

For Release
Morning papers
Tuesday
October 27, 1936

ADDRESS

BY

HONORABLE HOMER CUMMINGS

C. C.

ATTORNEY GENERAL OF THE UNITED STATES

Delivered at

Majestic Theatre

Peoria, Illinois

Monday, October 26, 1936

at

9:00 P. M.

Broadcast over Station WMBD
and a State-wide hookup.

The Attorney General said in part:

Mr. Chairman, Ladies and Gentlemen:

It is a source of satisfaction to greet the people of the thriving City of Peoria, and to have the privilege, also, of addressing simultaneously over the radio the citizens of Illinois. You will not, I am sure, think that I exaggerate when I say that I have a very real affection for this State, not only on account of the many kindnesses I have received here, but also because it is the State in which I was born.

In common with her sister States, Illinois has known the bitterness of the depression, the struggle against great odds and the final and triumphant realization of hopes long-deferred.

This State has been singularly blessed in having for its Governor a man of statesmanlike stature. No one challenges his integrity or questions his intelligence. No one doubts his courage, and no one fails to recognize the outstanding and devoted service he has rendered to his people. In these days when so much is being said about a balanced budget, it is interesting to note that the budget of Illinois is in a healthy equilibrium, and that the financial affairs of the State are in a sound and prosperous condition. Nor has this happy achievement been brought about by an ill-advised policy of penuriousness by cutting necessary expenditures, or by reducing the compensation of those who teach in the schools. I salute your great Governor with affection and respect. Governor Horner is more than the Governor of a State. He is a national character, and one of those faithful officials who cannot be spared from public life.

I am glad, too, of the opportunity of speaking in a campaign in which an old-time friend is a candidate for re-election to the Senate.

No man has rendered a finer or more disinterested public service or has had a more illustrious career than Senator James Hamilton Lewis. The President, the Administration, the country, need him. And so I greet Governor Horner, Senator Lewis, and their associates upon the ticket and wish for them a glorious victory in November.

A few moments ago I spoke about balancing the budget. These words are frequently on the lips of political orators. They are given an esoteric meaning of mystical significance as if there were something sacred about them. They are the magic abracadabra on the lips of people who, for the most part, know little about finance and think that the problems of life can be solved by a formula. The plain fact of the matter is that there are times when a budget should be balanced and there are times when it would be disastrous to balance it. When a house is falling and needs a prop, it is not extravagant to borrow the means to save the structure. A balanced budget would be of no value to a bankrupt people; and yet from a thousand speakers, from a thousand different platforms, you will hear the parrot-like cry "the budget has not been balanced; the budget has not been balanced."

And now let me ask what budget is meant? Were there not many budgets that the administration had to take into account? Was it our duty to balance the budget or rescue the country from impending chaos? Clearly, our primary task was to restore prosperity. Let it not be forgotten that the national budget, at the end of the Hoover administration, was out of balance by more than three billion dollars. Federal revenues were rapidly diminishing and millions of our people did not know which way to turn for their daily bread. Other budgets were out of balance as well

as the Federal budget. State budgets were out of balance; county budgets, municipal budgets, bank budgets, railroad budgets, the budgets of commerce, manufacturing budgets, agricultural budgets, and, most ominous of all, the budgets of the people themselves. Our whole system was on the verge of collapse. To have attempted to enforce the balancing of the Federal budget under the conditions that then existed would not only have been impossible, but, if it could have been achieved, would have been a crime against civilization which we would not have lived long enough to expiate. It would have required that the Government draw back its hand when the people asked for food. Which was the more important thing to do, balance the Government's budget, or balance the people's budget? There can be but one answer.

And how could the people's budget be balanced? It called for a great constructive program which had to do with the intimate life of the nation and the rebuilding of the processes of industry and finance. The President set about the task of restoring American life so that these many budgets could be brought into balance. In the meantime, the great problem of relief expenditures fell upon the Federal Government. The reason that the Federal Government had to take over relief was because the credit of our states, counties and cities, had become exhausted and their ability to bear further tax burdens was at an end. Municipalities everywhere were upon the brink of bankruptcy. Many of them had defaulted upon their public obligations and others had actually suspended the pay of school-teachers, police, firemen and other necessary employees.

More than this the savings of the citizens had become exhausted.

Hundreds of thousands of people, who through years of toil had set aside a little money for sickness or old age, were obliged to draw upon and gradually deplete these sacred reserves. In addition to this the resources of private charity had dried up and it was increasingly difficult for even the well-to-do to come to the help of those less fortunate than themselves. The spectre of utter despair was present in millions of households and fear was a visitor at every hearthstone.

Fortunately there was one great asset left - the credit of the Government. It took courage to resort to it when, apparently, everything else was falling in ruins. No timid leader would have dared to turn to this last resource, especially in the face of diminishing Federal income. The choice had to be made. It was made - and it was triumphantly successful. The agencies the administration set in motion began to take up the slack. The reforms in finance relieved the strain. Greater purchasing power was put into the hands of the people, and slowly, steadily, inevitably, the upturn began. Price levels rose and lost equities returned. State budgets improved; county budgets and municipal budgets were no longer the nightmare of public officials. Industry had begun to move. Railroad budgets showed a market improvement. Industry discarded the use of red ink. The farmer was rescued from penury and became a purchaser whose power to buy ultimately touched every nook and corner of our country. And best of all, the budget of the American people came into balance.

And now, with the increase in Federal income, and the gradual absorption of unemployment, the Federal budget itself, within a measurable time, will be brought to the condition of balance which, from the beginning, all have desired.

Your eminent fellow citizen, Colonel Knox, recently took occasion to say that "Whatever the Government has been doing about recovery has been wrong. It has not helped recovery. It has blocked our recovery. Our national recovery began in the summer of 1932." This is a curious statement emanating from a leading citizen of Chicago, who, if he had been at home, during 1932, and had been familiar with the files of his own newspaper, could scarcely have avoided knowing the city's desperate financial plight and its industrial and financial collapse. During June and July of that year, the streets were jammed for blocks by depositors of some of the leading banks in a mad scramble to recover their savings before the fatal notice "BANK CLOSED" appeared upon their doors. During the month of July 1932, seventeen banks were closed in the City of Chicago. More than ten million of deposits are still tied up. Yet Colonel Knox says "recovery began in 1932."

I say to you that when Governor Landon, Colonel Knox, Mr. Hoover, Mr. Hearst and other beaters upon the drums of hate proclaim that the President has "retarded" prosperity, they are not only asserting something totally without foundation, but they are insulting the common sense of the American people. No, my friends, there is no substance whatever to the claim of the reactionaries that the President has "retarded" prosperity. Prosperity is here

in constantly increasing abundance and it has been brought about by well-conceived measures promptly enacted, intelligently directed and vigorously administered.

And now, perhaps you will permit me a personal word. I have enjoyed the high privilege of working with and for the President of the United States under circumstances which have given me a rather intimate knowledge of what has been going forward. America is fortunate in her leader whose wisdom, courage, and bouyancy of spirit have brought hope and confidence to our people. So desperate was the situation when he took office that I undertake to say that not one statesman in a thousand could have met the test successfully. Through political genius, or however you explain it, President Roosevelt seized the tragic hour and turned it into a national triumph. His superb courage, and rare insight, united a wavering people. With brave heart he carries the heavy burdens of his great office. He loves and serves the people of America. The people of America, God bless them, love and trust him.