

For Release
Morning Papers
Saturday, May 16, 1936.

KEY-NOTE ADDRESS

by

HONORABLE HOMER CUMMINGS

C. C.

ATTORNEY GENERAL OF THE UNITED STATES

delivered at the

DEMOCRATIC STATE CONVENTION

STATE ARENA

NEW HAVEN, CONNECTICUT

Over a Network of the National Broadcasting Company

Friday, May 15, 1936

10 P. M. Daylight Saving Time

LADIES AND GENTLEMEN OF THE CONVENTION:

It is an agreeable experience to return to my home state and to have an opportunity to salute old-time friends and party associates upon the eve of another great Democratic victory. Here I find the consoling presence of my colleagues of other days, and here too, I see the ardent and shining faces of the younger men and women who have come into the party to renew its vitality and to carry on its great traditions. I felicitate the leaders of our organization upon the happy manner in which these groups have been brought together and molded into a coherent and united force.

To our able Senators and Congressmen, to our efficient State Chairman and his associates upon the State Central Committee, and to all the faithful members of our party who are gathered here tonight, I extend my affectionate greeting.

I pause to pay especial tribute to the Nestor of Connecticut Democracy - Governor Wilbur L. Cross, whose scholarly attainments, broad statesmanship and, may I say, salty personality, have added luster to the great office he administers with such marked distinction. He has won an enduring place in the affections of the people of Connecticut.

Members of the Convention, we have come a long way together and there are many things yet to be done. The last three years have been fruitful years. Our people have successfully passed through a great crisis. When the present administration came into power, our country was in the throes of a depression far more devastating than war. Our standards of civilization were being progressively impaired. Our people were being

forced to accept a less and less adequate scale of living. Our financial structure was in ruins. Our industries had practically ceased to function and we trembled upon the verge of an economic abyss which threatened to engulf the nation. The great captains of industry and finance, who had been so potent in the old days, and who had assumed that they possessed a patent upon prosperity, were in a state of bewilderment bordering upon abject terror.

They saw nothing ahead but universal bankruptcy and the liquidation of assets under conditions so desperate that they could not and would not have been endured by any free people.

Do not for a moment imagine that I exaggerate. During the Hoover Administration 6,067 banks were forced to close their doors. The managers of the financial institutions that still survived were, in their desperation, calling in loans, selling the securities that were pledged to meet them, foreclosing mortgages and restricting credit, thereby accelerating the speed with which we were approaching complete chaos.

The startling withdrawals of gold for hoarding or for export to foreign countries, which took place in February and the first few days of March 1933, made further gold redemptions impossible. Those who could lay hands upon gold bullion, gold coin or gold certificates were carrying them stealthily to storage in safe-deposit boxes. During this thirty day period, \$476,100,000 in gold had been withdrawn from the Federal Reserve Banks and the United States Treasury, of which \$311,000,000 was for export, or to be earmarked for foreign account. Simultaneously there was a great demand for money of all kinds, for domestic hoarding. No man knew what the next day might bring forth. Foreign trade had been brought to a standstill,

price levels were falling everywhere, and the burden of debt was beating our people to their knees. Failures and bankruptcies had reached unparalleled proportions. Our agricultural population was in dire distress and farm evictions were taking place at the rate of more than two hundred thousand a year. Uncounted millions were out of work.

Nor is this all. The funds of charitable organizations and the resources of the generous, who had been contributing to the help of those less fortunate than themselves, were being depleted to the vanishing point. The morale of our people had been profoundly shaken; and there were repeated outbursts of violence in large sections of our country previously known as amongst the most orderly and dependable in our nation. Upon every hand there were portents of evil which no responsible statesman dared disregard.

I do not pause to assess the responsibility for these conditions, or attempt to trace their source. The essential fact is that they actually existed and were bequeathed by the outgoing administration to Franklin Delano Roosevelt. Did he lack vision? Did he lack resourcefulness? Did he lack courage? Did he lack devotion to the public service? Did he lack the gift of leadership, or the capacity to guide in a great national emergency? The united voice of America testifies to the contrary.

His immediate problem had to do with the financial and banking crisis. On Monday, March 6, 1933, he issued his first proclamation which suspended the operation of all of our banking institutions throughout the country, prevented their destruction and afforded an opportunity for rehabilitation. That dramatic and drastic exercise of Presidential power was a superb act of courageous statesmanship - and it saved the nation.

From that date to the 31st day of January, 1934, the President, acting in close cooperation with a patriotic Congress, approved of a series of Acts and promulgated supporting Executive orders that effected a fundamental change in the financial and monetary structure of our country. Gold and gold bullion were swept into the Treasury of the United States; gold certificates were placed where they were readily within the control of the Government; foreign exchange was regulated; banks were progressively reopened; gold hoarding was brought under control; parity was rigidly maintained; and a complete transition was effected from the discredited gold-coin standard to a gold-bullion standard, with the content of the dollar fixed at an enduring amount.

