# 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. 673

1934 January 3

Washington, D.C. - Annual Message to Congress

## TO THE CONGRESS:

I come before you at the opening of the Regular Session of the 73d Congress, not to make requests for special or detailed items of legislation: I come, rather, to counsel with you, who, like myself, have been selected to carry out a mandate of the whole people, in order that without partisanship you and I may cooperate to continue the restoration of our national well-being and, equally $1 \mathrm{~m}-$ portant, to build on the ruins of the past a new structure designed better to meet the present problems of modern civilization.

Such a structure includes not only the relations of industry and agriculture and finance to each other, but also the effect which all of these three have on our individual citizens and on the whole people as a nation.

Now that we are definitely in the process of recovery, lines have been rightly drawn between those to whom this recovery means a return to old methods -- and the number of these people is small -- and those for whom recovery means a reform of many old methods, a permanent readjustment

## Frankl in D. Roosevelt Library

This is a transcript made by the White House stenographer from his shorthand notes taken at the tima the speech was made. Underlining indicates words extemporaneously acind to the previously prepared reading c... foxt. Vords in parentheses are wosto liat wore omitted when the eveech was dathorod, thongh they appear in tho pruviously propared reading cony tezt.
of many of our ways of thinking and therefore of many of our social and economic arrangements.

Civilization cannot go back; civilization must not stand still. We have undertaken new methods. It is our task to perfect, to improve, to alter when necessary, but in all cases to go forward. To consolidate what we are doing, to make our economic and social structure capable of dealing with modern life is the joint task of the Legislative, the Judicial, and the Executive Branches of the National Government.

Without regard to party, the overwhelming majority of our people seek a greater opportunity for humanity to prosper and find happiness. They recognize that human welfare has not increased and does not increase through mere materialism and luxury, but that it does progress through integrity, unselfishness, responsibility and justice.

In the past few months, as a result of our action, we have demanded of many citizens that they surrender certain licenses to do as they pleased in their business relationships; but we have asked this in exchange for the protection which the State can give against exploitation by their fellow men or by combinations of their fellow men. I congratulate this Congress upon the courage, the
earnestness and the efficiency with which you met the crisis at the Special Session. It was your fine understanding of the national problem that furnished the example which the country has so splendidly followed. I venture to say that the task confronting the First Congress of 1789 was no greater than your own.

I shall not attempt to set forth either the many phases of the crisis which we experienced last March, nor the many measures which you and I undertook during the Special Session that we might initiate recovery and reform.

It is sufficient that I should speak in broad terms of the results of our common counsel.

The credit of the Government has been fortified by drastic reduction in the cost of its permanent agencies through the Economy Act. With the two-fold purpose of strengthening the whole financial structure and of arriving eventually at a medium of exchange which will have over the years less varlable purchasing and debt paying power for our people than that of the past, I have used the authority granted me to purchase all American produced gold and silver and to buy additional gold in the world markets. Careful investigation and constant study prove that in the matter of foreign
exchange rates, certain of our sister nations find themselves so handicapped by internal and other conditions that they feel unable at this time to enter into stabilization discussions based on permanent and world-wide objectives. The overwhelming majority of the banks, both national and state, which reopened last spring, are in sound condition and have been brought within the protection of Federal Insurance. In the case of those banks which were not permitted to reopen, nearly 600 million dollars of frozen deposits are being restored to the depositors through the assistance of the National Government.

We have made great strides towards the objectives of the National Industrial Recovery Act, for not only have several millions of our unemployed been restored to work, but industry is organizing itself with a greater understand1ng that reasonable profits can be earned while at the same time protection can be assured to guarantee to labor adequate pay and proper conditions of work. Child labor is abolished. Uniform standards of hours and wages apply today to $95 \%$ of industrial employment within the field of the National Industrial Recovery Act. We seek the definite end of preventing combinations in furtherance of monopoly and in restraint of trade, while at the same time we seek to prevent ruinous
rivalries within industrial groups which in many cases resemble the gang wars of the underworld and in which the real victim in every case is the public itself.

Under the authority of this Congress, we have brought the component parts of each industry together around a common table, just as we have brought problems affecting labor to a common meeting ground. Though the machinery, hurriedly devised, may need readjustment from time to time, nevertheless I think you will agree with me that we have created a permanent feature of our modernized industrial structure and that 1t will continue under the supervision but not the arbitrary dictation of government itself.

You recognized last spring that the most serious part of the debt burden affected those who stood in danger of losing their farms and their homes. I am glad to tell you that refinancing in both of these cases is proceeding with good success and in all probability within the financial limits set by the Congress.

But agriculture had suffered from more than its debts. Actual experience with the operation of the Agricultural Adjustment Act leads to my belief that thus far the experiment of seeking a balance between production and consumption is succeeding and has made progress entirely in
line with reasonable expectations towards the restoration of farm prices to parity. I continue in my conviction that industrial progress and prosperity can only be attained by bringing the purchasing power of that portion of our population which in one form or another is dependent upon agriculture up to a level which will restore a proper balance between every section of the country and every form of work.

