

“If we are to have business as usual, and it is my sincere belief that we are, it will be because of the faith, of the common sense, of the small investors. After all, while the men at the top may do the shouting, the men at the bottom carry the load.

“The men at the top would inspire more confidence in themselves if they would shout in unison. Take Washington for instance. Business will never get anywhere whilst our leaders there are trying to promote prosperity at one end of Pennsylvania Avenue when destructive criticism goes on at the other end. Neither will we establish a sound basis of prosperity throughout the country by trying to give something more to the farmer which must be taken away from the manufacturer, or vice versa. To rob Peter to pay Paul will be no great help to the general purse.

“Gentlemen, the fundamentals of American prosperity are in the possession of the American people. The stock market happenings of the past two months have not diminished the resources of the country by the value of a single dollar. All we need to do to achieve an enduring prosperity is to devote our energies toward the creation of wealth, rather than to the creation of prices. And if the happenings of these last two months have served to make clear to our people the dangers of speculative policy, if they have given us a lesson in thrift and prudence, then the sufferings of the shorn lambs will not have been in vain.

“No miracle is necessary to pull business back to its proper level. No attempt to lift a battered prosperity by its own bootstraps need be undertaken. The elements of prosperity remain, as always, work and thrift and prudence. With our natural resources we are neither compelled to work as hard nor to exercise the same degree of thrift to create wealth as other peoples, less happily circumstanced. We who live here are favorites of fortune. We ought to be ashamed of ourselves if we fall short of our opportunities. It will be our fault if we let the mean in spirit or the malignant in disposition either scare us or talk us out of our rightful heritage. That heritage is, as I see it, wealth and the

comforts and advantages of wealth, together with protection from the ills of poverty, beyond the most ambitious dreams of any other nation upon the earth.”

**Samuel N. Harper:
The Bolsheviks**

Samuel N. Harper was a professor of Russian Language and Institutions at the University of Chicago when he addressed The Economic Club of Chicago on October 28, 1930.



“The men behind what is going on in Soviet Russia are Bolsheviks. We haven’t heard that word so much of late. We heard it a great deal at the beginning of the revolution. The word has been revived in Russia during the last two years...

“The methods which these men adopt, the methods these men have of doing things, is called Bolshevism. There is a definite and one might say a peculiar Bolshevik psychology. We too often forget this aspect of the situation. The Moscow leaders never forget it. They themselves speak of their special Bolshevik psychology and of their Bolshevik methods. They tell themselves and others that they are doing this or that Bolshevik fashion; that they are meeting a problem as a Bolshevik should meet it; that they are introducing a Bolshevik tempo of economic development...

“Now, it is one of the sources of strength of the Moscow leaders that they are always conscious of being this particular type of leader, the Bolshevik. Also it should be added that they are very proud of their Bolshevik psychology and their Bolshevik methods. Now, a Bolshevik technically is a member of the Communist Party, which is the ruling, driving force in Soviet Russia today...

“They are highly disciplined by a strongly centralized system of organization within the party. They are under a single leadership. For a time, up to two years ago, there was a dispute over leadership, but during the last two years a single leader has emerged just as during the first years of the revolution there was a single leader of this highly centralized efficient body, one of the most powerful machines of political control and manipulation of modern times. It is not really a political party in our sense of the word. It is really more a revolutionary order with the fanatical enthusiasm that we associate with a religious or political movement...

“In the last year, they have become more aggressive than ever. They have become more Bolshevik than ever. Let me emphasize again that the Bolsheviks have been able to keep the revolution going in Russia for thirteen years. Now, thirteen years of revolution is a fact which in itself is of great import. It may mean that there have been too many years of revolution; that the people cannot stand the strain of revolution any longer; that it has to stop.

“The stories of the food situation, of arrests, of executions, of general nervousness, are substantially correct...but all these conditions are the result, and the logical result, of the fact that though it is the thirteenth year, the revolution is still going on...On the other hand, one should note and keep in mind that these thirteen years of revolution have been a training in revolution under the Bolsheviks, and have produced in many workmen and peasants, particularly of the younger generation, an enthusiasm and a faith and also a technique of action that may drive the revolution through to success or to a very large measure of success.

“The Bolsheviks with their peculiar psychology are very good psychologists. They are the world’s best propagandists, I venture to suggest....There is still a very large percent of the Russian masses still unable to read and write, and we have the second tyranny, the tyranny of illiteracy. Russia will have, for some time to come. the tyranny of distance in this loosely integrated territorial mass, and will

always have the tyranny of climate, the extremes of a continental climate, extreme cold in winter and the frequent drought in summer...

