

STATEMENT OF GEORGE D. EVANS, REPRESENTING THE ORGANIZATION FOR THE ABOLITION OF POVERTY

Mr. EVANS. I am George D. Evans, 830 South Forty-ninth Street, Philadelphia, Pa., secretary of the Organization for the Abolition of Poverty.

Mr. Chairman, I am mighty glad to be back here again. I am back here again because when I was down here before you folks did see a sufficient merit in the "Evans plan" to give three pages of the report on the veterans' bonus to it, so it must have had some merit.

In consideration of that I have come down here, and I will try not to detain you more than 5 minutes. If I should happen to, it is up to you to decide whether you want to remain or not.

Having devoted over 40 years to an honest, serious consideration of how the human race could best avail itself of the bounteous provisions made available for its physical and mental culture and happiness by a benevolent Creator, I feel justified in again asking your consideration of the conclusions I have arrived at as to the best ways and means whereby this most desirable end could be achieved.

Approaching the problem, gentlemen, from the angle of the human race as a whole, with the conception that every human being is equally endowed by the Creator with an inalienable right to life, liberty, and the pursuit of happiness and that governments are established to secure these rights and not from the angle of the conception of the individualistic philosophy that governments are established and are to be used to enable a few shrewd, strong, masterful, conscienceless individuals to enslave, either physically or legally, and exploit all of the rest of the race, I have formulated my conclusions into what I have called the "Evans plan" for a sufficient currency and a planned economy to stabilize industry, trade, and commerce; abolish poverty, unemployment, and interest; and reduce ignorance, crime, taxes, and hours of labor.

This plan would—

First. Provide a sufficient amount of full, legal tender money for all of the needs of all of the people all of the time.

Second. Assure all of the people receiving the money when they need it.

Third. Provide industrial and professional educational facilities for all boys and girls under 21 years of age; assure them a maintenance and require their attendance thereat, and provide positive arrangements for their useful, profitable, and productive employment upon their graduation.

Fourth. Provide every man and woman with a minimum income of \$36 per week.

Fifth. Provide industrial and professional facilities for the useful employment of all men and women unable to find employment.

Sixth. Assure unborn babies and their mothers as much consideration as we now assure unborn valuable colts.

Seventh. Enable all towns, cities, counties, and States to secure, at any time, all of the money they need without having to pay interest for it.

The "Evans plan" is predicated upon—

First. The sovereign right of the Congress to issue money and regulate the value thereof.

This is what you gentlemen recognized before; at least, you conceded that.

Second. The rights of the governments, municipal, State, and national, to provide registrational facilities for the registration of the youth and unemployed adults of the Nation as proposed in the plan.

Third. The wisdom of assuring every citizen a college education.

Fourth. The absolute necessity of immediately providing the citizens with a purchasing power sufficient to consume the existing surplus products.

Fifth. The wisdom of efficiently and intelligently utilizing the enormous potential labor power of the unemployed, now going to waste, in the production of all things essential and conducive to the comfortable, happy existence of the human race.

Sixth. The enormous advantage to the race that would result from completely safeguarding maternity.

Seventh. The saving that would be effected by the provision of an inexhaustible supply of legal tender money, variable at all times, for the use of municipal, county, and State governments, without interest.

Civilization cannot possibly exist, under any form of government, without a sufficient volume of money, and with a diminishing supply it must languish and, unless relieved, finally and very speedily perish.

Permitting the Nation's money, by legislative manipulation, to become a plaything and a tool for the exploitation, degradation, and starvation of our entire population by a few unscrupulous individuals has so disrupted the orderly course of our economic and social life as to jeopardize the continuance of our existing civil and political institutions.

Economic conditions, gentlemen, the manner or way in which people secure their living have, throughout the life of the race, determined their social customs and institutions, and I can find no reasons for believing that those influences will be less potent today.

Industry, trade, commerce, and the professions are stagnant today because, and only because, of the inability to sell.

