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**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**

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**File No. 740**

**1934 September 30**

**Fireside Chat #6 – Moving Forward to Greater  
Freedom and Greater Security**

Sept. 30, 1934

Fireside Speech #6. Subject: General

*Reading Copy*

RADIO ADDRESS OF THE PRESIDENT  
THE WHITE HOUSE  
SUNDAY, SEPTEMBER 30, 1934.

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Three months have passed since I talked with you shortly after the adjournment of the Congress. Tonight I continue that report, though, because of the shortness of time, I must defer a number of subjects to a later date.

Recently the most notable public questions that have concerned us all have had to do with industry and labor and with respect to these, certain developments have taken place which I consider of importance. I am happy to report that after years of uncertainty, culminating in the collapse of the spring of 1933, we are bringing order out of the old chaos with a greater certainty of the employment of labor at a reasonable wage and of more business at a fair profit. These governmental and industrial developments hold promise of new achievements for the nation.

Men may differ as to the particular form of governmental activity with respect to industry and business, but nearly all are agreed that private enterprise <sup>in times such as</sup> ~~is best~~ <sup>without assistance and without reasonable safeguards</sup> ~~is best~~ <sup>destroy not only itself but our processes of civilization.</sup> <sup>4/10</sup> The underlying necessity for such activity is indeed as strong now as it was years ago when Elihu Root said the following very significant words:

*three cannot be left*  
*without assistance and without reasonable safeguards*  
*destroy not only itself but our processes of civilization.*

"Instead of the give and take of free individual contract, the tremendous power of organization has combined great aggregations of capital in enormous industrial establishments working through vast agencies of commerce and employing great masses of men in movements of production and transportation and trade, so great in the mass that each individual concerned in them is quite helpless by himself. The relations between the employer and the employed, between the owners of aggregated capital and the units of organized labor, between the small producer, the small trader, the consumer, and the great transporting and manufacturing and distributing agencies, all present new questions for the solution of which the old reliance upon the free action of individual wills appear quite inadequate. And in many directions, the intervention of that organized control which we call government seems necessary to produce the same result of justice and right conduct which obtained through the attrition of individuals before the new conditions arose."

It was in this spirit thus described by Secretary Root that we approached our task of reviving private enterprise in March, 1933. Our first problem was, of course, the banking situation because, as you know, the banks had collapsed. Some banks could not



be saved but the great majority of them, either through their own resources or with government aid, have been restored to complete public confidence. This has given safety to millions of depositors in these banks. Closely following this great constructive effort we have, through various Federal agencies, saved debtors and creditors alike in many other fields of enterprise, such as loans on farm mortgages and home mortgages; loans to the railroads and insurance companies and, finally, help for home owners and industry itself.

In all of these efforts the government has come to the assistance of business and with the full expectation that the money used to assist these enterprises will eventually be repaid. I believe it will be.

The second step we have taken in the restoration of normal business enterprise has been to clean up thoroughly unwholesome conditions in the field of investment. In this we have had assistance from many bankers and business men, most of whom recognize the past evils in the banking system, in the sale of securities, in the deliberate encouragement of stock gambling, in the sale of unsound mortgages and in many other ways in which the public lost billions of dollars. They saw that without changes in the policies and methods of investment there could be no recovery of public confidence in the security of savings. The country now enjoys the safety of bank savings under the new banking laws, the careful checking of new securities under the Securities Act and the curtailment of rank stock speculation through the Securities Exchange Act. I sincerely hope that as a

result people will be discouraged in unhappy efforts to get rich quick by speculating in securities. The average person almost always loses. Only a very small minority of the people of this country believe in gambling as a substitute for the old philosophy of Benjamin Franklin that the way to wealth is through work.

In meeting the problems of industrial recovery the chief agency of the government has been the National Recovery Administration. Under its guidance, trades and industries covering over ninety per cent of all industrial employees have adopted codes of fair competition, which have been approved by the President. Under these codes, in the industries covered, child labor has been eliminated. The work day and the work week have been shortened. Minimum wages have been established and other wages adjusted toward a rising standard of living. The emergency purpose of the N. R. A. was to put men to work and since its creation more than four million persons have been re-employed, in great part through the cooperation of American business brought about under the codes.

Benefits of the Industrial Recovery Program have come, not only to labor ~~in relief~~ in the form of new jobs, <sup>in</sup> relief from over-work and <sup>in</sup> relief from under-pay, but also to the owners and managers of industry because, together with a great increase in the payrolls, there has come a substantial rise in the total of industrial profits - a rise from a deficit figure in the first quarter of 1933 to a level of sustained profits within one year from the inauguration of N. R. A.

Now it should not be expected that even employed labor and capital would be completely satisfied with present conditions. Employed workers have not by any means all enjoyed a return to the earnings of prosperous times; although millions of hitherto under-privileged workers are today far better paid than ever before. Also, billions of dollars of invested capital have today a greater security of present and future earning power than before. This is because of the establishment of fair, competitive standards and <sup>relieve of</sup> relief from unfair competition in wage cutting which depresses markets and destroys purchasing power. But it is an undeniable fact that the restoration of other billions of sound investments to a reasonable earning power could not be brought about in one year. There is no magic formula, no economic panacea, which could simply revive over-night the heavy industries and the trades dependent upon them.

Nevertheless the gains of trade and industry, as a whole, have been substantial. In these gains and in the policies of the Administration there are assurances that hearten all forward-looking men and women with the confidence that we are definitely rebuilding our political and economic system on the lines laid down by the New Deal - lines which as I have so often made clear, are in complete accord with the underlying principles of orderly popular government which Americans have demanded since the white man first came to these shores. We count, in the future as in the past, on the driving power of individual initiative and the incentive of fair private profit, strengthened with the acceptance of those obligations to the public interest which rest upon us all. We have the right to expect that this driving power will be given patriotically and whole-heartedly to our nation.

We have passed through the formative period of code making in the National Recovery Administration and have effected a reorganization of the N. R. A. suited to the needs of the next phase, which is, in turn, a period of preparation for legislation which will determine its permanent form.

In this recent reorganization we have recognized three distinct functions. First, the legislative or policy making function. Second, the administrative function of code making and revision and, third, the judicial function, which includes enforcement, consumer complaints and the settlement of disputes between employers and employees and between one employer and another.

We are now prepared to move into this second phase, on the basis of our experience in the first phase under the able and energetic leadership of General Johnson.

We shall watch carefully the working of this new machinery for the second phase of N. R. A., modifying it where it needs modification and finally making recommendations to the Congress, in order that the functions of N. R. A. which have proved their worth may be made a part of the permanent machinery of government.

Let me call your attention to the fact that the National Industrial Recovery Act gave business men the opportunity they had sought for years to improve business conditions through what has been called self-government in industry. If the codes which have been written have been too complicated, if they have gone too far in such matters

as price fixing and limitation of production, let it be remembered that so far as possible, consistent with the immediate public interest of this past year and the vital necessity of improving labor conditions, the representatives of trade and industry were permitted to write their ideas into the codes. It is now time to review these actions as a whole to determine through deliberative means in the light of experience, from the standpoint of the good of the industries themselves, as well as the general public interest, whether the methods and policies adopted in the emergency have been best calculated to promote industrial recovery and a permanent improvement of business and labor conditions. There may be a serious question as to the wisdom of many of those devices to control production, or to prevent destructive price cutting which many business organizations have insisted were necessary, or whether their effect may have been to prevent that volume of production which would make possible lower prices and increased employment. Another question arises as to whether in fixing minimum wages on the basis of an hourly or weekly wage we have reached into the heart of the problem which is to provide such annual earnings for the lowest paid worker as will meet his minimum needs. We also question the wisdom of extending code requirements suited to the great industrial centers and to large employers, to the great number of small employers in the smaller communities.

During the last twelve months our industrial recovery has been to some extent retarded by strikes, including a few of major importance. I would not minimize the inevitable losses to employers and employees and to the general public through such conflicts. But I would point out that the extent and severity of labor disputes during this period has been far less than in any previous, comparable period.

When the business men of the country were demanding the right to organize themselves adequately to promote their legitimate interests; when the farmers were demanding legislation which would give them opportunities and incentives to organize themselves for a common advance, it was natural that the workers should seek and obtain a statutory declaration of their constitutional right to organize themselves for collective bargaining as embodied in Section 7 (a) of the National *Industrial* Recovery Act.

Machinery set up by the Federal government has provided some new methods of adjustment. Both employers and employees must share the blame of not using them as fully as they should. The employer who turns away from impartial agencies of peace, who denies freedom of organization to his employees, or fails to make every reasonable effort at a peaceful solution of their differences, is not fully supporting the recovery effort of his government. The workers who turn away from these same impartial agencies and decline to use their good offices to gain their ends are likewise not fully cooperating with their government.

