

THE  
AMERICAN  
FORUM  
OF THE AIR

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Vol. 2

SUNDAY, MARCH 3, 1940

No. 22

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*Seven Years  
of  
The New Deal*

SENATOR ALBEN W. BARKLEY  
*of Kentucky*

SENATOR CHARLES L. McNARY  
*of Oregon*  
and a panel consisting of

SENATOR JAMES M. MEAD  
*of New York*

SENATOR CHARLES W. TOBEY  
*of New Hampshire*

CONGRESSMAN MARVIN JONES  
*of Texas*

CONGRESSMAN EVERETT M. DIRKSEN  
*of Illinois*

RICHARD L. WILSON  
*President of the National Press Club*  
*Guest Chairman of Panel*

Announcer McCormick:

This is

### THE AMERICAN FORUM OF THE AIR!

Tonight listeners from coast to coast once more are invited to hear another Forum broadcast presented by WOL in cooperation with WOR.

Tonight the broadcast originates in the Auditorium of the National Press Club in Washington, D. C., before an audience of prominent newspaper men and their invited guests.

Information as to how you may receive a printed copy of tonight's proceedings will be given at the conclusion of this program.

The American Forum of the Air tonight will be presented in two parts. The first half will be devoted to lead speeches. Under the chairmanship of Theodore Granik, veteran in radio education and newspaper columnist, who arranges and directs these programs, you will hear the formal presentation of opinion.

And now your chairman, Mr. Theodore Granik:

Chairman Granik:

Thank you, Mr. McCormick.

Before opening our Forum discussion this evening, it is my pleasure and privilege to present to you Richard L. Wilson, President of the National Press Club, to whom we are deeply grateful for the kind cooperation in arranging tonight's program. Mr. Wilson:

Richard L. Wilson:

The National Press Club is happy to make its Auditorium the scene of a debate between such distinguished members of Congress and on such an important question. Only two nights ago in this same place ten of the leading candidates for President of the United States sat at a long head table and proved at least to our satisfaction that a sense of humor still exists in politics. Some of the gentlemen who were here then were anxiously waiting for the New Deal to be over. For some of them seven years had been too long, and for some of them it had all been too short. And tonight it is the same, for the National Press Club takes no side in politics.

In this hall also have appeared many of the distinguished men of the world—His Holiness the Pope, as Cardinal Pacelli; Anthony Eden, Ramsay MacDonald, Edward of England, as the Prince of Wales—to name only a few, and, of course, all the Presidents of the United States and members of their cabinets for many years back.

The National Press Club does not sponsor anything and is sponsored by no one. It just lives and learns. It takes no responsibility for what may be said here tonight by any of the distinguished debaters, nor does it take any responsibility for what I or any other newspaperman may say during the course of this debate.

Over the years the National Press Club has become one of the nation's leading forums on public questions through our regular off-the-record luncheon meetings. Ordinarily such occasions are reserved for our members, but tonight we have permitted them to invite guests for this special occasion. Gentlemen, we hope the debate waxes warm, and now Mr. Granik.

Chairman Granik:

Thank you, Mr. Wilson.

Seven years ago tomorrow, Franklin Delano Roosevelt first took the oath of office as President of the United States, bringing into being the

## ADDRESS BY SENATOR ALBEN W. BARKLEY

*Administration known as "The New Deal." What has Seven Years of the New Deal accomplished? How do we stand tonight as a nation—compared with how we stood seven years ago?*

*Friends of the Administration say that President Roosevelt faced a Demand for Action and that we have certainly had Action. Opponents view the period as seven years of extravagant spending, seven years of vicious hammering at the free private enterprise doctrine of this nation.*

*Supporters of the President point to the vast measures passed by the Administration—acts which reach into every section of the country—affect the lives of every one of us.*

*Beginning with the most insistent demand, that of relief for the destitute victims of the depression—new agencies were set up to provide this relief—first, in the form of direct aid, administered by the States, and later in the form of work-relief programs, administered by the Federal Government.*

*They claim that the huge Public Works program not only provided employment, but served to stimulate the sagging construction industry and all its allied branches.*

*They point to aid given the farmer, in the form of a farm debt re-financing program; to urban home owners, through the HOLC; to distressed business, through the expansion of the RFC.*

*Youth, they point out, was offered assistance through the CCC and the National Youth Administration; and an effort to establish the rights of labor on a fairer basis was attempted through the National Labor Relations Board, the Maritime Labor Board and the Wage Hour Administration.*

*Opponents of the New Deal declare it has sought control of business. Business, they say, staggers ahead, virtually hamstrung by regulations. They claim that the Administration has sought control over agriculture through programs of subsidized restrictions on the farmer; and that in the field of labor the New Deal has spread dissatisfaction by permitting a battle royal between labor giants to continue for years.*

*They point to the large national debt, contending that no government can survive years of excess of outgo over income.*

*The net result of seven New Deal years, these critics say, is an economic condition worse than it was at the bottom of the world wide depression in 1932, with millions still walking the streets asking for work and receiving hand-outs from the breadlines.*

*With a Presidential election ahead of us, "Seven Years of the New Deal" is uppermost in the minds of every American citizen.*

