "Second Autobiography"

### Chapter 5-

## Wherein The Masters Of Finance Are Ours

"THE National Share Our Wealth Committee is ready to report its plan for decentralizing great wealth, Mr. President."

This statement by my secretary thrilled me. It was made only a fortnight after my appointment of the National Share Our Wealth Committee under the Chairmanship of John D. Rockefeller, Jr.

"That's wonderful news," I exclaimed. "Those multi-millionaires have a patriotic streak in them, after all."

"Mr. Rockefeller's secretary just telephoned me, seeking an appointment," my secretary informed me. "He can be down here tonight."

"Fine," I said. "Any time he arrives, have him come in by the east entrance again. Tell him to bring along as many members of the committee as he wishes."

Mr. John D. Rockefeller, Jr., Mr. Andrew W. Mellon, Mr. Owen D. Young, Mr. Charles M. Schwab, Mr. Bernard Baruch, and Mr. Winthrop W. Aldrich arrived at the White House about nine-thirty that night. After exchanging greetings, Mr. Rockefeller said:

"I am privileged, Mr. President, to report that your National Share Our Wealth Committee has decided on a plan for the redistribution of wealth. Our committee was unanimous in its conclusions. We have prepared a report recommending the enactment of this particular plan, if you persist in your present intention to have Congress impose a capital levy, seizing all fortunes in excess of five million dollars. We do not render any findings upon the constitutionality of either the capital levy or the operation of this plan. Our lawyers have prepared a separate brief demonstrating the constitutionality of this plan of redistribution of wealth. It is with real pleasure, Mr. President, that I now hand you our complete report."

With these words Mr. Rockefeller handed me a leather-bound volume the gold-tinted inscription on the outside cover of which read:

## REPORT of THE NATIONAL SHARE OUR WEALTH COMMITTEE to the PRESIDENT OF THE UNITED STATES February 15, 1937.

"First, let me congratulate you, Mr. Rockefeller, on the great patriotic service rendered the American people by your committee in so promptly preparing this report," I told him. "Let me thank you and your associates in their name."

As I spoke, I leafed through the voluminous report. I noticed that there was almost a score of names signed to it. I noted Rockefeller and Mellon headed the signers. I noted the names of Albert G. Milbank, Frank L. Polk and William D. Embree were among those signed. I observed, too, that the brief of which Mr. Rockefeller had spoken also was printed in this volume. In the rear of the volume was the copy of a bill.

Mr. Rockefeller was watching me as I leafed through this book. As I reached the portion containing the bill, he said:

"Mr. President, our lawyers have drafted that bill, which embodies our plan. We have recommended its enactment."

"That's splendid, Mr. Rockefeller," I said. "But now won't you tell briefly just what your plan does?"

"Certainly, Mr. President," replied the oil king. "First we propose the creation of a federal organization to be incorporated under the name of the Federal Share Our Wealth Corporation. We propose that it shall operate as a steward and trustee for the American people in the redistribution of wealth. It shall have the power only of a manager and agent for the people.

"We propose that the government, in seizing wealth, shall leave management of every industry or business in the hands of those people now controlling it, until matters get better arranged. We propose that the surplus of wealth in every family owning more than five million dollars shall be converted into the form of securities, which in turn shall be turned over to this corporation to hold in trust for the American people. This corporation shall then issue its own stock, which can then be distributed among the peoples according to any plan deemed suitable by Congress.

"The national survey of wealth and of the requirements of our people to live in comfort, ordered by Congress, will soon be initiated. When it is completed, Congress itself will receive the report on the wealth to be seized and the requirements to be provided. The committee has dealt solely with the problem of seizing the wealth."

"Now, let me follow you, Mr. Rockefeller," I interrupted him. "First, you propose that surplus wealth shall be turned into the form of securities; then you propose that those securities shall be turned over to this federal corporation to be held in trust for the benefit of the American people, and, third, you propose that this corporation itself shall issue stock which may be distributed among the people."

"That's correct, Mr. President," said Rockefeller. . .

