
Franklin D. Roosevelt — “The Great Communicator”
The Master Speech Files, 1898, 1910-1945

Series 2: “ You have nothing to fear but fear itself:”
FDR and the New Deal

File No. 643

1933 July 24

Fireside Chat #3 - The NRA and the AAA

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First, I think that we all wanted the opportunity of a little quiet thought to examine and assimilate in a mental picture the crowding events of the hundred days which had been devoted to the starting of the wheels of the New Deal.

Secondly, I wanted a few weeks in which to set up the new administrative organization and to see the first fruits of our careful planning.

I think it will interest you if I set forth the fundamentals of this planning for national recovery; and this I am very certain will make it abundantly clear to you that all of the proposals and all of the legislation since the Fourth day of March have not been just a collection of haphazard schemes but rather the orderly component parts of a connected and logical whole.

Long before Inauguration Day I became

convinced that individual effort and local effort and even disjointed Federal effort had failed and of necessity would fail and, therefore, that a rounded leadership by the federal government had become a necessity both of theory and of fact. Such leadership, however, had its beginning in preserving and strengthening the credit of the United States Government, because without that no leadership was a possibility. For years the Government had not lived within its income. The immediate task was to bring our regular expenses within our revenues. That has been done.

It may seem inconsistent for a government to cut down its regular expenses and at the same time to borrow and to spend billions for an emergency. But it is not inconsistent because a large portion of the emergency money has been paid out in the form of sound loans which will be repaid to the Treasury over a period of years; and to cover the rest of the emergency money we have imposed taxes to pay the interest and the installments on that

part of the debt.

So you will see that we have kept our credit good. We have built a granite foundation in a period of confusion. That foundation of the federal credit stands there broad and sure. It is the base of the whole recovery plan.

Then came the part of the problem that concerned the credit of the individual citizens themselves. You and I know of the banking crisis and of the great danger to the savings of our people. On March sixth every national bank was closed. One month later 90 per cent of the deposits in the national banks had been made available to the depositors. Today only about 5 per cent of the deposits in national banks are still tied up. The condition relating to state banks, while not quite so good on a percentage basis, is showing a steady reduction in the total of frozen deposits - a result much better than we had expected three months ago.

The problem of the credit of the individual

was made more difficult because of another fact. The dollar was a different dollar from the one with which the average debt had been incurred. For this reason large numbers of people were actually losing possession of and title to their farms and homes. All of you know the financial steps which have been taken to correct this inequality. In addition the Home Loan Act, the Farm Loan Act and the Bankruptcy Act were passed.

It was a vital necessity to restore purchasing power by reducing the debt and interest charges upon our people, but while we were helping people to save their credit it was at the same time absolutely essential to do something about the physical needs of hundreds of thousands who were in dire straits at that very moment. Municipal and State aid were being stretched to the limit. We appropriated half a billion dollars to supplement their efforts and in addition, as you know, we have put 300,000

young men into practical and useful work in our forests and to prevent flood and soil erosion. The wages they earn are going in greater part to the support of the nearly one million people who constitute their families.

In this same classification we can properly place the great public works program running to a total of over Three Billion Dollars -- to be used for highways and ships and flood prevention and inland navigation and thousands of self sustaining state and municipal improvements. Two points should be made clear in the allotting and administration of these projects - first, we are using the utmost care to choose labor creating quick acting, useful projects, avoiding the smell of the pork barrel; and secondly, we are hoping that at least half of the money will come back to the government from projects which will pay for themselves over a period of years.

Thus far i have spoken primarily of the foundation stones -- the measures that were

necessary to re-establish credit and to head people in the opposite direction by preventing distress and providing as much work as possible through governmental agencies. Now I come to the links which will build us a more lasting prosperity. I have said that we cannot attain that in a nation half boom and half broke. If all of our people have work and fair wages and fair profits, they can buy the products of their neighbors and business is good. But if you take away the wages and the profits of half of them, business is only half as good. It doesn't help much if the fortunate half is very prosperous -- the best way is for everybody to be reasonably prosperous.

For many years the two great barriers to a normal prosperity have been low farm prices and the creeping paralysis of unemployment. These factors have cut the purchasing power of the country in half. I promised action. Congress did its part when it passed the farm

and the industrial recovery acts. Today we are putting these two acts to work and they will work if people understand their plain objectives.

First, the Farm Act: It is based on the fact that the purchasing power of nearly half our population depends on adequate prices for farm products. We have been producing more of some crops than we consume or can sell in a depressed world market. The cure is not to produce so much. Without our help the farmers cannot get together and cut production, and the Farm Bill gives them a method of bringing their production down to a reasonable level and of obtaining reasonable prices for their crops. I have clearly stated that this method is in a sense experimental, but so far as we have gone we have reason to believe that it will produce good results.