*This is the subject for discussion tonight. Our opening speakers will be Senator Alben W. Barkley of Kentucky, Majority Leader of the Senate, and Senator Charles L. McNary of Oregon, Minority Leader.*

*Following their presentations, there will be an informal panel discussion.*

*Our panel participants are:*

*Senator James M. Mead of New York,*

*Senator Charles W. Tobey of New Hampshire,*

*Congressman Marvin Jones of Texas, and*

*Congressman Evrett M. Dirksen of Illinois.*

*Mr. Wilson, whom you have just heard, will lead the panel discussion.*

*And now we present our opening speaker, Senator Barkley.*

Mr. Chairman: It is manifest that in the brief time at my disposal I cannot attempt a detailed recital or discussion of all the momentous things which have transpired in the nation or the world since March 4, 1933.

These have been crucial years in the history of our country, and the wisdom or folly of those who have guided our affairs through these years will be measured not alone by temporary results, but even to a greater degree by the long-range, far-sighted and permanent effect of these events and activities upon the future course and welfare of our country.

In attempting to catalogue and appraise the achievements of these seven years under President Roosevelt, it is necessary to distinguish between two kinds of results.

Into one category fall those concrete, visible, material activities which enter into our daily life and are at once recognizable by the acute senses.

Into the other category fall those things which gradually and almost unconsciously affect our mental and spiritual attitude toward the problems of humanity.

Among all the immense and gratifying accomplishments and victories of the Roosevelt Administration, those registered in the latter field are calculated to be far more important and permanent in their effect than even the incalculable and indispensable material improvements which have been wrought in every section of the country.

Due largely, if not entirely, to the New Deal, there has been a fundamental and lasting evolution, or, if the word does not offend you, revolution in the social and political thinking of the American people.

No longer do they regard their government as a sort of unapproachable Olympus where dwell the Jupiters of political power, unmindful of or indifferent to the lives or welfare of those beneath them, which in his *Odyssey* has described as follows:

"Olympus, the reputed seat  
Eternal of the gods, which never storms  
Disturb, rains renech, or snow invades, but calm  
The expanse and cloudless shines with purest day.  
There the inhabitants divine rejoice forever."

No longer do they regard their government as an abstract, and yet sometimes very concrete, agency for collecting taxes and holding office.

The people had become so accustomed to being told that they were rugged individualists that many of them believed that in order to preserve rugged individualism they must become ragged individualists.

During the seven years of the Roosevelt Administrations they have come to realize that their government is their servant, their agent, their organized and collective instrument, and that in order to justify itself it must place its experience, its prestige and its power at their disposal and their service in solving their daily problems in so far as government can or ought to do it.

How has this government justified itself in the past seven years?

At the very outset, on the very day of his inauguration, the President was confronted with the most desperate financial situation that ever confronted the nation. On that day one could almost realize that his voice and the applause of the multitude who listened were almost muffled by the sound of crashing banks all over the nation.

In the four years preceding that inauguration 6,035 banks had suspended in the United States. This does not include 3,413 banks which could

not qualify for re-opening after the bank holiday. When the President, in order to arrest this banking panic, ordered a bank holiday, the whole country applauded. As rapidly as possible following the bank holiday banks were re-opened when their strength justified it; the Federal Deposit Insurance Law was enacted guaranteeing the deposits of all depositors up to \$5,000. The guaranty of bank deposits is now accepted as a permanent policy of our Government, and no man in his right mind would recommend its repeal.

We now have the strongest and safest banking system in our history or in the world, and our bank deposits are today the largest in the history of American banking.

When Roosevelt was inaugurated there were between thirteen and fifteen million workers out of employment in the United States. In addition in the past seven years a net increase of five million workers has been added to those unemployed in 1933. It is estimated that there are now between 7,000,000 and 9,000,000 unemployed in the United States. If you subtract the 5,000,000 new workers from this number you have a net of 4,000,000 whose re-employment the New Deal might be said not to have re-employed; and if you subtract from this number the 1,500,000 fewer workers required in 1939 to produce the same quantities of products produced in 1929, you get a net of 2,500,000 unemployed workers today whose re-employment has not been brought about by the New Deal. Many of these, by reason of age or physical condition, are not employable.

By any method of calculation, it cannot be denied that we have made tremendous strides in the solution of the question of unemployment, though I confess that neither we nor anybody who criticizes us has found the final solution or answer to the question of unemployment.

During the past seven years through our work programs, through the Civilian Conservation Corps, Farm Security, National Youth Administration, the Reconstruction Finance Corporation, and other agencies and activities such as the Rural Electrification Administration, Soil Conservation, Flood Control, Public Health and others, the New Deal has brought to every community of the nation physical improvements of a permanent character which have vastly elevated the social, moral and intellectual opportunities of the people which they could not have obtained in any manner without the aid of the Federal Government.

Seven years ago the farmers of America were selling their products far below the cost of production, and their farms were being sold from under them at a rate never before witnessed. During these seven years the Roosevelt Administration has revived the Farm Credit Administration for the service of American farmers, has saved their homes, reduced their rates of interest, increased their markets, increased the price of their products, and raised their cash income from \$4,682,000,000 in 1932 to \$7,712,000,000 in 1939 without benefit payments, and with benefit payments to \$8,519,000,000, an increase of 82 per cent.