“To reduce Leninism to its simplest terms, it is the abolition of private ownership in the means of production, private ownership in lands, factories, railways, urban real estate. You may hold a house for a certain limited period. That is permitted. You can own your clothes, if you don’t have too many...

“Stalin, the successor of Lenin in the leadership of the party, and, therefore, in the leadership of the Soviet order, recently said and repeated Lenin’s basic principle that Socialism can be brought out and social revolution can be carried out only on the basis of the use of force and violence. They both may be wrong, but it is on these principles that Russia set out to do it in the autumn of 1917...

“We have here in Chicago a great many of these tragedies of the Russian revolution. Over a million people had to flee their country as a result of the conditions of civil war that prevailed during the first three years of the revolution. This civil war was more costly to Russia than Russia’s three year participation in the World War...

“Now, the concrete expression of this new drive for socialism was the Five Year Plan inaugurated on October 1, 1928. To quote a Moscow saying, ‘With the adoption of the Five Year Plan, the Trinity was complete. Marx, the Father; Lenin, the Son; the Five Year Plan, the Holy Ghost...’

“I do not vouch for this statement, but I have had it repeated to me several times this summer in Russia that from sixty to sixty-five percent of the national income was being mobilized to put across this five year plan...

“But the promises of relief of the Five Year Plan are, in my humble opinion, somewhat vitiated by these factors, poor quality, poor management, and one often wonders even if the Five Year Plan in gross production or in the official statistics as we

have them today, if the Five Year Plan is realized, whether there will be any real relief to the Russian people...

“They are not so good as businessmen, as builders, as yet, but they admit quite frankly what they call their infantile illnesses. Though our businessmen tell me that they are very able at pushing a bargain, at making a contract, they admit frankly...this weakness in management and are making efforts to train the newer generation technical experts and managers. But the thing I want to emphasize again is that though they are revolutionary doctrinaires, though they are these Bolsheviks to us, peculiar folks, they have also proven themselves during this thirteen years very able revolutionary strategists.”

**Walter Lippmann:
The American Recovery**

Walter Lippmann, editor of the New York Herald Tribune and an author, addressed The Economic Club of Chicago on April 18th, 1935, on the nation's recovery from the Depression.



“As I see it, the government's borrowing is simply a partial attempt to fill a vacuum in the American economy left by the disappearance of foreign, local, corporate and individual borrowing. It has been a very partial attempt, for the larger part of the government's deficit has been incurred in refinancing old debts. In the year 1934, giving it the benefit of every doubt, the Roosevelt Administration did not add a billion dollars of net additional capital expenditure to what Mr. Hoover spent in 1932. If next year it spends the whole \$4 billion which have recently been appropriated, it will still only half fill the known vacuum and actually it won't, I should suppose, fill it one quarter. There is a deficiency of purchasing power in the economic system which is

between \$7 and \$15 billion and the government's expenditures, large as they may seem, won't begin to make up that deficiency.

“I hasten to say that this is not an argument in favor of a larger deficit. It is an argument which, I think, shows two things. One is that we can not hope to achieve recovery by government expenditure alone. The other is that we can not hope to achieve it at present without government expenditure. The reason I say we can not hope to achieve recovery by government expenditure alone is that the government can not borrow and can not spend between \$7 and \$15 billion a year. It is preposterous.

“The reason I say we can not hope to achieve recovery without government expenditure for capital purposes is that I do not expect foreign lending to revive for a considerable time. I do not think states and municipalities will have the credit to borrow on a large scale until recovery is already achieved. I do think there can be and will be a resumption of corporate spending and of private spending in real estate, but unless it surpasses the volume of 1926-1929 by a large margin there will still be a deficiency due to the loss of exports and of local government spending. This deficiency will appear as unemployment, which has to be covered by federal spending....

“To achieve recovery we have to increase industrial production and employment by about one-seventh and this one-seventh depends upon purchasing power which came from capital expenditures that have dried up. We can not count upon reviving all of it quickly but we can revive a good part of it. The deficiency will have to be met by government expenditure. Now what are the obstacles to the revival of capital expenditure? The usual reply is that businessmen and investors lack confidence and I think that is a good general term, which accurately describes the situation. But it may be of some use to examine the idea a little more closely with a view to finding out more specifically just what the main causes of the lack of confidence are.