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PROMISE

AND

PERFORMANCE

The Administration of
FRANKLIN D. ROOSEVELT
REVEALS ITSELF

**“BUT REMEMBER WELL, that attitude
and method—the way we do things,
is nearly always the measure of
our sincerity.”**

FRANKLIN D. ROOSEVELT
Butte, Montana, September 19, 1932

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“WE BELIEVE that a party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.”

DEMOCRATIC PLATFORM, 1932

“THAT ADMIRABLE DOCUMENT, the platform, which you have adopted, is clear. I accept it one hundred per cent.”

FRANKLIN D. ROOSEVELT, *Acceptance Speech, July 2, 1932*

“FINALLY, I have made it clear, ever since my nomination a year ago, that I subscribe to the Democratic platform one hundred per cent.”

FRANKLIN D. ROOSEVELT, *telegram to Leon McCord, member of Democratic National Committee from Alabama, July 8, 1933*

RELIEF

REEMPLOYMENT

PROMISE

“IT IS NO TIME for delay when 11,000,000 of honest, industrious and willing men and women are tramping the streets and roads of our country looking for work . . . and we of the Democratic party will not wait.”

FRANKLIN D. ROOSEVELT, *Baltimore, October 25, 1932*

“IT IS A PRIMARY PURPOSE of my administration to cooperate with the States and with industry, to secure work opportunities for as many of the unemployed as possible, by which they will find employment through normal channels.”

FRANKLIN D. ROOSEVELT, *Statement, June 14, 1933*

“THE FEDERAL GOVERNMENT must and shall quit this business of relief. I am not willing that the vitality of our people be further sapped by the giving of cash, or market baskets, or a few hours of weekly work, cutting grass, raking leaves, or picking up papers in the public parks.”

FRANKLIN D. ROOSEVELT, *Message to Congress, January 4, 1935*

RELIEF

REEMPLOYMENT

PERFORMANCE

IN MARCH, 1936, there were UNEMPLOYED, according to:

The American Federation of Labor	12,184,000
National Industrial Conference Board	9,649,000

AS OF JANUARY, 1936, AT LEAST 19,000,000 PEOPLE WERE RECEIVING RELIEF benefits according to Relief Administrator Hopkins.

(House of Representatives hearings on First Deficiency Bill, 1936)

The following table shows the growth in the number of cases on relief (a case may be an individual or an entire family):

MONTH	INDIVIDUALS AND FAMILIES ON RELIEF
1933	
July	3,908,068
1934	
July	4,355,493
1935	
June	4,530,832
1936	
March	5,300,000

*(Federal Emergency Relief Administration reports;
Franklin D. Roosevelt, Message to Congress,
March 18, 1936)*

RELIEF

THE COST

PROMISE

“IF WE MAINTAIN the course I have outlined, we can confidently look forward to cumulative beneficial forces represented by increased volume of business, more general profit, greater employment, and a diminution of relief expenses”

FRANKLIN D. ROOSEVELT, *Budget Message*,
JANUARY 3, 1934

“WE CAN LOOK FORWARD TODAY toward a continued reduction of deficits, to increased tax receipts, and to declining expenditures for the needy unemployed.”

FRANKLIN D. ROOSEVELT, *Budget Message*,
JANUARY 3, 1936

“THIS \$400,000,000 (for Civil Works Administration) *isn't going to cost the Federal Government any more money, because we are taking it out of the large Public Works appropriation of \$3,300,000,000. It is using a portion of that fund in a very practical way.*”

FRANKLIN D. ROOSEVELT, *November 15, 1933*

RELIEF

THE COST

PERFORMANCE

RELIEF EXPENDITURES, reported in the Budget for 1937, have totaled as follows:

YEAR ENDED JUNE 30	EXPENDITURE
1934.....	\$1,361,800,000
1935.....	2,341,300,000
1936*.....	3,118,700,000
TOTAL	\$6,821,800,000

**Treasury Department Statement of Emergency Relief Expenditures classified in accordance with the testimony of the Works Progress Administrator before the Senate Appropriations Committee, May, 1936*

"I HAVE THE HONOR TO REQUEST AN ADDITIONAL \$950,000,000 for the purpose of the Federal Emergency Relief Act of 1933 and for continuing the Civil Works Program."

FRANKLIN D. ROOSEVELT, *Message to Congress, January 29, 1934*

RELIEF

POLITICAL ACTIVITIES

PROMISE

“WE CONDEMN the improper and excessive use of money in political activities.”

DEMOCRATIC PLATFORM 1932

“WE DO WANT YOU to be absolutely hardboiled, if you find any local person within your own states who is trying to get political advantage out of the relief of human needs, and you will have the backing of this Administration 100%, even if you hit the biggest political boss on the head in carrying out this general program.”

FRANKLIN D. ROOSEVELT, *Remarks to State Directors of the National Emergency Council, February 2, 1934*

RELIEF

POLITICAL ACTIVITIES

PERFORMANCE

“I HAND YOU herewith a list of doctors in Ohio county. Kindly separate the Democrats and the Republicans and list them in order of priority so we may notify our safety foremen and compensation men as to who is eligible to participate in case of injury.”

(From a letter written by the State Relief Administrator of West Virginia to a county relief Supervisor, as read before the Senate by SENATOR HOLT, Democrat, of West Virginia)

“DEAR COMMITTEEMAN:

Contact all houses in your division and get the names of all men on relief, also of those holding WPA jobs. Urge them to register Democratic on March 26 or else lose their jobs.

Sincerely yours,

(Signed) CHARLES McDONALD”

(Reproduced from a photostatic copy of a letter signed by Democratic leader of the 14th ward in Philadelphia on March 14, 1936, ten days before the Pennsylvania primary registrations, as printed in the Philadelphia Inquirer of March 28, 1936)

“I AM SURE YOU KNOW THAT I CANNOT BE HELD RESPONSIBLE FOR THE ACTS OF DUMB POLITICIANS.”

(HARRY L. HOPKINS, Works Progress Administrator, in reply to a senatorial request for an investigation of alleged relief irregularities, March 5, 1936)

RELIEF

BOONDOGLING

PROMISE

“TO PUT one thousand men to work with picks and shovels to dig up a water main on one side of the highway, and lay it again on the other side of the highway, is not only a silly project but it destroys the morale of the men who are doing the job.”

FRANKLIN D. ROOSEVELT, *On Our Way*,
1934, page 87

RELIEF

BOONDOGGLING

PERFORMANCE

“ I WANT TO SAY just one word about the usefulness of what we are doing. There is a grand word that is going around: ‘BOONDOGGLING.’ It is a pretty good word. If we can boondoggle ourselves out of this depression, that word is going to be enshrined in the hearts of the American people for years to come.”

FRANKLIN D. ROOSEVELT, *Newark,*
January 18, 1936

GOVERNMENT ADMINISTRATION

CIVIL SERVICE

PROMISE

“THE MERIT SYSTEM in civil service is in no danger at my hands; but on the contrary, I hope that it will be extended and improved during my term as President.”

FRANKLIN D. ROOSEVELT, *letter to Civil Service Reform League, August 1933*

“THE MERIT SYSTEM has been and will continue to be extended during my administration.”

FRANKLIN D. ROOSEVELT, *letter to H. Eliot Kaplan, Secretary of the National Civil Service Reform League, September 17, 1935*

“THERE can be no question of greater moment or broader effect than the maintenance, strengthening, and extension of the merit system, established in the competitive principles of the Civil Service Act, whose 53rd birthday is being celebrated this month . . . I am glad to assure your great organization of my support in this effort.”