Prior to 1933 the American investor had no reliable source to which he might repair for accurate information concerning the securities in which he might invest his savings, and because of this, and because of high pressure methods and official encouragement from high places in the Government of the United States billions of dollars were sunk in spurious and worthless stocks and bonds by the people of the United States.

During the past seven years the Roosevelt Administration, through those policies which have to be known as the New Deal, has established the Securities and Exchange Commission, where securities are to be registered with full information concerning them and the companies issuing

them for the information of the American people. It is being said by our critics that fewer securities have been issued since the Commission was established than at some periods before. But it is also true that fewer Americans have been defrauded of their lifetime's savings since the Commission was established.

Seven years ago industry was flat on its back. Factories were paralyzed, credit had vanished, payrolls were the lowest in two decades, and business men and industrialists came to the Government, like everybody else, to obtain relief.

In the last seven years the Reconstruction Finance Corporation has loaned to business more than \$7,000,000,000. During the same period the Government has loaned and expended for the benefit of business and those who work for business and industry an equal amount, which has been reflected in the increased output and profits of business as recorded on the financial pages of every newspaper in the United States.

Seven years ago the wages and salaries received by the people of this country amounted to \$2,403,000,000 for the month December (1932). In December, 1939, they received \$3,888,000,000, an increase of 62 per cent.

Seven years ago weekly factory payrolls were \$80,384,000 for December (1932). Last December they were \$197,000,000, an increase of 145 per cent.

Seven years ago (1932) the dividends received by individuals in the United States amounted to \$2,745,000,000. In 1939 they received \$4,253,000,000, an increase of 55 per cent.

In December, 1932, total non-agricultural employment in this country amounted to 27,245,000; in December, 1939, it was 34,940,000, an increase of 28 per cent; and this latter figure does not include the 2,727,000 persons employed on WPA, NYA and CCC projects.

In 1932 the Federal Reserve Board index of production was 64 per cent of normal, while in 1939 it was 105, an increase of 64 per cent.

In 1932 the total income of the American people was \$40,039,000,000, while for 1939, according to the Department of Commerce, it was \$68,500,000,000, and according to the Alexander Hamilton Institute, which, if names count for anything, ought to be a good republican source, it was \$71,700,000,000, which, in purchasing power, was equal to the \$82,000,000,000 of 1929.

During the seven years of the New Deal we have shortened the hours of labor, increased its unit of compensation, given it a forum for the exercise of the right of collective bargaining, regulated and reduced the abuses of child labor, and have seen to it that no man, nor his wife nor his children, should go without food or clothing or shelter in these United States.

During these seven years the New Deal, under the leadership of the President, has inaugurated the reorganization of the overlapping bureaus and agencies of the Government, which other Presidents had sought for 40 years.

During these seven years it has, in co-operation with states and local communities, made possible the construction and improvement of hundreds of thousands of homes throughout the nation, as well as their preservation from the clout of the auctioneer, through the Farm Credit Administration, the Home Owners Loan Corporation, the Federal Housing Administration, the United States Housing Authority, the Farm Security Administration, and other agencies and activities which may have been thought of prior to the New Deal, but which never reached the statute books or the records of any other Administration.

Seven years ago we were operating under an outrageous and prohibi-

five tariff system which it took 19 months of log-rolling to enact through the Congress, under which our export trade had dwindled from more than \$5,000,000,000 to little more than \$1,000,000,000. Under the New Deal we now proceed under an enlightened policy of reciprocal co-operation, which was being advocated by the great McKinley on the very day of his tragic assassination, and under which we have found increased markets for American products and increased employment for American labor.

Seven years ago, this republic was viewed with fear and suspicion by our sister republics in the western hemisphere. Today there exists a more universal confidence, respect and genuine understanding and co-operation throughout the western world than has ever existed before. And while, in wide areas of the earth in Europe and Asia, military conflicts are in progress and the subjugation of innocent peoples is on the march, and the democratic ideals of popular government are under attack by autocracy and brutality, we have preserved the peace of America, and we have preserved the respect of mankind, and we have not only preserved the democracy for which our forefathers fought and died, but we have made it the hand-made and the servant of 130,000,000 free American citizens, without the assistance and sympathetic co-operation of whose Government they can no more battle or overcome the economic forces which besiege them than can they hold back the tides of the ocean with a broom.

These are some of the things which the New Deal has accomplished in seven years. No other similar period, and no other Administration, regardless of political persuasion, has accomplished so much; and in my opinion none will.

*Chairman Granik:*

*Thank you, Senator Barkley. You are listening to the American Forum of the Air presenting a discussion on "Seven Years of the New Deal." You have just heard Senator Alben W. Barkley of Kentucky. And now we present Senator Charles L. McNary of Oregon. Senator McNary.*

## ADDRESS BY SENATOR CHARLES L. McNARY

My friends, I believe that the United States Senator has made a fine speech, and I congratulate him.

Seven years of the New Deal leave our major national problem of unemployment still unsolved.

They leave our farmers without either sufficient markets or satisfactory prices.