In this field, through carefully planned flood control, power development and land use policies, in the Tennessee Valley and in other great watersheds, we are seeking the elimination of waste, the removal of poor lands from agriculture and the encouragement of small local industries, thus furthering this principle of a better balanced national life. We recognize the great ultimate cost of the application of this rounded policy to every part of the Union. Today we are creating heavy obligations to start the work and because of the great unemployment needs of the moment. I look forward, however, to the time in the not distant future, when annual appropriations, wholly covered by current revenue, will enable the work to proceed with a national plan. Such a national plan will, in a generation or two, return many times the money spent on $1 t$; more important, it will eliminate the use of inefficient tools, conserve and increase
natural resources, prevent waste, and enable millions of our people to take better advantage of the opportunities which God has given our country.

I cannot, unfortunately, present to you a plcture of complete optimism regarding world affairs.

The delegation representing the United States has worked in close cooperation with the other American Republics assembled at Montevideo to make that conference an outstanding success. We have, I hope, made it clear to our neighbors that we seek with them future avoidance of territorial expansion and of interference by one nation in the internal affairs of another. Furthermore, all of us are seeking the restoration of commerce in ways which will preclude the buildIng up of large favorable trade balances by any one nation at the expense of trade debits on the part of other nations.

In other parts of the world, however, fear of $1 \mathrm{mme}-$ diate or future aggression and with this the spending of vast sums on armament, and the continued building up of defensive trade barriers, prevent any great progress in peace or trade agreements. I have made it clear that the United States can not take part in political arrangements in Europe but that we stand ready to cooperate at any time in practicable measures on a world basis looking to immediate reduction of armaments and the lowering of the barriers against commerce.

I expect to report to you later in regard to debts owed the Government and people of this country by the governments and peoples of other countries. Several nations, acknowledging the debt, have paid in small part; other nations have failed to pay. One nation -- Finland -- has paid the installments due this country in full.

Returning to home problems, we have been shocked by many notorious examples of injuries done our citizens by persons or groups who have been living off their neighbors by the use of methods either unethical or criminal.

In the first category -- a field which does not involve violations of the letter of our laws -- practices have been brought to light which have shocked those who belleved that we were in the past generation raising the ethical standards of business. They call for stringent preventive or regulatory measures. I am speaking of those individuals who have evaded the spirit and purpose of our tax laws, of those high officials of banks or corporations who have grown rich at the expense of their stockholders or the public, of those reckless speculators with their own or other people's money whose operations have injured the values of the farmers' crops and the savings of the poor.

In the other category, orimes of organized banditry,
cold-blooded shooting, lynching and kidnapping have threatened our security.

These violations of ethics and these violations of law call on the strong arm of government for their immediate suppression; they call also on the country for an aroused public opinion.

The adoption of the 2lst Amendment should give material ald to the elimination of those new forms of crime which came from illegal traffic in liquor.

I shall continue to regard it as my duty to use whatever means may be necessary to supplement state, local and private agencies for the relief of suffering caused by unemployment. With respect to this question, I have recognized the dangers inherent in the direct giving of relief and have sought the means to provide not mere relief, but the opportunity for useful and remunerative work. We shall, In the process of recovery, seek to move as rapidly as possible from direct relief to publicly supported work and from that to the rapid restoration of private employment.

It is to the eternal credit of the American people that this tremendous readjustment of our national life is be1ng accomplished peacefully, without serious dislocation, with only a minimum of injustice and with a great, willing spirit of cooperation throughout the country.

Disorder is not an American habit. Self-help and self-control are the essence of the American tradition -not of necessity the form of that tradition, but its spirit. The program itself comes from the American people.

It is an integrated program, national in scope. Viewed in the large, it is designed to save from destruction and to keep for the future the genuinely important values created by modern society. The vicious and wasteful parts of that soolety we could not save if we wished; they have chosen the way of self-destruction. We would save useful mechanical invention, machine production, industrial efficlency, modern means of communication, broad education. We would save and encourage the slowly growing impulse among consumers to enter the industrial market place equipped with sufficient organization to insist upon fair prices and honest sales.

But the unnecessary expansion of industrial plants, the waste of natural resources, the exploitation of the consumers of natural monopolies, the accumulation of stagnant surpluses, child labor, and the ruthless exploitation of all labor, the encouragement of speculation with other people's money, these were consumed in the fires that they themselves kindled; we must make sure that as we reconstruct our life there be no soil in which such weeds can grow again.

We have ploughed the furrow and planted the good seed; the hard beginning is over. If we would reap the full harvest we must cultivate the soil where this good seed is sprouting and the plant is reaching up to mature growth.

A final personal word. I know that each of you will appreciate that $I$ am speaking no mere politeness when I assure you how much I value the fine relationship that we have shared during these months of hard and incessant work. Out of these friendiy contacts we are, fortunately, building a strong and permanent tie between the Legislative and Executive Branches of the Government. The letter of the Constitution wisely declared a separation, but the impulse of common purpose declares a union. In this spirit we join once more in serving the American people.

