

For Release 6:00 P.M. CST
January 29, 1947

*I have marked
off the part on Small Bus
beginning on p. 4*
1028 Connecticut Avenue, N.W. *Bob M.*
Washington, D. C.

ADDRESS OF HAROLD E. STASSEN OF MINNESOTA, DELIVERED AT THE ANNUAL KANSAS DAY CELEBRATION, SPONSORED BY THE REPUBLICAN PARTY OF KANSAS AT TOPEKA ON JANUARY 29, 1947.

Your Excellency, Governor Carlson, Honorable Alf Landon, Distinguished Guests, Fellow Republicans:

This is the first time in sixteen years that Kansas Day has in it a note of national Republican victory as well as of State Republican celebration. On last November 5th, the citizens of our country definitely named our Republican Party as once again the majority party of the United States of America. This significant result of that free ballot is quite naturally the cause for some spirit of celebration. But even more, as I know you all recognize, it is a result to be viewed with a sense of humility and of responsibility by our Republican Party in this crucial period in the wake of war and at the opening of the atomic age.

Down through the years from that 29th day of January in the year 1861, when this state was admitted to the Union and the 34th star was added to the field of blue, the people of the State of Kansas have been very alert participants in the development and the decisions of national Republican policy. Our contemporary scene is no exception to that history. Numbering in your ranks that far-seeing and beloved statesman who carried our standard in the difficult campaign of 1936, the Honorable Alf Landon, that outstanding student of agriculture, now chairman of the House Agricultural Committee, Clifford Hope, your able Governors, past and present, the Honorable Andrew Schoeppel, and the Honorable Frank Carlson, and the strong, respected, and solid Republican delegation in the Senate

and the House, Kansas has and deserves to have a strong place in the councils of our Republican Party.

Thus in responding to your invitation on this unique annual occasion, I am moved, with your permission, to speak directly and frankly about some phases of national policy for our Republican Party. If our Republican Party follows through and discharges well its limited responsibility as the majority party in the legislative branch of government, it is quite apparent that it is the intention of the voters of America to place our Republican Party in charge of the Executive branch as well in 1948. It is also very clear that the decisions of our country in the years immediately ahead will have far reaching effects, not only as to the future freedom and welfare of the people within our borders, but also throughout the world.

Clearly then, the internal development of policy within our Republican Party will be of paramount significance in the months ahead.

It is my view that that policy should be developed by open and frank discussion. We should explore together the economic and social facts as we find them to be, and consider proposals to meet the problems before us. We cannot go back to where we left off sixteen years ago. It is never possible to move backward in social and economic policy, any more than it is possible to turn back the passage of time. The question before us is rather, how shall we advance from the point at which we find ourselves toward the goal of individual freedom, and high standards of living for us and for others in a world at peace.

To me this means that we must find our way through to new, dynamic and humanitarian policies on a number of major problems.

First among these is the development of a new national labor policy establishing a fairness and balance in the relations between capital and labor on a basis of individual freedom of both with high production and a minimum of governmental power.

Second, is the development of a new world economic policy to adjust to the tremendous change in our relationship to the rest of the world as now the major creditor nation undamaged by war and with extreme productive ability.

Third, is the implementation of the growth and development of the United Nations in its search for the means of a just and lasting peace, including the evolvement of atomic energy policy, the control of armaments, and our program toward our defeated enemies.

Fourth, is our long term relationship with the peoples of other nations of the world, particularly Russia and Great Britain.

Fifth, is the necessity of maintaining resilience and resourcefulness and vigor in our structure of private capital.

Sixth, is the need of improving our economic system, particularly in those areas where decades of experience have indicated deficiencies, such as in housing, and in health, and in education.

Seventh, is the development of the means by which agriculture can remain free, and yet maintain an excellent parity income.

Obviously, each one of these major questions of policy could well be the subject of this entire address. It appears to me that a thorough discussion of future agricultural policy might better await the careful hearings and analysis to be made during this year by the House Agricultural Committee, in view of the fact that our national policy is fixed for the next two years and the situation as to postwar agriculture around the world is yet to be clarified.