They leave our heavy industries in stagnation; our business enterprise in a straight-jacket and the ranks of organized labor in the throes of internal strife.

Instead of fulfilling the New Deal promise of a more abundant life, these seven years have served only to clamp down more tightly upon the American people the hardships of a temporary depression as a permanent way of living.

Our vast army of unemployed, our huge Federal deficit, the boundless waste and extravagance in Federal expenditures, the lack of coordination and efficiency in Federal Administration and the constant playing of politics—these are some of the yardsticks which measure the extent of the New Deal failure.

Seven years ago the American people, with a faith that finds no parallel in American history, entrusted the welfare of our nation to the New Deal

leadership. No Administration ever started out under more promising auspices.

Partisan politics were adjourned. The President was given greater power than any President of the United States ever possessed in peacetime. Congress wrote blank checks for him; it turned over to him many of its fundamental prerogatives. And not until flagrant abuse of executive authority made action imperative did Congress move to reclaim the constitutional authority it had so ungrudgingly surrendered.

Let me give you some of the melancholy details of the desperate situation which confronts the American people after seven years of the New Deal.

More than 9,000,000 unemployed disconsolately tramp our streets.

The nation has been reduced to a lower standard of living than it enjoyed 10 years ago.

Creation of new enterprises is at a virtual standstill and sorely-needed plant modernization and expansion have been deferred until such time as the blight which the New Deal has cast upon industry can be removed.

Organized labor is divided into two hostile camps with its annual income lower despite higher hourly wage rates.

Cash farm income for the seven New Deal years averaged only \$7,247,000,000 a year compared with \$9,046,000,000 for the preceding seven Republican years and the basic problems of agriculture are no nearer solution than before the Administration's exercise of sweeping controls over farms and farmers.

The flow of new investment capital has virtually dried up at the source and funds which normally would have gone into new enterprise have sought safety either in bank vaults or low-interest Government bonds.

Youth is discouraged and discontented as it finds the doors of economic opportunity barricaded by the sluggish condition of American enterprise.

Our people are staggering under the greatest tax burden in the nation's history whereas their annual average per capita income has been reduced to \$464 for the seven New Deal years compared with \$570 for the seven preceding Republican years.

Government expenditures, excluding postal receipts and debt retirement, reached a total of \$9,210,091,000 in 1939 compared with \$3,863,514,000 in 1933, when the Republican Party temporarily retired.

Our national debt has been almost doubled under the New Deal until it now stands at more than \$42,000,000,000, not including nearly \$6,000,000,000 of obligations guaranteed by the Federal Government.

What, you may well ask, is responsible for such a condition in the richest nation in the world and among a people who have led all others in initiative, enterprise, ingenuity and the vigilance with which they have guarded their liberty?

The answer is plain: It lies in the false New Deal economic philosophy; that abundance can be produced by creating artificial scarcity; that the nation can become rich and prosperous by wasteful and extravagant spending of the people's money; that our profits system is out-moded and outworn and can only function if the Government itself undertakes to keep it operating. As the Republican Program Committee succinctly states:

"The primary reason for the economic failure of the New Deal goes beyond detailed errors in legislation, administration, and the selection of Federal personnel. It lies in the fact that, despite the ideals it has expressed for Social America, the New Deal leadership has almost completely mis-

understood Economic America. It has sought to advance its social liberalism through economic policies which, historically and in their current effect on American enterprise, are profoundly reactionary."

In this misunderstanding of Economic America, in its false theory of a vanished economic frontier, in its deliberate discouragement of savings, and in its flair for rash experimentation, the New Deal committed blunder after blunder; was guilty of a whole series of unforgivable errors.

It began to undermine our traditional Americanism by placing emphasis upon collectivist values instead of individual values.

It fostered the belief that security was a greater boon than liberty.

It sought to substitute ideals of dependence for self-reliance.

It reached out for more and more legislative authority at the expense of our constitutional system of representative Government.

It substituted a Government of men for a Government of law.

Propaganda was resorted to in an effort to convince the American people that affairs in Europe and Asia were of more importance to the American people than our urgent domestic problems.

Spending and financial profligacy replaced a sane policy of economy in Government and reduction in taxation.

Our industrial and agrarian life suffered grievously by the substitution of the long-exploded doctrine of semi-free trade for the American doctrine of the protection of American industries against pauper and coolie wage levels.

In sharp and refreshing contrast to all this, the Republican Party takes the position that the well-being of the American people depends upon the Government remaining unreservedly loyal to a political system of representative self-Government.

It believes that this system must be safeguarded alike against insidious minorities and intolerant majorities by a balance of power.

It rejects the New Deal philosophy of defeatism and abundance through scarcity.

Instead, it reaffirms its faith in our historic system of free enterprises under regulation adequate to safeguard the common good against betrayal by special interests.

It believes that abundance cannot be achieved by scarcity but by plenty, and that plenty can be had not by idleness but by real work in private industry at a living and not a subsistence wage.

It stands for adequate relief for every man, woman and child, in need; it favors the use of Federal funds for this purpose to the full extent that need requires. But it advocates returning the administration of these funds back to the States and localities, under proper Federal safeguards, to the end that relief may be given with greater promptness and greater efficiency and that politics may be banished from the entire relief setup.

