

AMERICA MUST LOSE

—by a “*planned economy*”,
the stepping-stone to a
REGIMENTED STATE

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By WILLIAM A. WIRT

SOCIALIST - LABOR
COLLECTION

An answer to some questions raised in
“America Must Choose,” and to any of the
Brain Trust who would scrap American insti-
tutions of private property and substitute for
owners’ control the dictation of government.

COMMITTEE FOR THE NATION

CONSTITUTIONAL GOVERNMENT

From DANIEL WEBSTER'S Speech at the Centennial Anniversary of Washington's Birth:

"Other misfortunes may be borne, or their effects overcome. If disastrous wars should sweep our commerce from the ocean, another generation may renew it; if it exhaust our treasury, future industry may replenish it; if it desolate and lay waste our fields, still, under a new cultivation, they will grow green again, and ripen to future harvests.

"It were but a trifle even if the walls of yonder Capital were to crumble, if its lofty pillars should fall, and its gorgeous decorations be all covered by the dust of the valley. All these may be rebuilt.

"But who shall reconstruct the fabric of demolished government?

"Who shall rear again the well-proportioned columns of constitutional liberty?

"Who shall frame together the skilful architecture which unites national sovereignty with State rights, individual security, and Public prosperity?

"No, if these columns fall, they will be raised not again. Like the Coliseum and the Parthenon, they will be destined to a mournful, and a melancholy immortality. Bitterer tears, however, will flow over them than were ever shed over the monuments of Roman or Grecian art; for they will be the monuments of a more glorious edifice than Greece or Rome ever saw, the edifice of constitutional American liberty."

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From a statement by

JOHN W. DAVIS,
(Democratic Candidate for President in 1924)

Every Socialist, every advocate of social discipline, of a planned economy, of a nationalist regimentation—call it what you will—must answer in the end this question: Who is to sit in the driver's seat and hold the reins and whip? And the answer cannot be made in such vague collective terms as the State, the government or society, for these only move by human hands.

Who are the men, gentlemen, that you would set to rule over us?

I pass the question of constitutional authority, since constitutional questions seem not to lie within the scope of the proposed debate. I say only that I am not aware of any provision in our fundamental laws that gives any power whatever to limit the right of any man to carry on the business of farming to any extent he chooses, unless indeed in time of actual war. But the thrust of this proposed regimentation goes even deeper than that. IT THREATENS, IF IT DOES NOT SEEK, TO DESTROY THAT PERSONAL LIBERTY WHICH AMERICANS OF PAST AND PRESENT DAYS HAVE BEEN TAUGHT HITHERTO TO HOLD AS THE MOST PRECIOUS OF EARTHLY POSSESSIONS.

FOREWORD

The greatest issue since our Civil War has been brought into the open by Dr. William A. Wirt, outstanding citizen of Gary, Indiana, internationally-known educator, student of economics and business man.

Dr. Wirt defines the issue more clearly than did Secretary of Agriculture Henry A. Wallace in his pamphlet "AMERICA MUST CHOOSE"—which all thoughtful Americans are reading or should read. And before choosing, they should read "AMERICA MUST LOSE".

Secretary Wallace indicated apprehension of the use of propaganda to arouse mob psychology for carrying through a program of regimenting. But he did not say that such plans were in the minds of some of the Brain Trust.

It is unthinkable that either President Roosevelt or Secretary Wallace would knowingly start America on the road to Communism. But they have been pushed by opposing forces, and neither force has been cohesive enough to carry through a definite policy. Therefore we have tried to travel different roads at the same time.

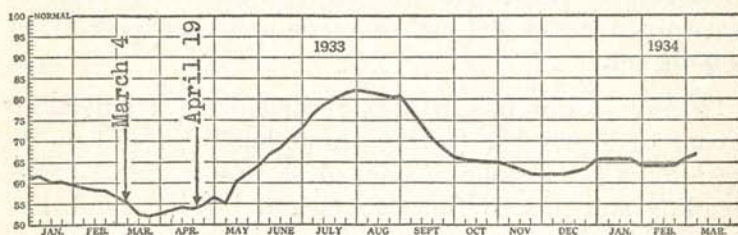
An unholy and unwitting alliance of two influences has blocked recovery and may endanger our entire social order. One group, the conservatives, clinging first to the unaltered gold dollar, and now to a dollar of still abnormal purchasing power, are stupidly playing into the hands of regimenting radicals.

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1. We should celebrate April 19 as a Second Independence Day because it is one of the few really important dates in our history. At present the nation does not comprehend the importance of what happened on April 19, 1933.
2. The essential facts concerning our recovery since March 4, 1933, prove that it was the change in the value of the dollar in foreign exchange that brought our recovery, and that the NRA has impeded recovery.
3. Household Economy, to which we are headed, means slavery for the common man. Money Economy, which we are leaving, means freedom for the common man to work and buy and sell.
4. The Brain Trust is trying to put us back into the Household Economy of the Middle Ages.
5. The real friends of the President failed him.
6. Has our Government repudiated its obligations?
No!
7. The control of industry and commerce by our speculators can be eliminated only by eliminating control of industry and commerce by a speculative common stock ownership. Going back to a Household Economy will perpetuate the control of the Robber Barons.

A SECOND INDEPENDENCE DAY

FOLLOWING is *THE LITERARY DIGEST'S* curve of the course of business, throughout 1933 to the end of the first week in March, 1934. But I have added to the chart the dates March 4 and April 19, 1933. *The Literary Digest* does not make in this connection any reference to April 19.



The Course of Business

This graph is a composite of several well-known indices of business activity. The curve has been corrected for secular trend and for seasonal fluctuations. In terms of percentage deviation from normal it records the actual course of business by weekly intervals throughout 1933 to the end of the first week in March, 1934.

My purpose is to point out that business did not begin to recover March 4, or even between March 4 and April 19. But from April 19 to May 1 there was a recovery from 53 percent to 57 percent. From May

1 to May 9 there was a drop to 55 percent. And from May 9 to August 1 the gain was from 55 percent of normal to 82 percent of normal. We had a net gain of 56 percent from April 19 to August 1. *At no other time in our entire history have we ever had so rapid a recovery in the activity of business.*

How Did We Get It?

From August 1 to February 1 we have dropped from 82 percent of normal business activity to 66 percent.

Why Did We Do It?

Apparently, as a people, we are not interested in determining the causes for either of these events. In fact we are not willing to recognize these events as significant.

Many of our newspapers recorded the tremendous event of April 19, 1933 without headings and on an inside page. Colonel Leonard Ayers is one of our leading students of this depression. He has published a wonderfully fine book on "*The Economics of Recovery.*" For illustration I want to quote from his book. He does not even recognize April 19 as an important date in our recovery history. The date must be added to his charts also.

