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Address at the Jackson Day Dinner,  
Washington DC, January 8, 1938

Tully Archive: FOL Papers

Speech Drafts: Address AT THE Jackson Day Dinner  
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**SPEECH OF THE PRESIDENT**

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**JACKSON DAY DINNER**

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**WASHINGTON, D. C.**

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In these recent years the average American seldom thinks of Jefferson and Jackson as Democrats or of Lincoln and Theodore Roosevelt as Republicans -- but labels each one of them according to his attitude toward the fundamental problems that confronted him when he was active in the affairs of government.

These men stand out because of the constructive battles they waged, not merely battles against things temporarily evil but battles for things permanently good -- battles for the basic morals of democracy, which rest on respect for the right of self-government and faith in majority rule.

They knew, with the wisdom of experience, that the majority often makes mistakes. But they believed passionately that rule by a small minority class unflinchingly makes worse mistakes -- for rule by class takes counsel from itself and fails to heed the problems and, therefore, the good of all kinds and conditions of men. In the long run the instincts of the common man, willing to live and let live, work out the best and safest balance for the common good. That is what I mean by the battle to restore and maintain the moral integrity of democracy.

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But Jefferson saw that this control, if long exercised by a minority, would be destructive of a sound, representative, democratic system. He preached the extension of the franchise and government more responsive to the popular will.

Against him were almost all the newspapers and magazines of the day. And so, to disseminate their policies in every hamlet and town, his associates resorted to printing simple leaflets and pamphlets.

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freedom of the press. It failed just as any similar effort would fail today.

Time went by. Men were not eternally vigilant and once more the control of national affairs was maneuvered into the hands of a group of citizens small in number. The government's face was turned toward the handful of citizens of the seaboard who owned the Bank of the United States and the great merchant and shipping companies. The government's back was turned on the tens of thousands of pioneers who were settling the mountain regions and spreading over into the new country that lay westward to the Mississippi.

Jackson took up the battle of these pioneers of the West and South and the battle of the inarticulate poor of the great cities. For that, like Jefferson, he was called a rabble rouser.

He had to fight the same evil Jefferson fought -- the control of government by a small minority instead of by a popular opinion duly heeded by the Congress, the Courts and the President.

The Bank of the United States was the purse and sword of the opposition, and with it were aligned all those who like the early Federalists in Jefferson's day were at heart in favor of control by the few.

With it were aligned all of the nationally known press of the day, with the exception of three newspapers. [The Bank sought to array all the money in the country against him.

No one who reads the history of their period can allege that either Jefferson or Jackson attacked all of the bankers, all of the merchants or all of those of wealth. Nor can anyone say that even a majority of these elements in the population were opposed to either one of them.]

The fight was won -- as all such fights are won in the long run -- because Jackson was fighting on the side of people, whose instincts did not fail him. He was fighting for the integrity of the morals of democracy.

Another generation went by. Lincoln emerged -- and was scorned for his uncouthness, his simplicity, his homely stories and his solicitude for the little man. He faced opposition far behind his battle lines from those who thought first and last of their own selfish aims -- by gold speculators in Wall Street who cheered defeats of their own armies because the price of their gold might rise; by army contractors who founded fortunes at the expense of the boys at the front -- a minority unwilling to support their people and their government unless the government would leave them free to pursue their private gains.

He, too, fought for the morals of democracy -- and had he lived the South would have been allowed to rehabilitate itself on the basis of those morals instead of being "reconstructed" by martial law and carpetbaggers.

There followed an uninspired commercialized era in our national life, lighted briefly by the stubborn integrity of Grover Cleveland.

Then came Theodore Roosevelt and resurgence of the morals of democracy. He, too, preached majority rule to end the autocracy of the same old type of opposition. He pleaded for decency -- strenuous decency -- in public as well as in private life. He laughed at those who called him unprintable names, and challenged again the small minority which claimed vested rights to power.

You know how Wilson carried on the fight. If the cataclysm of the World War had not stopped his hand, neither you nor I would today be facing such a difficult task of reconstruction and reform.