If all of the goods that could be produced, and all of the services that could be rendered today could be sold, the owners of the industries would undertake to operate them 24 hours a day, if they could secure help enough, and the professional men and women would be willing to work excessively long hours to earn the munificent compensation that would be offered and to catch up for lost time.

You gentlemen remember the difficulty we had in trying to limit the hours we would permit a worker to toil during the war, because of the enormous wages they were paid. I mean, of course, in the munition-making industries, not in the trenches, not in the munition-using industries, but in the munition-making industries. Cost plus 10 percent did not prevail in the trenches.

All poverty, gentlemen, is due to inability to buy.

No one with money with which to buy need suffer for any of the necessities of life, or even the luxuries, in the United States today.

Any desirable thing that should happen to be unavailable immediately would be very quickly produced upon the development of a demand.

Inability to sell and inability to buy is due, and due only, to the lack of a sufficient volume of money in the hands of millions of would-be purchasers.

For that reason the "Evans plan", gentlemen, proposes the provision by the National Government of a "sufficient amount of full, legal tender money for all of the people, all of the time."

Had the "Evans plan" been adopted when first proposed in 1929 the present depression could never have developed, but because of this neglect, and the existing volcanic disorganization of our entire economic structure, and the consequent demoralizing impoverishment of countless millions of our people, resulting from the unnecessary prolongation of the depression, the immediate application of a drastic remedy for the restoration of our physical and mental equilibrium is imperative, hence we propose that the national administration shall at once have printed an additional \$11,000,000,000 of the same kind of full legal tender paper money that we are now using and distribute it in sums of \$500 to each of the 5,000,000 families now on the welfare in the United States.

A family, gentlemen, cannot exist with less than \$10 a week, and if they have to be given \$10 a week on the welfare, in the 52 weeks we give them \$520 and I submit they are worse off at the end of the year than they were in the beginning. If you have to give them the \$500, for Heaven's sake, give it to them at once, and let them go and buy the stuff that is clogging our industries. Buy the surplus and take it off the merchants' shelves, so they will be encouraged to buy more goods. The manufacturers receiving those orders will immediately start up, and in 48 hours, gentlemen, there would not be a vacant home in the United States, and in a week's time there would not be an unemployable man or woman outside of a job in the United States—in a week's time, gentlemen.

Also distribute that money to each of the 10 million other families now eking out a bare existence, to the payment of the veterans' adjusted compensation certificates and to the payment of the cost of engraving the plates, purchasing the paper and printing the money, about 30 cents per \$1,000, so that the entire operation would not have cost the Government one 5-cent piece.

This would tabulate as follows:

\$500 for each of the 5,000,000 families now on the welfare in the United States.....	\$2, 500, 000, 000
\$500 for each of 10,000,000 other families now eking out a bare existence in the United States.....	5, 000, 000, 000
Paying the veterans their adjusted compensation.....	2, 400, 000, 000
Cost of plates, paper, and printing the money.....	3, 300, 000
Total.....	9, 903, 300, 000
Leaving the Government a balance of.....	1, 096, 700, 000

Eleven billion sounds like a lot of money, and it is, but this is a big country, and we need a lot. With only five billions of money in the country from 1922 to 1929 we had to borrow 60 billions of bankers credits, for which we had to pay them a horrible interest, in order to transact the Nation's business, and we created as much as 90 billions of new wealth in 1 year. Double the amount we are now creating, and we are not creating it now because, and only because, the people have not the money to buy. Supply the people with money enough with which to transact the Nation's business, to finance the production

and distribution of the goods and services that all of the people would need, and would continuously produce, render and use, and all of the industries in the country working 24 hours a day would be unable to supply the demand. Provide the people with a monetary system with which goods could flow from man to man, and we will never be able to build machinery enough to supply the demand.