It is time that we made a clean-cut effort to bring about that united action of management and labor, which is one of the high purposes of the Recovery Act. We have passed through more than a year of education. Step by step we have created all the government agencies necessary to insure, as a general rule, industrial peace, with justice for all those willing to use these agencies whenever their voluntary bargaining fails to produce a necessary agreement.

There should be at least a full and fair trial given to these means of ending industrial warfare; and in such an effort we should be able to secure for employers and employees

and consumers the benefits that all derive from the continuous, peaceful operation of our essential enterprises.

Accordingly, I propose to confer within the coming month with small groups of those truly representative of large employers of labor and of large groups of organized labor, in order to seek their cooperation in establishing what I may describe as a specific trial period of industrial peace.

*April - for* <sup>*will hence*</sup> From those willing to join in establishing this period, I shall seek assurances of the making and maintenance of agreements, which can be mutually relied upon, under which wages, hours and working conditions may be determined and any later adjustments shall be made either by agreement or, in case of disagreement, through the mediation or arbitration of state or federal agencies. I shall not ask either employers or employees permanently to lay aside the weapons common to industrial war. But I shall ask both groups to give a fair trial to peaceful methods of adjusting their conflicts of opinion and interest, and to experiment for a reasonable time with measures suitable to civilize our industrial civilization.

Closely allied to the N. R. A. is the program of Public Works provided for in the same Act and designed to put more men back to work, both directly on the public works themselves, and indirectly in the industries supplying the materials for these public works. To those who say that our expenditures for Public Works and other means for recovery are a waste that we cannot afford, I answer that no country, however rich, can afford the waste of its human resources. Demoralization caused by vast unemployment is our greatest extravagance. Morally, it is the greatest menace to our social order. Some people try to tell me that we must make

up our minds that for the future we shall permanently have millions of unemployed just as other countries have had them for over a decade. What may be necessary for those countries is not my responsibility to determine. But as for this country, I stand or fall by my refusal to accept as a necessary condition of our future a permanent army of unemployed. On the contrary, we must make it a national principle that we will not tolerate a large army of unemployed and that we will arrange our national economy to end our present unemployment as soon as we can and then to take wise measures against its return. I do not want to think that it is the destiny of any American to remain permanently on relief rolls.

Those, fortunately few in number, who are frightened by boldness and cowed by the necessity for making decisions, complain that all we have done is unnecessary and subject to great risks. Now that these people are coming out of their storm cellars, they forget that there ever was a storm. They point to England. They would have you believe that England has made progress out of her depression by a do-nothing policy, by letting nature take her course. England has her peculiarities and we have ours but I do not believe any intelligent observer can accuse England of undue orthodoxy in the present emergency.

Did England let nature take her course? No. Did England hold to the gold standard when her reserves were threatened? No. Has England gone back to the gold standard today? No. Did England hesitate to call in ten billion dollars of her war bonds bearing 5% interest, to issue new bonds therefor bearing only  $3\frac{1}{2}\%$  interest, thereby saving the British Treasury one hundred and fifty million dollars a year in interest alone? No. And let it be recorded that the British bankers helped. Is it not a fact that ever since



the year 1909, Great Britain in many ways has advanced further along lines of social security than the United States? Is it not a fact that relations between capital and labor on the basis of collective bargaining are much further advanced ~~with~~ <sup>in</sup> Great Britain than ~~with~~ <sup>in</sup> the United States? It is perhaps not strange that the conservative British press has told us with pardonable irony that much of our New Deal program is only an attempt to catch up with English reforms that go back ten years or more.

Nearly all Americans are sensible and calm people. We do not get greatly excited nor is our peace of mind disturbed, whether we be business men or workers or farmers, by awesome pronouncements concerning the unconstitutionality of some of our measures of recovery and relief and reform. We are not frightened by reactionary lawyers or political editors. All of these cries have been heard before. More than twenty years ago, when Theodore Roosevelt and Woodrow Wilson were attempting to correct abuses in our national life, the great Chief Justice White said:

"There is great danger it seems to me to arise from the constant habit which prevails where anything is opposed or objected to, of referring without rhyme or reason to the Constitution as a means of preventing its accomplishment, thus creating the general impression that the Constitution is but a barrier to progress instead of being the broad highway through which alone true progress may be enjoyed."

In our efforts for recovery we have avoided on the one hand the theory that business should and must be taken over into an all-embracing Government. We have avoided on the other hand the equally untenable theory that it is an interference with liberty to offer reasonable help when private enterprise is in need of help. The course we have followed fits the American practice of Government - a practice of taking action step by step, of regulating only to meet concrete needs - a practice of courageous recognition of change. I believe with Abraham Lincoln, that "The legitimate object of Government is to do for a community of people whatever they need to have done but cannot do at all or cannot do so well for themselves in their separate and individual capacities."

*I still believe in ideals.*

I am not for a return to that definition of Liberty under which for many years a free people were being gradually regimented into the service of the privileged few. I prefer and I am sure you prefer that broader definition of Liberty under which we are moving forward to greater freedom, to greater security for the average man than he has ever known before in the history of America.

(END)

*Walter P. Reuther - Sept 30/1934*

THE WHITE HOUSE  
WASHINGTON

*Reading Copy*

In meeting the problems of industrial recovery the chief agency of the government has been the National Recovery Administration. Benefits of the Industrial Recovery program have come, not only to labor in the form of new jobs, relief from overwork, and in relief from under-pay, but also to the owners and managers of industry because, together with a great increase in payrolls, there has come a substantial rise in the total of industrial profits.

The gains of trade and industry as a whole have been substantial. In these gains and in the policies of the Administration there are assurances that hearten all forward-looking men and women with the confidence that we are definitely rebuilding our political and economic system on the lines laid down by the New Deal. We count, in the future as in the past, on the driving power of individual initiative and the incentive of fair private profit.

Let me call your attention to the fact that the National Recovery Act gave business men the opportunity they had sought for years, to improve business conditions through what has been called self-government in industry. If the codes which have been written have been too complicated, if they have gone too far in such matters as price fixing and limitation of production, let it be remembered that so far as

THE WHITE HOUSE  
WASHINGTON

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possible, consistent with the immediate public interest of this past year and the vital necessity of improving labor conditions, the representatives of trade and industry were permitted to write their ideas into the Codes.

It is time that we made a clean-cut effort to bring about united action of management and labor, which is one of the high purposes of the Recovery Act. (STOP)

I propose to confer, within the coming month, with small groups of those directly representative of large employers of labor and of large groups of organized labor, in order to seek their cooperation in establishing what I may describe as a specific trial-period of industrial peace.

Some people try to tell me that we must make up our minds that for the future we shall permanently have millions of unemployed just as other countries have had them for over a decade. What may be necessary for those countries is not my responsibility to determine. But, as for this country, I stand or fall by my refusal to accept as a necessary condition of our future a permanent army of unemployed. I do not want to think that it is the destiny of any American to remain permanently on relief rolls.

THE WHITE HOUSE  
WASHINGTON

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I am not for a return to that definition of Liberty under which for many years a free people were being gradually regimented into the service of the privileged few. I prefer that broader definition of Liberty under which we are moving forward to greater freedom, to greater security for the average man than he has ever known before in the history of America.

RADIO ADDRESS OF THE PRESIDENT

September 30, 1934

This White House stenographer's transcript is NOT an accurate record of this speech as delivered. The reading copy with changes in FDR's handwriting is closer to the speech as delivered. Neither the reading copy, the White House stenographer's transcript, the press release version, nor the version printed by Rosenman record the speech exactly as delivered. Compare with our tape versions which omit part of the beginning of the speech.

RHP, 1D-30-81

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Recently the most notable public questions that have concerned us all have had to do with industry and labor and with respect to these, certain developments have taken place which I consider of importance. I am happy to report that after years of uncertainty, culminating in the collapse of the spring of 1933, we are bringing order out of the old chaos with a greater certainty of the employment of labor at a reasonable wage and of more business at a fair profit. These governmental and industrial developments hold promise of new achievements for the Nation.

Men may differ as to the particular form of governmental activity with respect to industry and business, but nearly all are agreed that private enterprise in times such as these cannot be left without assistance and without reasonable safeguards lest it destroy not only itself but also our processes of civilization. The underlying necessity for

**Franklin D. Roosevelt Library**

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

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such activity is indeed as strong now as it was years ago when Elihu Root said the following very significant words:

"Instead of the give and take of free individual contract, the tremendous power of organization has combined great aggregations of capital in enormous industrial establishments working through vast agencies of commerce and employing great masses of men in movements of production and transportation and trade, so great in the mass that each individual concerned in them is quite helpless by himself. The relations between the employer and the employed, between the owners of aggregated capital and the units of organized labor, between the small producer, the small trader, the consumer, and the great transporting and manufacturing and distributing agencies, all present new questions for the solution of which the old reliance upon the free action of individual wills appear quite inadequate. And in many directions, the intervention of that organized control which we call government seems necessary to produce the same result of justice and right conduct which obtained through the attrition of individuals before the new conditions arose."

