

Suggested insert as paragraph 2 on page 8:

This is a vast sum of money. Taken by itself it is a staggering amount. But it should be considered in relation to other things—in relation to the wealth of the country, in relation to our ability to pay it as full recovery is achieved. It should be seen in relation to our restored national income as it is at present and as it will be when it gets back once more to normal volume. The net increase of 7 billions in the debt since I took office is less than the national income for two months at present. It is but one month's normal national income. Furthermore, it is but little more than one-half of the deficit which the country incurred in 1919 as a result of the war. And it should be remembered that the country was able to pay off \$10,000,000,000 of the debt incurred in the war, notwithstanding the fact that at the same time Congress reduced taxes on four separate occasions, while our people spent tens of billions of dollars for new capital equipment of all kinds, and put additional billions into foreign bonds. Only the man without faith in the future of this nation would say that a decade later we have retrogressed so far that we cannot do as well in paying down a debt incurred to fight the depression as we did in paying down a debt incurred to fight a war. We heard little in the war days from alarmists on the subject of the deficits and the debt that mounted to \$25,000,000,000 in scarcely more than two years. Possibly that is because it was considered unpatriotic in those days to question the need to unbalance the budget in order to meet the

emergency. Yet I find it difficult to understand why it is any less necessary or less patriotic to incur temporary deficits in order to fight the enemy of depression within our own borders than it is to incur deficits to fight a foreign foe on foreign soil.

What we all want is a balanced budget. Collectively everybody wants expenditures reduced but too many object to having the expenditures reduced if it affects them. The farmers do not want the benefit payments curtailed. The merchants do not want buying power diminished. The states do not want the Government to reduce its donations to them for relief, for roads, for public works. I notice by the newspapers that a certain western state which is proud of its balanced budget was not loath to appeal to Washington for its share of Federal funds to aid the victims of drought. And I was not even surprised to read that the Governor of that state, while inveighing against Government spending, insisted that his state could not possibly provide drought relief and that the Government must come to the rescue of Kansas as well as the other afflicted areas. Oh yes, we all want a balanced budget at somebody else's expense just as we all want taxes to be placed on the other fellow. Too many appear to want boom time incomes and depression prices. If anyone can tell me how to accomplish that miracle I will be glad to know. The Government, of course, cannot please everybody.