On page 69 Colonel Ayers says:

"Meanwhile business did not wait for the enactment of new legislation before resuming its interrupted progress toward

recovery. It began expanding its operations as soon as the banks were reopened in March. The percentage of increase in the volume of industrial production from March to April was the greatest monthly advance ever recorded in our long economic history. . . .

"Some of this phenomenal increase in output and in employment was due to the natural processes of economic recovery following the turn at the bottom of the depression; part of it came from the activity caused by the anticipation of inflation, and no doubt some portion of it was caused by the attempts of manufacturers and dealers to build up inventories before costs should be increased by the application of the new industrial codes."

How can we reconcile his statement "increase in the volume of industrial production from *March to April*" with the chart from *The Literary Digest*? The chart shows that the levels for business activity were the same for March 1 and April 30. The discrepancy is not due to the use of words. Colonel Ayers uses the terms "business activity" and "industrial production" as meaning about the same things. Also his own charts agree with the chart from *The Literary Digest*. See his pages 8 and 112.

On page 14 Colonel Ayers says:

"After the advent of the new administration, business recovery moved ahead for four months at the most rapid rate ever reached in our economic history. From March through July of 1933 activity in business increased at a rate more than three times as great as that of any previous four months in our national existence, and at a pace about six times as rapid as that attained in 1915 when the huge war orders were pouring in from Europe."

On page 117 Colonel Ayers says:

"From *March to July business activity as reflected* by industrial production increased with unusual rapidity, but in July, when the blanket code was put into effect, it began to decrease. . . . The index of the *New York Times* rose for 17 weeks from 60 in March almost to 100 in July, and then lost half of that advance in the 10 weeks to late September. . . ."

"The index of the physical volume of factory production compiled by the Federal Reserve Board shows output in July as being 101, and in September as 86. This decrease cancelled one-third of the advance from March to July."

On page 112 Colonel Ayers says:

"In the four months from March to July the volume of industrial production increased by 63 percent, which is more than three times as rapid a rate of advance as any previously recorded within the space of four months in the entire economic history of this country.

"Some part of these advances was solidly grounded in the general improvement of conditions that was taking place not only in this country, but in nearly all countries. Nevertheless, the extreme rapidity of the increases in prices and in production must clearly be attributed to the powerful impulses generated by the anticipation of inflation."

Was It Anticipation?

The nearest reference in the entire volume to a statement concerning the significance of April 19 is found in "powerful impulses generated by the anticipation of inflation." The date itself is not even mentioned. What happened on that date is not even referred to. But in other respects the treatment of the subject, "The Economics of Recovery" is most scholarly and complete.

The reduction in the purchasing power of the dollar came April 19 when we stopped pegging the gold value of the dollar in foreign exchange. It did not happen when our Government started its gold buying campaign last fall. It did not happen when Congress passed the Act, January 1934, reducing the dollar to 50 to 60 percent of its former gold content. It did not happen when our President then made the dollar 59.06 percent of its former gold value.

It was not merely "anticipation" on April 19.

The fact that the newspapers did not give the event publicity and that the very few people who did see the small item on the inside page did not understand its significance, proves that the people were not "anticipating" that particular thing. The people may have been anticipating many non-essential things. They certainly were not "anticipating" the thing that they did not know anything about.

The immediate price rise in agriculture and its effect on business activity was therefore all the more remarkable. There can be no question but that the event of April 19 had within itself the power to restore agricultural prices. *It was able to restore the price equilibrium and thus make trade possible once more.*

On April 19 the world shipped us 1.5 grains of gold 90 percent fine for one pound of cotton. Since 1.5 grains is about 6 percent of 25.8 grains and therefore 6 percent of our dollar, we said that cotton was 6 cents a pound. Shortly after April 19 our dollar was reduced *in practice* (though not in theory) to about 15 grains of gold. Then 1.5 grains of gold

became 10 percent of our dollar, and we said that cotton was 10 cents a pound. The cotton owner had this price without "anticipation" and without doing anything about it—and he could not do anything about it when he had it.

Essential Factors

Of course rising prices will stimulate speculation and thus the fundamental price rise may be advanced still further. But this fact does not alter our money economy. No one can dispute the fact that farm prices went up at once, April 19, 1933, and that within three weeks business activity in the cities was in full swing upward. The thing for which I am contending is that we should recognize the essential factors. We have been emphasizing the non-essentials.

The farmers had business volume before April 19, but they did not have a price. The producer in the city still had *as a rule* his old price, but he did not have volume. The reduction of the gold value of the dollar April 19 gave automatically to the farmer a price which enabled him to turn his products into dollars and then trade dollars with the city man. Thus the city man within three weeks was getting volume at his old price, which was at that time satisfactory to him. Business stagnation was gone. The farmer was whistling and so was the city man.

The only purchasing power that any man can ever have is the ability to trade—that is, the ability to exchange his own goods and services for the goods and services of some other man. Purchasing power

is not "wages"; it is not "production." It is the *ability to trade*. Of course you cannot trade and you cannot pay wages when you do not produce. But you cannot produce to any extent unless you can trade. Conditions that make trade possible must come first. Then wages and production will at once and inevitably follow.

In a household economy (sometimes called "natural" or "barter" economy), when goods and services are exchanged directly for goods and services, people can always trade. There is no intermediary factor that enters as a wedge to block trading. But in a money economy where trade is carried on by first exchanging goods and services for dollars and then trading dollars, something may happen. Some people can control their prices arbitrarily and thus get so many dollars for their own goods and services that other persons cannot trade dollars with them. Inequality in the price level between those who can artificially control their prices and those who cannot do so prevents trade and we cannot have business activity.

Restoring Price Equilibrium

Governments cannot stimulate business by main force, they cannot infuse credit, they cannot prime the business pump, and they cannot force production and the payment of wages. All that governments can do is to remove the barriers to trade by restoring the equilibrium in the price levels. *Restoration of price levels and that alone will prime the business pump.* Then business will create all of the credit that it needs.

Nature will do this restoration of equilibrium in our price levels for us by a prolonged price-deflation depression lasting six or more years, until the persons who control their own prices are compelled to come down to the level of the persons who cannot control their own prices.

In every serious war we have price inflation. We abandon our price fixing mechanism. After war we must, therefore, have price deflation, or we must do something to our money price fixing mechanism.

The fact that all prices are not deflated simultaneously develops great disparities in price levels and makes trade impossible. This inability to trade brings trade stagnation with its loss of income and the terrible effects of plenty everywhere but no way of getting anything. We have everything but we cannot exchange our goods and services.