FRANKLIN D. ROOSEVELT, *radio address to League of Women Voters, January 30, 1936*

“THE Seventy-third Congress, as a part of its efforts to meet the emergency with which the nation was confronted, exempted from the civil service requirements positions in the newly created emergency agencies. The Seventy-fourth Congress made some additional exemptions.”

FRANKLIN D. ROOSEVELT, *letter to H. Eliot Kaplan, Secretary of the National Civil Service Reform League, September 17, 1935.*

GOVERNMENT ADMINISTRATION

CIVIL SERVICE

PERFORMANCE

FROM June 30, 1932, to April 1936, there was an increase of 227,000 in the number of employees in the Executive Branch of the Federal Government (excluding the Army and Navy and excluding large numbers of employees in various Federal "Emergency" and "Relief" agencies not classified in Civil Service Commission reports as Executive Employees).

Between June 30, 1932, and June 30, 1935, the percentage of employees in the **EXECUTIVE BRANCH** of the Federal Government not under Civil Service **INCREASED FROM 19.9% TO 36.7%**.

During the same period there was an actual **DECLINE OF 11,897** in the number of such employees under **CIVIL SERVICE**.

This compares with an almost uninterrupted increase in the proportion of Federal employees under Civil Service from the time of President Arthur, when the principle was first established. The record is shown in the following table:

EXECUTIVE EMPLOYEES*		UNDER CIVIL SERVICE			PERCENT NOT UNDER CIVIL SERVICE
PRESIDENT	YEAR	TOTAL	UNDER CIVIL SERVICE	NOT UNDER CIVIL SERVICE	
		(To nearest thousand)			
Arthur	(1883)				87.5 (Est.)
McKinley	(1901)	256,000	106,000	150,000	58.6
Taft	(1911)	370,000	223,000	142,000	38.4
Wilson	(1916)	438,000	297,000	141,000	32.2
Wilson	(1918)	918,000	642,000	276,000	30.1
Wilson	(1920)	691,000	498,000	193,000	27.9
Harding	(1923)	516,000	411,000	105,000	20.3
Coolidge	(1928)	541,000	432,000	109,000	20.1
Hoover	(1932)	583,000	467,000	116,000	19.9
ROOSEVELT	(1935)	719,000	455,000	264,000	36.7
ROOSEVELT	(APRIL, 1936)	810,000	NOT AVAILABLE		

(Civil Service Commission Reports and Statistical Abstract of the United States)

* Non-military employees, permanent and temporary, of executive departments. This classification does not include a large number of employees in the various Federal "Emergency" and "Relief" agencies not listed in the Civil Service Commission reports as "Executive Employees."

IT IS TO BE NOTED from the above table that between the years 1916 and 1918, when President Wilson organized the nation for war, the number of employees of the government increased 479,703. Despite this growth, President Wilson was able to increase the total proportion under Civil Service by 2.2%.

GOVERNMENT ADMINISTRATION

POST OFFICE DEPARTMENT

PROMISE

“WHEN I ASSUMED the office of Postmaster General you expressed the desire that the postal service be so conducted that the revenues and expenditures would approximately balance each other

“I HAVE THE HONOR to inform you that pre-audited figures for the fiscal year ended June 30, 1934 show, after making the usual adjustments authorized by law for certain subventions and free mailing services, that our postal receipts exceeded expenditures for the first time since 1919, the surplus being approximately \$5,000,000

“I TAKE PRIDE in making this favorable report and am sure that it will be most gratifying to you.”

POSTMASTER GENERAL FARLEY, *radio message to President Roosevelt, July 20, 1934*

GOVERNMENT ADMINISTRATION

POST OFFICE DEPARTMENT

PERFORMANCE

1934

THE ANNUAL REPORT of the Post Office
Department showed

A SURPLUS OF..... \$12,161,415.03

HOWEVER, the Secretary of the Treasury's
Annual Report shows the Post
Office Department had

A DEFICIT OF..... 52,003,296.00

DISCREPANCY..... \$64,164,711.03

1935

THE ANNUAL REPORT of the Post Office
Department showed

A SURPLUS OF..... \$4,964,149.31

HOWEVER, the Secretary of the Treasury's
Annual Report shows the Post
Office Department had

A DEFICIT OF..... 63,970,405.00

DISCREPANCY..... \$68,934,554.31

GOVERNMENT ADMINISTRATION

AIRMAIL CONTRACTS

PROMISE

“THE SIMPLE FACT is that from records taken from the files of the Post Office Department, from the files of air mail contractors, themselves, and from evidence produced before the Senate Investigating Committee, it was clearly shown that *these contracts were given and obtained through collusion and fraud. . . .*”

“IF THIS ADMINISTRATION was going to keep faith with the people, these fraudulent contracts had to be wiped out.”

POSTMASTER GENERAL FARLEY, *Wilmington, Delaware, March 20, 1934*

GOVERNMENT ADMINISTRATION

AIRMAIL CONTRACTS

PERFORMANCE

ON FEBRUARY 9, 1934 Postmaster General Farley cancelled all domestic governmental air mail contracts. This was done without hearings. The cancellation became effective upon ten days' notice rather than upon sixty days' notice as required by the Independent Offices' Appropriation Act of June 16, 1933.

On the same day by Executive Order, President Roosevelt commanded the Army to fly the air mail.

Twelve Army flyers lost their lives in pursuance of this order.

The cost of Army operation of the air mail was \$3,700,000.

THE DEPARTMENT OF JUSTICE AFTER A LAPSE OF MORE THAN TWO YEARS HAS FAILED TO BRING INDICTMENTS AGAINST THE AVIATION COMPANIES FOR THE COLLUSION AND FRAUD ALLEGED BY THE POSTMASTER GENERAL IN HIS SPEECH OF MARCH 20, 1934.

GOVERNMENT ADMINISTRATION

BUREAUCRACY

PROMISE

“WE ARE ATTEMPTING too many functions and we need a simplification of what the Federal Government is giving to the people.

“I ACCUSE the present Administration of being the greatest spending administration in peace times in all our history—one which has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs or reduced earning power of the people. Bureaus and bureaucrats have been retained at the expense of the taxpayer.”

FRANKLIN D. ROOSEVELT, *Sioux City, September 29, 1932*

“THE PEOPLE of America demand a reduction of Federal expenditure. It can be accomplished not only by reducing the expenditures of existing departments, but it can be done by abolishing many useless commissions, bureaus and functions, and it can be done by consolidating many activities of the government.”

FRANKLIN D. ROOSEVELT, *Brooklyn, November 4, 1932*

GOVERNMENT ADMINISTRATION

BUREAUCRACY

PERFORMANCE

BEFORE the Roosevelt Administration there were **TEN** agencies dealing with the production and distribution of power. In 1935 there were **TWENTY-THREE** agencies concerned with it.

TWO agencies of the Federal Government were primarily concerned with the settlement of labor disputes in 1932. Four years later **TWELVE** agencies are interested in the settlement of labor disputes.

Housing problems were being considered by **FOUR** agencies of the Government before the Roosevelt Administration. In 1936 **FIFTEEN** agencies are dealing with the problem.

In 1932 there were **SIX** agencies of the Government to which foreign trade was a major concern. Today there are **TWELVE** agencies concerned with this activity.

FOUR government agencies were making loans to farmers four years ago. Today there are **THIRTEEN** agencies engaged in making such loans.

EIGHT agencies of the Federal Government exercised extensive control over the public lands. In 1936 such control was being exercised by **FIFTEEN** different organizations in the Federal Government.

TODAY THERE ARE THREE DIFFERENT GOVERNMENT COMMITTEES EACH ENTIRELY INDEPENDENT OF THE OTHER, ALL STUDYING OVERLAPPING SERVICES IN THE FEDERAL GOVERNMENT.