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For my personal files.

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This is the reading copy used by the President when he appeared in person to deliver his Annual Message on Wednesday, January 3rd, 1934, to the Joint Session of the Congress -- marking the opening of the 2nd Session, 73rd Congress.
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January 3, 1934.

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JANUARI 3, 1934

THE WATTONAL ARCRIVES
MATIONAL ARCHIVES AND RECORDS SERVICE GENERAL SERVICES ADIMNISTRATIOM HASHINOTOA: 1955


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I shall continue to regerd it as my duty to use whatever meens may bo necessary to supplement state, local and privete ageneles for the reliof of sufforing caused by unemployment. With respect to this queation, I hare recognized the dangers inherent in the direct giving of relief and have sought the means to provide not more rallef, but the opportunity for useful and ramunerative work. Te shall, in the process of recovery, seek to move as rapidly as possible fram direct relief to publicly supported wark and fran that to the rapid restoration of private exployment.

It is to the eternal credit of the American people that this tremendous readjustment of our national life is being necampliahed peacefully, without serious dislocation, wh only a minimum of injustice and with a great, willing spirit of cooperation throughout the country.

Disorder is not an Anerican habit. Solr-help and self-control are the essonce of the Americen tradition - not of mecossity the form of that tradition, but its spirit. The program itself canes from the American people.

It is an integrated program, national in scope. Fiewed in the large, it is desicned to save from deatruetion and to keep for the future the genuinely impcrtant rames created by modern societr. The Ficious and masteral perts of that society we could not save if we whehed; they have chosen the wey of self-destruetion. We wuld save useful mechenical imrention, machine production, industrial efficiency, modom means of comminieation, broad oducatione

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Wo would savo and encourape the slowiy erowing inmulee eng consurers to enter the industrial mariket place equipped of surficient organization to indst upon fair prices and honest salen.

But the unnecessary expansion of industrial plantes, the waste of natural resources, the exploitation of the consumers of naturnl monopolies, the accumulation of stagnant surpluses, child labor, and the ruthless exploitation of all labor, the encouragement of speculation with other people" money, these were consumed in the fires that they themselves kindled: we mast make sure that as we reconstruct our 11 fa there be no soil in which auch weeds can groer aga1n.

We have ploughed the furrow and planted the good seed; the hard begiming is over. Ir we would reap the full harreat wo mut cultivate the soil whore this good seed is sprouting and the plent is reaching up to maturs grovih.

A final personal ward. I know that each of jou dill appreciate that I am speaking no mere politeness when I assure you how much I value the fine relationalp that we have shered during these montha of hard and incessant work. Out of these friendiy contecte we are, fortunately, building a strong and permanent tie between the logialative and oxecutive branches of the govermuemt. The letter of the Constitution wisely declared a soparation, but the Impulse of common purpose declares a union. In this epixit ve join once more in serving the American peoplo.


THE WEITS HOUSS,
Jamuary S, 1934.

CONFIDENTIAL! To be held in STRICT CONFIDENCE and no portion, synopsis or intimetion to be published or given out until the READING of the President's message has begun in the Senate or the House of Representatives. Extreme care must be exercised to avoid premature publication.<br>STEPHEN EARLY<br>Assistent Secretary to the President



TO THE CONGRESS:

I come before you at the opening of the Regular Session of the 73 rd Congress, not to make requests for special or detailed Counsel
items of legislation; I come, rather, to with you, who, like myself, have been selected to carry out a mandate of the whole people, in order that without partisanship you and I may cooperate to continue restore national well-being and, equally important, to build on the ruins of the past a new structure designed better to meet the present problems of modern civilization.

Such a structure includes not only the relations of industry and agriculture and finance to each other, but also the effect which all of these three have on our individual citizens and on the whole people as a nation.

## cefienty <br> Now that we are, in the definite process of recovery,

 Sines have been rightly drawn between those to whom this recovery means a return to old methods -- and the number of these people is small -- and those for whom recovery means a reform of many a pernuannut ceadjinteuent old methods, a trenton of many of our ways of thinking and therefore of many of our social and economic arrangements.Civilization can not go back: to me civilizetion must not stand still. We have undertaken new methods. It is our task pongeforwang thesemew lo perfect, to inprove, to alter when necessary, but in all cases to proved. To consolidate what we are doing, to make our economic and social structure capable of dealing with modern life is the joint task of the Legislative, the Judicial, and the Executive

B-3

Branches of the National Government.

Without regard to party, the overwhelming majority of our people seek a greater opportunity for humanity to prosper and find happiness. They recognize that human welfare has not increased and does not increase through mere materialism and luxury, but that it does progress through integrity, unselfishness, responsibility and Justice.

In the past few months, as a result of our action, we have demanded of many individual citizens that they surrender in thiaburivens selationshofs: certain licenses to do as they pleased but we have asked this in exchange for the protection which the State can give against exploitation by their fellow men or by combinations of their fellow men.