Debtors and Creditors

In addition to the trade stagnation in business, we have a tremendous change in the relationship between the parties to all contractual obligations. Debtors cannot pay. Creditors cannot collect. Debt and tax repudiation are inevitable.

But it takes a long time before taxes are reduced, freight rates are reduced, and creditors capitulate and compromise with their debtors.

It would be fine for creditors if the purchasing power of their credits were doubled by the general price deflation. All talk about creditors losing by

dollar deflation is nonsense. All that happens is that creditors are prevented from getting the equivalent of two dollars for every dollar that they have.

It would be fine for railroad employees if everything else but freight rates had its price cut 50 percent. It would be fine for government employees if everything but taxes were reduced 50 percent. I heard the head of a large school system say recently that their wages had been cut 41 percent by the new dollar. The statement is not true. The purchasing power of the American wage earner's dollar in February 1934 was still 23 percent above that of 1929. (U. S. Bureau of Labor Statistics.)

Arresting the Deflation

Price-level equilibriums can be restored by lowering artificially-controlled prices or by raising naturally-controlled prices. Governments can help because in a monetary economy a government can control its general price-level-fixing mechanism. But governments cannot control individual prices.

That is exactly what happened April 19, 1933. Our government automatically raised the prices for farmers by reducing the gold in the dollar in foreign exchange markets because their prices were on the world gold bullion base. City prices were not on the world gold bullion base and they were not affected. City people were glad to keep their old prices. No doubt they would have been glad to have continued with their old prices for some time.

Thus the price equilibrium was restored and business activity was with us once more because people could trade. It was not "anticipation." It was not "productivity." Price equilibrium was once more a fact, a reality. Of course *confidence* in being able to trade was actually restored to our people because they actually *could* trade. It was not inflation. It was arresting the deflation.

Here was the door to recovery from the most terrible price-deflation depression of our history. And this door was opened wide April 19. Why can we not recognize the fact that we had recovery last summer, and that it started April 19—on the very day that we stopped pegging our dollar in foreign exchange?

A British Viewpoint

The same thing happened in England and the British Empire when they reduced the gold value of the English pound in foreign exchange, September, 1931. Since that time the British Empire has had a consistently steady business recovery. The older governments have learned that the things that our government is now trying to do cannot be done. Therefore they have been, since 1931, confining their own governmental efforts to the things that governments can do.

Sir Basil Blacketts, a director of the Bank of England and an outstanding money economist, made a speech November 29, 1933 in Kuala Lumpur. It was reported in *The Straits Times* and sent to me from Singapore. I quote from this speech because Sir Basil was certainly talking to Englishmen and not to

Americans. He never thought that we would hear. He said:

"But the interesting thing is that one after the other of all President Roosevelt's devices has succeeded only to a very limited extent in raising prices, and undoubtedly the industrial codes have raised costs at least as much as they have raised prices in most cases—not all, I believe.

"That is very important from the viewpoint of the British exporter, or anyone who is competing with American manufacturers, because if their costs are rising as fast as their dollar is depreciating, their danger as competitors is not increased.

"Unfortunately the dollar has depreciated much faster than costs have risen, with the result that if we could get anything like stability there would be a very serious increase in American competition the world over—something the same way as there has been in Japan, with her rapidly depreciating yen."

England had got this same advantage when they depreciated their sterling, September, 1931. Uncle Sam merely came along the same path almost two years later. He could not stand up under the unfair competition any longer.

What happened to the countries tied to sterling after April 19, 1933? The agricultural part of the Empires tied to the British pound sterling depreciated their own currencies to 50 percent while in America the lowest depreciation was only to 68 percent, July 18.

World recovery in all of the sterling countries has been most marked since April 19. And they have not had the relapse that we have had since September 1, 1933. The reason why they have not had such a relapse is that they did not deliberately try to stop their precious recovery. We actually did this very foolish thing!

OUR AMERICAN PLAN

The English know the importance of gold price equilibrium. But we want a distinctly "American way." Sometime we will learn that monetary economy is the same everywhere and that it cannot be managed in any peculiar "American way." Water runs down hill in America just as it does in Europe.

Last fall the writer was hoping that the deflationists in the Administration would be able to force the dollar back to 100 cents in foreign exchange. They did force it back August 1 to 75.5, and farm prices fell. What would have happened if they could have put the dollar back to 100? Farm prices would have been immediately lowered to their early April level because the only difference in our prices was then and is now the difference in our dollar. Trade stagnation would immediately have been forced back upon us in all of its horror.

But we would then have learned the lesson of April 19. And it would have been worth the cost. We would have recognized that while July 4 is our Independence Day in the political field, April 19 is our Independence Day in the field of our monetary economy. Most certainly we would have been shocked into a realization of what happened from April 19 to August 1. And the propagandist could not have befuddled the public mind concerning the causes of all the business recovery that we have had.

We would have restricted to its few essentials our NRA which has since August 1 destroyed in part the equilibrium in our price levels. Our NRA has not stimulated business but it has stimulated our people who can artificially control their prices to raise them and thus destroy once more our ability to trade. The NRA has been destroying our "purchasing power." The NRA has not created "purchasing power." How much longer must we suffer before we learn what purchasing power is? If our great leaders in economic thought do not understand the problem, when will the rest of us understand it?

We Do Not Understand Our Money Economy

Unfortunately our inability to think the problem through will not save us when we do the wrong thing. Our suffering will be even greater and just as real even though we don't understand it. Lacking understanding, we will experiment to our sorrow and fight the wrong thing to our detriment. We may become so confused that we will destroy one another. Fortunately even in our ignorance we cannot nullify entirely the effect of the event of April 19. This fact and this alone may save us from a social revolution.

About two years ago I heard a leader in world economic thought say that he did not believe that anyone had ever thought through the "Quantity Theory of Money." At the time I wondered if some persons living under the supremacy of the Ptolemaic Astronomical System did not believe that probably no one had ever thought through the astronomical theory

of the universe. After all, it might not be true that the earth was the fixed center of the universe about which the sun and stars revolved.

The supporters of the Ptolemaic System had mastered a most elaborate technique of mathematical computations through which they could predict eclipses, tides, the moon's phases, and changes in the seasons. They could navigate ships and do most of the things that needed to be done in the practical world. Changing to the right theory of the universe only simplified the method of doing all of these things.

That has always been the case. The discovery of the real center of any thought universe has led to a tremendous simplification of our thinking. That is why the "Old Guard" of the false premises argue that "it is not as simple as that." They have been enmeshed in a labyrinth of thought so long that they cannot visualize anything simple that will supplant their labyrinth.

