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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special session of the Congress five weeks ago I
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First, I think that we all wanted the
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Secondly, I wanted a few weeks in which to
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I think it will interest you if I set forth
the fundamentals of this planning for national
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and all of the legislation since the Fourth day of
March have not been just a collection of haphazard
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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 alloting 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 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 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.

[Signature]

Original reading copy.
RADIO ADDRESS OF THE PRESIDENT
from The White House
Monday, July 24, 1933, 9.30 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
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and several hundred to the strengthening of the appeal to the New
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Secondly I wanted to make it plain to what extent
the new administrative organization has to see the limits
of the same we can start today.

I think it will interest you if I tell you the
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said we very carefully will make it abundantly plain to you
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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.

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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.

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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 lines 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 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 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 shrinking 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 these 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 es-
sence 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 be-
lieve 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 profes-
sional 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.
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 many thousands 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 small 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 good 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 Hades of the past five 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 had come 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 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 shrink, 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 volunteer 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 seeking to every employer will start the wheels turning now, and not six months from now.

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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 whistle 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, "Yes, 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 the definition of economic law 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 align 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.
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 myself wanted and I think you also 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 a vestige of the new administrative organization and to prove to myself that the careful planning had not been in vain.

I think it will interest you if I set forth the fundamentals of the 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 fail and, therefore, that a leadership by the federal government had become a necessity both of theory and of fact. Such leadership, however, had its foundation in the preservation and the strengthening of the credit of the United States Government, because without that no leadership was a possibility. For years the Government had
not lived without 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 balance 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 citizens 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.

In with this problem of the credit of the individual we realized that the burden of debt and interest had grown so great with the dollar that had become increasingly costly that people were left with little money to spend and in large numbers were actually losing possession of and title to their farms and homes. That is why we looked up our great reserve of gold and let
the dollar gets cheaper. That is also the reason for the Home Loan Act, the Farm Loan Act and the Bankruptcy Act. 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 was being stretched to the limit. We appropriated half a billion dollars to supplement the aid and, as you know, we have put 300,000 young men into practical and useful work in our forests to prevent flood and soil erosion, and 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 chose labor saving, 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.

Now I come to the last two great links which are vital to the forging of the chain.
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 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 moderately 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 Bill: It is based on the fact that the purchasing power of nearly half our population depends on adequate prices for farm products. We are 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 the method of bringing their production down to a reasonable level and obtain reasonable prices for their crops. I have clearly stated that the methods being employed are in a sense experimental, but so far as we have gone we have reason to believe that they 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 proper distribution of farm crops, we will automatically 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 democratic self-discipline in industry sufficient to enable it 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 industry to act together because it is obvious that few selfish men in each competitive group paying starvation wages and insisting 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 this 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 for a better 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 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 together can accomplish things which no individual acting alone could even dare to demand.

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 came flocking to me with splendid cooperation as soon as the recovery act was signed, child labor was an old evil, that shame
every employer. But no 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 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 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 any people so bravely and cheerfully endorsed a season half so bitter. We cannot ask America to continue to face these things. It is time for courageous action, and the Recovery Bill gives us the chance 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 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 reasonable 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 months, to get these codes signed, and we cannot wait for all of them to go through. The agreements 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 to take competitive advantage. There are adequate penalties in the law, but I am asking the cooperation that comes from opinion and from conscience. These are the only weapons we shall use in this great summer offensive against unemployment. But those we shall use 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 soldiers do not fire on soldiers. And 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 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 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 the plan 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 post office of every town, the Roll of Honor of all those who join with me.

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, I have a right to 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
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.

The period of this great common effort is no time for discord and dispute. It 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, "They will if they want to."
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 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
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.