It also appears to me that the proper place for a

thorough discussion of labor policy currently is in Washington in the committees of Congress, which are even now considering specific legislative proposals upon this Number One domestic policy.

→ But I would like to discuss with you in some detail the ^{small business in the structure of our private capital system.} ~~fifth~~ question of policy. It involves this entire matter of the resilience and resourcefulness of our free economy in the years ahead. This involves a consideration of the basic functioning of our capitalistic system, not from a standpoint of any one special interest, but from that of the welfare of the people as a whole.

~~It involves a frank discussion of big business and of small business.~~

I believe that for the future vigor of a free economy in America and of a high standard of living with individual liberty, it is essential that our Republican Party in the years immediately ahead be the champion of small business.

The future high productivity of this entire economic system of ours depends in large measure upon a high birthrate of new small businesses throughout the country, and upon the growth and development of many of these small units, and upon the constant maintenance of a very large element of small independent enterprises throughout the land.

There are many reasons for this conviction that small businesses are the red corpuscles so vital to the healthy arteries of American enterprise. The world economic history has shown that nationalization and socialization has come when there has been complete consolidation and combination of industry, and not when enterprise is manifold and small in its units. World economic history has also shown that when there is a legion of men in enterprise who have the authority to make their own independent decisions,

then there is a toughness and vitality in an economic system not found on any other basis.

This is not to say that we should oppose big business merely because it is big. A big country needs a strong element of big business as well as of small business. The most efficient and effective mass production of articles for nationwide and worldwide distribution must come from large industries. But it does mean that we must vigorously oppose all monopolistic practices of big business. We must insist that there be big business to compete with other big business and that the avenues of small business competition also remain open. It also means that we must be alert not to permit big business to dominate our Republican Party. We must not permit major political power to be added to the other great powers that are accumulated by big business units. Excessive concentration of power is a threat to the individual freedoms and liberties of men, whether that excessive power is in the hands of men of government or of capital or of labor. We must be vigilant to diffuse power and keep it responsive to the will of the people.

A rather serious situation developed respecting small business in America through the war. By reason of a combination of factors the numbers of small businesses in America declined very sharply. It is quite apparent that the conditions of war, the allocations of priorities of material, the scarcity of manpower, the complicated regulations and controls, the departure of owners themselves for military services, the urgent need of concentration of war production, combined to bring these results. Statistics show that in four years' time through the war, from 1940 down to 1944, the numbers of small businesses decreased to the extent of 500,000. In other words, in 1940 there were 3,307,000 small businesses. By

1944 this had dropped to 2,839,000.

With the ending of the war, this very adverse trend changed and the number of small firms has been on the increase, to the extent of 300,000 or more. But on every hand come indications of the difficulties of new businesses in endeavoring to meet conditions, and particularly of the difficulty in expansion.

There can be no question that the ease of going into business in America in earlier decades has been a very major factor in the whole development of our country. The ease of starting an enterprise, and then of plowing back in early receipts resulted in developing amazing production and distribution, and in creating high employment and excellent standards of living. It made possible the starting of the small blacksmith shop and the growth to the great factory. It made possible the use of a small pushcart and the growth to the huge fruit distributing company. It made possible the origin of the small local busline and the growth to the extensive transportation system. It made possible the small experimental laboratory, and the growth to remarkable electrical enterprises. Specifically as to the days ahead, it appears to me to be essential that we make it easier than it now is for new small businesses to start and to grow and expand.

Included among the steps toward this end, I would suggest the following:

First: A special adjustment of our tax structure reducing the tax on the first portion of business net income to facilitate the survival and expansion of the small enterprise.

Second: Revision of our tax laws to permit the small enterprise to build up its reserves and its capital structure, whether incorporated or not.

Third: Simplification of governmental controls, even when they are essential, so that they can be readily complied with by small enterprise without extensive legal or accounting advice.