I congratulate this Congress upon the courage, the
earnestness and the efficiency with which you met the crisis at andereta, cetued
 the Special session. It was your fine spirit in everettorting スム/wnc Ruallum potrifotiom for nalisanship that furnished the example which the country has so splendidly followed. I venture to say that the task confronting the First Congress of 1789 was no greater than your own.

I not attempt to set forth either the many phases
of the crisis which we experienced last March, nor the many measures that we might which you and I undertook during the Special Session initiate recovery and reform.

It is $M_{M} M_{F}$ sufficient that I should speak in broad terms of the results of our common council:

The credit of the Government,
$\mathrm{A}^{3 \text { twombtreded }} \sqrt{\text { by drastic }}$ reduction in the cost of permanent agencies
A. With the twofold purpose of strengthening the whole financial
structure and of arriving eventually at a medium of exchange which will represent a more constr mt and loce-iluotrating purchasing and
debt paying power for our people than that of the past, I have used the authority granted me to purchase all American produced gold and $\lim _{2}$ silver and to panaite additional gold in the world markets. Careful investigation and constant study prove that in the matter of foreign Col FA, u/ wm Buster
exchange rates, nations find thernselves so handcapped by internal and other conditions that they feel unable at this
time to enter into stabilization discussions based on permanent and
worldwide objectives.

## B-5

overwhelming majority of the banks, both national and state, which reopened last spring, are in sound condition and have been brought within the protection of Federal Insurance. In the case of those banks which were not permitted to reopen, nearly dallowo 600 million of frozen deposits are being restored to the depositors through the assistance of the National Government.

We have made great strides towards the objectives of the National Industrial Recovery Act, for not only have several millions of our unemployed been restored to work, but industry is organizing itself with a greater understanding that reasonable profits can be earned while at the same time protection can be assured to guarantee to labor adequate pay and proper conditions of work. Child labor is abolished. Uniform standards of hours
and wages apply today to $95 \%$ of industrial employment within the field of the National Industrial Recovery Act. We seek a/cfiniternd the Whampones of preventing combinations in furtherance of monopoly and in restraint of trade, while at the same time we seek to prevent ruinous rivalries within industrial groups which in many cases resemble the gang wars of the underworld and in which the real victim in every case is the public itself. Under the authority of this Congress, we have brought the component parts of each industry together around a common table, just as we have brought problems affecting labor to a common meeting ground. Though the machinery, hurriedly devised, sx-adjicatmint
may need Dquainiag from time to time, nevertheless I think
you will agree with me that we have created a permanent feature of our modernized industrial structure and that it will continue
under the supervision but not the arbitrary dictation of government itself.

You recognized last spring that the most serious part of the debt burden affected those who stood in danger of losing their farms and their homes. I am glad to tell you that refinancing both of these cashed is proceeding with good success and in all probability within the financial limits set by the Congress.

But agriculture had suffered from more than its debts. Actual experience with the operation of the Agricultural Adjustment Act leads to my belief that thus far the experiment of seeking a balance between production and consumption is succeeding and has made progress entirely in line with reasonable expectations towards the restoration of farm prices to parity. I continue
in my conviction that industrial progress and prosperity can only be attained by bringing the purchasing power of that portion of our population which in one form or another is dependent upon agriculture up to a level which will restore a proper balance between every section of the country and every form of work.

In this field, through carefully planned flood control, power development and land use policies, in the Tennessee Valley and in other great watersheds, we are seeking the elimination of waste, the removal of poor lands from agriculture and the encouragement of small local industries, thus furthering a bertie beelonced this principle of portoxing balance


We recognize the great ultimate cost of the application of this rounded policy to every part of the Union. Today we are creating weremwatmath heavy obligationsytura Le iveif instatement and because of the great unemployment needs of the moment. I look forward, however, to the time in the not distant future, when annual appropriations, wholly covered by current revenue, will enable the work to proceed wi a national plan. Such a national plan will, in a generation or two, return many times owe the money spent on it; more important, it will eliminate the use of inefficient tools, conserve and increase natural resources, prevent waste, and enable millions of our people to take
better advantage of the opportunities which God has given
Gun connery. Unitodion

I cannot, unfortunately, present to you a picture of complete optimism regarding world affairs.

Gown e If delegation representing the United

States has worked in close cooperation with the other

American republics assembled at Montevideo to make that conference an outstanding success. We have, I hope, made it clear to our neighbors that we seek with them future avoidance of territorial expansion and of interference til $A$ F LC
beeton nation /f in the internal affairs of another, the
Furthermore, all of us are seeking restoration of commerce in ways which will preclude the building up of large favorable trade balances by any one nation at the expense of trade debits on the part of other nations.