GOVERNMENT ADMINISTRATION

DEPARTMENT OF AGRICULTURE

PROMISE

“WE CONDEMN the extravagance of the Farm Board . . .”

DEMOCRATIC PLATFORM 1932

“I HAVE CALLED for a reorganization of the Department of Agriculture to the end that it may serve the people more and cost the people less.”

FRANKLIN D. ROOSEVELT, *Sacramento, September 22, 1932*

“WE ARE CERTAINLY paying enough for the Department of Agriculture to get something more useful than we are now getting. I have already proposed its reorganization. I am going to insist that we get more service for the farmer for less money.”

FRANKLIN D. ROOSEVELT, *Atlanta, October 24, 1932*

GOVERNMENT ADMINISTRATION

DEPARTMENT OF AGRICULTURE

PERFORMANCE

THE FEDERAL FARM BOARD under the Hoover Administration had at its disposal a revolving fund of \$500,000,000. On December 31, 1935, approximately \$175,000,000 of this appropriation still remained.

DURING THE FIRST THREE YEARS of the operations of the Agricultural Adjustment Administration under the Roosevelt Administration funds to the amount of **\$1,732,000,000** were made available and of these funds the following sums were expended up to March 31, 1936:

Administrative Expenses	\$ 84,953,000
Rental and Benefit Payments	1,135,929,000
Removal and Conservation of Surplus	73,495,000
Drought Relief, Food Conservation and Disease Eradication Operations	162,346,000
Other	61,496,000
TOTAL EXPENDITURES to March 31, 1936	\$1,518,219,000

(Agricultural Adjustment Administration Reports)

IN ADDITION to these expenditures under the AAA, the following table indicates the **INCREASE IN COST** and number of employees in the regular Department of Agriculture:

DEPARTMENT OF AGRICULTURE		
	COST	NO. EMPLOYED
1932	\$318,975,817	26,371
1936	436,094,141	47,175
INCREASE	\$117,118,324	20,804

IN ADDITION to all of the above, there has been an expenditure by the Resettlement Administration for rural purposes of **\$74,100,000**.

(Budget Message, January 3, 1936; U. S. Civil Service Commission Reports)

AGRICULTURE

HOME AND FOREIGN MARKETS

PROMISE

“WE FAVOR . . . effective control of crop surpluses so that our farmers may have the full benefit of the domestic market.

“WE CONDEMN . . . the unsound policy of restricting agricultural products to the demands of domestic markets.”

DEMOCRATIC PLATFORM 1932

AGRICULTURE

HOME AND FOREIGN MARKETS

PERFORMANCE

COMPETITION for the American domestic market has increased as a result of rising imports. FROM 1932 TO 1935 THE VOLUME OF IMPORTS OF CRUDE FOODSTUFFS INCREASED 41% AND OF MANUFACTURED FOODSTUFFS INCREASED 49%.

The following table gives the volume of imports in 1932 and 1935 for important agricultural products:

COMMODITY	1932	1935
Wheat	3,000 bu.	27,439,000 bu.
Corn	344,000 bu.	43,242,000 bu.
Oats	59,000 bu.	10,107,000 bu.
Barley	None	4,840,000 bu.
Rye	None	9,643,000 bu.
Rice	19,074,000 lb.	53,457,000 lb.
Barley malt	52,533,000 lb.	320,623,000 lb.
Hay	13,858 tons	67,171 tons

MEANWHILE the VOLUME OF AGRICULTURAL EXPORTS from the United States had DECLINED. The quantities of individual commodities exported had declined as follows:

Cotton	33%
Unmanufactured tobacco	4%
Wheat	99%
Flour	42%
Meat products	19%
Lard	82%

(Publications of Department of Commerce)

AGRICULTURE

CROP RESTRICTION

PROMISE

“WE CONDEMN . . . the unsound policy of restricting agricultural products to the demands of domestic markets.”

DEMOCRATIC PLATFORM 1932

“WHEN THE FUTILITY of maintaining prices of wheat and cotton through so-called stabilization became apparent, the President’s Farm Board, of which his Secretary of Agriculture was a member, invented the cruel joke of advising farmers to allow 20 per cent of their wheat lands to lie idle, to plow up every third row of cotton and to shoot every tenth dairy cow.”

FRANKLIN D. ROOSEVELT, *Topeka,*
September 14, 1932

AGRICULTURE

CROP RESTRICTION

PERFORMANCE

IN THE SUMMER of 1933 the Government paid farmers under the AAA to **PLOW UP 10,500,000 ACRES** of growing cotton, or 25% of the total acreage.

THE **BANKHEAD COTTON ACT** of 1934 set **A LIMIT OF 10,000,000 BALES** of cotton to be marketed by farmers from the 1934-1935 crop.

IN THE FALL of 1933, the AAA **DESTROYED 6,200,000 PIGS** and slaughtered 220,000 prospective mother sows at a cost of over \$30,000,000. The total live weight of the pigs and sows slaughtered was 443,627,348 pounds. Of this only 97,064,159 pounds of food products were obtained—the rest was converted into inedible grease or fertilizer.

THE AAA **RETIRED** approximately **36,000,000 ACRES** of corn, wheat, cotton and tobacco from cultivation, or one-tenth of the land in cultivation in the United States.

(Agricultural Adjustment Administration Reports)

IN AN ADDRESS TO FARMERS IN WASHINGTON, D. C., MAY 14, 1935, THE PRESIDENT SUMMARIZED THE PERFORMANCE OF THE NEW DEAL AS FOLLOWS:

“It is high time for you and for me to carry, by education, knowledge of the fact that not a single program of the AAA contemplated the destruction of an acre of food crops in the United States.

It is high time for you and me to make clear that we are not plowing under cotton this year—that we did not plow it under in 1934 and that we only plowed some of it under in 1933 because the Agricultural Adjustment Act was passed after a huge crop of cotton was already in the ground.

It is high time for us to repeat on every occasion that we have not wastefully destroyed food in any form. It is true that the relief administrator has purchased hundreds of thousands of tons of food-

stuffs to feed the needy and hungry who are on the relief rolls in every part of the United States.

The crocodile tears, shed by the professional mourners of an old and obsolete order over the slaughter of little pigs and other measures to reduce surplus agricultural inventories deceive very few thinking people, and least of all the farmers themselves.

The acknowledged destiny of a pig is sausage, or ham, or bacon or pork. In these forms millions of pigs were consumed by vast numbers of needy people who otherwise would have had to do without.”

AGRICULTURE

CONSTITUTIONAL MEASURES

PROMISE

“WE FAVOR . . . the enactment of every constitutional measure that will aid farmers to receive for their basic farm commodities prices in excess of cost.”

DEMOCRATIC PLATFORM 1932

“I LIKE TO THINK that agricultural adjustment is an expression, in concrete form, of the human rights those farmer patriots sought to win when they stood at the bridge at Concord, when they proclaimed the Declaration of Independence and when they perpetuated these ideals by the adoption of the Constitution.”

FRANKLIN D. ROOSEVELT, *Fremont, Nebraska,*
September 28, 1935

AGRICULTURE

CONSTITUTIONAL MEASURES

PERFORMANCE

THE IMPORTANT MEASURES enacted in pursuance of the platform pledge printed opposite were as follows:

1 • AGRICULTURAL ADJUSTMENT ACT

(declared unconstitutional by the Supreme Court January 6, 1936)

2 • KERR TOBACCO CONTROL ACT

(repealed by Congress February 10, 1936 to avoid an unfavorable decision by the Supreme Court on pending cases)

3 • BANKHEAD COTTON ACT

(repealed by Congress February 10, 1936 to avoid an unfavorable decision by the Supreme Court on pending cases)

4 • THE POTATO CONTROL ACT

(repealed by Congress February 10, 1936 because clearly unconstitutional under the Supreme Court's AAA decision)

AGRICULTURE

COERCION

PROMISE

“THE (farm) PLAN must not be coercive. It must be voluntary and the individual producer should at all times have the opportunity of non-participation if he so desires. . . . It must be so organized that the benefits will go to the man who participates.”