It was in this spirit thus described by Secretary

Root that we approached our task of reviving private enterprise in March, 1933. Our first problem was, of course, the banking situation because, as you know, the banks had collapsed. Some banks could not be saved but the great majority of them, either through their own resources or with government aid, have been restored to complete public confidence. This has given safety to millions of depositors in these banks. Closely following this great constructive effort we have, through various Federal agencies, saved debtors and creditors alike in many other fields of enterprise, such as loans on farm mortgages and home mortgages; loans to the railroads and insurance companies and, finally, help for home owners and industry itself.

In all of these efforts the government has come to the assistance of business and with the full expectation that the money used to assist these enterprises will eventually be repaid. I believe it will be.

The second step we have taken in the restoration of normal business enterprise has been to clean up thoroughly unwholesome conditions in the field of investment. In this we have had assistance from many bankers and business men, most of whom recognize the past evils in the banking system, in the sale of securities, in the deliberate encouragement of

stock gambling, in the sale of unsound mortgages and in many other ways in which the public lost billions of dollars. They saw that without changes in the policies and methods of investment there could be no recovery of public confidence in the security of savings. The country now enjoys the safety of bank savings under the new banking laws, the careful checking of new securities under the Securities Act and the curtailment of rank stock speculation through the Securities Exchange Act. I sincerely hope that as a result people will be discouraged in unhappy efforts to get rich quick by speculating in securities. The average person almost always loses. Only a very small minority of the people of this country believe in gambling as a substitute for the old philosophy of Benjamin Franklin that the way to wealth is through work.

In meeting the problems of industrial recovery the chief agency of the government has been the National Recovery Administration. Under its guidance, trades and industries covering over ninety per cent of all industrial employees have adopted codes of fair competition, which have been approved by the President. Under these codes, in the industries covered, child labor has been eliminated. The work day and the work week have been shortened. Minimum wages have been established and other wages adjusted toward a rising standard of living.

The emergency purpose of the NRA was to put men to work and since its creation more than four million persons have been re-employed, in great part through the cooperation of American business brought about under the codes.

Benefits of the Industrial Recovery Program have come, not only to labor in the form of new jobs, in relief from overwork and in relief from under-pay, but also to the owners and managers of industry because, together with a great increase in the payrolls, there has come a substantial rise in the total of industrial profits -- a rise from a deficit figure in the first quarter of 1933 to a level of sustained profits within one year from the inauguration of NRA.

Now it should not be expected that even employed labor and capital would be completely satisfied with present conditions. Employed workers have not by any means all enjoyed a return to the earnings of prosperous times; although millions of hitherto under-privileged workers are today far better paid than ever before. Also, billions of dollars of invested capital have today a greater security of present and future earning power than before. This is because of the establishment of fair, competitive standards and because of relief from unfair competition in wage cutting which depresses markets and destroys purchasing power. But it is an undeniable

fact that the restoration of other billions of sound investments to a reasonable earning power could not be brought about in one year. There is no magic formula, no economic panacea, which could simply revive over-night the heavy industries and the trades dependent upon them.

Nevertheless the gains of trade and industry, as a whole, have been substantial. In these gains and in the policies of the Administration there are assurances that hearten all forward-looking men and women with the confidence that we are definitely rebuilding our political and economic system on the lines laid down by the New Deal -- lines which, as I have so often made clear, are in complete accord with the underlying principles of orderly popular government which Americans have demanded since the white man first came to these shores. We count, in the future as in the past, on the driving power of individual initiative and the incentive of fair private profit, strengthened with the acceptance of those obligations to the public interest which rest upon us all. We have the right to expect that this driving power will be given patriotically and whole-heartedly to our Nation.

We have passed through the formative period of code making in the National Recovery Administration and have effected a reorganization of the NRA suited to the needs of the

next phase, which is, in turn, a period of preparation for legislation which will determine its permanent form.

In this recent reorganization we have recognized three distinct functions. First, the legislative or policy making function. Second, the administrative function of code making and revision and, third, the judicial function, which includes enforcement, consumer complaints and the settlement of disputes between employers and employees and between one employer and another.

We are now prepared to move into this second phase, on the basis of our experience in the first phase under the able and energetic leadership of General Johnson.

We shall watch carefully the working of this new machinery for the second phase of NRA, modifying it where it needs modification and finally making recommendations to the Congress, in order that the functions of NRA which have proved their worth may be made a part of the permanent machinery of government.

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if they have gone too far in such matters as price fixing and limitation of production, let it be remembered that so far as possible, consistent with the immediate public interest of this past year and the vital necessity of improving labor conditions, the representatives of trade and industry were permitted to write their ideas into the codes. It is now time to review these actions as a whole to determine through deliberative means in the light of experience, from the standpoint of the good of the industries themselves, as well as the general public interest, whether the methods and policies adopted in the emergency have been best calculated to promote industrial recovery and a permanent improvement of business and labor conditions. There may be a serious question as to the wisdom of many of those devices to control production, or to prevent destructive price cutting which many business organizations have insisted were necessary, or whether their effect may have been to prevent that volume of production which would make possible lower prices and increased employment. Another question arises as to whether in fixing minimum wages on the basis of an hourly or weekly wage we have reached into the heart of the problem which is to provide such annual earnings for the lowest paid worker as will meet his minimum needs. We also question the wisdom of extending code

requirements suited to the great industrial centers and to large employers, to the great number of small employers in the smaller communities.

During the last twelve months our industrial recovery has been to some extent retarded by strikes, including a few of major importance. I would not minimize the inevitable losses to employers and employees and to the general public through such conflicts. But I would point out that the extent and severity of labor disputes during this period has been far less than in any previous, comparable period.

When the business men of the country were demanding the right to organize themselves adequately to promote their legitimate interests; when the farmers were demanding legislation which would give them opportunities and incentives to organize themselves for a common advance, it was natural that the workers should seek and obtain a statutory declaration of their constitutional right to organize themselves for collective bargaining as embodied in Section 7 (a) of the National Industrial Recovery Act.

Machinery set up by the Federal Government has provided some new methods of adjustment. Both employers and employees must share the blame of not using them as fully as they should. The employer who turns away from impartial



agencies of peace, who denies freedom of organization to his employees, or fails to make every reasonable effort at a peaceful solution of their differences, is not fully supporting the recovery effort of his government. The workers who turn away from these same impartial agencies and decline to use their good offices to gain their ends are likewise not fully cooperating with their government.

It is time that we made a clean-cut effort to bring about that united action of management and labor, which is one of the high purposes of the Recovery Act. We have passed through more than a year of education. Step by step we have created all the government agencies necessary to insure, as a general rule, industrial peace, with justice for all those willing to use these agencies whenever their voluntary bargaining fails to produce a necessary agreement.

There should be at least a full and fair trial given to these means of ending industrial warfare; and in such an effort we should be able to secure for employers and employees and consumers the benefits that all derive from the continuous, peaceful operation of our essential enterprises.

Accordingly, I propose to confer within the coming month with small groups of those truly representative of large employers of labor and large groups of organized labor,

in order to seek their cooperation in establishing what I may describe as a specific trial period of industrial peace.

From those willing to join in establishing this hoped for period of peace, I shall seek assurances of the making and maintenance of agreements, which can be mutually relied upon, under which wages, hours and working conditions may be determined and any later adjustments shall be made either by agreement or, in case of disagreement, through the mediation or arbitration of state or Federal agencies. I shall not ask either employers or employees permanently to lay aside the weapons common to industrial war. But I shall ask both groups to give a fair trial to peaceful methods of adjusting their conflicts of opinion and interest, and to experiment for a reasonable time with measures suitable to civilize our industrial civilization.

Closely allied to the NRA is the program of Public Works provided for in the same Act and designed to put more men back to work, both directly on the public works themselves, and indirectly in the industries supplying the materials for these public works. To those who say that our expenditures for public works and other means for recovery are a waste that we cannot afford, I answer that no country, however rich, can afford the waste of its human resources. Demoralization caused by vast un-

employment is our greatest extravagance. Morally, it is the greatest menace to our social order. Some people try to tell me that we must make up our minds that for the future we shall permanently have millions of unemployed just as other countries have had them for over a decade. What may be necessary for those countries is not my responsibility to determine. But as for this country, I stand or fall by my refusal to accept as a necessary condition of our future a permanent army of unemployed. On the contrary, we must make it a national principle that we will not tolerate a large army of unemployed and that we will arrange our national economy to end our present unemployment as soon as we can and then to take wise measures against its return. I do not want to think that it is the destiny of any American to remain permanently on relief rolls.