It is obvious that if we can greatly increase the purchasing power of the tens of millions of our people who make a living from

farming and the distribution of farm crops, we will greatly increase the consumption of those goods which are turned out by industry.

That brings me to the final step -- bringing back industry along sound lines.

Last Autumn, on several occasions, I expressed my faith that we can make possible by democratic self-discipline in industry general increases in wages and shortening of hours sufficient to enable industry to pay its own workers enough to let those workers buy and use the things that their labor produces. This can be done only if we permit and encourage cooperative action in industry because it is obvious that without united action a few selfish men in each competitive group will pay starvation wages and insist on long hours of work. Others in that group must either follow suit or close up shop. We have seen the result of action of that kind in the continuing descent into the economic Hell of the past four years.

There is a clear way to reverse that

process: If all employers in each competitive group agree to pay their workers the same wages -- reasonable wages -- and require the same hours -- reasonable hours -- then higher wages and shorter hours will hurt no employer. Moreover, such action is better for the employer than unemployment and low wages, because it makes more buyers for his product. That is the simple idea which is the very heart of the Industrial Recovery Act.

On the basis of this simple principle of everybody doing things together, we are starting out on this nation-wide attack on unemployment. It will succeed if our people understand it -- in the big industries, in the little shops, in the great cities and in the small villages. There is nothing complicated about it and there is nothing particularly new in the principle. It goes back to the basic idea of society and of the nation itself that people acting in a group can accomplish things which no individual acting alone could

even hope to bring about.

Here is an example. In the Cotton Textile Code and in other agreements already signed, child labor has been abolished. That makes me personally happier than any other one thing with which I have been connected since I came to Washington. In the textile industry -- an industry which came to me spontaneously and with a splendid cooperation as soon as the recovery act was signed, - child labor was an old evil. But no employer acting alone was able to wipe it out. If one employer tried it, or if one state tried it, the costs of operation rose so high that it was impossible to compete with the employers or states which had failed to act. The moment the Recovery Act was passed, this monstrous thing which neither opinion nor law could reach through years of effort went out in a flash. As a British editorial put it, we did more under a Code in one day than they in England had been able to do under the common law in eighty-five years of effort. I use

this incident, my friends, not to boast of what has already been done but to point the way to you for even greater cooperative efforts this Summer and Autumn. (Water)

We are not going through another winter like the last. I doubt if ever any people so bravely and cheerfully endured a season half so bitter. We cannot ask America to continue to face such needless hardships. It is time for courageous action, and the Recovery Bill gives us the means to conquer unemployment with exactly the same weapon that we have used to strike down Child Labor.

The proposition is simply this:

If all employers will act together to shorten hours and raise wages we can put people back to work. No employer will suffer, because the relative level of competitive cost will advance by the same amount for all. But if any considerable group should lag or shirk, this great opportunity will pass us by and we will go into another desperate winter. This must not happen.

We have sent out to all employers an agreement which is the result of weeks of consultation. This agreement checks against the voluntary codes of nearly all the large industries which have already been submitted. This blanket agreement carries the unanimous approval of the three boards which I have appointed to advise in this, boards representing the great leaders in labor, in industry, and in social service. The agreement has already brought a flood of approval from every State, and from so wide a cross-section of the common calling of industry that I know it is fair for all. It is a plan -- deliberate, reasonable and just, -- intended to put into effect at once the most important of the broad principles which are being established, industry by industry, through codes. Naturally, it takes a good deal of organizing and a great many hearings and many months, to get these codes perfected and signed, and we cannot wait for all of them to go through. The blanket

agreements, however, which I am sending to every employer will start the wheels turning now, and not six months from now.

There are, of course, men, a few of them, who might thwart this great common purpose by seeking selfish advantage. There are adequate penalties in the law, but I am now asking the cooperation that come from opinion and from conscience. These are the only instruments we shall use in this great summer offensive against unemployment. But we shall use them to the limit to protect the willing from the laggard and to make the plan succeed.

In war, in the gloom of night attack, soldiers wear a bright badge on their shoulders to be sure that comrades do not fire on comrades. On that principle, those who cooperate in this program must know each other at a glance. That is why we have provided a badge of honor for this purpose, a simple design with a legend, "We do our part," and I ask that all those who join with me shall display that badge prominently. It is essential to our purpose.

Already all the great, basic industries have come forward willingly with proposed codes, and in these codes they accept the principles leading to mass reemployment. But, important as is this heartening demonstration, the richest field for results is among the small employers, those whose contribution will be to give new work for from one to ten people. These smaller employers are indeed a vital part of the backbone of the country, and the success of our plans lies largely in their hands.