FRANKLIN D. ROOSEVELT, *Topeka, September 14, 1932*

AGRICULTURE

COERCION

PERFORMANCE

THE BANKHEAD COTTON ACT OF 1934 imposed a penalty tax of 50% of the market value of lint cotton, levied on each pound of cotton ginned in excess of the farmer's allotted amount. Violation of the Act was punishable by a fine not to exceed \$1,000 or by imprisonment not exceeding six months, or by both.

THE KERR TOBACCO ACT imposed a tax ranging from 25% to 33½% of the sales price of the tobacco which a grower sold in excess of the allotment made to him by the Secretary of Agriculture. Punishments for violations of the Act were similar to those imposed by the Bankhead Cotton Act with the additional provision that false statements with respect to, or falsification of tax documents were punishable by a fine not exceeding \$5,000 or by imprisonment not exceeding five years, or both.

THE POTATO CONTROL ACT OF 1935 provided for a tax of three-fourths of one cent per pound (45 cents per bushel) for potatoes marketed in excess of allotments prescribed by the Secretary of Agriculture. In addition to the usual penalties on the grower for violation, the Act made the buyer responsible for the purchase of only those potatoes marketed in a manner fulfilling the requirements of the law. Section 220 stated:

“ Any person who knowingly sells, or offers for sale, or knowingly offers to buy, or buys, potatoes not packaged as required by this title, or any person who knowingly offers to buy, or buys, potatoes to the packages of which are not affixed or attached tax-exemption stamps or tax stamps as required by this title shall, upon conviction thereof, be fined not more than \$1,000. Any person convicted of a second offense under the provisions of this title may, in addition to such fine, be imprisoned for not more than one year.”

“CONGRESS HAS NO POWER TO ENFORCE ITS COMMANDS ON THE FARMER TO THE ENDS SOUGHT BY TAXING AND SPENDING TO PURCHASE COMPLIANCE. THE CONSTITUTION AND THE ENTIRE PLAN OF OUR GOVERNMENT NEGATIVE ANY SUCH USE OF THE POWER TO TAX AND TO SPEND AS THE ACT UNDERTAKES TO AUTHORIZE.”

(Supreme Court decision on AAA, January 6, 1936)

AGRICULTURE

EMERGENCY PROGRAM

PROMISE

“AN ACT to relieve the existing National economic *emergency* by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such *emergency*, to provide *emergency* relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint stock land banks, and for other purposes.”

Preamble of Agricultural Adjustment Act, 1933

AGRICULTURE

EMERGENCY PROGRAM

PERFORMANCE

“IT NEVER was the idea of the man who framed the Act, of those in Congress who revised it, nor of Henry Wallace or Chester Davis that the Agricultural Adjustment Administration should be either a **MERE EMERGENCY OPERATION** or a static agency.”

FRANKLIN D. ROOSEVELT, *Statement, October 25, 1935*

COST OF GOVERNMENT

EXTRAVAGANCE

PROMISE

“WE ADVOCATE an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25% in the cost of Federal government”

DEMOCRATIC PLATFORM 1932

“FOR THREE LONG YEARS I have been going up and down this country preaching that government costs too much. I shall not stop the preaching”

FRANKLIN D. ROOSEVELT, *Acceptance Speech*,
July 2, 1932

“THAT (the Hoover spending), my friends, . . . is the most reckless and extravagant pace I have been able to discover in the statistical record of any peace-time government anywhere, any time.”

FRANKLIN D. ROOSEVELT, *Pittsburgh*, October
19, 1932

“YOU ARE HAVING the most economical federal administration you have had for years.”

POSTMASTER GENERAL FARLEY, *Salt Lake City*,
August 1, 1934

COST OF GOVERNMENT

EXTRAVAGANCE

PERFORMANCE

IN THE LAST full fiscal year (1932) of President Hoover's Administration the Federal government spent \$5,153,644,895. The New Deal increased this rate of spending as follows:

In the year ending June 30, 1934, by 38%
" " " " June 30, 1935, by 43%
" " " " June 30, 1936, by 72%

THE COST of running the United States government in recent years:

1927.....	\$3,372,713,000
1931.....	4,091,597,000
1932.....	5,153,645,000
1933.....	5,142,954,000
1934.....	7,105,050,000
1935.....	7,375,825,000
1936.....	8,879,798,000

(House Hearings on Revenue Act of 1936, except the 1936 figure which is from Daily Treasury Statement (unrevised) of June 30, 1936)

GOVERNMENT EXPENDITURES in 1936 would have been \$3,865,233,671 if there had been a reduction of 25% in the cost of Federal Government from the 1932 level.

From March 4, 1933, to March 31, 1936, the **ROOSEVELT ADMINISTRATION CREATED MORE THAN FIFTY ADDITIONAL BUREAUS**, commissions, committees, boards, agencies, or government corporations. A partial list follows:

Agricultural Adjustment Administration	Rural Electrification Administration
Commodity Credit Corporation	Electric Home and Farm Authority
Federal Farm Mortgage Corporation	Federal Emergency Relief Administration
National Recovery Administration	Civil Works Administration
National Labor Relations Board	Works Progress Administration
Social Security Board	Federal Surplus Commodities Corporation
National Bituminous Coal Commission	Central Statistical Board
United States Employment Service	Securities and Exchange Commission
Federal Deposit Insurance Corporation	National Archives
Fed. Savings and Loan Insurance Corp.	Federal Communications Commission
Home Owners' Loan Corporation	Federal Coordinator of Transportation
Federal Housing Administration	National Resources Committee
Resettlement Administration	Railroad Retirement Board
Public Works Administration	National Emergency Council
Tennessee Valley Authority	

COST OF GOVERNMENT

BALANCED BUDGET

PROMISE

“WE FAVOR maintenance of the national credit by a federal budget, annually balanced on the basis of accurate executive estimates within revenues raised by a system of taxation levied on the principle of ability to pay.”

DEMOCRATIC PLATFORM 1932

“THROUGH this program of action we address ourselves to putting our own national house in order, and making the income balance outgo.”

FRANKLIN D. ROOSEVELT, *Inaugural Address*,
March 4, 1933

“FURTHERMORE, the Government during the balance of this calendar (1934) year should plan to build its 1936 expenditures, including recovery and relief, within the revenues expected within the fiscal year 1936. We should plan to have a definitely balanced Budget for the third year of recovery and from that time on seek a continuing reduction of the national debt.”

FRANKLIN D. ROOSEVELT, *Budget Message*,
January 3, 1934

“THUS IT IS CLEAR to me that the Federal Government, under provisions of present tax schedules, will not need new taxes or increased rates to meet the expense of its necessary annual operations and to retire its public debt.”