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has her peculiarities and we have ours, but I do not believe any intelligent observer can accuse England of undue orthodoxy in the present emergency.

Did England let nature take her course? No. Did England hold to the gold standard when her reserves were threatened? No. Has England gone back to the gold standard today? No. Did England hesitate to call in ten billion dollars of her war bonds bearing 5% interest, to issue new bonds therefor bearing only  $3\frac{1}{2}\%$  interest, thereby saving the British Treasury one hundred and fifty million dollars a year in interest alone? No. And let it be recorded that the British bankers helped. Is it not a fact that ever since the year 1909, Great Britain in many ways has advanced further along lines of social security than the United States? Is it not a fact that relations between capital and labor on the basis of collective bargaining are much further advanced in Great Britain than in the United States? It is perhaps not strange that the conservative British press has told us with pardonable irony that much of our New Deal program is only an attempt to catch up with English reforms that go back ten years or more.

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"There is great danger it seems to me to arise from the constant habit which prevails where anything is opposed or objected to, of referring without rhyme or reason to the Constitution as a means of preventing its accomplishment, thus creating the general impression that the Constitution is but a barrier to progress instead of being the broad highway through which alone true progress may be enjoyed."

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taking action step by step, of regulating only to meet concrete needs -- a practice of courageous recognition of change. I believe with Abraham Lincoln that "The legitimate object of Government is to do for a community of people whatever they need to have done but cannot do at all or cannot do so well for themselves in their separate and individual capacities."

I am not for a return to that definition of liberty under which for so many years a free people were being gradually regimented into the service of the privileged few. I prefer and I am sure you prefer that broader definition of liberty under which we are moving forward to greater freedom, to greater security for the average man than he has ever known before in the history of America.

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Address of the President delivered by radio  
from the White House  
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Three months have passed since I talked with you shortly after the adjournment of the Congress. Tonight I continue that report, though, because of the shortness of time, I must defer a number of subjects to a later date.

Recently the most notable public questions that have concerned us all have had to do with industry and labor and with respect to these, certain developments have taken place which I consider of importance. I am happy to report that after years of uncertainty, culminating in the collapse of the spring of 1933, we are bringing order out of the old chaos with a greater certainty of the employment of labor at a reasonable wage and of more business at a fair profit. These governmental and industrial developments hold promise of new achievements for the nation.

Men may differ as to the particular form of governmental activity with respect to industry and business, but nearly all are agreed that private enterprise in times such as these cannot be left without assistance and without reasonable safeguards lest it destroy not only itself but also our processes of civilization. The underlying necessity for such activity is indeed as strong now as it was years ago when Elihu Root said the following very significant words:

"Instead of the give and take of free individual contract, the tremendous power of organization has combined great aggregations of capital in enormous industrial establishments working through vast agencies of commerce and employing great masses of men in movements of production and transportation and trade, so great in the mass that each individual concerned in them is quite helpless by himself. The relations between the employer and the employed, between the owners of aggregated capital and the units of organized labor, between the small producer, the small trader, the consumer, and the great transporting and manufacturing and distributing agencies, all present new questions for the solution of which the old reliance upon the free action of individual wills appear quite inadequate. And in many directions, the intervention of that organized control which we call government seems necessary to produce the same result of justice and right conduct which obtained through the attrition of individuals before the new conditions arose."

It was in this spirit thus described by Secretary Root that we approached our task of reviving private enterprise in March, 1933. Our first problem was, of course, the banking situation because, as you know, the banks had collapsed. Some banks could not be saved but the great majority of them, either through their own resources or with government aid, have been restored to complete public confidence. This has given safety to millions of depositors in these banks. Closely following this great constructive effort we have, through various Federal agencies, saved debtors and creditors alike in many other fields of enterprise, such as loans on farm mortgages and home mortgages; loans to the railroads and insurance companies and, finally, help for home owners and industry itself.

In all of these efforts the government has come to the assistance of business and with the full expectation that the money used to assist these enterprises will eventually be repaid. I believe it will be.

The second step we have taken in the restoration of normal business enterprise has been to clean up thoroughly unwholesome conditions in the field of investment. In this we have had assistance from many bankers and business men, most of whom recognize the past evils in the banking system, in the sale of securities, in the deliberate encouragement of stock gambling, in the sale of unsound mortgages and in many other ways in which the public lost billions of dollars. They saw that without changes in the policies and methods of investment there could be no recovery of public confidence in the security of savings. The country now enjoys the safety of bank savings under the new banking laws, the careful checking of new securities under the Securities Act and the curtailment of rank stock speculation through the Securities Exchange Act. I sincerely hope that as a result people will be discouraged in unhappy efforts to get rich quick by speculating in securities. The average person almost always loses. Only a very small minority of the people of this country believe in gambling as a substitute for the old philosophy of Benjamin Franklin that the way to wealth is through work.

In meeting the problems of industrial recovery the chief agency of the government has been the National Recovery Administration. Under its guidance, trades and industries covering over ninety per cent of all industrial employees have adopted codes of fair competition, which have been approved by the President. Under these codes, in the industries covered, child labor has been eliminated. The work day and the work week have been shortened. Minimum wages have been established and other wages adjusted toward a rising standard of living. The emergency purpose of the N. R. A. was to put men to work and since its creation more than four million persons have been re-employed, in great part through the cooperation of American business brought about under the codes.

Benefits of the Industrial Recovery Program have come, not only to labor in the form of new jobs, in relief from overwork and in relief from under-pay, but also to the owners and managers of industry because, together with a great increase in the payrolls, there has come a substantial rise in the total of industrial profits - a rise from a deficit figure in the first quarter of 1933 to a level of sustained profits within one year from the inauguration of N. R. A.



Now it should not be expected that even employed labor and capital would be completely satisfied with present conditions. Employed workers have not by any means all enjoyed a return to the earnings of prosperous times; although millions of hitherto under-privileged workers are today far better paid than ever before. Also, billions of dollars of invested capital have today a greater security of present and future earning power than before. This is because of the establishment of fair, competitive standards and because of relief from unfair competition in wage cutting which depresses markets and destroys purchasing power. But it is an undeniable fact that the restoration of other billions of sound investments to a reasonable earning power could not be brought about in one year. There is no magic formula, no economic panacea, which could simply revive over-night the heavy industries and the trades dependent upon them.

Nevertheless the gains of trade and industry, as a whole, have been substantial. In these gains and in the policies of the Administration there are assurances that hearten all forward-looking men and women with the confidence that we are definitely rebuilding our political and economic system on the lines laid down by the New Deal - lines which as I have so often made clear, are in complete accord with the underlying principles of orderly popular government which Americans have demanded since the white man first came to these shores. We count, in the future as in the past, on the driving power of individual initiative and the incentive of fair private profit, strengthened with the acceptance of those obligations to the public interest which rest upon us all. We have the right to expect that this driving power will be given patriotically and whole-heartedly to our nation.

We have passed through the formative period of code making in the National Recovery Administration and have effected a reorganization of the N. R. A. suited to the needs of the next phase, which is, in turn, a period of preparation for legislation which will determine its permanent form.

In this recent reorganization we have recognized three distinct functions. First, the legislative or policy making function. Second, the administrative function of code making and revision and, third, the judicial function, which includes enforcement, consumer complaints and the settlement of disputes between employers and employees and between one employer and another.

We are now prepared to move into this second phase, on the basis of our experience in the first phase under the able and energetic leadership of General Johnson.

We shall watch carefully the working of this new machinery for the second phase of N. R. A., modifying it where it needs modification and finally making recommendations to the Congress, in order that the functions of N. R. A. which have proved their worth may be made a part of the permanent machinery of government.

Let me call your attention to the fact that the National Industrial Recovery Act gave business men the opportunity they had sought for years to improve business conditions through what has been called self-government in industry. If the codes which have been written have been too complicated, if they have gone too far in such matters as price fixing and limitation of production, let it be remembered that so far as possible, consistent with the immediate public interest of this past year and the vital necessity of improving labor conditions, the representatives of trade and industry were permitted to write their ideas into the codes. It is now time to review these actions as a whole to determine through deliberative means in the light of experience, from the standpoint of the good of the industries themselves, as well as the general public interest, whether the methods and policies adopted in the emergency have been best calculated to promote industrial recovery and a permanent improvement of business and labor conditions.

There may be a serious question as to the wisdom of many of those devices to control production, or to prevent destructive price cutting which many business organizations have insisted were necessary, or whether their effect may have been to prevent that volume of production which would make possible lower prices and increased employment. Another question arises as to whether in fixing minimum wages on the basis of an hourly or weekly wage we have reached into the heart of the problem which is to provide such annual earnings for the lowest paid worker as will meet his minimum needs. We also question the wisdom of extending code requirements suited to the great industrial centers and to large employers, to the great number of small employers in the smaller communities.