Already the telegrams and letters are pouring into the White House - messages from employers who ask that their names be placed on this special Roll of Honor. They represent great corporations and companies, and partnerships and individuals. I ask that even before the dates set in the agreements which we have sent out, the employers of the country who have not already done so - the big fellows and the little fellows - shall at once write or telegraph to me personally at the White House, express^{ing} their intention of

going through with the plan. And it is my purpose to keep posted in the post office of every town, a Roll of Honor of all those who join with me.

I want to take this occasion to say to the twenty-four governors who are now in conference in San Francisco, that nothing thus far has helped in strengthening this great movement more than their resolutions adopted at the very outset of their meeting, giving this plan their instant and unanimous approval, and pledging to support it in their States.

To the men and women whose lives have been darkened by the fact or the fear of unemployment, I am justified in saying a word of encouragement, because the codes and the agreements already approved, or about to be passed upon, prove that the plan does raise wages, and that it does put people back to work. You can look on every employer who adopts the plan as one who is doing his part, and those employers deserve well of everyone who works for a living. It will be

clear to you, as it is to me, that while the shirking employer may undersell his competitor, the saving he thus makes is made at the expense of his country's welfare.

While we are making this great common effort there should be no discord and dispute. This is no time to cavil or to question the standard set by this universal agreement. It is time for patience and understanding and cooperation. The workers of this country have rights under this law which cannot be taken from them, and nobody will be permitted to whittle them away but, on the other hand, no aggression is now necessary to attain those rights. The whole country will be united to get them for you. The principle that applies to the employers applies to the workers as well, and I ask you workers to cooperate in the same spirit.

When Andrew Jackson, "Old Hickory," died, someone asked, "Will he go to Heaven," and the answer was, "He will if he wants to." If I am asked whether the American people will pull

themselves out of this depression, I answer, "They will if they want to." The essence of the plan is a universal limitation of hours of work per week for any individual by common consent, and a universal payment of wages above a minimum, also by common consent. I cannot guarantee the success of this nation-wide plan, but the people of this country can guarantee its success. I have no faith in "cure-alls" but I believe that we can greatly influence economic forces. I have no sympathy with the professional economists who insist that things must run their course and that human agencies can have no influence on economic ills. One reason is that I happen to know that professional economists have changed their definition of economic laws every five or ten years for a very long time, but I do have faith, and retain faith, in the strength of common purpose, and in the strength of unified action taken by the American people.

That is why I am describing to you the

simple purposes and the solid foundations upon which our program of recovery is built. That is why I am asking the employers of the Nation to sign this common covenant with me - to sign it in the name of patriotism and humanity. That is why I am asking the workers to go along with us in a spirit of understanding and of helpfulness.

Franklin D. Roosevelt

Original reading copy.

July 24, 1932

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RADIO ADDRESS OF THE PRESIDENT
from The White House
Monday, July 24, 1933, 9.30 P.M.

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This is a transcript made by the White House stenographer from his shorthand notes taken at the time the speech was made. Underlining indicates words extemporaneously added to the previously prepared reading copy text. Words in parentheses are words that were omitted when the speech was delivered and which they appear in the previously prepared reading copy text.

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It may seem inconsistent for a government to cut down its regular expenses and at the same time to borrow and to spend billions for an emergency. But it is not inconsistent because a large portion of the emergency money has been paid out in the form of sound loans which will be repaid to the Treasury over a period of years; and to cover the rest of the emergency money we have imposed taxes to pay the interest and the installments on that part of the debt.

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ADDRESS OF THE PRESIDENT BY RADIO
FROM THE WHITE HOUSE, MONDAY, JULY
24, 1933 - AT 9:30 O'CLOCK P. M.

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It may seem inconsistent for a government to cut down its regular expenses and at the same time to borrow and to spend billions for an emergency. But it is not inconsistent because a large portion of the emergency money has been paid out in the form of sound loans which will be repaid to the Treasury over a period of years; and to cover the rest of the emergency money we have imposed taxes to pay the interest and the installments on that part of the debt.

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It was a vital necessity to restore purchasing power by reducing the debt and interest charges upon our people, but while we were helping people to save their credit it was at the same time absolutely essential to do something about the physical needs of hundreds of thousands who were in dire straits at that very moment. Municipal and State aid were being stretched to the limit. We appropriated half a billion dollars to supplement their efforts and in addition, as you know, we have put 300,000 young men into practical and useful work in our forests and to prevent flood and soil erosion. The wages they earn are going in greater part to the support of the nearly one million people who constitute their families.

In this same classification we can properly place the great public works program running to a total of over Three Billion Dollars -- to be used for highways and ships and flood prevention and inland navigation and thousands of self-sustaining state and municipal improvements. Two points should be made clear in the allotting and administration of these projects - first, we are using the utmost care to choose labor creating quick acting, useful projects, avoiding the smell of the pork barrel; and secondly, we are hoping that at least half of the money will come back to the government from projects which will pay for themselves over a period of years.