The immediate result of the distribution of 11 billion dollars as outlined above would be that there would not remain a single vacant home in the United States within 48 hours, and with millions of people wanting homes with money to pay for them and none available, every builder having or able to obtain land upon which to build would start building operations at once; and if the bankers would not finance them the Government could, and the result would be that there would not be half enough workers available. Further, there would not be a piece of goods left upon any merchant's floors or shelves within a week. Then every merchant realizing that if he did not get in his order for additional goods to the manufacturers before his competitors, that he would have to suspend business for lack of goods until after his competitors had been supplied, and his orders then produced, would exert every effort to influence the manufacturers to accept as big orders as he could, and the manufacturers and producers receiving these orders, and knowing that the merchants would have the money with which to discount their bills upon receipt of the goods, would undertake to operate their industries 24 hours a day if they could obtain help enough, and they would gladly pay any wage demanded in order to get the labor, because the cost to produce would be secondary to the urge to get the goods out, as the selling price would be fixed naturally by the cost of production. And do not let that worry you. When silk shirts were selling for \$15, common laborers had \$15 with which to pay for them. That was during the War when money was plentiful for the promotion of life-taking enterprises. We propose that the present administration shall immediately provide a sufficient amount of money for the promotion of life-saving enterprises. If silk shirts were selling for 15 cents today the same laborers could not buy them because of their inability to exchange their labor today for anything but a beggarly hand-out. And millions of us cannot even do that.

The Government would not have to sell any bonds to get the money, or contract any debt, and the Nation would be enriched the amount of wealth that the provision of this money would enable the people to create. Taxes would cease to be a burden because, in addition to their being reduced, all of the people would have plenty of money with which to pay them.

A sufficient currency, independent of bankers' control, must be immediately provided for the people's use. If the bankers with only 5 billion dollars of real money in existence in the country could loan 60 billions of bankers' credits and stimulate production, as they did from 1922 to 1929, our Government with a sufficient currency and a Government-owned-and-controlled banking department could do 10 times as much.

That is the only remedy; there is no other way out of our dilemma.

The Nation's economic and social problems can never be solved by the dependence upon any plan of first providing employment in order to provide the people with purchasing power.

Continuing to borrow money on interest-bearing bonds to pay for employment, provided to keep the people from starving, will inevitably bankrupt the Nation.

No nation or people can ever borrow itself or themselves into prosperity. The people cannot even pay the interest on past borrowings, and yet we go on creating new debts by the billions ahead of production and population.

We must stop paying interest to others for loaning to us what we have given to them.

Even though there may be no limit to their cupidity, there must be a limit to our stupidity.

This continuing impoverishment of our people must be stopped at once.

Generations have taught the truth that poverty, itself, is the major cause of sickness, suffering, and many times death; and, more, that poverty is the mother of criminals, and destitution the incentive to crime.

The health of any community is definitely related to the poverty and distress in it.

For centuries the effort of the world has been to reduce and eliminate poverty, from which springs crime and social degeneration. To accomplish this every individual must be assured, at all time, a purchasing power sufficient to secure all the requisites essential to the modern needs of a normal human being in a civilized society, limited only to our collective ability to produce them, and sufficient leisure time for their enjoyment.

To the extent that human labor is essential to their production and distribution, we demand for all, and of all, the unrestricted right and duty to work, as far as physically and mentally able, not as a means of obtaining purchasing power, or its present representative, money for this must be assured to all, regardless of their physical or mental ability to labor, but as a social right of the individual, to assure and provide which, must be made the duty of the Government.

THE PLAN

Congress shall at once pass an act authorizing and ordering the Secretary of the Treasury to have plates engraved and full legal tender treasury notes printed in denominations of \$1, \$2, \$5, \$10, and \$20 in such an amount as shall be necessary, and to at once arrange with the Post Office Department to permit every unemployed person in the United States, over 15 years of age, desiring to do so, to register, giving their name, age, occupation, trade, profession or vocation and address, and the names and addresses of two other persons who can identify him or her. False or duplicate registration or identification to be punishable by imprisonment at hard labor for 5 years. And to then further arrange, through the Post Office Department to pay, with said notes, to each person registered, between the ages of 15 and 21, the sum of \$18 per week, and to pay to each person over the age of 21 the sum of \$36 per week. Said amounts to date from the day of registration of each person, and to be paid weekly in advance.