These measures tell the inspiring story of a troubled nation finding its way successfully out of financial chaos. Nor was the President content to rest with these achievements. He realized, even if his critics did not, the extent of the task involved in the effort to restore the broken life of America. The need was imperative and he acted with swiftness and decision.

The President would be the last to assert that all of the agencies he set in motion have achieved their full purpose, or that they have been free from defects of administration. These things are inherent in any great national program. But no matter what the captious may say about the alleged mistakes of the government at Washington, it cannot truthfully be asserted that it is in the hands of selfish interests, or that any ulterior purpose dictates its policies. We have placed the government of the United States at the service of the people. We have shifted the money center of America from Wall Street to Washington, and, if I mistake not the temper of our people, they approve of the change.

Who is it then that is dissatisfied with the work of the administration? Not those who have been aided by the Agricultural Adjustment Act. Not those whose farms have been saved by the Farm Credit Administration. Not those who have been able to refinance their mortgages at a lessened rate of interest through the activities of the Federal Housing Administration. Not those whose homes have been saved by the Home Owners Loan Corporation. Not the stockholders or creditors of banks, insurance companies, and railroads that have been rescued by the Reconstruction Finance Corporation. Not those who have received aid or found work through the Public Works Administration or the Works Progress Administration. Not the one million two hundred and fifty thousand boys who were taken from idleness and the streets and given opportunity and training in the Civilian Conservation Corps. Not the fifty-two million American citizens whose deposits in the banks of the country have been made secure by the act creating Federal deposit insurance. Not the laboring groups in whose interest the National Recovery Administration established collective bargaining, improved working conditions, outlawed the sweatshop, abolished child labor, and gave to industry an opportunity for constructive leadership.

Not those whose humanitarian instincts approve of the Social Security Act, and its provisions for old age insurance and grants to States for widows' pensions, child welfare, and public health service. Not those who recognized the need of abolishing holding companies formerly connected with the banks of our country which made it possible for reckless or corrupt financiers to speculate with the savings of depositors or waste the funds entrusted to their care. Not those who favor stock market regulations to protect the public in connection with securities offered for general sale. Not those whose utility

rates have been reduced through the activities and influence of the Tennessee Valley Authority. Not those who wanted to see the price level lifted and the debt burden of the country made bearable. Not those who have followed international developments and have noted the fruitful efforts to expand our markets and to revive foreign trade. Not those who are gratified by the doctrine of the Good Neighbor, which has restored a feeling of friendliness amongst the nations on this side of the Atlantic. Not those who realize that the American dollar is the soundest money unit on earth; and that there is a larger metallic reserve behind every Government issue than at any previous time in our history. Not those who are proud of the fact that the credit of our country stands higher than that of any other nation on earth. Not the great masses of the people who see evidences of increasing prosperity upon every hand.

Who, then, I repeat, are dissatisfied? No doubt thwarted political ambitions, unrelenting partisanship and ultra-conservatism account for the major portion of the forces arrayed against us. These things we understand and accept. There are, however, other and far more sinister groups we must take into account. They think primarily in terms of dollars, or the power that dollars represent, and feel little concern for social measures that sound in terms of humanity. I am puzzled by the thought processes of some of these influential and disgruntled citizens who, for so many years, have been riding high, wide, and, let me say, not so very handsome. Why should they be enraged because prosperity is returning? Why are they not content to accept it gracefully? Can it be that they are not willing to have the country prosper except upon their own terms? Why do they not turn in and work with the rest of us to meet our common problems? Are we not all Americans? Is this not one country? Are the people in distress not our friends and brothers?

I sometimes think that these incredible people who report greatly increased profits and simultaneously denounce the President must be harboring an inferiority complex. Somewhere, deep down in their subconscious minds there resides a sense of frustration that releases itself in the unbridled outbursts with which, unfortunately, we are all so familiar. They are in the inglorious position of sitting on their money bags, watching the world go by, uttering cries of protest and terror, while they accumulate, at the same time, constantly increasing bank balances.

The New Deal is not on trial. I do not come to defend the New Deal or the policies of the administration. I proclaim them as the source of our salvation and our security. Those who resist social advance, those who oppose change, those who accept the past as good enough for the present -- those are the groups that are on trial before the conscience of their fellow men.

To assume, as some of the less informed critics of the Administration are inclined to do, that all that is needed to achieve even a higher degree of prosperity is to terminate Federal effort and let nature take its course, is to display an almost childish misapprehension of the problems of modern life.

If, as some of our Republican friends assert, recovery began with Roosevelt but not because of Roosevelt, then, at least we are permitted to observe that it was a peculiar and happy coincidence.

There are those who complain that the Budget has not been balanced. If the President had balanced the Budget at the time his critics insisted that he should do so, how many of our citizens would have been forced to go without food? Which was the more important thing to do, balance the Government's Budget, or balance the people's Budget? Manifestly it was impossible to do both at the same time. If this be treason to the doctrines of sound finance, let the critics of the administration make the most of it.