"Now, gentlemen, I have one more request," I said. "On your return to New York, I should like you to make this plan public. I shall issue a statement, after consulting with the Attorney General and the Solicitor General, once your plan has gone to the country. As I said when I appointed you, I shall rely on my Attorney General and my Solicitor General for advice on all constitutional points. Aside from that, I am willing to accord great respect to your views on economic phases of the Share Our Wealth Program. You have said there is nothing in your plan in violation of the Constitution. I have had my own plan for the last four years. It differs considerably from this, in some respects, and my own plan includes the redistribution of the wealth. I am satisfied that taking your plan for seizing the wealth and adding to it my own method for redistributing it, we will have a perfectly effective program for sharing our wealth. I want to commend you gentlemen again, and I shall not hesitate to do so publicly after you have announced your plan to the American people. Your assistance has been a very valuable contribution to the restoration of prosperity and the assurance of life, liberty and the pursuit of happiness to our fellow citizens, who have been denied these constitutional guaranties by poverty in the past."

The next afternoon's newspapers in screaming editorial headlines carried the news to a waiting populace that the barons of Wall Street were content at last to accept democracy in America. Having conferred all morning with my Attorney General and Solicitor General, and finding they concurred in the conclusions of the committee's attorneys that the Rockefeller Committee's plan was constitutional, I issued a statement from the White House approving its general outline, subject to some modifications on management and for a more effective distribution later. I praised the splendid cooperation of the committee's personnel in the Share Our Wealth program.

Some little while later Henry Ford and his son, Edsel, were announced in the old Lincoln study fin the second floor of the White House. I exchanged the usual greetings with them.

"Mr. President," said Henry Ford, getting down to business at once, "my son and I came here tonight to tell you in person that we are accepting your Share Our Wealth program without reservation and without condition. We have been preparing for it ever since your election. Now, we have a plan by which we will share our own wealth. We bring it to you tonight for your approval. If it will interfere with the government's plan for redistributing wealth, we will abandon it, and abide by whatever arrangement the government sees fit to impose upon us.

"What is your plan, Mr. Ford?" I inquired.

"Mr. President, as you know, I have built up vast organization, reaching into every state of the Union. Aside from my automobile factories around Detroit, we have assembling plants in scores of cities. We have agencies everywhere. We have ore mines. steel mills. glass works. and a vast assortment of other interests. It is a tremendous organization, and we were a little fearful that the government's redistribution of our wealth would disrupt and destroy that organization. We hope that the

government will permit us to redistribute our own wealth so that we may keep this organization intact."

"How great is your wealth, Mr. Ford?"

"Mr. President, I cannot estimate it," replied Ford. . .

"Well, what is your plan, Mr. Ford?"

"Both my son Edsel and I are content with the five million dollar limit. We want to keep that share of our properties. Now, we plan to retain control of our properties by dividing their ownership among long-term Ford employees. We propose to use the money invested outside the Ford organization to construct homes for loyal Ford employees not now owning their own homes. That will be a free gift to the Ford employees. We will build different homes for different types of employees, but we will provide at least a \$5,000 home for those not now owning homes. We own land now in the Detroit area, and we can build these homes at nominal cost by using our own materials and our own organization.

"We propose, further, to issue stock against the physical value of our properties, placing a fair capitalization—as fair as our economists can fix it—on each property, and issue stock against it. Then we propose to divide that stock among our workers. We believe that the loyalty of Ford workers will keep the Ford family in control of the Ford Company for generations to come. Now, there may be some surplus left when we have finished the distribution of our wealth under this plan. The surplus would be turned over to the government."

"Splendid, Mr. Ford, splendid," I said. "I hope every rich man will follow your wonderful example. But, bear in mind you will have to do all this before Congress passes the Share Our Wealth law, with its capital levy. Once that goes into effect, I doubt whether you could carry out your plan."

"How soon will that law be enacted. Mr. President ?"

"Not for another thirty days," I replied.

"Oh, that will give us plenty of time," replied Ford. "Now, Mr. President, one thing more. Will you permit us to make the announcement of our plan in our own way and when we deem it advisable?"

"Why, certainly, Mr. Ford. I'm so happy to have you cooperate with me that I shall make no obstacle in your path."

