

# ★ from the CONGRESSIONAL RECORD

ON THE RAYBURN-WHEELER PUBLIC UTILITY BILL NOW BEFORE CONGRESS

*Excerpts From Speech of Congressman Huddleston  
(Democrat-Alabama), Ranking Member of  
Interstate Committee, Friday, June 28, 1935.*

I SPEAK only of title I, the holding company part, as I know but little of the titles which deal with other subjects. At the conclusion of the hearings the bill was referred to a subcommittee of four Democrats and two Republicans, of which the gentleman from Texas (Mr. Rayburn) was chairman. We labored long and faithfully on the bill. Weeks were spent reading every line, weighing as far as we could every syllable.

We found the bill as originally introduced utterly impossible. I advocated throwing it in the wastebasket, and that the committee undertake to write a reasonable, sensible bill that would regulate the holding companies and do what any reasonable man should want to do. (Applause.)

But we did not find that practical. What we had to do was to take this impossible bill, which in many respects, as I repeatedly said in the committee, approached the extreme rim of sanity, and try to make something out of it. . . . .

What is the issue on this bill? In a few words, the issue is whether we will regulate or whether we will destroy. That is the issue. My position now is, and has been from the inception of this legislation, and may I say for long before it was introduced, that the utility holding companies should be regulated. They should be rigidly and sharply regulated. The interests of the public, of the investors, and of the consumers should be protected by adequate regulation. That is what I have believed in all the time, what I believe in now, and what I advocate now.

I have some authority for that position. I read from the Democratic platform of 1932:

*We advocate regulation to the full extent of Federal power of holding companies which sell securities in interstate commerce.*

Upon that plank I stand. (Applause.) Take note. It says "regulate." It does not say "destroy." Those who advocate destruction cannot quarrel with me for my Democracy. No democrat can find fault with me for standing upon the Democratic platform of 1932. Socialists, radicals, and what nots, or whatever stripe—they have the right to quarrel with me, but no Democrat dare challenge me on that. (Applause.)

The issue is, Shall we "regulate" or shall we "destroy"? That in turn resolves itself into this: Shall we correct the evils of the holding companies or shall we wreak vengeance upon them? Do you come to preserve, to build up, to correct, to improve that which is imperfect, or do you come in a punitive spirit, to punish for the misdeeds of the past? . . . . .

You would take vengeance, you say by destroying the holding companies. Take vengeance upon whom? On the corporations who, as Mr. Rayburn has said, are inanimate creatures and without souls? . . . . . Let me say to you that you cannot strike them without striking the stockholders who stand back of them. What have the hapless investors done that you should seek vengeance upon them? What have those who have put their savings of a lifetime into these securities done? What is their offense? What is their crime for which you are seeking to punish them? . . . . .

That is the issue. It appears in many sections of this bill. Would that I had time to explain them more fully. The bill is a mystic maze. A man of average intelligence wandering into it will soon find himself hopelessly lost without knowing east from west or top from bottom. After weeks of study the most intelligent man will still remain in doubt as to what this bill means.

This bill was written by Mr. Benjamin Cohen and Mr. Thomas Cochran, two bright young men brought down from New York to teach Congress "how to shoot." (Laughter and applause.) Some of us were here when both were yet in short pants. But these are days when experience and fidelity in public service or in business life are exceedingly "disqualifying." I pay them a tribute for the exceeding skill which they have shown in weaving in and weaving out, piling words upon words, phrase upon phrase, clause upon clause until a Philadelphia lawyer would get down on his knees and pray to be delivered from the task of interpretation. (Laughter and applause.) . . . .

Of course, I do not know what was in the minds of those who wrote the bill. You cannot deduce it from the bill. You cannot find

out there. I do not know what philosophy they were holding to. "What private griefs they had, alas, I know not, that made them do it." Suffice it to say that the bill was "fearfully and wonderfully made," and that every syllable was loaded with arsenic. The utilities charged, and it was charged again here yesterday, that the bill had an insincere purpose, that it was designed to produce chaos and ruin in the electrical industry so that out of the shipwreck might be salvaged Government and municipal ownership and other kindred spoil.

. . . . . in 1928 the Senate adopted a resolution directing an investigation of utility-company practices by the Federal Trade Commission.

The Commission set some capable gentlemen to work. They began to dig into the utility-company records and papers. They followed the same method as followed by the gentlemen from Texas or yesterday. They would dig in, and when they found anything wrong they would rise up and trumpet it to the world. I am reliably informed that the Federal Trade Commission issued during its investigation somewhere near 300 newspaper releases in the form of publicity stuff, telling the people of the country what they had found wrong with the utilities. They spent more than \$2,000,000 in getting material to put out, and so forth. They succeeded in building up a strong public sentiment against the utilities. It was like writing the story of a man's life in which you tell every unworthy deed he ever did and every unworthy thought that ever entered his mind and ignoring altogether all the good things that might have been said in his behalf. And which among you gentlemen could stand up with that kind of a biography? (Laughter and applause.)

So they whipped the country into a rage; they formed a public opinion, especially among those who had the least information and hence are most suspicious; they raised this public opinion to a fever heat. Demagogues grasped their opportunity and agitators saw that the time was ripe for them. So, like vultures riding the storm, they mounted upon this wave of ill will and opinion against the utilities. They have continued to ride right down to this time.

This is the finest demagogue bait ever spread. (Applause.) . . . .

Mr. Chairman, as I said, this is the finest demagogue bait that was ever spread; they not only get a chance to "soak the rich" and to fan the prejudices of the poor against those who happen to have managed to hold on to a stray nickel but they are able to draw around their shoulders the cloak of patriotism—"I am the defender of the people." (Applause.) . . . . .

I would like to go along with the chairman of the committee. It pains me deeply not to do so for I am greatly attached to him. But before my affection for the chairman must come my duty to my country. (applause) and whether it be propaganda from one source or another, whether it be influence brought to bear by officials of the utilities or by their stockholders, or whether, on the other hand, it be the threats of the demagogues and the agitators, or whether it be to oppose the will of the Chief Executive of the Nation, I will do what I think is right. (Applause.)

I will do what I think is right. I will support "regulation" and not "destruction"—correction and not vengeance. I will do justice without fear or favor, and neither the imps of darkness nor those who have seen a new light shall move me the breadth of a hair. Upon this rock I take my stand. "And the gates of hell shall not prevail against it."

**"The Alabaman brought Democrats and Republicans to their feet cheering, in a scene seldom duplicated in the House."**

(By Universal Service in The Washington Times, June 29, 1935.)

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