FRANKLIN D. ROOSEVELT, *Statement*,
September 29, 1935

COST OF GOVERNMENT

BALANCED BUDGET

PERFORMANCE

GOVERNMENT EXPENSES have exceeded Government income throughout the Roosevelt Administration:

YEAR ENDING JUNE 30	EXPENDITURES	INCOME	DEFICIT
1934	\$ 7,105,000,000	\$ 3,116,000,000	\$ 3,989,000,000
1935	7,375,000,000	3,800,000,000	3,575,000,000
1936 (Est.)	9,882,000,000	3,916,000,000	5,966,000,000
TOTAL	\$24,362,000,000	\$10,832,000,000	\$13,530,000,000

(PRESIDENT ROOSEVELT'S *Budget Message, January 3, 1936*;
1936 figures as corrected by Secretary of Treasury Morgenthau
before Senate Finance Committee, April 30, 1936)

OFFICIAL ESTIMATES made at various times by the President or Secretary of the Treasury as to the deficit for the fiscal year ending June 30, 1936:

Estimate by President Roosevelt,	<i>January 3, 1934</i>	No deficit
“ “ “ “	<i>January 3, 1935</i>	\$4,529,000,000
“ “ “ “	<i>January 3, 1936</i>	3,234,000,000
“ “ “ “	<i>April 25, 1936</i>	3,000,000,000
Estimate by Secretary Morgenthau,	<i>April 30, 1936</i>	5,966,000,000

“WE ARE CALLED UPON to raise by some form of **PERMANENT TAXATION AN ANNUAL AMOUNT OF \$620,000,000.**”

FRANKLIN D. ROOSEVELT, *Message to Congress, March 3, 1936*

COST OF GOVERNMENT

NATIONAL DEBT

PROMISE

“I PROPOSE TO YOU, my friends, that government . . . be made solvent and that the example be set by the President of the United States.”

FRANKLIN D. ROOSEVELT, *Acceptance Speech*,
July 2, 1932

“FOR THREE LONG YEARS the Federal Government has been on the road toward bankruptcy . . .

“WITH THE UTMOST seriousness I point out to the Congress the profound effect of this fact upon our national economy . . .

“TOO OFTEN in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.”

FRANKLIN D. ROOSEVELT, *Message to Congress*,
March 10, 1933

“THE CREDIT of the government is at its highest.”

FRANKLIN D. ROOSEVELT, *Budget Message*,
January 3, 1936

COST OF GOVERNMENT

NATIONAL DEBT

PERFORMANCE

INCREASE IN GROSS DEBT of the United States:

<i>HOOVER Administration</i>		<i>ROOSEVELT Administration</i>	
March 3, 1929	\$17,345,000,000	March 4, 1933	\$20,937,000,000
March 4, 1933	20,937,000,000	June 30, 1936	33,779,000,000
<i>Increase</i>	\$ 3,592,000,000	<i>Increase</i>	\$12,842,000,000
AVERAGE ANNUAL INCREASE	\$898,000,000	AVERAGE ANNUAL INCREASE	\$3,862,000,000

ON JUNE 30, 1936, THE GROSS DEBT WAS \$33,779,000,000

The total increase in debt from March 4, 1933, to June 30, 1936, was \$12,842,000,000.

IN ADDITION the United States Government has guaranteed the principal and interest of \$4,467,000,000 of securities issued by various governmental corporations.

(From Daily Statement of the United States Treasury)

COST OF GOVERNMENT

TAX REDUCTION

PROMISE

“TAXES ARE PAID in the sweat of every man who labors
If excessive, they are reflected in idle factories, tax-sold farms and, hence, in hordes of the hungry tramping the streets and seeking jobs in vain. Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy, or (as now) in broad cessation of employment Our people and our business cannot carry its excessive burdens of taxation”

FRANKLIN D. ROOSEVELT, *Pittsburgh,*
October 19, 1932

“I SHALL USE this position of high responsibility to discuss up and down the country, at all seasons, at all times, the duty of reducing taxes, of increasing the efficiency of government, of cutting out the underbrush around our governmental structure, of getting the most public service for every dollar paid by taxation. This I pledge you and nothing I have said in the campaign transcends in importance this covenant with the tax-payers of this country.”

FRANKLIN D. ROOSEVELT, *Sioux City,*
September 29, 1932

COST OF GOVERNMENT

TAX REDUCTION

PERFORMANCE

ESTIMATED TAX RECEIPTS in 1937 represent an **INCREASE OF 196%** over 1933.

THE FOLLOWING are the tax receipts, including customs, of the Federal Treasury for the fiscal years ending June 30, 1933-1937 (figures for 1936 and 1937 estimated or partially estimated):

1933	\$1,855,174,208
1934	2,954,038,131
1935	3,621,043,062
1936 (Est.)	4,228,036,000
1937 (Est.)	5,494,114,000

(Figures for 1933, 1934 from Secretary of the Treasury's Report 1935; figures for 1935, 1936, 1937 from Budget Message, January 3, 1936. The 1936 estimates include processing taxes, since invalidated by the Supreme Court.)

LAWS, involving increased taxation, passed by the Roosevelt Administration:

Agricultural Adjustment Act of 1933	Liquor Taxing Act of 1934
National Industrial Recovery Act of 1933	Revenue Act of 1935
Non-Intoxicating Liquor Tax Act of 1933	Social Security Act of 1935
Railroad Retirement Act of 1934	Railroad Retirement Act of 1935
Bankhead Cotton Act of 1934	Kerr-Smith Tobacco Act of 1935
Revenue Act of 1934	Potato Control Act of 1935
Bituminous Coal Conservation Act of 1935 (Guffey Bill)	

A BILL for the taxation of future undistributed earnings of corporations and a "windfall" tax on processors of certain agricultural products was proposed in March, 1936. The majority report of this bill, signed by Democratic members of the House of Representatives Ways and Means Committee, forecasts new tax laws in 1937: "This, (the pending tax bill), will take care of the President's request **UNTIL THE NEXT SESSION OF CONGRESS** which can then act more intelligently in the light of conditions then existing."

COST OF GOVERNMENT

CONSUMER TAXES

PROMISE

“NOT ONLY must the government income meet prospective expenditures, but this income must be secured on the principle of ability to pay. *This is a declaration in favor of graduated income, inheritance and profits taxes, and against taxes on food and clothing, whose burden is actually shifted to the consumers of these necessities of life on a per capita basis rather than on the basis of the relative size of personal income.*”

FRANKLIN D. ROOSEVELT, *Looking Forward*, 1934, pages 104-05

“WE FAVOR maintenance of the national credit by a federal budget, annually balanced on the basis of accurate executive estimates within *revenues raised by a system of taxation levied on the principle of ability to pay.*”

DEMOCRATIC PLATFORM 1932

“SUCH A REVISION of our corporate taxes would effect great simplification of the tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the nation.”

FRANKLIN D. ROOSEVELT, *Message to Congress, proposing new tax bill, March 3, 1936*

COST OF GOVERNMENT

CONSUMER TAXES

PERFORMANCE

IN 1930, "we find that those taxes bearing most heavily on the **WELL-TO-DO CONTRIBUTED . . . 68.2 PER CENT** of its (the National Government's) total internal revenue and customs receipts, while miscellaneous taxes and customs receipts, bearing most heavily upon the **CONSUMER, CONTRIBUTED ONLY . . . 31.8 PER CENT** of such receipts. . . .

"IN 1935 the **TAXES BASED ON ABILITY TO PAY CONTRIBUTED 38.7 PER CENT** of the internal revenue and customs receipts . . . there has been an increase in the proportion of revenues contributed by **TAXES BASED ON CONSUMPTION TO 61.3 (PER CENT).**"

ROBERT JACKSON, *Assistant General Counsel, Treasury Department, before Committee on Finance, U. S. Senate, August 6, 1935*

"WHAT IS KNOWN as consumers' taxes, namely the invisible taxes paid by people in every walk of life, fall relatively much more heavily upon the poor man than on the rich man. **IN 1929, CONSUMERS' TAXES REPRESENTED ONLY 30% OF THE NATIONAL REVENUE. TODAY THEY ARE 60%**"

FRANKLIN D. ROOSEVELT, *letter to Roy W. Howard, September 2, 1935*

"IF THE DIVIDEND CREDIT is a percentage of the adjusted net income which is less than 62.5 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 7.5, plus eleven thirty-firsts of the amount by which 62.5 exceeds the percentage which the dividend credit is of the adjusted net income."