Nevertheless, it regards all relief as only a temporary palliative and not a cure for the ills of unemployment with which this country is afflicted.

It believes that our unemployment problem will be solved only when the present bureaucratic fetters are removed from industry and business so that it can go forward again at its accustomed pace and provide real jobs at decent wages for all those who now must look to Government for their daily bread or starve.

It believes that the farm dollar should be interchangeable with the industrial dollar. This happy condition prevailed during the Republican Administration from 1909 to 1914 which period the New Deal considers the yardstick of good times, and which is frequently referred to as the Golden Age of Agriculture.

The Republican Party, the party of peace, the party of hope, the party that looks forward and not back holds firmly to the belief that under its guidance American enterprise can find profitable expansion, offer more investment opportunities for savings, provide more jobs for workers in factories, larger incomes on farms and security for the unemployed and our senior citizens.

We are convinced that all these desirable and necessary advancements can be effected far more readily by the Republican Party than by the New Deal on the basis of its achievements during the past seven years, or than can be accomplished by it in the 10 months remaining for its existence, or in the four additional years for which it is striving with all its might and men and means.

*Chairman Granik:*

*Thank you, Senator McNary. You are listening to the American Forum of the Air presenting a discussion on "Seven Years of the New Deal." You have just heard Senator Charles L. McNary of Oregon, Republican leader of the Senate. And this concludes Part I of tonight's presentation.*

*Announcer McCormick:*

*This is "The American Forum of the Air" originating in the auditorium of the National Press Club in Washington, D. C., and presented over the Mutual network by WOL in cooperation with WOR.*

*We return you to the Chairman, Mr. Theodore Granik.*

*Chairman Granik:*

*And now as Part II of tonight's American Forum "Seven Years of the New Deal," we present an informal panel discussion. Our panel participants are: Senator James M. Mead, of New York; Senator Charles W. Tobey, of New Hampshire; Congressman Marvin Jones, of Texas; and Congressman Everett M. Dirksen, of Illinois. Mr. Wilson will act as guest chairman during the panel discussion. Mr. Wilson.*

*Mr. Wilson: I am sure the remarks of the two leaders of the United States Senate have been very provocative to those panel members who are seated here beside them. Before we throw this discussion open for a general free-for-all, we will hear just briefly for a minute or two from each of the panel members; spending, relief, agriculture and foreign policy appear to be the main bones of contention.*

*Senator Mead of New York will lead off. Senator Mead, have you anything to say?*

SENATOR MEAD: Mr. Chairman, I am at a disadvantage following these two distinguished statesmen, and although you said they weren't here the other day when the Press Club entertained the presidential possibilities, I maintain that both of them are truly presidential possibilities. (Applause).

However, I lay claim to some distinction, and that is the distinction of being a prophet. Realizing that I would follow my good friend, Charlie McNary, I guessed that he would say something against the New Deal, and the point that I want to make, and this goes for more than Charlie McNary, is that it is distinctly and grossly unfair to use seven years prior to the coming of the New Deal as a standard or criterion by which to compare the New Deal. It would be just as logical, in my judgment, to compare the social standards and comfort in a frontier Finnish town after the Red invasion as to compare the next seven years of comfort and social standards in that same town. Everybody that uses this seven-year yard-

stick forgets that we had a wreck in this country in the spring of 1933 that was of three years development.

Now then, I make the point, Mr. Chairman, that it was self-preservation that compelled the New Deal. It had been delayed altogether too long when it finally arrived. Its creation was inevitable as a matter of social and national preservation. This program has proved itself successful. It was not altogether the desire or the planning of the President or the Congress. It came about because there was no other way in the light of our marvelous progress in productive efficiency and social interdependence. It was necessary to protect our country from disasters unspeakable. No plan has been forwarded to take the place of the New Deal. In fact, no candidate and no party has recommended its repeal or even its substantial modification.

CHAIRMAN GRANIK: Thank you, Senator Mead.

Now we will hear from Senator Tobey of New Hampshire.

SENATOR TOBEY: Mr. Chairman, I challenge the last sentence of Senator Barkley in which he said, "No other Administration has ever accomplished more, and in my judgment ever will." What a statement of despair. If he means that I say, "God help America!" (Applause).

All the tests of the seven years of the New Deal have shown its failure. Listen now as I hold up the test tube and appraise its contents. Here they are: Nine million unemployed; debt up to the legal limit of \$45,000,000,000; farm income down; great surpluses of farm crops on which the Government is loaning 40 per cent more than they are worth; with all taxes unprecedented; private lives invaded and personal liberties shackled; broken promises galore; a lack of common honesty and integrity; and worst of all, class feeling has been engendered through a feeling of passion and prejudice. And I say to you as I close that, as in Belshazzar's hall 4,000 years ago, today across America again appears the inscription, "Mene, Mene, Tekel, Upharsiu," "Thou hast been weighed in the balance and found wanting; thy kingdom is divided." And we will make this certain on November 8 next. (Laughter and applause).

MR. WILSON: We will hear from Mr. Dirksen.