The Fords departed. I secretly longed to reveal their plan instantly to the public, because I knew it would set a splendid example to other men of bloated wealth; but I was content to let the Fords carry out their own plan in their own way.

A messenger from the House of Representatives brought a note to the White House requesting that I appear before that body and explain in detail certain questions relative to the Share Our Wealth legislation which I would propose. I responded by announcing that I welcomed the opportunity to address the House at four o'clock on the same afternoon, urging that members of the United States Senate be invited to be present. Contained in my official note of acceptance to make the address before the House of Representatives was the following:

I would ask that the House vary its customary rule so that all members of Congress, both of the House and the Senate, who desire to do so, may propound whatever questions they may wish. I would prefer, of course, as far as possible, these questions be submitted in writing.

At four o'clock in the afternoon when I arrived to begin my address to the members of Congress, I hurriedly reviewed the questions which had been submitted to me in writing. There were probably twenty written questions. I soon saw that with the exception of three of them, my general address would answer the inquiries.

I spoke at some length—for a period of nearly three hours. In the course of my address I said:

We do not propose any division of property. We propose that no one man shall own too much, and that no one family shall have too little for comfort. There is a sane limit to the amount of water that a horse can drink; to the number of miles than a man can run; to the length of time which one can live. There is also a sane limit to the amount of wealth which it is healthy for one to own.

It may be that the proportions which I suggest are too high or too low, but for the present I ask the law-makers to provide that when a man gets enough wealth so that he has one hundred times as much as the average family in the country, then we say he has reached his limit. Our average wealth at normal values amounts to about \$17,000 to each family. So we would say that when one possesses wealth amounting to \$1,700,000, he has enough, and that for him to have more than that sum would mean that he has more business to handle than his two eyes and ears can safely manage, but, worse than that, he can have that much only by taking away from his neighbors something they need for comfort.

"Now, we propose that likewise we must not force a family to survive on too little. How much is too little? For the present we have proposed that no family should ever have less than the substantial home comforts of a value equal to one-third of the average family wealth. That is to say, the mother and children of every breadwinner have the right under our laws to expect not to fall further than two-thirds the distance below the average family wealth. In dollars and cents, at normal values based on our accepted average family wealth of \$17,000, there would be no family in this country which would possess less than the reasonable home comforts and conveniences of a value of from \$5,000 to \$6,000, free of debt.

Now someone may say that the energy, ability and genius of a man whose fortune is limited to less than two million dollars are no longer alive unless he is permitted to accumulate more. Admitting

that to be true, though I do not believe it, nevertheless it is better for this nation that it give hope and encouragement to the ambitions and aspirations of 125,000,000 more people rather than to excite the greed of fifty-eight. There are probably several millions of people whose genius will prove equal, if not superior, to the good that is to be found in the greed of fifty-eight.

There are, however, men in the Congress of the United States who have sacrificed fortunes to serve the people. In the yellow fever epidemics there were men who gave their lives for the cause of science. If America for its greatness must depend on exciting super greed for the sake of modern and greater development, then we have set a bad example to the great inventors, to our great scientists, and to those of us here who manage the country for a mere living.

And now it is further necessary that I say the time may come when we should declare that a guarantee of one-third of the average is not sufficient for our country's better development. If that time should come, it may be necessary to lower the amount which the big man would be allowed to own. It might so happen that in the future the limit of \$1,700,000 to each fortune would be reduced to \$1,000,000 or even less than that. For instance, we may have so many more people worth a million dollars or worth a half million dollars than we have now, because money will be so much easier to make, that we will have to lower our limit. Whatever that limit may be, we will never allow our people to be deprived of the substantial comforts of life.

Now we will further propose that the earnings of no family shall be less than one-third the earnings of the average family, which means that no family income shall be less than \$2,500 per year, based upon what the best experts of our country estimate if all are allowed to produce. In order to accomplish this we must establish a limit to the amount of earnings which a big man may have. In that particular, we would say to begin with that no one should earn more than one hundred times the average family income, which would mean not more than \$750,000 per year in earnings to any one man.