During the last twelve months our industrial recovery has been to some extent retarded by strikes, including a few of major importance. I would not minimize the inevitable losses to employers and employees and to the general public through such conflicts. But I would point out that the extent and severity of labor disputes during this period has been far less than in any previous, comparable period.

When the business men of the country were demanding the right to organize themselves adequately to promote their legitimate interests; when the farmers were demanding legislation which would give them opportunities and incentives to organize themselves for a common advance, it was natural that the workers should seek and obtain a statutory declaration of their constitutional right to organize themselves for collective bargaining as embodied in Section 7 (a) of the National Industrial Recovery Act.

Machinery set up by the Federal government has provided some new methods of adjustment. Both employers and employees must share the blame of not using them as fully as they should. The employer who turns away from impartial agencies of peace, who denies freedom of organization to his employees, or fails to make every reasonable effort at a peaceful solution of their differences, is not fully supporting the recovery effort of his government. The workers who turn away from these same impartial agencies and decline to use their good offices to gain their ends are likewise not fully cooperating with their government.

It is time that we made a clean-cut effort to bring about that united action of management and labor, which is one of the high purposes of the Recovery Act. We have passed through more than a year of education. Step by step we have created all the government agencies necessary to insure, as a general rule, industrial peace, with justice for all those willing to use these agencies whenever their voluntary bargaining fails to produce a necessary agreement.

There should be at least a full and fair trial given to these means of ending industrial warfare; and in such an effort we should be able to secure for employers and employees and consumers the benefits that all derive from the continuous, peaceful operation of our essential enterprises.

Accordingly, I propose to confer within the coming month with small groups of those truly representative of large employers of labor and of large groups of organized labor, in order to seek their cooperation in establishing what I may describe as a specific trial period of industrial peace.

From those willing to join in establishing this hoped for period of peace, I shall seek assurances of the making and maintenance of agreements, which can be mutually relied upon, under which wages, hours and working conditions may be determined and any later adjustments shall be made either by agreement or, in case of disagreement, through the mediation or arbitration of state or federal agencies. I shall not ask either employers or employees permanently to lay aside the weapons common to industrial war. But I shall ask both groups to give a fair trial to peaceful methods of adjusting their conflicts of opinion and interest, and to experiment for a reasonable time with measures suitable to civilize our industrial civilization.

Closely allied to the N. R. A. is the program of Public Works provided for in the same Act and designed to put more men back to work, both directly on the public works themselves, and indirectly in the industries supplying the materials for these public works. To those who say that our expenditures for public works and other means for recovery are a waste that we cannot afford, I answer that no country, however rich, can afford the waste of its human resources. Demoralization caused by vast unemployment is our greatest extravagance. Morally, it is the greatest menace to our social order. Some people try to tell me that we must make up our minds that for the future we shall permanently have millions of unemployed just as other countries have had them for over a decade. What may be necessary for those countries is not my responsibility to determine. But as for this country, I stand or fall by my refusal to accept as a necessary condition of our future a permanent army of unemployed. On the contrary, we must make it a national principle that we will not tolerate a large army of unemployed and that we will arrange our national economy to end our present unemployment as soon as we can and then to take wise measures against its return. I do not want to think that it is the destiny of any American to remain permanently on relief rolls.

Those, fortunately few in number, who are frightened by boldness and cowed by the necessity for making decisions, complain that all we have done is unnecessary and subject to great risks. Now that these people are coming out of their storm cellars, they forget that there ever was a storm. They point to England. They would have you believe that England has made progress out of her depression by a do-nothing policy, by letting nature take her course. England has her regularities and we have ours but I do not believe any intelligent observer can accuse England of undue orthodoxy in the present emergency.

Did England let nature take her course? No. Did England hold to the gold standard when her reserves were threatened? No. Has England gone back to the gold standard today? No. Did England hesitate to call in ten billion dollars of her war bonds bearing 5% interest, to issue new bonds therefor bearing only 3½% interest, thereby saving the British Treasury one hundred and fifty million dollars a year in interest alone? No. And let it be recorded that the British bankers helped. Is it not a fact that ever since the year 1909, Great Britain in many ways has advanced further along lines of social security than the United States? Is it not a fact that relations between capital and labor on the basis of collective bargaining are much further advanced in Great Britain than in the United States? It is perhaps not strange that the conservative British press has told us with pardonable irony that much of our New Deal program is only an attempt to catch up with English reforms that go back ten years or more.

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In our efforts for recovery we have avoided on the one hand the theory that business should and must be taken over into an all-embracing Government. We have avoided on the other hand the equally untenable theory that it is an interference with liberty to offer reasonable help when private enterprise is in need of help. The course we have followed fits the American practice of Government - a practice of taking action step by step, of regulating only to meet concrete needs - a practice of courageous recognition of change. I believe with Abraham Lincoln, that "The legitimate object of Government is to do for a community of people whatever they need to have done but cannot do at all or cannot do so well for themselves in their separate and individual capacities."

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September 30, 1934.

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Address of the President delivered by radio  
from the White House  
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Recently the most notable public questions that have concerned us all have had to do with industry and labor and with respect to these, certain developments have taken place which I consider of importance. I am happy to report that after years of uncertainty, culminating in the collapse of the spring of 1933, we are bringing order out of the old chaos with a greater certainty of the employment of labor at a reasonable wage and of more business at a fair profit. These governmental and industrial developments hold promise of new achievements for the nation.

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During the last twelve months our industrial recovery has been to some extent retarded by strikes, including a few of major importance. I would not minimize the inevitable losses to employers and employees and to the general public through such conflicts. But I would point out that the extent and severity of labor disputes during this period has been far less than in any previous, comparable period.

When the business men of the country were demanding the right to organize themselves adequately to promote their legitimate interests; when the farmers were demanding legislation which would give them opportunities and incentives to organize themselves for a common advance, it was natural that the workers should seek and obtain a statutory declaration of their constitutional right to organize themselves for collective bargaining as embodied in Section 7 (a) of the National Industrial Recovery Act.

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There should be at least a full and fair trial given to these means of ending industrial warfare; and in such an effort we should be able to secure for employers and employees and consumers the benefits that all derive from the continuous, peaceful operation of our essential enterprises.

Accordingly, I propose to confer within the coming month with small groups of those truly representative of large employers of labor and of large groups of organized labor, in order to seek their cooperation in establishing what I may describe as a specific trial period of industrial peace.

From those willing to join in establishing this hoped for period of peace, I shall seek assurances of the making and maintenance of agreements, which can be mutually relied upon, under which wages, hours and working conditions may be determined and any later adjustments shall be made either by agreement or, in case of disagreement, through the mediation or arbitration of state or federal agencies. I shall not ask either employers or employees permanently to lay aside the weapons common to industrial war. But I shall ask both groups to give a fair trial to peaceful methods of adjusting their conflicts of opinion and interest, and to experiment for a reasonable time with measures suitable to civilize our industrial civilization.



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Page one

Draft

Three months have passed since I talked with you shortly after the adjournment of the Congress. Tonight I continue that report, <sup>though, because of the shortness of time I must defer</sup> ~~still receiving a number of subjects for discussion to present to you in a few weeks. To a later date.~~

<sup>Recently</sup> ~~During the past three months~~ the most noteworthy, notable public questions that have concerned us all have had to do with industry <sup>and</sup> labor ~~and agriculture~~ and with respect to these, certain developments have taken place which I consider of ~~great~~ importance. I am happy to report that after years of uncertainty, culminating in the collapse of the spring of 1933, we are bringing order out of the old chaos with a greater certainty of the employment of labor at a reasonable <sup>wage</sup> ~~rate~~ and of more business at a fair profit. <sup>These</sup> ~~The~~ governmental and industrial developments ~~of the past year~~ hold promise of new achievements for the nation.

Men may differ as to the particular form of governmental activity with respect to industry and business, but nearly all are agreed that private enterprise if left without assistance and without reasonable <sup>Safeguards</sup> ~~regulation~~ would destroy not only itself but our processes of civilization. The underlying necessity for such activity is indeed as strong now as it was years ago when Elihu Root said the following very significant words:

"Instead of the give and take of free individual contract, the tremendous power of organization has combined great aggregations of capital in enormous industrial establishments working through vast agencies of commerce and employing great masses of men in movements of production and transportation and trade, so great in the mass that each individual concerned in them is quite helpless by himself. The relations between the employer and the employed, between the owners of aggregated capital and the units of organized labor, between the small producer, the small trader, the consumer, and the great transporting and manufacturing and distributing agencies, all present new questions for the

solution of which the old reliance upon the free action of individual wills appear quite inadequate. And in many directions, the intervention of that organized control which we call government seems necessary to produce the same result of justice and right conduct which obtained through the attrition of individuals before the new conditions arose."