Household Economy

Many people imagine that civilizations could not advance far until people had a third commodity that they could use in exchanging any other two commodities. Such people think, and in fact have been taught, that civilization without money must of necessity be of a very low order.

This theory is a mistake. It does not have the right center for a money economy universe. Advanced civilization from the dawn of history has had a money economy for only a short period of the time.

Egypt had a household economy for over 3000 years. At the time of the great famine, 1700 B.C., Joseph sold the corn of Pharaoh for the little money that the common men of Egypt had, then for their cattle, and finally for their land. Thus everything belonged to Pharaoh and the men of Egypt worked as members of Pharaoh's household "to this day"—so the Bible story reads.

No doubt Egypt had very much of a household economy even during the seven years of plenty, otherwise Joseph could not have garnered the surplus corn for Pharaoh. It was the household economy that made it possible for the Pharaohs to build the pyramids and build the great works for controlling the waters of the River Nile.

China had a household economy for 2,500 years. The ancient Incas had a household economy. The Incas, too, could build massive stone buildings that have endured to the present day. But for them gold and silver were only objects connected with their worship and they were kept in their temples.

Greece and Rome had a money economy for about 1000 years. The government of Rome was destroyed because it did not learn to understand its monetary economy. Then Europe went back to the household economy for almost 1000 years under Feudalism. During the past five centuries we are again trying to operate a money economy. But we have had and are still having our troubles. The great question is *can we do it?* If we cannot understand it, of course, we will in the end fail to operate it.

WHY HAVE A MONEY ECONOMY?

HENRY FORD has made the statement that the young man who thinks through our money economy will have contributed more to the happiness of mankind than all the generals of history put together.

Why is it so important that we make our money economy work? The negroes on the southern plantations had a household economy. They did not need money. But they were not free to go where they liked and sell their goods and services to any one who would buy. They were slaves, bound to a master and bound to his plantation. That was true of the serf in Feudalism. He was in a state of slavery. That is true of children in a well-ordered household.

Man has struggled for freedom to go where he likes and sell what he has to anyone who will buy. That is why he has developed a money economy. Man calls such a state "Liberty."

Quite often we hear men of today labeled as "chasers of the almighty dollar" and "money changers." Pray how can we live by selling what we have for dollars unless we do "chase" after the dollars? Pray how can we exchange our own goods

and services for goods and services that we want unless we "change" dollars when everyone must change his goods and services first into dollars? Of course this chasing after dollars can be a haven for our gamblers—men who know how to corral dollars without giving goods and services in exchange. The gamblers can be eliminated only when we understand our money economy.

What Has the Present Government Done?

When the present government came to power on March 4, 1933, we were off the gold standard and the banks were closed. No one took us off and in reality no one closed the banks. All that our government officials could do was to recognize the facts. Just as our banks were closed by depositors clamoring for cash for their deposits, so our government had to close its own gold treasury and that of the Federal Reserve System. There was a run on our gold stock that simply could not be met. The United States drifted into the terrible situation of March 4 and it drifted out again. No one initiated any policies that helped us out. As a rule the policies that were initiated placed obstacles in the way of our getting out.

The present administration most certainly did not want to give up the gold standard. It tried to keep our gold dollar at 25.8 grains of gold, 90 percent fine. Until April 19 our government tried to maintain the purchasing power of the old gold dollar. Fred I. Kent was appointed to do this job by exporting gold bullion for the purchase of our dollars in foreign

countries and thus keep up this price. Over \$200,000,000 in gold was exported in this manner from March 4 to April 19. These gold exports were increasing at such a tremendous rate that our government was compelled to abandon the plan April 19. There was no choice in the matter.

Since there was no choice, no one deserves any blame or any credit. The force of circumstances kicked us upstairs to a business recovery in spite of ourselves.

Money Theory of the Brain Trust

But we did have enough initiative to stop the recovery. We actually did set it back. Last autumn the Brain Trust in Washington even bragged about the fact that *with the NRA they had stopped the business boom.*

Of course all that we could do was to throw obstacles in the way. We could not prevent the operation of the money-economy laws even though we did not understand what we were doing to our money April 19 and actually tried to keep from doing it.

The theory in Washington has been that we must restore recovery through the state *regimentation of labor, industry, trade and agriculture.* Then after we have actually restored recovery we can change our dollar to be in step with our new price level. The argument first, last and all of the time has been that *a planned economy must come first. And there was a reason!*

The Washington theorists insisted on making believe that the restored price equilibrium, the actual restored employment and production that we really had last summer *were undesirable* because they had not been secured by their own peculiar labyrinth of social calculations. According to this viewpoint our recovery, which we actually had at that time, was the chief obstacle in the way of their pet social reforms.

Of course it was not the government at Washington. The United States Chamber of Commerce and the big business men put over the NRA. But they did not expect that the government would go into partnership with the American Federation of Labor too. Some of the farm organizations helped put over the AAA. But they did not expect that the government would also raise city prices that much more. The American Federation of Labor put over the plan of reducing the production of goods so that we can have more goods. But they did not expect that increased costs would decrease consuming power. They did not expect that their traditional remedies would aggravate the very disease that they wanted to cure.

Our government went into partnership with these three opposing factors in our society. The Brain Trust put over the idea that if they were to destroy the terrible America of which many of us have been proud the recovery of the summer of 1933 must be obliterated. The Brain Trusters knew that *in their despair* the American people would accept the social reforms of the Brain Trusters—but not otherwise. Therefore, until the social reforms have been adopted we must have destitution.

FUTILE EFFORT

During the spring and summer of 1933 I was urging in Washington that we be content with getting back our wages, our jobs and our values of 1926, *and then afterwards go about our social reforms*. But to the Brain Trusters and their satellites such a plan was worse than wishing a terrible curse on humanity. They *did not want* the conditions of 1926 restored. They did not want anything restored. To them everything in America was bad and had always been bad—*away with it*. They wanted a *NEW DEAL* and they knew full well that to get the new social order it was necessary to destroy the old by making our people disgusted with it. *With the conditions of 1926 restored, there would be no chance for the New Social Order.*

I urged that no other government had ever given to its people a standard of living comparable to that of America. I urged that if we could have kept out of the war and its consequent inflation we never would have had our three long and terrible economic periods of price deflation. I urged that if we could only learn to comprehend our money economy we would be able to retain the "Liberty" of a money economy and eliminate its present disadvantages. I

urged that we had gradually made many desirable social changes and that we could gradually make many more and be sure of where we were going.

I admitted that probably our public enemy No. 1 was our financier. I admitted that the nation's gamblers are in control of our finance, our industry and our commerce. But I pointed out that the gamblers have this control only because they own and can manipulate the speculative common stock that our laws place in control of our corporations.