Thus far I have spoken primarily of the foundation stones -- the measures that were necessary to re-establish credit and to head people in the opposite direction by preventing distress and providing as much work as possible through governmental agencies. Now I come to the links which will build us a more lasting prosperity. I have said that we cannot attain that in a nation half boom and half broke. If all of our people have work and fair wages and fair profits, they can buy the products of their neighbors and business is good. But if you take away the wages and the profits of half of them, business is only half as good. It doesn't help much if the fortunate half is very prosperous -- the best way is for everybody to be reasonably prosperous.

For many years the two great barriers to a normal prosperity have been low farm prices and the creeping paralysis of unemployment. These factors have cut the purchasing power of the country in half. I promised action. Congress did its part when it passed the farm and the industrial recovery acts. Today we are putting these two acts to work and they will work if people understand their plain objectives.

First, the Farm Act: It is based on the fact that the purchasing power of nearly half our population depends on adequate prices for farm products. We have been producing more of some crops than we consume or can sell in a depressed world market. The cure is not to produce so much. Without our help the farmers cannot get together and cut production, and the Farm Bill gives them a method of bringing their production down to a reasonable level and of obtaining reasonable prices for their crops. I have clearly stated that this method is in a sense experimental, but so far as we have gone we have reason to believe that it will produce good results.

It is obvious that if we can greatly increase the purchasing power of the tens of millions of our people who make a living from farming and the distribution of farm crops, we will greatly increase the consumption of those goods which are turned out by industry.

That brings me to the final step -- bringing back industry along sound lines.

Last Autumn, on several occasions, I expressed my faith that we can make possible by democratic self-discipline in industry general increases in wages and shortening of hours sufficient to enable industry to pay its own workers enough to let those workers buy and use the

things that their labor produces. This can be done only if we permit and encourage cooperative action in industry because it is obvious that without united action a few selfish men in each competitive group will pay starvation wages and insist on long hours of work. Others in that group must either follow suit or close up shop. We have seen the result of action of that kind in the continuing descent into the economic Hell of the past four years.

There is a clear way to reverse that process: If all employers in each competitive group agree to pay their workers the same wages -- reasonable wages -- and require the same hours -- reasonable hours -- then higher wages and shorter hours will hurt no employer. Moreover, such action is better for the employer than unemployment and low wages, because it makes more buyers for his product. That is the simple idea which is the very heart of the Industrial Recovery Act.

On the basis of this simple principle of everybody doing things together, we are starting out on this nation-wide attack on unemployment. It will succeed if our people understand it -- in the big industries, in the little shops, in the great cities and in the small villages. There is nothing complicated about it and there is nothing particularly new in the principle. It goes back to the basic idea of society and of the nation itself that people acting in a group can accomplish things which no individual acting alone could even hope to bring about.

Here is an example. In the Cotton Textile Code and in other agreements already signed, child labor has been abolished. That makes me personally happier than any other one thing with which I have been connected since I came to Washington. In the textile industry -- an industry which came to me spontaneously and with a splendid cooperation as soon as the recovery act was signed, -- child labor was an old evil. But no employer acting alone was able to wipe it out. If one employer tried it, or if one state tried it, the costs of operation rose so high that it was impossible to compete with the employers or states which had failed to act. The moment the Recovery Act was passed, this monstrous thing which neither opinion nor law could reach through years of effort went out in a flash. As a British editorial put it, we did more under a Code in one day than they in England had been able to do under the common law in eighty-five years of effort. I use this incident, my friends, not to boast of what has already been done but to point the way to you for even greater cooperative efforts this Summer and Autumn.

We are not going through another winter like the last. I doubt if ever any people so bravely and cheerfully endured a season half so bitter. We cannot ask America to continue to face such need-less hardships. It is time for courageous action, and the Recovery Bill gives us the means to conquer unemployment with exactly the same weapon that we have used to strike down Child Labor.

The proposition is simply this:

If all employers will act together to shorten hours and raise wages we can put people back to work. No employer will suffer, because the relative level of competitive cost will advance by the same amount for all. But if any considerable group should lag or shirk, this great opportunity will pass us by and we will go into another desperate winter. This must not happen.

We have sent out to all employers an agreement which is the result of weeks of consultation. This agreement checks against the voluntary codes of nearly all the large industries which have already been submitted. This blanket agreement carries the unanimous approval of the three boards which I have appointed to advise in this, boards representing the great leaders in labor, in industry, and in social service. The agreement has already brought a flood of approval from every State, and from so wide a cross-section of the common calling of industry that I know it is fair for all. It is a plan -- deliberate, reasonable and just -- intended to put into effect at once the most important of the broad principles which are

being established, industry by industry, through codes. Naturally, it takes a good deal of organizing and a great many hearings and many months, to get these codes perfected and signed, and we cannot wait for all of them to go through. The blanket agreements, however, which I am sending to every employer will start the wheels turning now, and not six months from now.

