

6/18/34

## BUDGET AND TAXATION

We advocate balancing the budget by continuing to restore the incomes of the American people.

We oppose deflationary methods of balancing the budget which were tried by the last Republican Administration with disastrous consequences to business and employment and at a frightful price in human privation and misery. By restoring the incomes of the people, the Democratic Administration has restored the only sound and sure means of balancing the budget and of reducing the Federal debt as the income of the nation continues to increase.

The desperate state of financial collapse, business paralysis and moral bewilderment in which the Roosevelt Administration found the country in March of 1933 left but one sensible and humane course to follow. We applaud the resolute and vigorous manner and the humanitarian spirit in which our President met the grave emergency. The life-giving power of the Federal credit was drawn upon to reopen and rehabilitate the banks, to save farms and homes from the fate of foreclosure, to feed and clothe the needy and allay suffering, to help men and women who were deprived of work and livelihood through no fault of their own, to resuscitate prostrate agriculture and business, to lift the country swiftly and surely out of the despair and demoralization into which it had been plunged by four long years of ineffectual half-hearted, half-way measures that served only to deepen the depression and make more difficult and costly the task of rescue and restoration.

We favor the reduction of Federal expenditures, the balancing of the budget, and the retirement of the national debt as rapidly as business continues to improve, unemployment continues to decline and the annual national income, already more than twenty billions of dollars greater than in 1932, continues to increase.

The last Republican Administration made a tragic failure of its futile attempts to balance the budget because its resort to destructive deflationary measures, betraying gross ignorance of fundamental economic truths, resulted in shrinking the national income to less than one-half of its normal amount and thus in drying up the only source of taxation necessary to a balanced budget.

By the constructive measures through which the Democratic Administration has revived business activity, supplied employment and restored the incomes and buying-power of our people, it has established the only sound and sure means by which the budget can be brought into balance and debt reduced.

A reversal of these policies of fundamental restoration would jeopardize the recovery evidenced in every phase of the nation's life and raise again the specter of hunger and want, destitution and destruction of the nation itself.

#### THE DOLLAR

We indorse the monetary policies by which the Administration has made the dollar the soundest money in the world today. Under these policies the nation's gold reserves have steadily increased until they are now greater than at any time in the past.

We pledge continuance of policies that make for an honest dollar of stable purchasing and debt-paying power, free from the manipulation and control of powerful special interests at home or abroad.

We oppose returning control of the dollar's purchasing power to private interests which permitted it to fluctuate so disastrously as to close every bank in the nation by March of 1933.

We approve continuance of the discretionary power vested in the Executive to protect the dollar in the international markets so long as the interests of American producers and workers can be put in peril by excessive depreciation of foreign currencies. It is essential to American agriculture and industry that the United States shall be prepared to act promptly at any time, whether or not Congress is in session, to make its influence felt in the international monetary situation while the currencies of other commercial nations are still unstable and in process of readjustment.

We favor stabilization of world currencies but only under conditions which will protect the interests of American agriculture, industry and trade, and promote the international exchange of goods and services.

We oppose a return to any gold standard which would again tie American agriculture and industry to a world-wide fall in prices, or put the American dollar at a competitive disadvantage with depreciated currencies abroad, or expose the nation's reserves to raids for the benefit of private hoarders and international speculators. Such a course would plunge us back into monetary chaos and invite a recurrence of national disaster such as we experienced under the old gold standard that has broken down throughout the world.

We shall continue to oppose any resort to the printing presses.

#### BANKING AND CURRENCY

We indorse the measures by which the Roosevelt Administration promptly, vigorously, and courageously rescued the banking and currency system of the country from the state of wreckage and collapse in which it was left by the last Administration after twelve years of Republican misrule.

Recognizing that the banking system and the currency system are one and inseparable, we pledge continued adherence to the policies by which that system has been restored to soundness and stability and to public confidence and efficient functioning.

Under the Roosevelt Administration public control of the banking and currency system has definitely replaced control by private interests. This public control of the nation's system of money and credit must be preserved at all hazards if the soundness restored to the currency after the collapse of March 1933 is to be maintained.

We pledge a continuance of monetary and fiscal policies that will avoid the twin evils of inflation and deflation and promote the orderly progress of enduring and nation-wide prosperity.