REVENUE BILL OF 1936 as passed by the House of Representatives

CURRENCY POLICIES

SOUND CURRENCY

PROMISE

“WE ADVOCATE a sound currency to be preserved at all hazards.”

DEMOCRATIC PLATFORM 1932

“ONE OF THE MOST commonly repeated misrepresentations by Republican speakers, including the President, has been the claim that the Democratic position with regard to money has not been made sufficiently clear. The President is seeing visions of rubber dollars. This is only part of his campaign of fear. I am not going to characterize these statements. I merely present the facts. The Democratic Platform specifically declares, ‘We advocate a sound currency to be preserved at all hazards.’ That, I take it is plain English.

“THE THING HAS been said in plain English three times in my speeches. It is stated without qualification in the platform and I have announced my unqualified acceptance of that platform.”

FRANKLIN D. ROOSEVELT, *Brooklyn, November 4, 1932*

CURRENCY POLICIES

SOUND CURRENCY

PERFORMANCE

ON APRIL 20, 1933, the **GOLD STANDARD WAS ABANDONED** under an Executive Order issued by President Roosevelt.

ON MAY 12, 1933, President Roosevelt approved the Thomas Amendment to the Agricultural Adjustment Act which gave him the following, among other powers:

- 1 • To issue \$3,000,000,000 of currency in the form of unsecured United States notes (fiat money).
- 2 • To fix the weights of the gold and silver dollars at such amounts as the President finds necessary . . . and to provide for the unlimited coinage of gold and silver at the ratio so fixed; or to reduce the weight of the gold dollar (without reference to silver) by any amount up to 50%.

ON JANUARY 31, 1934, the President, by proclamation, **FIXED THE GOLD CONTENT OF THE DOLLAR AT 59.06%** of what it had formerly been.

The above proclamation included the following statement:

“I reserve the right by virtue of the authority vested in me to alter and modify this proclamation . . .”

CURRENCY POLICIES

GOLD CLAUSE

PROMISE

“THE BUSINESS MEN of the country . . . were told in blunt language in Des Moines, Iowa (by President Hoover), how close an escape the country had some months ago from going off the gold standard. This as has been clearly shown since was a libel on the credit of the United States. . . . Senator Glass made a devastating challenge that no responsible government would have sold to the country securities payable in gold if it knew the promise, yes, the covenant, to pay interest and principal in gold of specified weight and fineness per dollar embodied in these securities was as dubious as the President of the United States claims it was . . .”

FRANKLIN D. ROOSEVELT, *Brooklyn,*
November 4, 1932

CURRENCY POLICIES

GOLD CLAUSE

PERFORMANCE

“THE NOTES will be dated May 2, 1933 . . . the principal and interest of the notes will be **PAYABLE IN UNITED STATES GOLD COIN OF THE PRESENT STANDARD OF VALUE.**”

(Covenant printed on face of \$500,000,000 Government securities offered to investors April 24, 1933)

FORTY-TWO DAYS LATER, June 5, 1933, President Roosevelt signed a joint resolution of Congress abrogating the Gold Clause in all existing and future public and private contracts.

IN RENDERING ITS DECISION on the Government's repudiation of its gold contracts the Supreme Court, February 18, 1935, adopted the language of an earlier decision, as follows:

“THE UNITED STATES ARE AS MUCH BOUND BY THEIR CONTRACTS AS ARE INDIVIDUALS. If they repudiate their obligations, it is as much repudiation, with all the wrong and reproach that term implies, as it would be if the repudiator had been a State or a Municipality or a citizen.”

CURRENCY POLICIES

WORLD ECONOMIC CONFERENCE

PROMISE

“WE ADVOCATE . . . an international economic conference designed to restore international trade and facilitate exchange.”

DEMOCRATIC PLATFORM 1932

“IF NORMAL LIFE is to be resumed, the World Economic Conference must be made a success. . . . We are in agreement that a fixed measure of exchange values must be re-established in the world, and we believe that this measure must be gold.”

AMERICAN-ITALIAN STATEMENT, *May 6, 1933, following conversations between President Roosevelt and representatives of Great Britain, France and Italy*

“THE WORLD ECONOMIC CONFERENCE . . . must establish order in place of the present chaos by a stabilization of currencies, by freeing the flow of world trade, and by international action to raise price levels. It must, in short, supplement individual domestic programs for economic recovery by wise and considered international action.”

PRESIDENT ROOSEVELT, *Message to Nations participating in the World Monetary and Economic Conference, May 16, 1933*

CURRENCY POLICIES

WORLD ECONOMIC CONFERENCE

PERFORMANCE

ON July 3, 1933, the usefulness of the World Monetary and Economic Conference was for all practical purposes ended by a radio message from President Roosevelt to the Conference in London:

“The world will not long be lulled by the specious policy of achieving a temporary and probably an artificial stability in foreign exchange on the part of a few large countries”

FRANKLIN D. ROOSEVELT, *in a radio message to the World Monetary and Economic Conference, July 3, 1933*

GOVERNMENT AND BUSINESS

MONOPOLY

PROMISE

“WE ADVOCATE strengthening and impartial enforcement of the anti-trust laws to prevent monopoly and unfair trade practices, and revision thereof for the better protection of labor and the small producer and distributor.”

DEMOCRATIC PLATFORM 1932

“THE FUNDAMENTAL PRINCIPLES of the anti-trust laws should be more adequately applied. Monopolies and private price fixing within industries must not be allowed nor condoned. ‘No monopoly should be private.’”

FRANKLIN D. ROOSEVELT, *Message advocating the extension of the NRA, February 20, 1935*

GOVERNMENT AND BUSINESS

MONOPOLY

PERFORMANCE

“THE NATIONAL INDUSTRIAL RECOVERY ACT provided that “While this title is in effect . . . and for sixty days thereafter, any code, agreement or license approved . . . under this title . . . shall be exempt from the provisions of the anti-trust laws of the United States.” (Title I, Section 5).

“THE ANTI-TRUST ACTS prohibit combinations in restraint of trade. But NRA specifically permits such combinations with government sanction and supervision. **THERE IS NOT ONE SINGLE CODE THAT IS NOT A COMBINATION IN RESTRAINT OF TRADE**, and, if codes are not permitted so to restrain trade, then NIRA ought to be repealed tomorrow.”

GENERAL HUGH JOHNSON, *former NRA Administrator, in The Blue Eagle from Egg to Earth, page 177*

“YET STEP BY STEP through the diabolical logic of events the NRA became the apparent exponent and protector of ‘price fixing’—that hateful objective of that most hated ogre, a big business monopoly.”

DONALD R. RICHBERG, *former Counsel and later Administrator of NRA, in The Rainbow, page 31*

“THE NRA has given the sanction of government to self-governing combinations . . . Inevitably this means control by the largest producers. . . . We have here a body not only perfectly equipped to exercise monopolistic control, but endowed with extraordinary powers incompatible with the ideals heretofore entertained in a free country. . . . In proportion as the authority of government sanctions regulation by industrial combinations, the inevitable tendency is toward monopoly with the elimination of the small business.”

(Special and Supplementary Reports of Darrow Committee, appointed by the President, released May 20, 1934)

GOVERNMENT AND BUSINESS

LABOR DISPUTES

PROMISE

“THIS (NRA) is not a law to foment discord and it will not be executed as such.”