But our laws can be changed. Our corporations exist only to the extent that our government creates them. Our government can, therefore, eliminate our corporation control by speculators by eliminating the speculative common stock control. Our government can return the control of our corporations to the people who put their actual cash and labor into the corporation. To eliminate the present set of gamblers we do not need to turn the management of our corporations over to a worse set of gamblers—our future politicians in a planned economic state.

Do we want to go on and perfect the governmental machine that has been running better than any other governmental machine in history? Or do we want to scrap our present machine and try to invent a new one by trial and error experimentation?

Two Independence Days

We celebrate July 4 as the day when we made our start to escape from the *tyranny* of the politicians of England. We set up then a form of government de-

signed to protect us from our own future politicians. Was that a mistake? Was it a "don't care a damn for the common man" policy? No! Our forefathers were trying to protect the common man from exploitation by the selfish interest that may be in control of his government.

A favorite stunt now is to point the finger of scorn at *laissez faire*.

"*Laissez faire* means that any one should be allowed to make what things he likes, and as he likes; that all trades should be open to everybody. . . . *Laissez aller* means that persons and goods should be allowed to travel freely from one place to another, and especially from one district of France to another, without being subject to tolls and taxes and vexatious regulations."—ALFRED MARSHALL.

"As a maxim for guidance in public affairs, *laissez faire* was genuinely relevant at the end of the 18th and the beginning of the 19th century when the statute book was cumbered with vexatious and obsolete laws. As an explanation of what has taken place during the last sixty years, or of the actual economic life of the present day, it is ludicrously inadequate."—*Encyclopedia Britannica*.

Our Constitution, adopted at the end of the 18th century, wisely provided for the *laissez aller* policy in trade between our several states. No one questions the wisdom of the said *laissez aller* policy even now.

Our Constitution also provided for the *laissez faire* policy by eliminating the obsolete and vexatious laws of the household economy of the Middle Ages still remaining on the statute books of other countries. *The wisdom of this policy is questioned by the Brain Trusters.*

During the household economy of the Middle Ages, merchants had to unite in armed bands for protection from the highway robbers and the many feudal lords who were but little better than highway robbers. Free cities were developed only by fighting the feudal lords or by buying freedom from a feudal lord who was sorely in need of cash.

The chief business of a merchant guild was to create a monopoly in any trade for its own strictly limited membership. The chief business of the craft guild was to create a monopoly in any craft for its own strictly limited membership. Thus the masses could not participate under the guild system either as merchants or craftsmen.

The 18th century was the period when the guilds lost their exclusive monopoly of all industry and trade. The 19th century was the period when the trade associations and craft unions developed to give to industry a reasonable control but without the elimination of the common man from participation in the benefits. The 19th century was the dawn of a new era. The common man at last began to get his place in the sun.

Our Constitution was formulated at the psychological time. The time was ripe for similar changes in other governments. The great task of our fathers was to protect the common man from the vexatious and obsolete laws that dominated governments during the 1000 years of forced labor and selfishly managed industry of the feudal period.

"NEW DEAL" RETROGRADES

Now under the so-called "New Deal" we are going back to these same vexatious and obsolete laws that will inevitably enslave again the common man. Our trade and industry are being organized into the merchant guilds of the middle ages for the exclusively selfish benefits of their membership which is planned to be limited by the license system. Our labor is being organized into the craft guilds of the Middle Ages for the exclusively selfish benefit of their membership which is planned to be limited by the "closed shop" system.

What will happen to the masses of common men who cannot share the benefits of the proposed limited membership?

The "New Deal" in reality is the Old Deal from which we tried to escape when a government was established based on the principle that *all men are created equal from the standpoint of opportunity*.

Only a few years ago we were talking of a New Era in our economic life. Many of us were sure that we had been able to scrap the old economic laws. We were mistaken.

Today we are talking of the New Deal in the same fools' paradise. We are sure that the economic and social laws of the last century are things of the past. May we not be mistaken again?

Should we not celebrate April 19 as the day when we made our start to escape from the *tyranny* of our

money-economy gamblers? The Tories of 1776 were as much opposed to the ringing of *liberty bells* *THEN* as the reactionaries are *NOW*.

To win the first independence we had to win a war against bigotry in the seat of political power. Now to win our second independence we must win a war against bigotry in the seat of financial power. *But the war must be won by fighting selfishness and ignorance, and not by going into partnership with them.* The war must be won by learning how to manage our money economy and not by retreating back to the household economy of Feudalism, of Egypt, of China or of the Incas.

Who Is To Blame?

Alone the Brain Trusters could not have put it over. But they had the cooperation of the "Old Guard" fighting for the wrong premise as the center of our economic universe. The "Old Guard" would rather have universal destruction than tampering with their precious dollars when they had the chance to get two dollars for one. One of them said to me, "If you are going to give half to them, give it all to them!" I tried to explain that we were only trying to prevent him and his kind from doubling their wealth. He stormed out of the room. Social revolutions have always been caused by such selfish reactionaries.

And it was not the fault of the President. Many leading business men expected to profit through the NRA, and others who were real friends of the President were afraid to go to him. Therefore, our

President naturally was won to the side of the New Dealers. The other side was not presented. The real friends of the President failed him.

Rome and the Regimented State

History shows us that the concrete development in Rome that destroyed her when she failed to understand and manage successfully her money economy was her attempted planned economy. About A.D. 350 Rome excessively regimented industry, agriculture and labor as we are now doing. She tried to develop a society halfway between a money economy and a household economy.

We are trying to do the same thing. It cannot be done in a democracy. Germany has such an experiment working under Hitler. No one knows what the outcome will be. Can an American Hitler unify and control all the wide territory of America as it is being done in the relatively small territory of Germany? Can we secure the collective organization of Communism, and at the same time preserve the free action of Liberty and the private ownership of capital?

Representative government in America is dead. Is Democracy also dead? In its place do we have a government by propaganda? Can representative government be resurrected?

It is interesting to note that along with the development of the excessive regimentation of industry, agriculture and labor in Rome there was the development of the Robber Barons. The Roman government no longer could protect its citizens and of necessity

the Romans had to ally themselves to the Robber Barons for protection.

Today our government is not able to protect its citizens. Our citizen must ally himself with the Racketeers for protection. We are headed to some sort of Feudal state, or states. We are headed to forced labor for the common man, and the selfish attempt to control our economic laws by persons who do not understand them. This is our vaunted American Plan!

If we call this Liberty, what do you call Tyranny?