Of course, recovery has cost a great deal of money, but far less than unfriendly critics assume. During the world conflict we spent nearly twenty-six billion dollars for the destructive purposes of war. We have appropriated only a little more than half that amount for the constructive purposes of peace. Only a part of this sum has thus far been spent, a large portion of which is recoverable.

Nor do our critics allow any credit for the public buildings that have been erected, the great bridges that are being flung across our rivers, the thousands of leagues of good roads that are being laid, the dams that are being built and innumerable other projects that add to the wealth and well-being of our people.

This outpouring of public credit had for its primary object the rescue of millions of Americans from the impossible position in which the economic collapse had placed them. The purpose was to preserve to them their private ownership of property, their right to conduct their enterprises as independent and useful factors in American life and to avoid the processes of enforced liquidation by which the great bulk of our fellow citizens were rapidly being regimented into the growing army of unemployed who were becoming, year by year, increasingly dependent on the centralized control of wealth in fewer and fewer hands. In short, it was by means of these expenditures that we salvaged not only the material but the moral and irreplaceable assets of a free people.

Manifestly, there are many grave problems yet to be worked out, which must be approached not only with all the intelligence the nation can summon, but with a devotion amounting to consecration.

Do you suppose for a moment that the Republican Party, as now constituted, or as it is likely to be constituted, would be able to grasp the social

consequences involved in these great economic dislocations or be willing to adopt the measures of relief that existing conditions demand? It would be a vain and futile hope, indeed.

When the history of this era is written, in the cool and contemplative days of a later period far removed from the animosities and misunderstandings of the present time, President Roosevelt will be more and more clearly revealed not only as a friend of human justice and social progress, but as the protector and defender of our accredited form of Government, which, by his genius, he has vindicated.

The dawning future is aglow with promise. The gross income of our farming groups has increased, approximately, three billion dollars a year since 1932, and more than thirty million of our people, in the agricultural areas, instead of living under the constant fear of eviction and penury, have developed a power to buy that has stimulated activity in every nook and corner of our country.

Statistics recently compiled by the Federal Reserve Bank of New York disclose that 909 corporations, consisting of 700 Industrials, 149 Railroads and 60 Utilities, made a net profit of \$142,000,000 in 1932. These same companies, in 1935, made a net profit of \$1,568,000,000, being more than a ten fold increase. One great automobile company in 1932 made a profit of \$165,000; in 1935 it increased its profit one thousand fold to a total amount of \$167,000,000. A summary by the National City Bank of the profits of 2,010 companies showed earnings for the year 1935 of \$2,541,000,000, an increase of 42% over those for 1934, which in turn had been far better than 1933 and 1932. This year the statistics are still more encouraging. Everywhere, on every hand, in every line of activity, there is a constantly improving situation.

Those who were tongue-tied in the great crisis and found their voices only when the danger passed are in no position to criticize either the policies, the purposes, or the achievements of the administration; and those who have no better program to offer should learn the grace of silence. President Roosevelt has done more than restore material prosperity. He has restored the faith of our people. We stand upon his great record.

Every President who has guided this nation through a troubled hour has been denounced as a destroyer of the Constitution, as a usurper, as a dictator, and as an enemy of honest wealth. Turn back the pages of your history for a moment and read this characteristic attack upon our first President:

"The American nation has been debauched by
Washington *** The President has violated
the Constitution."

So virulent were the assaults made upon him that, in a moment of exasperation, Washington said he would rather be in his grave than in the Presidency.

In 1862, a leading northern newspaper published the following statement about Lincoln:

"We saw the Executive power grasp in one hand the sword and the purse of the nation and in the other the Legislative and the judicial authority, and hold them in relentless grip to the complete annihilation of our constitutional rights. *** We saw trade disordered, Government finances ruined, and enormous debt piled incalculably high, intolerable taxes ***. We saw the superb Constitution, under which our country has grown great and respected, torn in shreds."

Such were the assaults made upon President Lincoln when he was striving to preserve the Government itself in the dreadful hours of the Civil War. And now, in many influential quarters, similar attacks are being made upon President Roosevelt who has carried the Government, the Constitution, and the people safely through the peril and misery of an unparalleled depression to a new and happier day.

For all practical purposes the election is over now. The vast majority of our people devoutly believe that the President is striving to the utmost of his ability to make this a better country in which to live. Never before has the average citizen felt more confident that those in charge of the Administration have a deep concern for his welfare and that the Government is his friend.

I say to you that the people do well to love the President. By an unerring instinct they recognize his faith in them, his passion for justice, his espousal of the cause of the exploited, and his devotion to our institutions. They understand full well the attacks that have been made upon him. They are not disconcerted because he is unpopular with the beneficiaries of the abuses to which he has put an end, and they love him for the enemies he has made. No nominee of reaction, no candidate content to deal in platitudes, no sterile traditionalism, no program of abuse can seduce them from their faith in their great leader.