It was in this spirit <sup>thus described by Secretary Root</sup> that we approached our task of reviving private enterprise in March, 1933. Our first problem was, of course, the banking situation because, as you know, the banks had collapsed. Some banks could not be saved but the great majority of them, either <sup>through</sup> ~~with~~ their own resources or with government aid, have been restored to complete public confidence. This has given safety to millions of depositors in these banks. Closely following this great constructive effort we have, through various Federal agencies, saved debtors and creditors alike in many other fields of enterprise, such as loans on farm mortgages and home mortgages; <sup>assistance</sup> ~~loans~~ to home owners who seek to improve ~~their homes~~; loans to the railroads and insurance companies and, finally, ~~the industrial loans to industry~~ <sup>help for home owners and industry</sup> ~~(Investment Bank, etc.)~~. In all of these efforts the government has come to the assistance of ~~normal~~ <sup>full</sup> business and with the expectation that the money used to assist these enterprises will ~~be~~ eventually <sup>be</sup> repaid. <sup>I believe it will be.</sup>

The second step we have taken in the restoration of normal business enterprise has been to clean up thoroughly unwholesome conditions in the field of investment. In this we have had ~~a large share of~~ <sup>many</sup> assistance from bankers and business men, most of whom recognize the past evils in the banking system, in the sale of securities, in the deliberate encouragement of stock gambling, in the sale of unsound mortgages and in many other ways in which the public lost billions of dollars. They

Page three.

*policy and methods*  
saw that without changes in the ~~machinery~~ of investment there could be no recovery of public confidence in the security of savings. The country now enjoys the safety of bank savings under the new banking laws, the careful checking of new securities under the Securities Act and the curtailment of rank stock speculation through the Securities Exchange Act. I sincerely hope that as a result people will be discouraged in unhappy efforts to get rich quick by speculating in securities. The average person almost always loses. *Only* a very small minority of the people of this country believe in gambling as a substitute for the old philosophy of Benjamin Franklin that the way to wealth is through work.

In meeting the problems of industrial recovery the chief agency of the government has been the National Recovery Administration. Under its guidance, trades and industries covering over ninety percent of all industrial employees have adopted codes of fair competition, which have been approved by the President. Under these codes, in the industries covered, child labor has been eliminated. The work day and the work week have been shortened. Minimum wages have been established and other wages adjusted toward a rising standard of living. The emergency purpose of the NRA was to put men to work and since its creation more than four million persons have been re-employed, *in great part* ~~largely~~ through the cooperation of American business brought about under the codes.

*come*  
*not only* ~~The~~ Benefits of the Industrial Recovery Program have *relief in the form of new jobs, relief from* ~~not only~~ to labor in ~~relief from unemployment, over-work~~ *and under-pay*, but also to the owners and managers of industry because, together with a great increase in the payrolls, there has come a ~~most~~ substantial rise in the total of industrial profits—  
*A rise* from a deficit figure in the first quarter of 1933 to a level of sustained profits within one year from the inauguration of NRA.

Page four.

Now it should not be expected that even employed labor and capital would be completely satisfied with present conditions. Employed workers have <sup>by any means</sup> not all enjoyed a return to the earnings of prosperous times; although millions of <sup>hitherto underemployed</sup> submerged workers are today far better paid than ever before. Also, billions of dollars of invested capital have today a greater security of present and future earning power than ~~ever~~ before, <sup>this is</sup> because of the establishment of fair, competitive standards and relief from unfair competition in wage cutting which depresses markets and destroys purchasing power. But it is an undeniable fact that the restoration of other billions of sound investments to a reasonable earning power could not be brought about in one year. There is no magic formula, no economic panacea, which could simply revive over-night the heavy industries and the trades dependent upon them.

Nevertheless the gains of trade and industry, as a whole, have been substantial. ~~and~~ <sup>In</sup> these gains and in the policies of the Administration there are assurances that ~~chearten~~ <sup>we are definitely rebuilding</sup> all forward-looking men with the confidence that it is not ~~necessary to rebuild~~ <sup>an</sup> our political economic system <sup>on any new foundations</sup>. We ~~can~~ <sup>cannot</sup> ~~not~~, in the future as in the past, <sup>on</sup> ~~use~~ the driving power of individual initiative and the incentive of <sup>fair</sup> private profit, strengthened with the acceptance of those obligations to the public interest which rest upon us all. <sup>We have the right to expect that this driving power will be given patriotically and whole-heartedly to our nation.</sup>

We have passed through the formative period of code making in the National Recovery Administration and have effected a reorganization of the NRA suited to the needs of the next phase, which is, in turn, a period of preparation for legislation which will determine its permanent form.

In this recent reorganization we have recognized three distinct functions. First, the legislative or policy making function. Second, the administrative function of code making and revision and, third, the judicial function, which includes enforcement, consumer complaints and the settlement of disputes between employers and employees and between one employer and another.

Insert A. - Page 4

the line laid down by the Howard - line which  
as I have so often made clear, are in complete  
accord with the underlying principles of  
orderly popular government which Americans  
have demanded since the white man first  
came to these shores.

Page five.

We are now prepared to move into this second phase, on the basis of our experience in the first phase under the able and energetic leadership of General Johnson.

We shall watch carefully the working of this new machinery for the second phase of NRA, modifying it where it needs modification and finally making recommendations to the Congress, in order that the functions of NRA which have proved their worth may be made a part of the permanent machinery of government.

Let me call your attention to the fact that the National Industrial Recovery Act gave business men the opportunity they had sought for years to improve business conditions through what has been called self-government in industry. If the codes which have been written have been too complicated, if they have gone too far in such matters as price fixing and limitation of production, let it be remembered that so far as possible, consistent with the immediate public interest <sup>of this past year</sup> and the <sup>vital necessity of</sup> ~~necessary~~ improving ~~ment~~ of labor conditions, the representatives of trade and industry were permitted to write their ideas into the codes. It is now time to review <sup>these actions</sup> ~~this performance~~ as a whole to determine through deliberative means in the light of experience, from the standpoint of the good of the industries themselves, as well as the general public interest, whether the methods and policies adopted in the emergency have been best calculated to promote industrial recovery and a permanent improvement of business <sup>and labor</sup> conditions. There may be a serious question as to the wisdom of many of those devices to control production, or to prevent destructive price cutting which many business organizations have insisted were necessary, or whether their effect may have been to prevent that volume of production which would make possible lower prices and increased <sup>employment</sup> ~~wages~~. Another question arises as to whether in fixing minimum wages on the basis of an hourly or weekly wage



Page six.

we have reached into the heart of the problem which is to provide such annual earnings for the <sup>lowest paid</sup> ~~lowest~~ worker as will meet his minimum needs. <sup>We also question the</sup> There is much evidence also of the unwisdom of ~~seeking to extend~~ <sup>Extending</sup> code requirements suited to the great industrial centers and to large employers, to the great <sup>number</sup> ~~mass~~ of small employers ~~and~~ the smaller communities. In referring to these questions I ~~do not mean to answer them, but to point out that~~ these are matters of policy which need reconsideration by the National Industrial Recovery Board, now charged with the administration of the NRA and, in many instances, a review by the Industrial Emergency Committee, for the purpose of making consistent the policies of all the departments and emergency agencies <sup>all this</sup> engaged directly in the problems of economic recovery.

7  
*Page over*

During the last twelve months our industrial recovery has been to some extent retarded by ~~a large number~~ of strikes, including a few of major importance. I would not minimize the inevitable losses to employers and employees and to the general public through such conflicts. But I would point out that the extent and severity of labor disputes during this period has been far less than in <sup>any</sup> such a previous, comparable period, ~~as the year 1919.~~  
~~A careful study made by the Department of Labor shows:~~

Page eight

These figures utterly refute the contention that the provisions of Section 7(a) of the National Industrial Recovery Act and the operations of various agencies of recovery and relief have contributed in any way to encourage industrial strife. On the contrary, the relief and recovery measures and mechanism for the adjustment of labor disputes of the federal government have been largely responsible for the fact that industrial peace has prevailed to such an extent and that there have been so few violent outbreaks in our industrial centers.

When the business men of the country were demanding the right to organize themselves adequately to promote their legitimate interests; when the farmers were demanding legislation which would give them opportunities and incentives to organize themselves for a common advance, it was natural that the workers should seek and obtain a statutory declaration of their constitutional right to organize themselves for collective bargaining as embodied <sup>in</sup> ~~under~~ Section 7(a) of the National Recovery Act.

