

CURRENCY AND BANKING

Statement of Principles

The Republican Party sacrificed the interests of the country to a blind adherence to the old gold standard. It permitted speculators both at home and abroad to deplete the gold reserves. It encouraged by its acts the deflation of values, the decrease in the debt-paying power of the dollar, and the loss of depositors' money in the growing wave of bank failures culminating in the closing of all banks in 1933. In place of a blind adherence to a formula, the Democratic Party accepted³ as its fundamental principle in the fields of currency and banking legislation the view that the soundness of a currency and banking system must be judged by the goodness and justice with which it serves the interests of all classes in the community. It is a means to an end and not an end in itself. This principle animated legislation and policy since 1933 and the Party now reaffirms its allegiance to it.

In furtherance of this fundamental principle, the Democratic Party advocates:

1. The continuance of monetary and fiscal policies that will moderate and counteract the inflationary and deflationary tendencies of private business, and will thus avoid the twin evils of inflation and deflation.
2. The continuance of the powers vested in the President by the Congress to defend our currency system so long as the prosperity and wellbeing of American industry

and agriculture can be jeopardized through excessive depreciation of foreign currencies.

3. That in any negotiations leading toward the stabilization of the world's currencies primary regard shall be had for the interests of American agriculture, industry and trade.
4. That the increased powers of Federal regulation and supervision over banking secured in the past four years, shall be exercised in the public interest toward securing safety of depositors' money and stability in its purchasing and debt-paying power.