In other parts of the world, however, fear of


Returning to home predflews,
by many notorious examples of injuries done our citizens
by persons or groups who have been living off their
neighbors by the use of methods either unethical or criminal.

fusions of the income tax laws -- or at least the spirit of them, -- personal enrichment by bligh officials of banks of corporations at the expense of their stockholders or the public, reckless speculation with their own or with other peoples money to such an extent that values of farmers crops and of poor people's savings have been tossed upward or smashed downward to the detriment of the commonweal, crimes or orsenized banditry, cold-blooded shooting, lynching and kidnapping --
all of these call not only for definite education of dur

In the first category -- a field which does not involve violations of the letter of our laws -- practices have been brought to light which

 du in the past generation been raising $\wedge$ ethical standards of business, audrey call in-meny-imetenee for stringent preventive or regulatory measures. I am speaking of those individuals who have evaded the spirit and purpose of our tax laws, of those high officials of banks or corporations who have grown rich at the expense of their stockholders or the public, of those reckless speculators with their own or other people's money whose operations have injured the values of the farmers' crops and the savings of the poor.

In the other category, crimes of organized banditry, cold-blooded shooting, lynching and kidnapping have threatened our security.

These violations of ethics and these violations of law call on the strong arm of government for their immediate suppression; they call also on the country for definite- oducetion-towerd-their elimination


The adoption of the $21 s t$ Amendment should give material aid to the elimination of those new forms of crime which came from tho 11 quern traffic. $\min$ liger

tradition -- not of necessity the form of that tradition, but essantionjun inearceormaninh its spirit. The program
itself tamis from the American people.
4 It 15 an integrated program, national in scope. 14 conerive人 the nation as consisting of many econ omicuintepasts and factors and it proceeded on the practical prinolple that the way to restore economic life was first to restore the vanished purchasingpower of the agricultural population. In this respect the issue was drawn sharply with those who guided the destiny of our economic life in previous fears. It was their theory that we should help those at the top in order that they might help the masses underneath. It is our theory theft to build securely we should start at the bottom -pyramid, making the structure sound throughout.
Viewed in the large,
averemingem is designed to save from destruction and to keep for the future the genuinely impportant values created by modern whotriel society. The vicious and wasteful parts of that society we could not save If we wished; they have chosen the way of self-destruction. We would save useful mechanical invention, machine production, industrial efficiency, modern means of communication Goad education. We should save for the enlightemed-empleyrex the



I have from time to time informed the people of what I now repeat to the Congress. We are logically and with great care and discrimination moving toward a broadly conceived and charted national life. The steps we have taken are the necessary implements of such a life. And, as we have proceeded, the intelligence of the people of this great nation has followed us with understanding approval. It is only a few months ago when I first spoke of the planned use of the land, of the elimination of sub-margipal land and the afforestation of the portions eliminated. Those who saw only the past verse amused, contemptuous. But the average man was willing to try it and now the planned use of the sand is an acerorianad fact. The/conception of using a precious natural resource in the Tennessee Valley to the end that richer life might be enjoyed by a great population, once calked Utopian, is now growing into practical realization. These, among many aspects of the new policies, illustrate how much more dependable theopinions of the average man are than the timid reacyjonaries who only yesterday thought they were the rulers.
II We have ploughed the furrow and planted the good seed; the hard beginning is over. If we would reap the full harvest this gored we must cultivate the soil where seed is sprouting and the
plant is reaching up to mature growth.
 for your consideration, but these will be in the nature of a continuation and broadening of present measures. It must be remembered that most ofoun program has been in operation only a few months. Results are gratifying but the full realization is still to come. I commend to you a session of constructive discussion of our common policies, of considering means and of strengthening our program, of adding a few necessary

It
A final personal word gnetiag. I know that each of you will appreciate that I am speaking no mere politeness when I assure you how much I value the fine relationship that we have shared during these months of hard and incessant work. Out of these friendly contacts we are, fortunately, building a strong and permanent tie between the legislative and executive p branches of the government. The cum of the Constitution wisely declared a separation, but the bemmuen from vie fellowship declares a union. In this spirit we join once more in serving the American people.

MESSAGB OF TIE PRESDDANT TO THE CONGRLSS OF TIE UNITED STATES

TO THE CONGLESS:
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Nor that te are cerinitely in the process of recovery, lines have been rightly drerm between those to whom this recovery means a return to ola methods -- and the muber of these people is mall -and those for thom recovery mens a zeiorm of many old method a, a permanent readjustrient of many of our Whays of thinking and therefore of many of our social and economic arrumgenents.

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Without zegard to party, the overvhelning majority of our people seek a ireater opportunity for humenity to prosper and find happiness. They recognize that human rrolfare has not increased and does not increase throush mere materialisn and luxury, but that it does progress through integrity, unselfijhness, responsibility and justice.

In the past per months, as a result of our action, we have demanded of nany citizons that they surrender certain licenses to do as they pleased in their business relationships: but we have asked this in exchance for tho protection which the State can give againat exploitation $b_{j}$ their follor men or by combinations of their fellor ren.

I oongratulate this congress upon the courage, the earnestness and the ofificiency with thich you met the crisis at the Special Session. It ras your fine understancing of the nationel problem that furnisied the example which the country hes so splendidly followed. I vanture to say that the task confronting the First Congress of 1789 mas no greater than your orn.