~~Now it is true that the machinery~~ <sup>has provided some</sup> set up by the federal government <sup>of adjustment</sup> ~~has been explorations in somewhat~~ new methods <sup>that</sup> ~~and that~~ Both employers and employees must share the blame of not using them as fully as they should. The employer who turns away from impartial agencies of peace, who denies freedom of organization to his employees, or fails to make every reasonable

Page nine

effort at a peaceful solution of their differences, is not fully supporting the recovery effort of his government. The workers who turn away from these same impartial agencies and decline to use their good offices to gain their ends <sup>likewise</sup> are not fully cooperating with their government.

X It is time that we made a clean-cut effort to bring about that united action of management and labor, which is one of the high purposes of the Recovery Act. We have passed through more than a year of education. Step by step we have created all the government agencies necessary to insure, as a general rule, industrial peace, with justice for all those willing to use these agencies whenever their voluntary bargaining fails to produce a necessary agreement.

There should be at least a full and fair trial given to these means of ending industrial warfare; and in such an effort we should be able to secure for employers and employees and consumers the benefits that all derive from the continuous, peaceful operation of our essential enterprises.

Accordingly, I propose to confer within the coming month with small groups of those truly representative of large employers of labor and of

Page 10

large groups of organized labor, in order to seek their cooperation in establishing what I may describe as a <sup>specific</sup> trial period of industrial peace ~~(1)~~  
~~such as, for example, the year 1935.~~

From those willing to join in establishing this ~~year of cooperation~~ <sup>period</sup>  
~~year~~, I shall seek assurances of the making and maintenance of agreements, which can be mutually relied <sup>d</sup> upon, under which wages, hours and working conditions may be determined and any later adjustments shall be made either by agreement or, in case of disagreement, through the mediation <sup>or</sup> arbitration of state or federal agencies. I shall not ask either employers or employees permanently to lay aside the weapons common to industrial warfare. But I shall ask both groups to give a fair trial to <sup>peaceful</sup> ~~civil~~ methods of adjusting their conflicts of opinion and interest, and to experiment for a reasonable time with measures suitable to civilize our industrial civilization.

Closely allied to the N.R.A. is the program of Public Works provided for in the same Act and designed to put more men back to work, both directly on the public works themselves, and indirectly in the industries supplying the materials for these public works. To those who say that our expenditures for Public Works and other means for recovery are a waste that we cannot afford, I answer that no ~~small~~ country, however ~~rich~~ rich, can afford the waste of its human resources. Demoralization caused by vast

110  
Page eleven

unemployment is our greatest extravagance. Morally, it is the greatest menace to our social order. <sup>Some people try to tell me</sup> ~~I am told by some~~ that we must make up our minds that for the future we shall permanently have millions of unemployed just as other countries have had them for over a decade. What may be necessary for those countries is not my responsibility to determine. But as for this country, I stand or fall by my refusal to accept as a necessary condition of our future a permanent army of unemployed. On the contrary, we must make it a national principle that we will not tolerate a large army of unemployed and that we will arrange our national economy to end our present unemployment as soon as we can and then to take wise measures against its return. I do not want to think that it is the destiny of any American to remain permanently on relief rolls.

Insert B

~~Those, fortunately few in numbers, who are frightened by fearlessness and cowed by the necessity for making decisions, complain that all we have done is ~~xxxxx~~ unnecessary and subject to great risks. Now that these people come out of their storm cellars, they forget there ever was a storm. They point to England. They would have you believe that England has made progress out of her depression by a do-nothing policy, by letting nature take her course. England has ~~xxxxx~~ her peculiarities and we have ours but I do not believe any intelligent observer can accuse England of undue orthodoxy in the present emergency.~~

England

Insert B on page 11

Those, fortunately few in number, who are frightened by <sup>boldness</sup> ~~foolishness~~ and cowed by the necessity for making decisions, complain that all we have done is unnecessary and subject to great risks. Now that these people <sup>are</sup> ~~are~~ coming out of their storm cellars, <sup>they</sup> ~~they~~ forget <sup>that</sup> ~~that~~ there ever was a storm. They point to England. They would have you believe that England has made progress out of her depression by a do-nothing policy, by letting nature take her course. England has her peculiarities and we have ours but I do not believe any intelligent observer can accuse England of undue orthodoxy in the present emergency.

Did England let nature take her course? No. Did England hold to the gold standard when her <sup>reserves</sup> ~~banking standards~~ were threatened? No. Has England gone back to the gold standard today? No. Did England hesitate to call in ten billion dollars of her war bonds bearing 5% interest, <sup>to</sup> ~~to~~ issue new bonds therefor bearing only 3½% interest, thereby saving the British Treasury 150 million dollars a year in interest alone? <sup>No</sup> ~~And~~ let it be recorded that the British bankers helped. Is it not a fact that ever since the year 1909, <sup>in many ways</sup> ~~Great Britain~~ has advanced further along ~~the~~ lines of social security, ~~compulsory unemployment insurance~~, than the United States? Is it not a fact that relations between capital and labor on the basis of collective bargaining are much further advanced with Great Britain than with the United States. It is perhaps not strange that the conservative British press has told us with pardonable irony that much of our New Deal program is only an attempt to catch up with English reforms that go back ten years or more.

Nearly all ~~these~~ Americans are sensible and calm people. We do not get greatly excited nor is our peace of mind disturbed, ~~no~~ whether we be business men or workers or farmers, by awesome pronouncements concerning the unconstitutionality of some of our measures of recovery and relief and reform. We are not frightened by reactionary lawyers or political editors. All of these cries have been heard before. More than twenty years ago, when Theodore Roosevelt and Woodrow Wilson were attempting to correct abuses in our national life, the great Chief Justice, <sup>White</sup> ~~Edward D.~~

~~White~~, said:

"There is great danger it seems to me to arise from the constant habit which prevails where anything is opposed or objected to, of referring without rhyme or reason to the Constitution as a means of preventing its accomplishment, thus creating the general impression that the Constitution is but a barrier to progress instead of being the broad highway through which alone true progress may be enjoyed."

~~Americans living under the Constitution will, I am sure, join with me in suggesting that questions of Constitutionality, had best be left to the courts.~~



The New Deal approves and supports private industry and the individual enterprise ~~which~~ <sup>that</sup> results from it. We believe not alone in the opportunity of the business man to do a profitable business but also the opportunity of the worker to find a continuous and adequately rewarded employment. Our abundant resources, our freedom from foreign indebtedness, our resourcefulness and our technical achievements have put our standard of living on a high plane. But no one can fail to see that that standard of living can not be maintained if the employed portion of our people is required permanently to support the unemployed in idleness. That course is economically and morally untenable because it would compel a lower standard of life for everybody. Our task is to find useful work and employment for all of our people.

*In our efforts for recovery*

<sup>A</sup> We have avoided on the one hand the theory that business should and must be taken over into an all-embracing Government. We have avoided on the other hand the equally untenable theory that <sup>it is an interference with</sup> ~~the principle of liberty means a refusal~~ to offer reasonable help when private enterprise is in need of ~~such~~ help.

The course we have followed fits the American practice of Government--a practice of taking action step by step, of regulating only to meet concrete needs ~~and~~ a practice of courageous recognition of change. I believe with Abraham Lincoln, that "The legitimate object of Government is to do for a community of people whatever they need to have done but cannot do at all or cannot do

so well for themselves in their separate and individual capacities."

~~I am impatient of those who talk of the desirability of moving either to an imaginary Right or an imaginary Left. I believe in a course based upon reality, because this is a nation of Realists. We believe in our institutions and in our methods because they result in concrete benefits. We believe in private enterprise, not because it was founded on an abstract principle but because it has worked. We feel sure that considering the limitations of the abilities of men, the social and economic interests of all of us are best served not by the minute orders of an all-directing state, governed by non-existent supermen, but through the multitudinous activities, experiments and strivings of the kind of men of limited ability we know actually live in the world. But the system of private enterprise fairly interpreted has never meant an opportunity to make a few fabulous or unearned fortunes. What has been precious about it is the encouragement and freedom of action it has given to men who worked and bore the first risks of their ventures—men who worked long days and nights and ventured all they had, more for the satisfaction of realizing their ideas than for the pot of gold at the end of the rainbow. The kind of ideas with which these men have enriched the lives not~~

~~14~~ 15

I am not for a return to that definition of Liberty under which for many years a free people were being gradually regimented into the service of the privileged few. I prefer and I am sure you prefer that broader definition of Liberty under which we are moving forward to greater freedom, <sup>to greater</sup> and security for the average man than he has ever known before in the history of America.

President

September 28, 1954

The President,  
The White House,  
Washington, D. C.

Dear Mr. President:

I am enclosing herewith some of the radio  
material you asked me to get together some time ago.

Very sincerely yours,

Harry L. Hopkins,  
Administrator.

Cekhg



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AND PAPER, N. Y.