All persons upon registering shall then be in the employ of the Treasury Department of the United States and subject to its orders: 6 hours per day, 5 days per week, 10 months per year, until their name shall be removed from the registration.

The Treasury Department shall arrange, in cooperation with the local educational boards, and such other organizations or institutions as shall be necessary, for the provision of industrial, agricultural, transportational, communicational and professional educational facilities for all persons registered between the ages of 15 and 21, requiring their attendance thereat 6 hours per day, 5 days per week, 10 months per year.

The Treasury Department shall also arrange in cooperation with the United States Department of Labor, and such other national, State, county or municipal department, or public or private organizations as shall be necessary, for the provision of such industrial, agricultural, transportational, communicational, and professional facilities as will be needed for the useful employment of all persons over the age of 21 so registered, for the production of such articles, and the rendering of such services, as shall be needed for, and conducive to, the life, liberty, and pursuit of happiness of the citizens, for which purpose the Declaration of Independence tells us, governments are established. And all such persons shall be subject to the orders of the United States Treasury Department for employment in the said industries or professions, 6 hours per day, 5 days per week, 10 months per year. And all goods or articles so produced, or services so rendered, shall be sold or provided at the cost of production.

All registered persons unable to labor because of illness, or physical or mental disability, and all men and women over the age of 60 shall be exempt from labor or service, and all pregnant women shall be exempt from labor 2 months before childbirth and 2 months after childbirth.

All persons registering under this act shall immediately, upon securing or accepting other employment, notify the United States Treasury Department on blanks to be provided for that purpose, and request their names be stricken from the registration, and failure to do so shall, upon conviction, be punishable by imprisonment at hard labor for 5 years.

The United States Treasury Department shall also loan the said notes to towns, cities, counties, and States upon noninterest bearing bonds to be repaid at the rate of 4 percent per annum, and to loan to all corporations and individuals having sufficient security to assure the return of the loan, all of the money they shall need at any time without interest.

Here is another copy of the Evans plan, which I would like to leave with you. If you will get back into the money part of it, I think it will open your eyes, and if you can find anything of benefit in it, I will be fully repaid.

The CHAIRMAN. We thank you for your appearance and for the information you have given the committee.

The Chair would like to make this observation:

We began these hearings 2 weeks ago last Monday. We have endeavored to give as wide publicity as possible to the fact that we are conducting hearings on the economic security bill. So far as the Chair is aware, no one who has requested the opportunity to appear here and give testimony has been denied that privilege. On some days we have had to recess without occupying all the day, for lack of witnesses. There is no one now present requesting to be heard

today. There is only one witness for tomorrow that we know of definitely, perhaps two. Mr. Emery may come and he may not. We have been waiting for him since the first days of the hearings.

There has been a good deal said here by my colleague, Mr. Treadway, about the effort on the part of the Administration to hasten these hearings. His interpretation of what has been said differs from mine. Be that as it may, I have not understood that the Administration has insisted on haste at the expense of due consideration of the legislation. My understanding from those who have suggested haste has been that they meant that we were to conduct these hearings continuously and not break in with something else; in other words, that we should not sidetrack these hearings for any other. But be that as it may, the committee, as far as the chairman is aware, has had no disposition to be hurried, and has not. I feel, as chairman of the committee, that reasonable opportunity should be given to all individuals or interested parties, organizations, or associations, to be heard on this very important matter. I feel that that opportunity has been given. I hope that if it has not been given, and any member of the committee sees cause why these hearings should be extended or delayed, there will be an expression to that effect now. I hope we will have no misunderstanding about this matter, so it will not be contended on the floor of the House that we have not given adequate opportunity for people to be heard, regardless of the interpretation we may put upon what has been said by those representing the Administration.