REPRESENTATIVE DIRKSEN: Mr. Chairman, if the noise will subside so I can hear myself think and speak, while listening to Senator Barkley, I got to thinking about that celebrated keynote speech that he made in 1932. I was something of a youngster, just making my first venture into political life, and came down here in the result of that election. But as I remember, Senator Barkley said something about the terrible way in which President Coolidge abused economy and that sort of thing by spending \$465,000 for some particular item.

SENATOR BARKLEY: It was Hoover, not Coolidge.

REPRESENTATIVE DIRKSEN: Or Hoover.

The fact is that \$465,000 would probably run this Government two and three-quarters minutes today, as an indication of how we have expended money in astronomical proportions, without adequate results. I recognize the fact that the Government must spend money in periods of distress and aggravated relief. But my contention is that for all of the money that has been expended, with the national debt nursing the ceiling of almost \$45,000,000,000, that no commensurate benefits have been accomplished either in the domain of farm relief or for unemployment. The January 27 bulletin of the American Federation of Labor showed 9,279,000 people out of work in this country. In January, when Mr. Edward O'Neal, president of the American Farm Bureau Federation,

came before the Subcommittee on Agriculture Appropriations he testified, and that testimony is in the record of the hearings today, that prices are 26½ per cent below parity in spite of the fact that we have made generous appropriations to the extent of over \$3,112,000,000 by way of benefit payments. And about the only answer we get, of course, is that, "Oh, you are definitely better off than you were in 1932."

Well, that is like pulling a fellow out of the well, and when you get him three-quarters of the way up you tie the rope and when he begins to expostulate and raise Cain and wants to be pulled out of the well you say to him, "Oh now, shut up! Aren't you better off than when you were down at the bottom of the well?" So he is still dangling in mid-air, three-quarters of the way above the bottom, and that is the apology that we get for the expenditure of some \$22,000,000,000 for all kinds of recovery and relief, and the results are evident if one will lift his eyes like Ishmael did in the wilderness a long time ago and survey the continuing misery, unemployment, and farm prices that are still far from parity. And until those two primary problems are solved all other things are just like so many mustard plasters put upon a boil when the scalpel is necessary, and we contend that we have to get back to some of those fundamentals if we ever expect to get this country out of its trouble, and the real fundamental is to develop venture capital and the expenditure of venture capital.

*The Financial Chronicle* of New York shows \$179,000,000 of new capital financing for the first five months of 1939. That would be about 5 per cent of what it was in 1929, so what we have done in the light of the President's speech in 1933 is that we have swapped new theories for old.

MR. WILSON: All right, thank you very much, Representative Dirksen.

Let us hear now from Marvin Jones, the Chairman of the Agricultural Committee of the House.

REPRESENTATIVE JONES: My friend, Tobey, can talk the birds right out of a tree. The trouble is they don't have anywhere to go. He tries to use the same method on the American people, and talk them out of the policies that mean something to the average man in America. That is what I claim the New Deal has meant something to, the average person.

My friend refers to the well. Well, Hoover got us into a pretty deep well, and it is a hard job to get all the way out, but we will get the folks out if they will just be a little patient in that regard.

He spoke about getting back to fundamentals. That is what we are trying to do. A few special privilege folks took us away off from the fundamentals, and we are trying to bring them back to the fundamental of free Government, equal rights to everybody, and an equal opportunity to everyone.

Now, I have listened to a good many of these statistics about the farm situation. You can take statistics interpreted by an honest Democrat and they are fine, but when you take a statistician and cross him with one of these Republican orators you get into terrible results. Anyone who will examine the facts knows that the income of the farmer has been doubled, almost, since the period when the New Deal began its Administration, but here is the thing, and the one thing that is behind the farm program: That is soil conservation and water conservation. For many years we treated water as a curse. We went down to the mouths of rivers and built levees and tried to channel the water off into the sea. The New Deal has established a system of soil conservation and water conservation, going back and working with nature instead of against her, beginning at the upper stretches and taking care of the water and the soil, and building on a solid foundation, and New Deal or no New Deal, no man is going to

advocate the abandonment of the soil conservation idea, which is the heart and soul of the farm end of the New Deal program.

Mr. WILSON: Just a minute, Mr. Jones; Mr. Walter Karig, of the *Newark News*, has just risen and I think he has a question.

Mr. KARIG: This is a question that has already been answered, it seems to me, by the speakers in their fashion.

Senator Barkley says there is no answer, Senator McNary says, "Elect the Republicans," and somebody else said, "Let's go back to 1929 species of spending."

According to the statistics offered tonight, there are 200,000 persons who have become victims of technological unemployment every year, 700,000 young people reach working age without any jobs, which adds approximately one million persons a year to the pool of the unemployed. No one has said what can be done about it, and the question is, simply, what about it, gentlemen? What about it?

Mr. WILSON: Senator Barkley, that sounds like a good question for you.

SENATOR BARKLEY: That is a fair question, and I merely hinted at it a moment ago while I was speaking. As I indicated there, in addition to the 13,000,000 who were said to be unemployed in 1932, and I frankly say I don't think anybody knows precisely the number of unemployed then, or the number of unemployed now, but if it be fair to take the minimum of 13,000,000, it would be fair to add during the last seven or eight years, five million more who have come in the field of potential workers, which would make a total of 18,000,000 American workers with which the New Deal has had to deal in the last seven years.