FRANKLIN D. ROOSEVELT, *Statement, June 16, 1933*

“THE WORKERS of this country have rights under this law which cannot be taken from them, and nobody will be permitted to whittle them away, but, on the other hand, no aggression is now necessary to attain those rights.”

FRANKLIN D. ROOSEVELT, *Radio Address, July 24, 1933*

“I WOULD POINT OUT that the extent and severity of labor disputes during this period (the preceding twelve months) has been far less than in any other previous comparable period.”

FRANKLIN D. ROOSEVELT, *Radio Address, September 30, 1934*

GOVERNMENT AND BUSINESS

LABOR DISPUTES

PERFORMANCE

IN THE twenty-three months that NRA was on the Statute books, the average **NUMBER OF WORKERS INVOLVED IN STRIKES AND LOCKOUTS** and the number of days of idleness per month resulting therefrom were **APPROXIMATELY FOUR TIMES AS LARGE** as during the six months before NRA.

AFTER NRA was declared unconstitutional, both the number of workers involved in industrial disputes and the number of days lost have **DECLINED**.

The following table gives monthly average figures:

	WORKERS IN DISPUTES AVERAGE PER MONTH	MAN DAYS OF IDLENESS AVERAGE PER MONTH
Before NRA (January to June '33)	41,953	417,776
During NRA (July '33—May '35)	163,569	1,621,961
After NRA (June '35—April '36)	142,552	1,227,730

(Bureau of Labor Statistics, United States Department of Labor)

GOVERNMENT AND BUSINESS

CONTROL OF BUSINESS

PROMISE

“IT IS WHOLLY WRONG to call the measures that we have taken government control of farming, control of industry, and control of transportation. It is rather a partnership between government and farming and industry and transportation, not partnership in profits, for the profits would still go to the citizens, but rather a partnership in planning and partnership to see that the plans are carried out.”

FRANKLIN D. ROOSEVELT, *Radio Address, May 7, 1933*

GOVERNMENT AND BUSINESS

CONTROL OF BUSINESS

PERFORMANCE

IN ITS RULING on the NRA, the Supreme Court said, May 27, 1935:

“If the commerce clause were construed to reach all enterprises and transactions which could be said to have an indirect effect upon interstate commerce, the Federal authority would embrace practically all the activities of the people and the authority of the State over its domestic concerns would exist only by sufferance of the Federal government . . .

“Otherwise, . . . there would be **VIRTUALLY NO LIMIT TO THE FEDERAL POWER** and for all practical purposes, we should have a completely centralized Government . . .”

MR. JUSTICE CARDOZO added:

“Here in effect is a **ROVING COMMISSION** (to the President) to inquire into evils and upon discovery to correct them.”

IN ITS RULING upon the AAA, on January 6, 1936, the Supreme Court said:

“At best it is a scheme for purchasing with Federal funds **SUBMISSION TO FEDERAL REGULATION** of a subject reserved to the States.”

ON May 18, 1936, in declaring the “Bituminous Coal Conservation Act of 1935” (Guffey Bill) unconstitutional the Supreme Court again told the Roosevelt Administration it could not set up an NRA. Immediately upon the Supreme Court announcing its opinion a new bill was presented in Congress.

GOVERNMENT AND BUSINESS

GOVERNMENT IN BUSINESS

PROMISE

“WE ADVOCATE The removal of government from all fields of private enterprise except where necessary to develop public works and natural resources in the common interest.”

DEMOCRATIC PLATFORM 1932

GOVERNMENT AND BUSINESS

GOVERNMENT IN BUSINESS

PERFORMANCE

THE FOLLOWING are some of the GOVERNMENT AGENCIES, created since March 4, 1933, WHICH COMPETE WITH PRIVATE ENTERPRISE:

Federal Housing Administration
Home Owners' Loan Corporation
Alley Dwelling Authority
Subsistence Homesteads Corporation
Resettlement Administration
Rural Electrification Administration
Electric Home and Farm Authority
First Export-Import Bank of Washington
Second Export-Import Bank of Washington
Federal Deposit Insurance Corporation
Federal Savings and Loan Insurance Corporation
Tennessee Valley Associated Cooperatives, Inc.
Central Bank for Cooperatives
District Banks (12) for Cooperatives
Production Credit Corporations (12)
Federal Farm Mortgage Corporation
Federal Credit Union System
Commodity Credit Corporation
Virgin Islands Co.

LOANS OUTSTANDING
MARCH 31, 1936

GOVERNMENT CORPORATIONS AND LENDING AGENCIES \$8,317,000,000

(Federal Reserve Bulletin, May, 1936)

RECOVERY

ECONOMIC PLANNING

PROMISE

“YES, we are on the way back—not by mere chance; not by a turn of the cycle. We are coming back more soundly than ever before because we planned it that way, and don’t let anybody tell you differently.”

FRANKLIN D. ROOSEVELT, *Charleston, S. C.,
October 23, 1935*

RECOVERY

ECONOMIC PLANNING

PERFORMANCE

THE PRICE

FROM March 4, 1933 to May 15, 1936:

<i>Roosevelt Expenditures</i>	\$25,068,000,000
<i>Increase in National Debt</i>	12,842,000,000

(Daily Statement of the Treasury)

THE RESULTS

THE American Federation of Labor reported 12,184,000 still unemployed in March, 1936.

THE President reported 5,300,000 families and individuals still on relief in March, 1936 in contrast to 3,908,000 in July, 1933.

(The President's Message to Congress, March 18, 1936, F. E. R. A. Report)

THE United States ranks thirteenth in recovery among the leading nations of the world as measured by Industrial Production:

COUNTRY	PERCENTAGE CHANGE 1929 TO MARCH 1936
1. Japan	+50.5
2. Finland	+30.0
3. Chile	+25.1
4. Estonia	+20.3
5. Hungary	+17.7*
6. United Kingdom	+14.7*
7. Norway	+11.4
8. Germany	- 2.2
9. Spain	-12.6**
10. Austria	-17.1
11. Canada	-18.3
12. Belgium	-19.4
13. UNITED STATES	- 21.8
14. Czechoslovakia	-24.8
15. France	-27.6
16. Netherlands	-30.2
17. Poland	-32.2

(League of Nations MONTHLY BULLETIN OF STATISTICS, June, 1936)

* (Covers 1st quarter of 1936)

** Feb. 1936

RECOVERY

NEW CAPITAL

PROMISE

“IF THE COUNTRY is to flourish, capital
must be invested in enterprise.”

FRANKLIN D. ROOSEVELT, *statement upon
signing the Securities Act, May 27, 1933*

RECOVERY

NEW CAPITAL

PERFORMANCE

NEW CAPITAL made available for investment in productive enterprise through the security markets amounted to \$348,000,000 in 1935. This was less than 1/10th of the volume in 1929 and 1/9th of the volume in 1927.

IN GREAT BRITAIN in 1935 new capital floated in the security markets for domestic purposes was nearly as great as in 1929.

NEW CAPITAL ISSUES

STOCKS AND BONDS representing new capital invested, excluding governmental borrowings and refundings:

	UNITED STATES	GREAT BRITAIN
1927	\$3,201,000,000	\$710,509,000
1928	3,062,000,000	983,033,000
1929	3,668,000,000	759,174,000
1930	3,039,000,000	394,186,500
1931	1,006,000,000	155,728,000
1932	321,000,000	248,191,500
1933	177,000,000	296,856,500
1934	356,000,000	350,388,000
1935	348,000,000	666,710,500

(Standard Statistics Co., "New Money for Operating and Producing")

(Midland Bank, London, "New Issues for British Companies," converted from £ to \$ at \$4.8665)

EMPLOYMENT, greatly dependent upon capital investments, has also recovered more rapidly in Great Britain than in the United States:

	UNITED STATES	GREAT BRITAIN
Unemployed 1930 (Average)	4,770,000	1,993,951
" Feb. 1936	12,550,000	2,016,578
PER CENT INCREASE:	163%	1.1%

(American Federation of Labor)

(League of Nations, Bulletin of Statistics)

RECOVERY

BANK CREDIT

PROMISE

“COMMERCIAL CREDIT has continually contracted and is contracting now.