Mr. TREADWAY. I agree heartily with what the chairman has said. I would express only one difference. In the inquiries that I have addressed to the witnesses, I hope it has not been inferred that I was criticizing haste on the part of the committee. The remarks that I have made and the inquiries that I have made were based upon a reiteration upon the part of Dr. Witte, a witness, who I am sure the record will show several times brought up the fact that we ought to hurry. He used the word "haste." I have not looked up his testimony, but I am certain that I am quoting the intent of his statements, at least. One or two other witnesses have taken the same attitude, that we should hurry in order to meet legislative action, and that there are, as was said, 44 legislatures now in session.

I took the occasion to look up the statistics on those sessions, and many of them, I think 17, have a limitation of 60 days, which would expire either the first of March or early in the month of March by a constitutional provision. So that the urge, not on the part of the committee but on the part of witnesses, that we should hasten action, falls flat. Unless we took the bill without dotting an "i" or crossing a "t" and jammed it through both branches of Congress, it would be impossible to present this legislation to the legislatures meeting this year—physically impossible, mentally impossible, and I do not know but what it would be morally impossible. However, I am confident that the argument is no good.

It is along that line, Mr. Chairman, that I refer to haste. I want to say here it is a matter of record that the committee has been under the supervision and the guidance of our distinguished chairman perfectly fair in an effort to have the general public know about this measure. I have only felt that possibly there was not enough publicity given to our willingness to hear outside people as has been expressed on the part of the committee.

So far as I am concerned, I know of but one other possible witness whom we might wish to hear. During the time Secretary Morgenthau was on the stand yesterday he had various gentlemen aid him in answering questions. Among others was Mr. Altmeyer, Second Assistant Secretary of Labor. He referred to other actuaries than the ones whose names appear as the actuarial advisory committee in the report. I took occasion to look up one or two of those gentlemen, and I find that a Mr. Williamson was one of the actuarial advisors. He is an actuary. I am not sure whether he is the chief actuary, but at any rate he is connected with the Travelers' Insurance Co. at Hartford as an actuary. I understand that he has been one of the principal advisors of the Actuarial Board. Such communication as I have been able to have indirectly with him indicates that it would be impossible for him to be here before Friday. I am not insisting that you await his coming, but if it is agreeable to you and the members of the committee to give this gentleman an opportunity to express his views, I think the committee should hear his testimony. I am told he is favorable to the measure. It is not that I am trying to criticize the measure in any way. My criticism was quite thoroughly covered by Senator Hastings this morning. I do not think we should have eight bills under one title, one heading. But I understand that Mr. Williamson is rated very high as a practical actuary. As there is a great deal of actuarial matter in this measure, I would suggest that his presence be requested here before we definitely close the hearings. Other than that I am entirely agreeable, and I am inclined to think my Republican colleagues take the same ground that I do, that there is no occasion to continue these open hearings indefinitely.

Mr. COOPER. I think it will meet all phases of the matter if we will agree that we will close the hearings on Friday.

Mr. TREADWAY. Sometime Friday.

Mr. COOPER. That we will hear these two witnesses along the lines indicated, either tomorrow or Friday, and we will hear anybody else that any member of the committee requests be heard up to the time we adjourn Friday.

Mr. TREADWAY. That is fair.

The CHAIRMAN. Right on that, suppose these two witnesses should both come tomorrow. Would it be satisfactory to close tomorrow? Anyhow, we will close Friday.

Mr. TREADWAY. That is fair.

The CHAIRMAN. The committee will recess at this time until tomorrow morning at 10 o'clock.

(Whereupon, at 1:05 p. m., a recess was taken until 10 o'clock tomorrow morning, Thursday, Feb. 7, 1935.)