There are, of course, men, a few of them who might thwart this great common purpose by seeking selfish advantage. There are adequate penalties in the law, but I am now asking the cooperation that comes from opinion and from conscience. These are the only instruments we shall use in this great summer offensive against unemployment. But we shall use them to the limit to protect the willing from the laggard and to make the plan succeed.

In war, in the gloom of night attack, soldiers wear a bright badge on their shoulders to be sure that comrades do not fire on comrades. On that principle, those who cooperate in this program must know each other at a glance. That is why we have provided a badge of honor for this purpose, a simple design with a legend. "We do our part," and I ask that all those who join with me shall display that badge prominently. It is essential to our purpose.

Already all the great, basic industries have come forward willingly with proposed codes, and in these codes they accept the principles leading to mass reemployment. But, important as is this heartening demonstration, the richest field for results is among the small employers, those whose contribution will give new work for from one to ten people. These smaller employers are indeed a vital part of the backbone of the country, and the success of our plans lies largely in their hands.

Already the telegrams and letters are pouring into the White House - messages from employers who ask that their names be placed on this special Roll of Honor. They represent great corporations and companies, and partnerships and individuals. I ask that even before the dates set in the agreements which we have sent out, the employers of the country who have not already done so - the big fellows and the little fellows - shall at once write or telegraph to me personally at the White House, expressing their intention of going through with the plan. And it is my purpose to keep posted in the postoffice of every town, a Roll of Honor of all those who join with me.

I want to take this occasion to say to the twenty-four governors who are now in conference in San Francisco, that nothing thus far has helped in strengthening this great movement more than their resolutions adopted at the very outset of their meeting, giving this plan their instant and unanimous approval, and pledging to support it in their states.

To the men and women whose lives have been darkened by the fact or the fear of unemployment, I am justified in saying a word of encouragement because the codes and the agreements already approved, or about to be passed upon, prove that the plan does raise wages, and that it does put people back to work. You can look on every employer who adopts the plan as one who is doing his part, and those employers deserve well of everyone who works for a living. It will be clear to you, as it is to me, that while the shirking employer may undersell his competitor, the saving he thus makes is made at the expense of his country's welfare.

While we are making this great common effort there should be no discord and dispute. This is no time to cavil or to question the standard set by this universal agreement. It is time for patience and understanding and cooperation. The workers of this country have rights under this law which cannot be taken from them, and nobody will be permitted to whittle them away but, on the other hand, no aggression is now necessary to attain those rights. The whole country

will be united to get them for you. The principle that applies to the employers applies to the workers as well, and I ask you workers to cooperate in the same spirit.

When Andrew Jackson, "Old Hickory," died, someone asked, "Will he go to Heaven," and the answer was, "He will if he wants to." If I am asked whether the American people will pull themselves out of this depression, I answer, "They will if they want to." The essence of the plan is a universal limitation of hours of work per week for any individual by common consent, and a universal payment of wages above a maximum, also by common consent. I cannot guarantee the success of this nation-wide plan, but the people of this country can guarantee its success. I have no faith in "cure-alls" but I believe that we can greatly influence economic forces. I have no sympathy with the professional economists who insist that things must run their course and that human agencies can have no influence on economic ills. One reason is that I happen to know that professional economists have changed their definition of economic laws every five or ten years for a very long time, but I do have faith, and retain faith, in the strength of common purpose, and in the strength of unified action taken by the American people.

That is why I am describing to you the simple purposes and the solid foundations upon which our program of recovery is built. That is why I am asking the employers of the Nation to sign this common covenant with me -- to sign it in the name of patriotism and humanity. That is why I am asking the workers to go along with us in a spirit of understanding and of helpfulness.

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Address of President Roosevelt by Radio from The White House,
Monday, July 24, 1933 - at 9:30 o'clock P. M.

After the adjournment of the historical special session of the Congress five weeks ago I purposely refrained from addressing you for two very good reasons.

First, I think that we all wanted the opportunity of a little quiet thought to examine and assimilate in a mental picture the crowding events of the hundred days which had been devoted to the starting of the wheels of the New Deal.

Secondly, I wanted a few weeks in which to set up the new administrative organization and to see the first fruits of our careful planning.

I think it will interest you if I set forth the fundamentals of this planning for national recovery; and this I am very certain will make it abundantly clear to you that all of the proposals and all of the legislation since the Fourth day of March have not been just a collection of haphazard schemes but rather the orderly component parts of a connected and logical whole.