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It is suificient that I should spoak in broad terms of the results of our common counsel.

The credit of the Goverminent has been fortified by drastic reduction in the cost of its pernanent agancies through the Economy Act

- 2 -

With the tro-fold purpose of strengthening the whole financial structure and of erriving eventually at a medium of exchange which will have over the years less variable purchasing and debt paying pover for our people than that of the past, I have used the authority granted me to purchase all Anerican produced gold and silver and to buy adaitional gold in the morld markets. Careful investigation and constant study prove that in the matter of foreign exchange rates, certain of our sister nations find themselves so handicapped by internal and other conditions that they feel unable at this time to enter into stabilization discussions based on permanent and rorld-iride objectives.

The overwhelming majority of the banics, both national and state, thich reopened last spring, are in sound condition and have been brought rithin the protection of Federal Insurance. In the case of those baniss which rere not permitted to reopen, nearly 600 million dollars of frozen doposits are being restored to the depositors through the assistance of the llationall Government.

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I. expeci to rijont to you later in regard to debts oned the governyent and poople of this country by the governients and peoples of other coursxies. Sevoral nations, acino ledging the debt, have peid in sall , Ms t: other netinis lave failed to pey. One sation Finland - has $\%$ id tie dnstall ents due this country in full.

Tetuining to jome Joble is, to wo been shocked by many notoritous exirnples of jfituries done ons sitizens by persons or groune wha huve be in IIvire; of: their nel thiones by the use of :athods either unethical or exfuin:...

In tie ilinet vetoggrir -- is fleld winci cioes not involve violations of the de son 0 : owi lans -- Wractices hive been brougirt to light vilich heva suogisd those tho selieved thet re "Gre in theo past generacion raising tio ethisal stan arte of Jusiness. They call for scringent preventive or remulviny nocsures. I an anealcinत of those indivicuals tho have uvaded tho cyirit and juryose on our tex leva, of those ligh officjels of juh.s or corporatione tho have grown rich at twe ex.rane of theit atochlolecs or the puisic, of those reckless sjeoulatoxs rith their orm or other jeople'g money whose oparations have infured the values of the forsers crope end the savinge of the poor.

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## FRANILIN D. ROOSEVIELT

TTE : IITTS POUSE,
January 3, 193 A.

## after recess

The recess having expired, the House (at 1 o'clock and 28 minutes p.m.) resumed its session.

## further message from the senate

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had agreed to the concurrent resolution (H.Con.Res. 25) providing that the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, the 3d day of January 1934 at $1: 30$ o'clock in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

## Joint meeting of the senate and house

At 1 o'clock and 30 minutes p.m. the Doorkeeper, Mr. J. J. Sinnott, announced the Vice President of the United States and the Members of the United States Senate.

The Members of the House rose.
The Senate, preceded by the Vice President and by their Secretary and Sergeant at Arms, entered the Chamber.
The Vice President took the chair at the right of the Speaker, and the Members of the Senate took the seats reserved for them.

The SPEAKER. On behalf of the House, the Chair appoints the following committee to conduct the President into the Chamber: Messrs. Byrns, Dovghton, and Snell.

The VICE PRESIDENT. On the part of the Senate, the Chair appoints as a like committee Senators Robinson of Arkansas, McNary, and Fletcher.
At 1 o'clock and 32 minutes p.m. the Doorkeeper, Mr. J. J. sinnott, announced the Cabinet of the President of the United States.
The Members of the Cabinet of the President entered the Chamber and took the seats reserved for them in front of the Speaker's rostrum.
At 1 o'clock and 35 minutes p.m. the President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House and stood at the Clerk's desk, amid prolonged applause.
The SPEAKER. Senators and Representatives, I have the distinguished honor of presenting to you the President of the United States. [Applause.]
address by the president of the united states
The PRESIDENT. Mr. President, Mr. Speaker, Senators, and Representatives in Congress, I come before you at the opening of the regular session of the Seventy-third Congress not to make requests for special or detailed items of legislation; I come, rather, to counsel with you, who, like myself, have been selected to carry out a mandate of the whole people, in order that without partisanship you and I may cooperate to continue the restoration of our national well-being and, equally important, to build on the ruins of the past a new structure designed better to meet the present problems of modern civilization. [Applause.]

Such a structure includes not only the relations of industry and agriculture and finance to each other, but also the effect which all of these three have on our individual citizens and on the whole people as a nation.

Now that we are definitely in the process of recovery, lines have been rightly drawn between those to whom this recovery means a return to old methods-and the number of these people is small-and those for whom recovery means a reform of many old methods, a permanent readjustment of many of our ways of thinking, and, therefore, of many of our social and economic arrangements.

Civilization cannot go back; civilization must not stand still. We have undertaken new methods. It is our task to perfect, to improve, to alter when necessary, but in all cases to go forward. To consolidate what we are doing, to make our economic and social structure capable of dealing with modern life, is the joint task of the legislative, the judicial, and the executive branches of the National Government.