[ On the eighth of every January we honor Andrew Jackson for his unending contribution to the vitality of our democracy. We look back on his amazing personality, we review his battles because the struggles he went through, the enemies he encountered, the defeats he suffered and the victories he won are part and parcel of the struggles, the enmities, the defeats and the victories of those who have lived in all the generations that have followed.]

In our Nation today we have still the continuing menace of a comparatively small number of people who honestly believe in their superior right to influence and direct government, and who are unable to see or unwilling to admit that the practices by which they maintain their privileges are harmful to the body politic.

After Jefferson's election over their violent opposition, such people said to him -- "Let us alone - do not destroy confidence." After Jackson had won his fight against the Bank of the United States, they said the same thing. They said it to Lincoln, to Theodore Roosevelt, and to Wilson. Strangely enough, although they had no confidence in a people's government, they demanded that a people's government have confidence in them.

[ In my Message to the Congress on Monday last, I made it abundantly clear that this Administration seeks to serve the needs, and to make effective the will, of the overwhelming majority of our citizens and seeks to curb only abuses of power and privilege by small minorities. Thus we in turn are striving to uphold the integrity of the morals of our democracy. ]

There is an ancient strategy which we have seen recently employed, whereby those who would exploit or dominate a people, seek to delude their victims into fighting their battles for them. And in these days of organized nation-wide publicity, the strategy for undermining a government attack upon minority abuses is to make <sup>this</sup> appear to be an attack upon the exploited majority itself. Thus during the past few months attacks on the misuse of concentrated power have been distorted into attacks upon all business, big and little, and upon our whole system of private profit and private enterprise. During the past few days I have been happy to note a definite improvement of understanding on the part of many who have been led to follow this false guidance.

The source and influence of such misguidance of public opinion can be easily located.

I was interested the other day to read the report of a correspondent of a London financial magazine who had recently surveyed conditions in the Middle West and other parts of the Nation.

He found a point of view in other parts of the country wholly different from that of the principal financial centers such as New York, Philadelphia and Chicago. And he found this other interesting development. Wherever an enterprise is controlled locally, its managers have a local independent point of view. But when the business is controlled from great financial centers, the local manager takes his cue from what his bosses are saying and reflects the state of mind prevailing hundreds of miles away.

That, from an outsider, confirms our traditional democratic antagonism to concentration of control over large areas of industry beyond the needs of operating efficiency and strengthens our resolve to outlaw the methods by which such control is achieved, and to reestablish the independence of local or regional enterprise.

[ Let me give you an example. ] As you know, I have been discussing the problem of the electric utilities with business men and lawyers and public officials during the past month or two.

[ I am convinced that the great majority of local or regional operating utility companies can come to an understanding with the government and with the people of the territories which they serve. That would enable them to obtain, within their own localities or regions, all of the new capital necessary for the extension or improvement of their services.]

But most of these operating companies are owned by holding companies -- pyramided holding companies -- which are finance companies, not operating utility companies. Very few investors in the operating companies have lost money. But thousands of investors have lost money in buying holding company securities which had Blue Sky above them instead of tangible assets behind them.

That evil of utility holding company control will not grow in the days to come because this government has now passed laws to prevent similar occurrences in the future. But we have not yet corrected the existing evils that flow from mistakes of the past. We cannot condone their continuance.

It has been estimated that there are outstanding some \$13,000,000,000 of electric utility securities and that the substantial control of this total is vested in the hands of the owners of less than \$600,000,000 of the total. That means that the ownership of about four per cent of the securities controls the other ninety-six per cent.

Here is a ninety-six inch dog being wagged by a four inch tail.

I have recently described many other activities that should not be tolerated in our democracy -- price rigging, unfair competition directed against the little man, and monopolistic practices of many kinds. Call them evils, call them abuses, call them unfortunate facts. It makes no difference. Give to me and give to your government the credit for a definite intention to eradicate them. Give to me and give to your government the credit for believing that in so doing we are helping and not hurting the overwhelming majority of business men and industrialists in the United States.

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We know that there will be a few -- a mere handful of the total of business men and bankers and industrialists -- who will fight to the last ditch to retain such autocratic controls over the industry and the finances of the country as they now possess. With this handful it is going to be a fight -- a cheerful fight on my part, but a fight in which there will be no compromise with evil -- no let-up until the inevitable day of victory.

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