“The truth is that our banks are financing these stupendous (Government) deficits and that the burden is absorbing their resources. All this is highly undesirable and wholly unnecessary. It arises from one cause only, and that is the unbalanced budget

“OUR FEDERAL EXTRAVAGANCE and improvidence bears a double evil: First, our people and our business can not carry its excessive burdens of taxation; second, our credit structure is impaired by the unorthodox Federal financing made necessary by the unprecedented magnitude of its deficits. . . . Instead of financing the billion dollar deficit of 1931 in the regular way, our government simply absorbed that much of the lending capacity of banks, and, by so much, impaired the credit available for business.

“In that year the amount of government obligations held by our banks increased by a little more than one billion dollars.”

FRANKLIN D. ROOSEVELT, *Pittsburgh, October 19, 1932*

RECOVERY

BANK CREDIT

PERFORMANCE

DURING THE ROOSEVELT ADMINISTRATION banks have increased their holdings of U. S. Government securities by approximately \$6,500,000,000, but their loans have fallen by nearly \$2,000,000,000:

POSITION OF ALL ACTIVE BANKS

	TOTAL LOANS AND DISCOUNTS	HOLDINGS OF U. S. GOVERNMENT OBLIGATIONS
June 30, 1932	\$28,090,000,000	\$ 6,456,000,000
June 30, 1933	22,388,000,000	7,796,000,000
June 30, 1934	21,431,158,000	11,663,000,000
June 30, 1935	20,419,000,000	14,284,000,000
PERCENTAGE CHANGE FROM 1933 TO 1935	8.8% DECREASE	83.2% INCREASE

(Annual Reports, Comptroller of Currency)

SENATOR CARTER GLASS, of Virginia, Secretary of the Treasury under President Wilson, and co-Author of the Federal Reserve Act, on February 21, 1935, said:

“THE EXISTING OUTSTANDING INDEBTEDNESS of the United States is approximately \$28,000,000,000. Listen, Senators: Of that amount \$15,364,000,000 is piled up in the banking institutions of the country. **SOME OF THE BANKS HAVE AS MUCH AS 60 PER CENT OF THEIR ENTIRE ASSETS INVESTED IN GOVERNMENT SECURITIES.** They are prohibited, were there the demand, from coming to the aid of business activity. They hold 55 per cent of Government securities in the banks of the United States as against but 11 per cent of Great Britain's indebtedness held in the banks of Great Britain—55 per cent as against 11 per cent!

“THE BANKS have been brought to a state in which they are literally obliged to take Treasury issues whether they want them or not.

“THEY ARE COMPELLED to take them in order to maintain the bond market of the United States, because it has been represented to me by competent authorities that a depreciation of 10 per cent in Government bonds would render insolvent 90 per cent of the banks of this country.”

(Congressional Record, 74th Congress, First Session, Vol. 4, page 2475)

CONSTITUTION

STATE RIGHTS

PROMISE

“THE UNITED STATES CONSTITUTION has proven itself the most marvelously elastic compilation of rules of Government ever written It was clear to the framers of our Constitution that the greatest possible liberty of self-government must be given to each State, and that any national administration attempting to make all laws for the whole Nation . . . would inevitably result at some future time in a dissolution of the Union itself.

“NOW TO BRING ABOUT government by oligarchy, masquerading as democracy, it is fundamentally essential that practically all authority and control be centralized in our national government. The individual sovereignty of our States must first be destroyed We are safe from the danger of any such departure from the principles on which this country was founded just so long as the individual home rule of the States is scrupulously preserved and fought for whenever they seem in danger.”

FRANKLIN D. ROOSEVELT *as Governor of the State of New York, Radio Address, March 2, 1930*

CONSTITUTION

STATE RIGHTS

PERFORMANCE

“IF THE COMMERCE CLAUSE were construed to reach all enterprises and transactions which could be said to have an indirect effect upon interstate commerce, the Federal authority would embrace practically all the activities of the people and **THE AUTHORITY OF THE STATE OVER ITS DOMESTIC CONCERNS WOULD EXIST ONLY BY SUFFERANCE OF THE FEDERAL GOVERNMENT.**”

SUPREME COURT DECISION declaring National Industrial Recovery Act unconstitutional, May 27, 1935

“THIS ACT INVADES THE RESERVED RIGHTS OF THE STATES. It is a statutory plan to regulate and control agricultural production, a matter beyond the powers delegated to the Federal Government . . .”

SUPREME COURT DECISION declaring Agricultural Adjustment Act unconstitutional, January 6, 1936

“STATE POWERS CAN NEITHER BE APPROPRIATED ON THE ONE HAND NOR ABDICATED ON THE OTHER . . . Every journey to a forbidden land begins with the first step; and the danger of such a step by the Federal government in the direction of taking over the powers of the states is that the end of the journey may find the states so despoiled of their powers . . . as to reduce them to little more than geographical subdivisions of the national domain.”

SUPREME COURT DECISION declaring the Guffey Coal Act unconstitutional, May 18, 1936

CONSTITUTION

THE OATH OF OFFICE

PROMISE

“I, FRANKLIN DELANO ROOSEVELT, do solemnly swear that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect and defend the Constitution of the United States.”

OATH OF OFFICE, *March 4, 1933*

CONSTITUTION

THE OATH OF OFFICE

PERFORMANCE

THE FOLLOWING executive and legislative acts during the Roosevelt Administration have been declared unconstitutional by the Supreme Court:

- 1• Oil Control Sections of NIRA, January 7, 1935.
- 2• Joint Resolution of Congress invalidating the Gold clause in existing Government bonds, February 18, 1935.
- 3• Railroad Pension Act, May 6, 1935.
- 4• National Industrial Recovery Act, May 27, 1935.
- 5• Frazier-Lemke Farm Mortgage Moratorium Act, May 27, 1935.
- 6• Removal of Federal Trade Commissioner Humphrey by President Roosevelt, May 27, 1935.
- 7• Agricultural Adjustment Act, January 6, 1936.
(On February 10, 1936, to avoid unfavorable decisions by the Supreme Court, Congress repealed the Bankhead Cotton Control Act, Kerr Tobacco Control Act, and the Potato Control Act.)
- 8• Guffey Coal Act, May 18, 1936.
(This Act, equivalent to NRA for the coal industry, was signed by the President 94 days after NRA had been declared unconstitutional.)
- 9• Municipal Corporation Bankruptcy Law, May 25, 1936.

“(THE PRESIDENT) said that the country was in the ‘horse and buggy’ stage when the Constitution was written. . . . He then went on to state, without qualification, that if the implications of the Court decision were carried to their logical conclusion they would strip the government of most of their powers.”

PRESS REPORT of so-called “Horse and buggy” interview of Franklin D. Roosevelt, the President, following NRA decision, May 31, 1935

“I HOPE YOUR COMMITTEE WILL NOT PERMIT DOUBTS AS TO CONSTITUTIONALITY, HOWEVER REASONABLE, TO BLOCK THE SUGGESTED LEGISLATION.”

FRANKLIN D. ROOSEVELT, the President, in letter to Representative Samuel B. Hill, regarding the Guffey Coal Bill, July 5, 1935

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