Criticism

But no so-called free American citizen dares to say that you should stop everything that you have been doing to prevent our much-desired return to trade, production and employment. To make a criticism to the effect that present activities should stop and that no other activity be substituted for them is called unpatriotic and carping criticism, fault-finding and traitorous opposition. It is argued that such traitors must be stopped. Because in a war we must follow our Leader.

But this is not a *war*. War is destruction! War is waste! War is uneconomic! Military generals are the right leaders when we want to destroy, to waste and to go backwards in our social progress. They are not the right leaders when we want to reconstruct, to replenish our reserves and to resume our upward climb in social progress.

When we talk about making war on *The Depression* what do we mean? Do we imagine, Quixotic-like, that there is a mighty being possessing great physical

strength and power that needs to be overthrown by an opposing great physical strength and power? *The Depression* is not that! We are sick from a war, not well and ready for another. We are feeble from a war, not strong and eager for another. We are emaciated from a war, not robust and clamoring for another. We have already squandered our wealth and mortgaged our future toil in a terrible war and we do not have the wealth now to squander on another war. But under our military-general leader we are now squandering billions of dollars fighting an imaginary power because that is the way of war generals.

War generals are necessary in our present civilization. War generals are fine in their own field, but the job of recovering from war is not one of waging another war. It is the job of binding up the wounds of battle received under the generals who did lead us in the last war. It is the job of learning how once more to manage successfully our peacetime industrial and social life. In this undertaking the war general has no place. Every time General Johnson speaks the American people shudder, but they don't know how to express why. They shudder because they feel instinctively that a General of Destruction cannot lead them when they must *construct*.

For heaven's sake we don't want you war generals to do something else! We don't even want you to fly our air mail! You have done too much already! *We want you to leave us alone!* We don't want you to make us fight any one or anything! We don't want to fight! We want some one to bind up our war-torn bodies. We want to recover from the destruction of war!

If you are plowing up cotton with a one-horse plow, we want you to *stop* plowing. We don't want to suggest that you use a two-horse plow in place of the one. If you are killing pigs, we want you to *stop* killing. We don't want to suggest that you change to killing lambs.

The fundamental trouble with our war generals now in command is that they want to do the only thing that they know how to do—*crack down on some one* by the use of brute force.

Plan of Revolutionists

The fundamental trouble with the Brain Trusters is that they start with a false assumption. They insist that the America of Washington, Jefferson and Lincoln must first be destroyed, and then on the ruins they will reconstruct an America after their own pattern. They do not know that the America of Washington, Jefferson and Lincoln has been the "New Deal" and that during the 18th and 19th centuries we have been making great social progress. The common man is getting his place in the sun. Why try to put him back into the dark ages?

Last summer I asked some of the individuals in this group what their concrete plan was for bringing on the proposed overthrow of the established American Social Order.

I was told that they believed that by thwarting our then evident recovery they would be able to prolong the country's destitution until they had demonstrated to the American people that the government must

operate industry and commerce. I was told that of course commercial banks could not make long-time capital loans and that they would be able to destroy, by propaganda, the other institutions that had been making our capital loans. They said:

"Then we can push Uncle Sam into the position where he must make these capital loans. And of course when Uncle Sam becomes our Financier he must also follow his money with control and management."

Roosevelt Only the Kerensky

The most surprising statement made to me was the following:

"We believe that we have Mr. Roosevelt in the middle of a swift stream and that the current is so strong that he cannot turn back or escape from it. We believe that we can keep Mr. Roosevelt there until we are ready to supplant him with a Stalin. We all think that Mr. Roosevelt is only the Kerensky of this revolution."

When I asked, "Will the President not see through this scheme?" they replied:

"We are on the inside. We can control the avenues of influence. We can make the President believe that he is making decisions for himself. A leader must appear to be a strong man of action. He must make decisions, and many times make them quickly, whether good or bad. Soon he will feel a superhuman flow of power from the flow of the decisions themselves—good or bad. Eventually he can easily be displaced because of his bad decisions. With Mr. Roosevelt's background we do not expect him to see this revolution through."

They said that such individuals can be induced to kindle the fires of revolution. But strong men must take their place when the country is once engulfed in flames.

I asked how they would explain to the American people *why their plans for retarding the recovery were not restoring recovery*. "Oh," they said, "That will be easy." They declared that all that they would need to do would be to point the finger of scorn at the *traitorous opposition*. These traitors in the imaginary war against *The Depression* would be made the goats. And the American people would agree that they, the Brain Trusters, had been too lenient and in the future, they, the Brain Trusters, should be more firm in dealing with the Opposition.

Thus they, the Brain Trusters, would soon be able to use the police power of the government and "crack down" on the Opposition with a "big stick." In the meantime they would extend the gloved hand and keep the "big stick" in the background.

Power of Propaganda

I was frankly told that I underestimated the power of propaganda. That since the World War propaganda had been developed into a science. That they could make the newspapers and magazines beg for mercy by threatening to take away much of their advertising by a measure to compel only the unvarnished truth in advertising. That they could make the financiers be good by showing up at public investiga-

tions the crooks in the game. And that the power of public investigation in *their hands alone* would make the cold chills run up and down the spines of business leaders and politicians—honest men as well as crooks. Note the recent despicable efforts to destroy the reputation of Colonel Lindbergh.

Communism

They were sure that they could depend upon the psychology of empty stomachs and *they would keep the stomachs empty*. The masses would soon agree that anything should be done rather than nothing. Any escape from present miseries would be welcomed even though it should turn out to be another misery.

They were sure that the leaders of industry and labor could be kept quiet by the hope of getting their own share of the government doles in the form of loans and contracts for material and labor—*provided they were subservient*.

They were sure that the colleges and schools could be kept in line by the hope of Federal aid until the many New Dealers in the schools and colleges had control of them.

They were sure that their propaganda could inflame the masses against the old social order and the honest men as well as the crooks that represent that order.

I asked what they would do when the government could no longer dole out relief in the grand manner. By that time, it was answered, the oft-repeated exhortation to industry and commerce to make jobs

out of *confidence* and to produce goods and pay wages out of *psychology*, together with their other propaganda, would have won the people to the idea that the only way out was *for the Government itself to operate industry and commerce.*

Note the reported statement made a few months ago by a government administrator that the government might operate the meat packing industry, if it did not pass the processing tax on to the consumer. Note the present clamor for government ownership and operation of our railroads.

They were certain that they did not *want to operate agriculture* for a long time. But the farmers could be won by doles to support government operation of industry and commerce. Farmers would be delighted to get their hands in the public trough for once in the history of the country. The farmers would be one with the masses—united for a redistribution of the wealth of the other fellow.

All that they would need to do with the Opposition would be to ask, "Well! What is your plan?"