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has not increased and does not Increase through mere materialism and luxury, but that it does progress through integrity, unselfishness, responsibllity, and justice. [Applause.]
In the past few months, as a result of our action, we have demanded of many eitizens that they surrender certain licenses to do as they pleased in their business relationships; but we have asked this in exchange for the protection which the State can give against exploitation by their fellow men or by combinations of their fellow men.
I congratulate this Congress upon the courage, the earnestness, and the efficiency with which you met the crisis at the special session. It was your fine understanding of the national problem that furnished the example which the country has so splendidly followed. I venture to say that the task confronting the First Congress of 1789 was no greater than your own.

I shall not attempt to set forth either the many phases of the crisis which we experienced last March, nor the many measures which you and I undertook during the special session that we might initiate recovery and reform.

It is sufficient that I should speak in broad terms of the results of our common counsel. [Applause.]

The credit of the Government has been fortifled by drastic reduction in the cost of its permanent agencies through the Economy Act.
With the twofold purpose of strengthening the whole financial structure and of arriving eventually at a medium of exchange which will have over the years less variable purchasing and debt-paying power for our people than that of the past, I have used the authority granted me to purchase all American produced gold and silver [applause] and to buy additional gold in the world markets. Careful investigation and constant study prope that in the matter of foreign exchange rates certain of our sister nations find themselves so handicapped by internal and other conditions that they feel unable at this time to enter into stabilization discussions based on permanent and world-wide objectives.

The overwhelming majority of the banks, both National and State, which reopened last spring, are in sound condition and have been brought within the protection of Federal insurance. In the case of those banks which were not permitted to reopen nearly $\$ 600,000,000$ of frozen deposits are being restored to the depositors through the assistance of the National Government.

We have made great strides toward the objectives of the National Industrial Recovery Act, for not only have several millions of our unemployed been restored to work but industry is organizing itself with a greater understanding that reasonable profits can be earned while at the same time protection can be assured to guarantee to labor adequate pay and proper conditions of work. Child labor is abolished. Uniform standards of hours and wages apply today to 95 percent of industrial employment within the field of the National Industrial Recovery Act. We seek the definite end of preventing combinations in furtherance of monopoly and in restraint of trade, while at the same time we seek to prevent ruinous rivalries within industrial groups which in many cases resemble the gang wars of the underworld and in which the real victim in every case is the public itself.

Under the authority of this Congress we have brought the component parts of each industry together around a common table, just as we have brought problems affecting labor to a common meeting ground. Though the machinery, hurriedly devised, may need readjustment from time to time, nevertheless I think you will agree with me that we have created a permanent feature of our modernized industrial structure and that it will continue under the supervision, but not the arbitrary dictation of government itself. [Applause.]

You recognized last spring that the most serious part of the debt burden affected those who stood in danger of losing their farms and their homes. I am glad to tell you that refinancing in both of these cases is proceeding with good success and in all probability within the financial limits set by the Congress.

But agriculture had suffered from more than it debts. Actual experience with the operation of the Agricultural Adjustment Act leads to my belief that thus far the experiment of seeking a balance between production and consumption is succeeding and has made progress entirely in line with reasonable expectations toward the restoration of farm prices to parity. I continue in my conviction that industrial progress and prosperity can only be attained by bringing the purchasing power of that portion of our population which in one form or another is dependent upon agriculture up to a level which will restore a proper balance between every section of the country and every form of work. [Applause.]

In this field, through carefully planned flood-control, power-development, and land-use policies in the Tennessee Valley and in other great watersheds, we are seeking the elimination of waste, the removal of poor lands from agriculture, and the encouragement of small local industries, thus furthering this principle of a better balanced national life. We recognize the great ultimate cost of the application of this rounded policy to every part of the Union. Today we are creating heavy obligations to start the work and because of the great unemployment needs of the moment. I look forward, however, to the time in the not distant future when annual appropriations, wholly covered by current revenue, will enable the work to proceed with a national plan. Such a national plan will, in a generation or two, return many times the money spent on it; more important, it will eliminate the use of inefficient tools, conserve and increase natural resources, prevent waste, and enable millions of our people to take better advantage of the opportunities which God has given our country.

I cannot, unfortunately, present to you a picture of complete optimism regarding world affairs.
The delegation representing the United States has worked in close cooperation with the other American Republics assembled at Montevideo to make that conference an outstanding success. We have, I hope, made it clear to our neighbors that we seek with them future avoidance of territorial expansion and of interference by one nation in the internal affairs of another. [Applause.] Furthermore, all of us are seeking the restoration of commerce in ways which will preclude the building up of large favorable trade balances by any one nation at the expense of trade debits on the part of other nations.

In other parts of the world, however, fear of immediate or future aggression, and with this the spending of vast sums on armament and the continued building up of defensive trade barriers, prevent any great progress in peace or trade agreements. I have made it clear that the United States cannot take part in political arrangements in Europe but that we stand ready to cooperate at any time in practicable measures on a world basis looking to immediate reduction of armaments and the lowering of the barriers against commerce. [Applause.]