Long before Inauguration Day I became convinced that individual effort and local effort and even disjointed Federal effort had failed and of necessity would fail and, therefore, that a rounded leadership by the federal government had become a necessity both of theory and of fact. Such leadership, however, had its beginning in preserving and strengthening the credit of the United States Government, because without that no leadership was a possibility. For years the Government had not lived within its income. The immediate task was to bring our regular expenses within our revenues. That has been done.

It may seem inconsistent for a government to cut down its regular expenses and at the same time to borrow and to spend billions for an emergency. But it is not inconsistent because a large portion of the emergency money has been paid out in the form of sound loans which will be repaid to the Treasury over a period of years; and to cover the rest of the emergency money we have imposed taxes to pay the interest and the installments on that part of the debt.

So you will see that we have kept our credit good. We have built a granite foundation in a period of confusion. That foundation of the federal credit stands there broad and sure. It is the base of the whole recovery plan.

Then came the part of the problem that concerned the credit of the individual citizens themselves. You and I know of the banking crisis and of the great danger to the savings of our people. On March sixth every national bank was closed. One month later 90 per cent of the deposits in the national banks had been made available to the depositors. Today only about 5 per cent of the deposits in national banks are still tied up. The condition relating to state banks, while not quite so good on a percentage basis, is showing a steady reduction in the total of frozen deposits - a result much better than we had expected three months ago.

The problem of the credit of the individual was made more difficult because of another fact. The dollar was a different dollar from the one with which the average debt had been incurred. For this reason large numbers of people were actually losing possession of and title to their farms and homes. All of you know the financial steps which have been

taken to correct this inequality. In addition the Home Loan Act, the Farm Loan Act and the Bankruptcy Act were passed.

It was a vital necessity to restore purchasing power by reducing the debt and interest charges upon our people, but while we were helping people to save their credit it was at the same time absolutely essential to do something about the physical needs of hundreds of thousands who were in dire straits at that very moment. Municipal and State aid were being stretched to the limit. We appropriated half a billion dollars to supplement their efforts and in addition, as you know, we have put 300,000 young men into practical and useful work in our forests and to prevent flood and soil erosion. The wages they earn are going in greater part to the support of the nearly one million people who constitute their families.

In this same classification we can properly place the great public works program running to a total of over Three Billion Dollars -- to be used for highways and ships and flood prevention and inland navigation and thousands of self-sustaining state and municipal improvements. Two points should be made clear in the allotting and administration of these projects - first, we are using the utmost care to choose labor creating quick acting, useful projects, avoiding the smell of the pork barrel; and secondly, we are hoping that at least half of the money will come back to the government from projects which will pay for themselves over a period of years.

Thus far I have spoken primarily of the foundation stones -- the measures that were necessary to re-establish credit and to head people in the opposite direction by preventing distress and providing as much work as possible through governmental agencies. Now I come to the links which will build us a more lasting prosperity. I have said that we cannot attain that in a nation half boom and half broke. If all of our people have work and fair wages and fair profits, they can buy the products of their neighbors and business is good. But if you take away the wages and the profits of half of them, business is only half as good. It doesn't help much if the fortunate half is very prosperous -- the best way is for everybody to be reasonably prosperous.

For many years the two great barriers to a normal prosperity have been low farm prices and the creeping paralysis of unemployment. These factors have cut the purchasing power of the country in half. I promised action. Congress did its part when it passed the farm and the industrial recovery acts. Today we are putting these two acts to work and they will work if people understand their plain objectives.

First, the Farm Act: It is based on the fact that the purchasing power of nearly half our population depends on adequate prices for farm products. We have been producing more of some crops than we consume or can sell in a depressed world market. The cure is not to produce so much. Without our help the farmers cannot get together and cut production, and the Farm Bill gives them a method of bringing their production down to a reasonable level and of obtaining reasonable prices for their crops. I have clearly stated that this method is in a sense experimental, but so far as we have gone we have reason to believe that it will produce good results.

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Draft

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It may seem inconsistent for a government to cut down its regular expenses and at the same time to borrow and to spend billions for an emergency ^D But it is not inconsistent because, ~~most of all~~, a large portion of the emergency money has been paid out in the form of sound loans which will be repaid to the Treasury over a period of years, ^{and} to cover the ^{rest} ~~balance~~ of the emergency money we have imposed taxes to ^{pay} ~~cover~~ the interest and the installments on that part of the debt.

So you will see that we have kept our credit good. We have built a granite foundation in a period of confusion. That foundation of the federal credit stands there broad and sure. It is the base of the whole recovery plan.