Now, if we have been able to reduce that 18,000,000, and that five million increase is a net increase, after deducting all those who have passed away or have become ineligible for employment, if in seven years we have been able to cut by 50 per cent the total of 18,000,000 unemployed, which existed at the beginning and have been added to since, we have gone a long way toward the solution of the unemployment problem, and if we can be given five years more, which would be a total of 12 years, in which the Republicans controlled this country prior to the New Deal, and can make the same progress that we have made in the last seven years, there will be a shortage of labor in the United States instead of a surplus. (Laughter and applause).

Mr. WILSON: Thank you, Senator Barkley.

Perhaps Representative Dirksen has something to say.

REPRESENTATIVE DIRKSEN: Senator Barkley, may Dirksen of Illinois interpose at this point? As I remember the figures for July and October of 1932, we had only about 12,000,000 people out of work, and as a matter of fact, there was some appreciation of employment between July and October, as indicated by the records of the American Federation of Labor. Now, that is different, of course, from figures like 18,000,000 people out of work. You have substantially almost as many people out of work as you have today, and assuming that new people have come into the so-called labor reservoir, the amount, of course, is rather speculative, for certainly all the youngsters who come out of high schools and colleges aren't unemployed, I would say, so we have gone along with a rather static labor problem of 10,000,000 people, and you have spent around \$22,000,000,000 on this problem. Let me say this, and this is in answer to Mr. Jones, too. If you spent almost \$22,000,000,000 to solve these primary problems, and you say you are on the way to a solution, do you need another \$22,000,-

000,000 in order to get that man the other fourth of the way out of the well? And if you do, we will have to take Mr. Morgenthau in conference and see to what limit.

REPRESENTATIVE JONES: It would be worth it to get us out of the well they had put us in.

Mr. WILSON: Mr. George Stimpson, of the *Houston Post*, just got up.

Mr. STIMPSON: Here is a question I would like to ask the New Deal leadership. Do Senator Barkley and Chairman Jones and Senator Mead think that if the New Deal is given a third term, four more years, that it can keep us out of the European war?

SENATOR BARKLEY: If you are asking that question of me, I answer it categorically, yes.

Mr. WILSON: Senator Mead, what do you think?

SENATOR MEAD: If I have just a moment to reply to that question, I will say that since the adoption of the New Deal, international policy, there is less worry about the war in America than there was before that took place.

Mr. WILSON: Senator McNary, do you think the New Deal will keep us out of war?

SENATOR McNARY: I think it is trying to, but I am afraid of the harvest. (Laughter).

SENATOR BARKLEY: Let me ask this: Has not the New Deal, through the Neutrality Law enacted in November, caused the American people to make greater sacrifices than ever made before by this or any other nation in order to keep us out of war? Isn't that true?

REPRESENTATIVE DIRKSEN: I hardly think that those are sacrifices, Senator Barkley, those are things the nation ought to do if it has a primary regard for its young men. I was one of those soldiers in that last war, and I look with a species of trepidation upon these things we are doing today, because we are sticking our nose in the business of the world when we ought to mind our own business and pay a little more attention to the domestic problems that are unsound.

SENATOR TOBEY: I wonder if you talked to Joe Kennedy when he was here. Did you talk with Joe Kennedy?

REPRESENTATIVE DIRKSEN: I am sorry, but I didn't.

SENATOR TOBEY: If you didn't, you missed a great opportunity, and I will give you what Joe Kennedy said about the dangers of this country going into the war.

SENATOR MEAD: The American people ought to know.

SENATOR TOBEY: What the diplomats know, we ought to know, and what Franklin D. Roosevelt knows, we ought to know. He has been partial and unneutral in his foreign attitude. He hasn't told the truth. When the *City of Flint* was taken, it was passed out to the world, "The *City of Flint* has been captured by the Germans," but at the same time, 12 of our merchant ships had been taken in tow by Great Britain into war zones and war dangers, and he hasn't told the American public a single word about it. That isn't frankness, that isn't truth, that isn't honorable. (Applause).

Mr. WILSON: What do you think of that, Senator Mead?

SENATOR MEAD: Senator Tobey had a very difficult time getting that statement out, and I realize that the trouble was that he unjustly accused the President of the United States, who, in the estimation of nearly everybody else in the world, is the greatest advocate of peace that we know of today, the most powerful advocate of peace on earth. (Applause).

CHAIRMAN GRANIK: Senator Barkley?

SENATOR BARKLEY: I merely wanted to suggest to my belligerent friend from—

SENATOR TOBEY (Interposing): The State is New Hampshire, sir, New Hampshire. (Laughter).

SENATOR BARKLEY: ...that Joe Kennedy is a very able diplomat, but he is not a member of this panel. He is not here to speak for himself, and he is not a member of the Congress, where, after all, the final judgment must rest as to any declaration of war.

REPRESENTATIVE JONES: May I say a word here. I think Senator Tobey thinks he is right, as he always does, but as a matter of fact, he is wrong, as he usually is.

I don't believe that he or anyone else in America wants to get us into war, and I don't believe we are going to get into war.