All they would need to do with Labor would be to lead Labor to say to the Opposition, "Let us have our way or we will raise hell and put the blame entirely on you!"

The Nation and Selfish Groups

The Southern rebellion in 1861 was the climax of the struggle between the agriculturists of the South and the factory workers of the North. What con-

tests are ahead of us when our government enters into partnership with the racketeers of any group—industrialists, tradesmen, financiers, agriculturists or laborites? Does anyone imagine that our government can for long be in partnership with all five groups of racketeers with their opposing selfish interests?

In every revolution of the past, government has been compelled to go into partnership with one self-interested group and to do this at the expense of the other four groups. Of course with government in partnership with the racketeers of finance, the financiers can rob industry, commerce, agriculture and labor. Probably the financiers have been doing this. But is the way out for government to go into partnership with another set of robbers?

With government in partnership with the racketeers of industry, the industrialists can rob finance, agriculture and labor. With government in partnership with commerce, tradesmen can rob finance, industry, commerce and labor—and so on. But government cannot be in partnership with all of the racketeers at once and help each one rob the others.

That is the reason why democratic governments cannot protect their citizens in an excessively regimented state. There are too many conflicting interests. A big stick is necessary in order to put the conflicting-interest groups in their own respective places and keep them there. The real trouble with our American government in the past has been that too often it has been in partnership with a self-interested group. We want *less* of such partnerships in the future—*not more*.

That was the trouble during the Middle Ages. Government was in the control of selfish groups.

The system of government of Washington, Jefferson and Lincoln provided that the government should keep in its own field and not go into partnership with any selfish group or groups trying to get the advantage over other groups.

Our forefathers knew from 1000 years of bitter experience that if government is to plan and manage all finance, industry, commerce, agriculture and labor, *then it cannot be a partnership. It must be all government* and unfortunately such a government is usually operated for the benefit of *selfish groups* or combinations of selfish groups. It cannot be "*Government of the people, by the people and for the people.*"

We must give up the Liberty of a money economy and go back to the Slavery of a tribal or household economy.

Is It Imagination?

Is the above picture the result of my own fertile imagination? I quote the following from a syndicated article by Mark Sullivan, published December 23, 1933:

"The conflict between Prof. Rexford G. Tugwell, Assistant Secretary of Agriculture, and George N. Peek (until recently head of the Agricultural Adjustment Administration but now shifted to a different post), and the contrasting ideals of government they represent, constitutes an accurate epitome and illustration of what is now the real politics of the United States and almost the whole of our politics that is fundamental. . . .

"The author of the original story was Ernest K. Lindley, competent and high-minded member of the Washington staff of the *New York Herald-Tribune*. Mr. Lindley is at once sympathetic to the young intellectuals within the Roosevelt administration, typified and to some degree led by Dr. Tugwell; and is also sympathetic to and close to President Roosevelt personally. Mr. Lindley is the author of two books about the President; one a biography published somewhat more than a year ago and the other an account of the Roosevelt administration up to date entitled *The Roosevelt Revolution*.

"In this situation Mr. Lindley in Washington, just as President Roosevelt was returning from his vacation, printed two stories to the effect that the young intellectuals within the administration were in a state of 'restlessness and despair' and that 'It was evident today . . . that unless the President promptly finds a way directly or indirectly to reassure the discontented liberals he soon will find himself without the services of many of the young men.' . . .

"Mr. Lindley estimated that the threatened 'left wing defection' might 'quickly reach a total of 75 to 100 (resignations) unless the President intervenes.' . . .

"In the relation of Mr. Roosevelt to the social revolution which one group within his administration pushes toward, it is apparent that the radical group does not think he is wholly with them; in order to hold him toward their side they have adopted the device of publicly threatening a group resignation. Friends of the existing American system may well wish that the conservatives within Mr. Roosevelt's administration should be as energetic for their older ideal as the radicals are for the newer one.

"Mr. Roosevelt himself may well wish for greater pressure upon him from the conservatives. If he is following a middle course, if at each step he is taking account of opinion, both the intimate opinion within his circle and the larger public opinion of the country, he may well be embarrassed by failure to receive as vigorous urging toward the older ideals as he receives from the ardent young eagles who press him toward revolutionary change."

REAL FRIENDS FAILED

I wish to repeat that the real friends of the President failed him. The friends of the "New Deal" in government established in America only a century ago deserted him. The so-called radical group is in reality the reactionary group who want to take us back to the Old Deal of the Middle Ages.

Today the real movement in Washington is clear to anyone who will look. No better statements of the situation can probably be made than those that General Johnson made at the recent Code Objectors' hearing: "*You hain't seen nothing yet! I tell you that we are fighting a WAR.*"

Billions in resources must be wasted and countless homes must be destroyed and millions of hearts must be broken because we are engaged in what is to him a *glorious war!* We are creating *war heroes!* The Blue Eagle propaganda was in charge of newly-created generals, colonels and majors in every community. All hail the approach of the American Hitler in the offing!

Is our future American Hitler now in the limelight proclaiming that he is our Dictator? No, indeed! He is now modest and democratic. He is watching the mob formation and saying to himself: "They do not know that I am their leader. I will study their moods so that when the time is ripe I can catch their emotional fervor. Then they will ask me to be their leader. Thrice did the great Caesar refuse the crown."

War, too, is a part of the Dark Ages. Our failure to understand our money economy is the cause of our wars. Would it not be better for us if we established an additional Independence Day? We need an Independence Day that will enable us to celebrate annually our gaining independence from the depression caused by our failure to understand our money economy. Then we may learn to understand our money economy. Then we may be able to avoid war. Then we will not need dictators.

A Day of Shame?

Many sincere, able and well-meaning citizens would oppose celebrating April 19 as a Second Independence Day. They say that this date was a day of shame. They say that on this day our government repudiated its solemn obligations to pay its just obligations. They say that we should by all means forget this date rather than celebrate it.

For example, I quote the following from an editorial in the *Chicago Tribune* of March 14, 1934:

"The tragic failure of the new deal in the air mail does not, of course, prove that the wasteful slaughter of the little pigs, the plowing under of cotton, *the repudiation of the government's solemn promise to pay its debts in gold*, and all the other hasty improvisations are doomed to produce similarly unexpected and undesired results. But the air mail fiasco does throw a great light upon the expectable consequences of impulsive, inadequately considered government by administrative decree. The fiasco does underline the maxim that haste makes waste. It does emphasize the truth *that self-righteousness and emotional fervor are not substitutes for thought and accordingly frequently lead to undesired consequences.*"

It is most important that we know the facts concerning "the repudiation of the government's solemn promise to pay its debts in gold." Evidently what *The Tribune* means is a solemn promise to pay in gold dollars of 25.8 grains of gold 90 percent fine.