I expect to report to you later in regard to debts owed the Government and people of this country by the governments and peoples of other countries. Several nations, acknowledging the debt, have paid in small part; other nations have failed to pay. One nation-Finland-has paid the installments due this country in full. [Applause.]

Returning to home problems, we have been shocked by many notorious examples of injuries done our citizens by persons or groups who have been living off their neighbors by the use of methods either unethical or criminal.

In the first Category-a field which does not involve violations of the letter of our laws-practices have been brought to light which have shocked those who believed that we were in the past generation raising the ethical standards of business. They call for stringent preventive or regulatory measures. I am speaking of those individuals who have evaded the spirit and purpose of our tax laws [applause], of those high officials of banks or corporations who have grown rich at the expense of their stockholders or the pub-
lic, of those reckless speculators with their own or other people's money whose operations have injured the values of the farmers' crops and the savings of the poor. [Applause.]
In the other category, crimes of organized banditry, coldblooded shooting, lynching, and kidnaping have threatened our security.

These violations of ethics and these violations of law call on the strong arm of government for their immediate suppression; they call also on the country for an aroused public opinion. [Applause.]

The adoption of the twenty-first amendment should give material aid to the elimination of those new forms of crime which came from illegal traffic in liquor. [Applause.]

I shall continue to regard it as my duty to use whatever means may be necessary to supplement State, local, and private agencies for the relief of suffering caused by unemployment. With respect to this question, I have recognized the dangers inherent in the direct giving of relief and have sought the means to provide not mere relief but the opportunity for useful and remunerative work. We shall, in the process of recovery, seek to move as rapidly as possible from direct relief to publicly supported work, and from that to the rapid restoration of private employment.

It is to the eternal credit of the American people that this tremendous readjustment of,our national life is being accomplished peacefully, without serious dislocation, with only a minimum of injustice, and with a great, willing spirit of cooperation throughout the country.
Disorder is not an American habit. Self-help and selfcontrol are the essence of the American tradition-not of necessity the form of that tradition, but its spirit. The program itself comes from the American people.

It is an integrated program, national in scope. Viewed in the large, it is designed to save from destruction and to keep for the future the genuinely important values created by modern society. The vicious and wasteful parts of that society we could not save if we wished; they have chosen the way of self-destruction. We would save useful mechanical invention, machine production, industrial efficiency, modern means of communication, broad education. We would save and encourage the slowly growing impulse among consumers to enter the industrial market place equipped with sufficient organization to insist upon fair prices and honest sales.

But the unnecessary expansion of industrial plants, the waste of natural resources, the exploitation of the consumers of natural monopolies, the accumulation of stagnant surpluses, child labor, and the ruthless exploitation of all labor, the encouragement of speculation with other people's money, these were consumed in the fires that they themselves kindled; we must make sure that as we reconstruct our life there be no soil in which such weeds can grow again. [Applause.]

We have plowed the furrow and planted the good seed; the hard beginning is over. If we would reap the full harvest, we must cultivate the soil where this good seed is sprouting and the plant is reaching up to mature growth.

A final personal word. I know that each of you will appreciate that I am speaking no mere politeness when I assure you how much I value the fine relationship that we have shared during these months of hard and incessant work. Out of these friendly contacts we are, fortunately, building a strong and permanent tie between the legislative and executive branches of the Government. The letter of the Constitution wisely declared a separation, but the impulse of common purpose declares a union. In this spirit we join once more in serving the American people. [Applause, the Members rising. 1
Thereupon, at 2 o'clock p.m., the President retired from the Hall of the House.

At 2 o'clock and 1 minute p.m. the Speaker announced that the joint session was dissolved.
Thereupon the Vice President and the Members of the Senate returned to their Chamber.



This recovery means return to old methods -- and the number of these 1 pale is small -- and those for whom recovery mine a of -many ill methods, mation by social progress of many of our economic ways of thinking and therefore of many of our social and economic arrangements. (A) 7 Without regard to party, the overwhelming majority of our people seek a greater opportunity for humanity to prosper and find happiness. They recognize that human welfare has not increased and does not increase through mere materialism and luxury, but that it does progress through integrity, unselfishness, responsibility and justice.

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give against exploitation by their fellow men or by combinations of their fellow men.

I congratulate this Congress upon the courage, the earnestness and the efficiency with which you met the crisis at the Special Session. It was your fine spirit in substituting patriotism for partisanship that furnished the example which the country has so splendidly followed. I venture to say that the task confronting the First Congress of 1789 was no greater than your own.

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 which you and I undertook during the Special Session to initiate recovery and reform.

It is perhaps sufficient that I should speak in broad terms of the results of our common council:

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That markets for the exchange of gecurities and comnodities are necessary to trade and investment makes it all the more irperative that the abuse of and in these markets be elininated. (Governingagencies within the markets should prevent abuses)

That peaceful citizens are able to go ebout their
daily lives in general security makes it all the more


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