MR. WILSON: Walter Harrison, of the *Daily Oklahoman*, has risen. Mr. Harrison, do you have a question?

MR. HARRISON: Mr. Chairman, as an average citizen and a taxpayer, I am very much befuddled by the gold situation, and I should like to ask the representatives of the Administration this question: "If we now have three-fifths of the world's gold, if gold imports are coming to this country at the present time at a more rapid rate per week than they have at any time in the last year, if, as it seems certain, we will have two-thirds of the world's gold within the next three months, and it seems likely that we may have all of the gold in the world at some time in the future, what does the Administration propose to do with it?" (Laughter).

SENATOR BARKLEY: I am afraid that in the remaining time allotted to this panel and to the discussion it would be difficult to solve the gold problem. (Laughter). But let me say to my friend that the question of what shall finally become of this gold is one upon which, like unemployment, nobody seems to have the final answer. That gold is coming to this country in payment for goods and services that we are selling and furnishing to the other nations of the world. There are only three ways in which foreigners can pay for American products. One is in bringing in their own products to exchange for ours, another is to render us some service in return for our export products, and the other is to pay in cash, and inasmuch as gold represents cash, and the American dollar today is the standard of value throughout the world, and inasmuch as we have limited the amount of imports that can come into this country in payment of our exports, and inasmuch as there is no service that these nations can render us to pay for these exports, the only exchange, the only commodity, the only thing with which they can pay us, is in the gold which we are receiving today, and probably will continue to receive as long as our exports --

SENATOR TOBEY (Interposing): Senator Barkley, let me—

SENATOR BARKLEY (Interposing): Wait a minute, let me answer.

SENATOR TOBEY: I don't want you to miss this.

SENATOR BARKLEY: I wouldn't miss anything you were shooting at.

We will have to continue to receive that gold as long as we are exporting more than we are importing. What we will do with that gold when the time comes to decide that question is a matter which I haven't the time now to discuss, and I don't believe anybody in the United States has the final word on what the solution of gold probably will be.

This is the only time in the history of mankind when anybody doubted the value of gold as a monetary exchange among the nations of the world.

SENATOR TOBEY: Let me interject a question, gentlemen. Who speaks

now, Jesse Jones? Jesse Jones said in the Committee on Banking and Currency that what we are doing in this gold policy, we are financing all the foreign wars. It is the most asinine policy of any government.

The silver policy is asinine, also; also burying gold in Kentucky.

And listen to this, friends. And also there has been no audit or any physical examination or verification of the gold in Kentucky, of the silver in West Point, of the cash in the Treasury, of the bonds outstanding.

SENATOR BARKLEY: You don't have to audit gold in Kentucky. All I know is, it is safe. (Laughter).

SENATOR TOBEY: Yes, you do.

MR. WILSON: Gentlemen, we will hear from Senator Mead for a moment.

SENATOR MEAD: Senator Tobey is the first Republican that I heard to strenuously object to our going so deeply into the gold standard, but let me make this observation, and I really believe that the students of government the world over will come to a common agreement on this point. The accumulation of a large and substantial amount of the world's gold will make America the most potent power for peace on earth.

SENATOR TOBEY: Just as long as the other nations stay on the gold standard and want gold. If they don't, it is so much bunk.

REPRESENTATIVE DIRKSEN: Mr. Harrison, let me direct my answer to you. I agree thoroughly with you that the monetary policies of the Administration are terribly befuddled. We dig up gold in Colorado and Alaska, and bury it down in Senator Barkley's State and put a lot of soldiers around it. One time we sterilize, the next time we de-sterilize. We bought several hundred thousand million ounces of silver to achieve a one to three ratio and \$1.29 price for silver. We are further away from the ratio now than we were three years ago.

Now then, this whole big pile of gold, representing about 65 per cent of the world's gold, is a great danger to this country. And Senator, may I say to you, two weeks ago Mr. Berle, the Assistant Secretary of State, made a suggestion to a political science league up in New York that perhaps we ought to give this gold to foreign countries to help them in post-war rehabilitation. God save the mark when we get so generous that after we pay \$35 an ounce for this gold we are going to give it back to them and neglect our own people.

REPRESENTATIVE JONES: May I say, if they reelect the Democrats it probably won't be given back.

SENATOR MEAD: Somebody in New York made the statement. They certainly can't charge that to the New Deal.

REPRESENTATIVE DIRKSEN: Mr. Berle, of course, is one of the high ranking officials of the State Department.

SENATOR MEAD: But the Congress that enacted the law will no doubt have something to say when the law is modified.

REPRESENTATIVE DIRKSEN: Well, my good friend from New York will remember how many bills were written at the other end of the Avenue and laid on the table.

SENATOR MEAD: No matter where they were written, the House and Senate had the final say upon the passage.

SENATOR TOBEY: Let Carter Glass pronounce the benediction: "The New Deal is not only dishonest, it is a national disgrace." That is Carter Glass's thinking.

SENATOR MEAD: Carter Glass is not a member of this panel either, and cannot answer for himself tonight.

MR. WILSON: Gentlemen, I want to thank you very much for coming here to the Press Club and giving us this interesting debate.

Now for a final word from our announcer, Stephen McCormick.

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