Then came the part of the problem that ^{concerned} ~~related to~~ the credit of the individual citizens ~~of the country~~ themselves. You and I know of the banking crisis and of the great danger to the savings of our people. From the condition of having all the banks closed, on April Fourth - one month later - 90 per cent of the nation's deposits in national banks had been made good and today, in July, only about 5 per cent of the deposits in national banks are still tied up. Insert
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~~Now I come to the last two great links which are vital to the carrying
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Thus far I have spoken primarily of the foundation stones -- the measures that were necessary to re-establish credit and to head people in the opposite direction by preventing distress and providing as much work as possible through governmental agencies. Now I come to the links which will build us a more lasting prosperity. I have said that we cannot attain that in a nation half solvent *boom* and half broke. If all of our people have work and fair wages and fair profits, they can buy the products of their neighbors and business is good. But if you take away the wages and the profits of half of them, business is only half as good. It doesn't help much if the fortunate half is very prosperous -- the best way is for everybody to be ^{reasonably} ~~a little~~ prosperous.

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industry to pay its own workers enough to let those workers buy and use the things that their labor produces. ~~We can do this only if we permit~~ ^{This can be done.} ~~an industry to act together~~ ^{and encourage cooperative action in} because it is obvious that ^{without united action} a few selfish men in each competitive group ^{will} ~~are~~ paying starvation wages and insisting on long hours of work. Others in that group ^(here) must either follow suit or close up shop. We have seen the result of action of ~~this~~ ^{that} kind in the continuing descent into the economic Hell of the past four years.

There is a clear way to reverse that process: If all employers in each competitive group agree to pay their workers the same wages -- reasonable wages -- and require the same hours -- reasonable hours -- then higher wages and shorter hours will hurt no employer. ^{Moreover} ~~on the contrary~~, such action is better for the employer than unemployment and low wages, because ^{more buyers} it makes ~~for a wider market~~ for his product. That is the simple idea which is the very heart of the

Industrial Recovery Act. ~~It is a new and a very great thing because until that Act was passed, it was not possible for all employers to do the same thing.~~

On the basis of this ^{simple} ~~single~~ principle of everybody doing things together, we are starting out on this nation-wide attack on unemployment. It will succeed if our people understand it -- in the big industries, in the little shops, in the great cities and in the small villages. There is nothing complicated about ~~that~~ and there is nothing particularly new in the principle. It goes back to the basic idea of society and of the nation itself that ^{people acting in a} ~~any group acting together~~ can accomplish things which no individual acting alone could even ~~care to demand~~ ^{hope to bring about.}

Here is an example. That makes me personally happier than any other one thing with which I have been connected since I came to Washington. In the Cotton Textile Code and in other agreements already signed, child labor has been abolished. In the textile industry -- an industry which ^{spontaneously} ~~spontaneously~~ came flocking to me ^{spontaneously} with ^a splendid cooperation as soon as the recovery act was signed, ^a child labor was an old evil, ~~that~~ ~~shamed~~

~~every employer.~~ But no ^{employer} ~~one of them~~ acting alone was
 able to wipe it out. If one employer tried it, or if one
 state tried it, the costs of operation rose so high that ^{it was}
impossible to ~~we could not~~ compete with the employers or states which
 had failed to act. The moment the Recovery Act was
 passed, this monstrous thing which neither opinion
 nor law could reach through years of effort went out in
 a flash. ~~Because with all employers eliminating child~~
~~labor, all costs increased by the same amount.~~ As a
 British editorial put it, we did more under a Code in
 one day than they in England had been able to do under
 the common law in eighty-five years of effort. I use
 this incident, my friends, not to boast ^{of} what has ^{been} ~~already~~
 been done but to point the way to you for even greater
 cooperative efforts this Summer and Autumn.

We are not going through another winter like the last. I doubt if ^{ever} any people so bravely and cheerfully ~~endured~~ ^{endured} a season half so bitter. We cannot ask America to continue to face ~~these things~~ ^{such needless hardships}. It is time for courageous action, and the Recovery Bill gives us the ~~chance~~ ^{means} to conquer unemployment with exactly the same weapon that we have used to strike down Child Labor.

The proposition is simply this:

If all employers will act together to shorten hours and raise wages we can put people back to work. No employer will suffer because the relative level of competitive cost will advance by the same amount for all. But if any considerable group should lag or shirk, this great opportunity ~~would~~ ^{will} pass us by and we ~~would~~ ^{will} go into another desperate winter. *This must not happen.*

We have sent out to all employers an agreement which is the result of weeks of consultation. This ~~agreement~~ ^{agreement} checks against the voluntary codes of nearly all the large industries which have already been submitted. This ~~agreement~~ ^{blanket} agreement carries the unanimous approval of the three boards which I have appointed to advise in this, boards repre-

senting the great leaders in labor, in industry, and in social service. The agreement has already brought a flood of approval from every State, and from so wide a cross-section of the common calling of industry that I know it is ^{fair} ~~reasonable~~ for all. It is a plan -- deliberate, reasonable and just, ^{and} intended to put into effect at once the most important of the broad principles which are being established, industry by industry, through codes. Naturally, it takes a good deal of organizing and a great many hearings and ~~and~~ ^{perfecting and} many months, to get these codes signed, and we cannot wait for all of them to go through. The ^{blanket} ~~agreements~~ ^{agreements} which I am sending to every employer will start the wheels ~~are~~ turning now, and not six months from now.