Something must be done about our debt structure and the burden of taxation. Our debts today, both public and private, amount to \$262,000,000,000. Figured at an average interest rate of 6%, the interest charges alone on this debt each year amount to \$15,720,000,000. To this, if you will add the cost of taxation, each year the interest and taxes demand of the national income more than two-thirds of what has been made during the hard times. Something must be done to reduce the debt structure.

Wherever the Bible decrees a policy, undertaking to defy such a mandate of the Scriptures has never led to other than ruin for any nation. In endeavoring to carry this debt structure on the backs of the masses, this country invites certain ruin.

We will propose an actual old age pension adequate and sufficient to care for those who should be retired from the ranks of labor, without one having to take the pauper's oath, as the so-called Roosevelt legislation requires. Where the income of any person does not exceed \$1,000 a year or

where the possessions of such persons do not amount to a value of \$5,000 they will be entitled to draw the old age allowance.

Care and attention will be given for the debts which we owe to our soldiers; for the education and training of the youth of this land; for national defense; but above all things, for the general up-building and preservation of the country, and for avoiding any foreign entanglements of any kind or nature."

As I was about to conclude, one member arose and asked:

"Would the President permit a question from the floor?"

"Certainly," I answered.

"My question is this: Since you limit the amount which one may own to \$5,000,000 to start with, by this tax being collected every year fortunes will be reduced to approximately \$1,700,000 to the person in a few years. How will there be any more big businesses; will this mean that all big businesses will have to be divided up, brick by brick ?"

"No," I answered. "I thoroughly explained that point preceding the election, but I will take the time to explain it to you again. It is the same as it would be if a man died and left his property to be divided among his heirs. In this case, it so happens that many of the American people become the heirs instead of a few sons and daughters. We do not propose to break up big enterprises. All that we will do will be to provide that more people will share in the profits and ownership of big enterprises. In other words, instead of one man drawing down several million dollars out of the earnings in a year, the company will make just as much money as ever, but there will be thousands, maybe hundreds of thousand, perhaps millions of people drawing what formerly a few people drew in the way of profits. We do not care how big the business grows so long as it is efficient for the country. Our concern is that their ownership should not be concentrated in too few people, and that their profits should be shared by the people more widely."

A United States Senator arose and said:

"It seems that many of us will have to exercise a great deal of faith and hope."

"Yes, brother," I answered, "and in that connection it would not hurt if some of you would read the 13th Chapter, I Corinthians."

*I. Corinthians, Chapter 13:*

*Though I speak with the tongues of men and of angels, and have not charity, I am become as sounding brass, or a tinkling cymbal.*

*And though I have the gift of prophecy, and understand all mysteries, and all knowledge; and though I have all faith, so that I could remove mountains, and have not charity, I am nothing.*

*And though I bestow all my goods to feed the poor and though I give my body to be burned, and have not charity, it profiteth me nothing.*

*Charity suffereth long, and is kind, charity envieth not, charity vaunteth not itself, is not puffed up,*

*Doth not behave itself unseemly, seeketh not her own, is not easily provoked, thinketh no evil;*

*Rejoiceth not in iniquity, but rejoiceth in the truth;*

*Beareth all things, believeth all things, hopeth all things, endureth all things.*

*Charity never faileth: but whether there be prophecies, they shall fail; whether there be tongues, they shall cease, whether there be knowledge, it shall vanish away.*

*For we know in part, and we prophecy in part.*

*But when that which is perfect is come, then that which is in part shall be done away.*

*When I was a child, I spake as a child, I understood as a child, I thought as a child: but when I became a man, I put away childish things.*

*For now we see through a glass, darkly; but then face to face: now I know in part; but then shall I know even as also I am known.*

*And now abideth faith, hope, charity, these three; but the greatest of these is charity.*

The laws which Congress enacted not only redistributed wealth and income among the people, but the same laws also levied the taxes for the future support of the government in such a way that the wealth of the country would never again accumulate in a few hands. They likewise made simple and ample provision to insure the man at the bottom from ever owning less than the home and comforts of life which he was originally guaranteed, free of any debt.

Thus I had taken the first step to provide every man, woman and child with the proper food, clothing and shelter—as I had promised them in the campaign.

## Historical Links

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