New Deal:

The New Deal immediately attacks the situation of dedtors. When you consider the debt, public and private, in these United States appropriates its actual wealth around three hundred billions of dollars, according to the unofficial estimate, we are almost that much in debt, that is our whole wealth is publically or privately mortgaged and the moment that Mr. Roosevelt came in creditors, most of them debtors as well, were struggling to foreclose generally. We have long had in this country a law which looked after the debtor in a way - the bankruptcy law. If you got too deeply into debt the law did not consider it good for society in general to destroy you. It gave you a chance under a bankruptcy law. But the law was of such nature that people did not like to apply, there was a fancied stigma in having to appeal to bankruptcy to which I do not at all agree. The law agrees since it countenances this. All it means is that you have either been unwise or unlucky and there are very few people who at one time or another are not unwise or unlucky. Now Mr. Roosevelt at once took hold of this bankruptcy law to extend it. I suppose hundreds of thousands of farmers, small business people particularly, are being swept out of their homes or turned into the ranks of those to be supported by relief agencies.

See Page 242 for Digest of the new Federal Bankpuptcy set-up.

On
I have made a mistake. /The last day of
March 3rd
President Hoover's term/he approved an Act of Congress making a drastic change in the existing bankruptcy law. According to this new law which Mr. Hoover approved, the bankrupt did
old
not have to go through the/complicated form. He was no longer a bankrupt, he was a debtor. The law did not include corporations, but it did include private individuals - farmers who organized railroads and gave to inter State commerce, took particular care of the famer giving him a minimum charge a commissioner who would act as his assistant in the preparation of his case because [illegible] was [illegible] during the [illegible] None of the farmers properaty that was necessary for his operations could be taken away. You could not liquidate or repudiate an order against the wage earner ar a farmer without his consent.

[illegible] Mr. Hoover's new law eased up tremendously on the great debtor class and this gave Mr. Roosevelt when he came to his
an
New Deal a much more liberal than humane as well as/economic base to work on.