There are, of course, men, a few of them, who might thwart this great common purpose by seeking ~~to~~ ^{outlook} ~~take competitive~~ advantage. There are adequate penalties in the law, but I ^{now} ~~am~~ asking the cooperation that comes from opinion and from conscience. These are the only ^{instruments} ~~weapons~~ we shall use in this great summer offensive against unemployment. But ~~these~~ ^{them} we shall use to the limit to protect the willing from the laggard

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and to make the plan succeed.

In war, in the gloom of night attack, soldiers ~~will~~ ^{be ready} wear a bright badge on their shoulders to be sure that ~~soldiers~~ ^{comrades} do not fire on ~~soldiers~~ ^{comrades}. On that principle, those who cooperate in this program must know each other at a glance. That is why we have provided a badge of honor for this purpose, a simple design with a legend, "We do our part," and I ask that all those who join with me shall display that badge prominently. It is essential to our purpose.

Already all the great, basic industries have come forward ~~ready~~ ^{willingly} with proposed codes, and in these codes they accept the principles leading to mass reemployment. But, important as is this heartening demonstration, the richest field for results is among the small employers, those whose contribution will ^{be given} ~~be~~ new work for from one to ten people. These smaller employers are indeed a vital part of the backbone of the country, and the success of ~~this~~ ^{these} plans lies largely in their hands.

Already the telegrams and letters are pouring into the White House - messages from employers who ask that their names be placed on this special Roll of Honor. They represent great corporations and companies, and

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partnerships and individuals. I ask that even before the dates set in the agreements which we have sent out, the employers of the country who have not already done so - the big fellows and the little fellows - shall at once write or telegraph to me personally at the White House, expressing their intention of going through with the plan. And it is my purpose to keep posted in the post office of every town, ^A ~~the~~ Roll of Honor of all those who join with me.

Kennec Stencilled
~~In this connection~~ I want to take this occasion to say to the twenty-four governors who are now in conference in San Francisco, that nothing thus far has helped in strengthening this great movement more than their resolutions adopted at the very outset of their meeting, giving this plan their instant and unanimous approval, and pledging to support it in their States.

To the men and women whose lives have been darkened by the fact or the fear of unemployment, ^{Am justified in saying} I ~~have a right~~ ^{mean} ~~to say~~ a word of encouragement, The codes and the agreements already approved, or about to be passed upon, prove that the plan does raise wages, and that it does put people back to work. You can look on every employer

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who adopts the plan as one who is doing his part, and those employers deserve well of everyone who works for a living. It will be clear to you, as it is to me, that while the shirking employer may undersell his competitor, the saving he thus makes is made at the expense of his country's welfare.

While we are making
~~The period of~~ this great common effort ~~is no~~ *There should be no*
~~time for~~ discord and dispute. ~~It~~ *This* is no time to cavil or to question the standard set by this universal agreement. It is time for patience and understanding and cooperation. The workers of this country have rights under this law which cannot be taken from them, and nobody will be permitted to whittle them away but, on the other hand, no aggression is now necessary to attain those rights. The whole country will be united to get them for you. The principle that applies to the employers applies to the workers as well, and I ask you workers to cooperate in the same spirit.

When Andrew Jackson, "Old Hickory," died, someone asked, "Will he go to Heaven," and the answer was; "He will if he wants to." If I am asked whether the American people will pull themselves out of this depression, I ~~also will say~~ *Answer* "They will if they want to." 511

~~What will depend on whether they want to take this new chance to get together.~~" The essence of the plan is a universal limitation of hours of work per week for any individual by common consent, and a universal payment of wages above a minimum, also by common consent. I cannot guarantee the success of this nation-wide plan, but the people of this country can guarantee its success. I have no faith in "cure-alls" but I believe that we can greatly influence economic forces. I have no sympathy with the professional economists who insist that things must run their course and that human agencies can have no influence on economic ills. One reason is that I happen to know that professional economists have changed their definition of economic laws every five or ten years for a very long time, but I do have faith, and retain faith, in the strength of common purpose, and in the strength of unified action taken by the American people.

That is why I ^{am} ~~have taken this occasion to~~ describing to you the simple purposes and the solid foundations upon which our program of recovery is built. That is why I am asking the employers of the Nation to sign

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this common covenant with me - to sign it in the name of patriotism and humanity. That is why I am asking the workers to go along with us in a spirit of understanding and of helpfulness.