Fourth: Correcting the collective bargaining procedure so that if the employees are unionized, a small business is not confronted with a large number of unions to negotiate with. This might be accomplished through a provision requiring various crafts to designate the same bargaining representative in a small unit.

Fifth: Decentralizing the administration of national governmental policies so that the small businessman can complete his dealings on local levels of government without the expense and delay of dealing with the national capital.


Sixth: Constant vigilant opposition to all monopolistic practices and unfair combinations which tend to wipe out competition or to stifle the new growth of small enterprise.

Each of these specific steps is attainable if there is a determination to work them out. I do not present them with any attitude of finality, but rather to stimulate other proposals toward the same objectives within our Republican Party. I am convinced that our Republican Party should definitely develop and carry through proposals of some such nature to make it easier once again for small businesses to be born and to grow and to expand.

The proposals as to taxes need not be extreme and need not involve large sums of money. A total of a half billion dollars in prospective tax revenue applied in reduction of taxes for these specific purposes would give very significant assistance to small business in the country. This half billion dollar reduction of taxes should be readily available if we make the five billion dollar cut in the extravagant budget of the President which should be made.

Equally, the simplification of governmental controls and regulations, and the decentralization of their administration can be brought about if we approach them with the determination to reduce the power in Washington and to make compliance with the law clearly understandable.

Let me also emphasize again that these proposals are not made just for the sake of the men and women who are engaged in small business. They are made for the long term effect upon the whole strength of our free economy and the welfare of all. It is very important to the maintenance of future free big business that there should be strong numerous small business in America. It is very important to the future of Agriculture that there should be to an increased measure decentralized small enterprises throughout the agricultural areas. There should be not only mercantile establishments, but also small processing and manufacturing plants, utilizing agricultural products, preparing goods for local consumption, and playing a part in the development of thriving small communities in the midst of our great agricultural plains, furnishing employment, assisting in supporting the schools and other governmental activities, and contributing to a rounded, enjoyable community life.

Equally is this important to those who labor for the development of jobs and for the maintenance of freedom of capital which is essential if labor is to continue to be free. 

I have spotlighted this one policy toward small business this evening, because I consider it to be one of the eight important policies which must be brought to the front in the Republican Party in this interim period.

Let no one underestimate the importance of these decisions of Republican policy. In the tragic wake of war the standards

of living and the individual freedoms of men have suffered to an extreme degree around the world. The trend is adverse. But if, with ingenuity and initiative and determination, but with a firm adherence to our fundamental concepts, we demonstrate anew the success of our American economic system, a few short years will witness a shift in the worldwide trend toward increased individual freedoms throughout the world. Such a favorable world trend would be the best assurance that future Kansas Days may be held under conditions of peace and well-being for the people of Kansas, and of America, and of the world.

RUSSIA AND THE UNITED STATES - CAN WE UNDERSTAND EACH OTHER?

1. What would you say are the characteristics and interests which we share? *Getting along + others*
2. Would free exchange of ideas through the press, radio and travel promote closer understanding? *Yes*
3. Mr. Lawrence says that it is necessary for us to understand what makes each other "tick". Is that possible when our basic definitions on words like "democracy", "free press", "free election" are different? *Slow*
4. Can a free speaking ~~multi~~-party representative government and a one-party autocracy ever really understand each other? *Two Party*
5. What about our varying points of view on religion? *Serious*
6. From the economic point of view, can free trade and a state controlled economy amicably compete? *Rules are set*
7. Do our foreign policies accord sufficiently with our expressed ideals to create confidence in each other's sincerity? *How much when clearly set off*
8. Can each be sure that the other intends no imperialistic expansion? *Chase*
9. What has been the effect on Russia of our possession of the atomic bomb? *Effect on*
10. FINAL

If it is true, as Anne O'Hare McCormick says, that "Russia wants nothing that we want and we want nothing that Russia wants except peace and security", what would you suggest as most needed to bring better understanding between these two great countries? *Both want*

Extreme right + left
Freedom & Religion
Disruptive elements in this country

Intent
Desire of people for lasting peace
Both countries must to fight now
Both present
Get things done

Long term policies



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