But our government has not obligated itself to pay in "gold dollars of the present weight and fineness." Many private contracts have used this clause but our government has not. The clause in the contract with our government is to pay "dollars of the present value." That is something entirely different from "present weight and fineness." "Present" can mean only the time of entering into the contract. "Value" can mean only purchasing power. Therefore, what our government has solemnly agreed to do is to pay dollars of the *purchasing power* that dollars had at the time of entering into the contract. That is exactly what our government is doing.

Our Constitution has always provided that Congress is to provide us with money "and regulate the value thereof." "Value" can mean only purchasing power. Our Congress is supposed, therefore, to regulate the purchasing power of our money. Certainly our Constitutional Fathers did not expect Congress to regulate purchasing power by making it vary up and down as widely as possible. Certainly they meant "regulate" to mean to keep as uniform as possible.

Of course it is true that few people know these simple facts. But that does not alter the facts.

The *Chicago Tribune* has been most ardent in urging that the general deflation policy go on to the bitter end. As a heading on its editorial page it has

for several years carried the following: "Reduce taxes one-half." What has been the result? Tax burdens have probably never been so heavy. The Federal debt by the end of the year will have increased 20 billion dollars. That amount is \$150 per capita for every man, woman and child in the country. For a family of five it is \$750. It is \$10,000 for each person who pays Federal income tax. For Chicago it is at least one billion dollars. It is greater than a per capita share because our Federal Government collects, in the main, money to pay its debts and current expenses only from the large towns and cities.

The carrying charges and amortization of this debt will be at least two billion dollars annually. Of this annual charge Chicago will pay at least \$100,000,000.

An annual increase of \$100,000,000 in the burden on taxpayers of Chicago is more than twice the annual cost of the public schools of Chicago. By closing its schools entirely Chicago would have a net saving of \$50,000,000 in its annual tax bill. And the *Chicago Tribune* has been trying to save Chicago by cutting the cost for its schools!

Of course if we could deflate our price level one-half, taxes and everything else should be cut one-half. As an advocate of our great price deflation, the *Chicago Tribune* should have been urging the following: Cut our advertising rates one-half. Cut our plant and equipment value one-half. Cut the number of dollars in our bank deposits one-half. Cut our mortgages and bonds one-half. Cut all labor one-half—and

so on until the price of everything has been cut one-half.

The great tragedy, however, is that while we are trying to do all of these impossible things our government expenditures must rise because of the additional burden placed upon government by the depression created by the very policies that we are advocating.

Is It Ignorance or Selfish Desire?

From January, 1933 to August, 1933 I had several conferences with the editor of one of the great newspapers of the country concerning the desirability of that paper's publishing prominently the facts concerning what happened on April 19 and during the four months following. At our final conference this editor said to me: "Is it because they do not understand, or is it because they do not want to?"

I very much fear that just as some people welcome a war because they expect to take advantage of the demoralization and destruction of war to make money for themselves, so some people welcome a terrible price deflation. They expect to get the equivalent of two dollars for one by robbing the masses.

Many persons take the same attitude toward the proposal to eliminate the speculative control of commerce and industry by eliminating common stock control. Of course the great fortunes that have been

made out of the mass misery of war will not be made when war is avoided. Of course the great fortunes that have been made out of the mass misery during periods of severe price deflation will not be made when the severe price readjustments are avoided. And of course the great fortunes that have been made out of speculative common stock control of industry and business cannot be made when speculative common stock control is eliminated.

The opportunity of the great gambler will be eliminated. Fortunes and incomes will then be limited to actual earned income from services rendered to society. All business, commerce and industry will then be managed as quasi-public trusts. The management of business, trade and industry will be of the people, by the people and for the people who work in each separate business, put their own money into that particular business and use the services and the products of that same business. There will be a workable partnership between the directly interested capital, labor and public of each individual shop and store.

But that will not be a remote nation-wide partnership between all of the nation's capital in one group, all of the nation's labor in another group, and all of the nation's public represented only by our politicians in Washington.

But what of the masses? Are they going on forever and suffer their misery in order that the gamblers may continue to make their great fortunes? No! Legitimate and reasonable fortunes and incomes will not be endangered by eliminating speculative stock

control. But, if speculative stock control is not eliminated, "emotional fervor" directed by the propaganda of our politicians may attempt to divide up the wealth not only of the gamblers but of everyone else. Guided only by "emotional fervor" there may be only misery to divide. The masses need to be protected from themselves.

For four years during this depression our masses were stunned by the very enormity of their misery. They were praying for someone to save them. They were willing to leave the matter with their supposed business leaders. Many times, however, I heard the following remark made by business leaders: "*If we do not do something about it, the man in the street will.*"

Well—the leaders did not do anything about it! As a result, the man in the street is trying to do it with "emotional fervor." It is true that "self-righteousness and emotional fervor are not substitutes for thought, and accordingly frequently lead to undesirable consequences."

It is also true that the self-righteousness and utterly selfish fervor of our business leaders often lead to "undesirable consequences."

I do not want selfish fervor any more than I want "emotional fervor." I do want *thought*. I am urging that we make a beginning in our national money-economy thinking by making our nation aware of the importance of what happened on April 19, 1933.

As free American citizens, we have the privilege of free speaking concerning any government procedure. We can change the form of our government, if we want to do so. That is not treason, but liberty, but the question is, do we want to do so? How are we to learn if we don't try to understand what we are doing? Why not investigate?

In my opinion it is not treason for a few persons to promote and work for a change in the form of our government. That is not another gunpowder plot.

Such persons are merely exercising the right of free American citizens, but WE ARE THE TRAITORS TO OUR GOVERNMENT IF WE PERMIT A FEW RADICALS, WITH SUPREME CONFIDENCE IN THEMSELVES BUT CONTEMPT FOR THE AVERAGE CITIZEN, TO GET AWAY WITH IT WHILE WE HAVE BEEN ASLEEP.

—WILLIAM A. WIRT.

THE HOPE OF THE COUNTRY IS
IN PRESIDENT ROOSEVELT,
who, with a clarity that no modern
statesman has equalled, has pointed
out that the difficulties of our society
are due to *a breakdown of money and
price level*. If President Roosevelt can
sense this situation, and act with cour-
age, he will be supported by millions
of loyal, right-thinking men. *The func-
tioning of our institutions can be re-
stored only by restoring the price level*.
For this he holds the monetary powers,
delegated in trust by Congress.

—JAMES H. RAND, JR.
Chairman, Committee for the Nation

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