

circulating as money show an increase of \$2,000,000,000.

I suppose it will be said that the spending program was a failure as well. Under the spending program of the national government, American bank deposits which had fallen to \$38,000,000,000 in 1933 had risen to \$45,000,000,000 in 1935, or an increase of \$7,000,000,000. Thus, under Roosevelt's recovery policy, while the people of the United States may have an increase of \$8,000,000,000 of debt, if you add the gold increases, silver reserve increases, silver certificates increases and bank deposits increases, you have \$15,000,000,000 more money in the United States at the end of 1935 than existed in 1933, or a net increase of \$7,000,000,000 in excess of the national debt incurred through the recovery program. Now, according to the gold standard theorists, who accept orthodox economic practice, this is the situation in the United States. With \$10,000,000,000 of gold in reserve they can place \$5,000,000,000 at the disposal of the treasury to use as a stabilization fund, an amount far in excess of what is needed. That leaves \$5,000,000,000 available to support domestic currency. Now on the 25 per cent gold reserve basis established at the economic conference in 1933, \$20,000,000,000 of full legal tender federal reserve notes may be issued. Under the federal reserve bank act every dollar of Federal Reserve notes is good for ten dollars bank credit. Therefore, under the managed currency system of Roosevelt that nation has managed its monetary power so that it can now support a bank deposit currency of \$200,000,000,000, or an amount sufficient to pay off the national debt, the state debt, the municipal debt and corporate and individual debts, and still leave \$22,000,000,000 in reserve.

Let us see what else has been done. In many respects, the managed currency and recovery policies of the Roosevelt administration are similar to those adopted in Great Britain; in some respects they went much further. The Roosevelt program may be summarized as follows:

The gold standard was abandoned.

The gold debts were repudiated.

The government established a monopoly on the ownership of gold. It then revalued the price of gold raising the value from \$20 to \$35 an ounce, a course which all other leading nations followed.

Silver was remonetized and the issue of silver certificates as full legal tender money was authorized.

All American currency was established on a legal tender basis.

The government established measures of control over the international movement of gold, silver, currency and credit.

The treasury, working in cooperation with the federal reserve bank, secured the effective cooperation of federal reserve member banks and other banking institutions, together with loan and trust companies, insurance and other financial corporations. Working together, they proceeded to bring order out of the chaos that had followed the collapse of the gold standard system.

National obligations were refunded at rates of interest averaging 2½ per cent.

Money was borrowed on short term for .011 per cent, or less than the cost of printing and maintaining paper currency.

National currency, profits from monetary management and taxes were used to finance obligations incurred to alleviate destitution, to put people to work to restore business to normal and to balance the standard of living for all classes and throughout all sections of the nation.

The control of production prices, wages and competition was attempted.

Much was done to assist states, municipalities, home and farm owners, carrying unpayable interest bearing debts.

Banks, railway companies, industries, businesses and agriculturalists in trouble were assisted.

Public works and social services to relieve unemployment were inaugurated. Better housing and slum clearance were assisted and encouraged, and to-day congress is proceeding to go forward with the largest housing program ever undertaken by any nation in the world. True, the national income has not been restored to the 1929 level of nearly \$90,000,000,000 but it has increased from \$38,000,000,000 in 1933, to \$55,000,000,000 in 1935, or an increase of \$17,000,000,000. It is still rising and will go above \$60,000,000,000 in 1936.

National wealth has been increased in the same period of time by over \$125,000,000.

It is true that unemployment has not been eliminated, but it has been reduced from 13,000,000 to less than 9,000,000, and what is more important, it has been prevented from rising from 13,000,000 to figures that would have resulted in the complete destruction of the social and economic life of the American people.

Mr. BENNETT: Last year it was stated that there were 20,000,000 people on relief.

Mr. McGEER: You could get statements from Wall street that would go higher than that, but I want to give you an unbiased opinion. You might get an even worse opinion from your friends in St. James street.

Mr. BENNETT: No, they are all on the other side now.