From the Papers of  
Harry L. Hopkins

#### RADIO STATEMENT

Last winter we had a number of farm surpluses that depressed farm market prices. At the same time a large number of the unemployed were on relief and in need of many of these same products. The very simple process of taking the surpluses from one place and putting them in another took them from where they disturbed the farm markets and put them where the unemployed could eat them. The Federal Surplus Relief Corporation was set up to do this. It distributed large quantities of pork, butter, beef, flour and coal. Three million hogs, a total of \$17,000,000 pounds of pork and pork products, were transferred in this way; twenty million pounds of processed beef, one hundred forty-five million pounds of flour, one million two hundred thousand tons of coal were distributed to the needy unemployed in this way.

This year a new situation has arisen. While there are still some agricultural surpluses we have found ourselves confronted with a new problem in that millions of head of cattle now do not have feed due to the drought. If we had not started removing these cattle early in the summer they would have begun to starve and would still be dying. What we have done has been this:



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We have bought cattle from the owners, in all cases taking the cattle first for which there was the last feed. By taking these cattle we leave feed for the best breeding stock which is being kept. This program will go along until the number of cattle has been brought down to the amount of feed necessary to carry them through the winter. Up to the present time we have bought 6,058,000 head of cattle. It may be necessary to buy two or three million more. Of these cattle 1,278,000 head have been transferred from the drought areas to other regions where there is pasture so that they can be held for later slaughtering.

Because of the fact that we are buying these cattle as soon as it has become certain there is not feed for them, they are in good condition for killing and canning. All of this meat will be used by relief families. None will be sold. Much of it is being distributed fresh; millions of pounds will be distributed as canned roast beef and other meat products. The program has been extended to sheep where there is not feed for them. In this way the Federal Government is making it possible for the farmers in the drought area to carry the maximum number of livestock through based on the feed available. On the other hand, the Government is seeing that every pound of food-stuffs that results



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Harry L. Hopkins

from these purchases goes into the hands of the needy unemployed.

It will give you some idea of the extent of this program when I tell you that the cans alone require 53,254 tons of tin plate and that every packing plant and meat canning plant in the United States that was available for contract to the Federal Surplus Relief Corporation is working to full capacity.

Over 128,000 full carloads of freight have been shipped on the railroads.

In addition to removing the surpluses, protecting the cattle feed supplies, paying the farmers \$127,000,000 for the products they produced, and feeding the unemployed, the Government is giving \$187,000,000 in commercial contracts to purchase, process and transport foodstuffs, fuel and other commodities.

Contracts to business concerns for processing and moving the drought cattle alone will amount to \$100,000,000.

This is going forward as a great cooperative enterprise with the Government, industry, and transportation each participating in the most effective way possible.



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WIDE PEARL, D. C.

From the Papers of  
Harry L. Hopkins

The unemployed themselves are doing some of the work necessary to taking care of these products. Vast quantities of vegetables and fruits are being canned by the unemployed in workrooms set up by the Relief Administration for the conservation of food. Work relief labor is therefore being directed to the benefit of the unemployed themselves. There is a simple logic in this, namely that an unemployed man shall be enabled to work at producing or taking care of things that he and others like him and their children need.

Some of the surplus products that are available, such as cotton, need to be processed to make them useful for the unemployed and in this way the relief workrooms are used to enable men and women on relief to make quilts, comforters, mattresses, and other things they require out of raw surpluses that were available. People who have been unemployed for a long time find that their furniture wears out and other common necessities around the house break and disappear. Here, too, work relief labor is now being used to repair and replace these articles. State and local relief administrations throughout the country have set up these workrooms that make it possible for the unemployed to help themselves. This permits unemployed people to work at things they have worked at before so that they keep their hands in and do not lose the skills



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that are necessary to them when they go back to industry. All of this is part of our program of making a better, more secure life for those confronted with insecurity and want. And to you as taxpayers this is a highly significant thing. Furniture that has been worn out, dishes that have been broken, bedding and clothing worn to tatters -- all of these could be replaced but to do so would cost tremendous sums. The use of the labor of the unemployed themselves in the production of the things they need will reduce the load on the taxpayer and the burden on American business that would otherwise be built up in future obligations. These workrooms are needed to meet this emergency. There is no thought they will be continued a day longer than is absolutely essential.

5 So, my friends, the Government's relief program is intended to take care of farm surpluses and commodities in the United States that would otherwise be wasted or that are depressing factors in the market. It is intended to enable farmers in drought-stricken regions to reduce their herds so that they can carry them through on the feed they have; it is intended to save, conserve, and make the best use of all of the surplus commodities and food-stuffs of every kind that are available now so that they may be consumed by the needy unemployed through the winter.



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Rough and - Handwritten for  
Rough Statement

See final draft sent  
to President 11/26/34



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11 mil. sec + 11 mil. sec  
in debts 45,000,000. (To farmers 415.000.000)  
7,500,000.

52,500,000.  
15,000,000.000 from product  
37,500,000.

To Farmers

81,000,000. (600,000 head)  
31,000,000.  
15,000,000.  
127,000,000.



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Transport

53,000 cars 17,000,000.  
75,000 " (cattle) 13,000,000.  
(3,000,000 head) 20,000,000.

Purchase + Processing Cattle

Commodities 45,000,000. To Farmers  
Cattle 7,500,000.  
(1,000,000 head)

52,500,000.  
15,000,000. for product  
37,500,000.

To Farmers

In cattle 81,000,000 (600,000 head)  
" ~~for dairy~~ 31,000,000.  
" ~~for meat~~ products 15,000,000.  
" grain, seed, cotton, etc. 127,000,000.

MEMORANDUM

September 12th, 1934

To: ② Mr. Hopkins  
① Mr. Baker

Further statistical information which might be useful  
for the radio talks:

Carload Movement of PSRC  
Commodities  
November 1933 through August 31, 1934.

<u>Commodity</u>	<u>Number of Cars</u>
Blankets	291
Fuel	20,757
Cotton & Cotton Goods	981
Grain (Livestock Feed)	10,624
Livestock	56,847
Grass Seed	498
Foodstuffs	<u>19,282</u>
Total Carloads —	<u>109,280</u>
Less Carloads (misc.)	<u>124</u>
Total —	<u>109,404</u>

*Brithard*  
Keith Southard



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From the Papers of  
Henry L. Hopkins

# MEMORANDUM

September 8th, 1934

To: Mr. Baker

For additional radio material I am listing the following:

Contracts with Commercial Plants  
for processing foodstuffs to Aug. 15th.

--

Pork Products	\$ 6,825,000.
Beef "	788,000.
Butter & Cheese	1,837,000.
Flour	<u>3,600,000.</u>
Total -	<u>\$13,050,000.</u>

Bills contracted with Railroads to Aug. 15th	<u>\$ 6,665,000.</u>
---	----------------------

Commercial Storage Contracts to Aug. 15th	<u>\$ 162,000.</u>
--	--------------------

Total Business to Industry -	\$19,877,000.
---------------------------------	---------------

The number of freight cars moved will be available as an  
addition to the above.

*M. S.*  
Keith Southard



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Here

These workmen as needed  
to meet this emergency. There  
is no thought they will be  
continued a day longer than  
is absolutely essential.

Here<sup>2</sup>

Over 120,000 full carloads  
of freight have been stopped  
on the railroads and the government  
has or will pay them ~~to~~ <sup>for</sup> ~~to~~ <sup>for</sup>  
within some.

In addition to running the  
commerce ~~and~~ <sup>of</sup> ~~protection~~ <sup>the</sup>  
food supplies ~~and~~ <sup>the</sup> ~~and~~ <sup>the</sup>  
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From the Papers of  
HARRY L. HOPKINS

# RADIO STATEMENT

Last winter we had a number of farm surpluses that depressed farm market prices. At the same time a large number of the unemployed were on relief and in need of many of these same products. The very simple process of taking the surpluses from one place and putting them in another took them from where they disturbed the farm markets and put them where the unemployed could eat them. The Federal Surplus Relief Corporation was set up to do this. It distributed large quantities of pork, butter, beef, flour and coal. Three million hogs, a total of \$17,000,000 pounds of pork and pork products, were transferred in this way; forty million pounds of processed beef, one hundred forty million pounds of flour, one million, two hundred thousand tons of coal were distributed to the needy unemployed in this way.

This year a new situation has arisen. While there are still some agricultural surpluses we have found ourselves confronted with a new problem in that millions of head of cattle now do not have feed due to the drought. If we had not started removing these cattle early in the summer they would have begun to starve and would still be dying. What we have done has been this:

We have bought cattle from the owners, in all cases taking the cattle first for which there was the least feed. By taking these cattle we leave feed for the best breeding stock which is being kept. This program will go along until the number of cattle has been brought down to the amount of feed necessary to carry them through the winter. Up to the present time we have bought four million head of cattle. It may be necessary to buy another four million head. In addition a million head of cattle have been transferred from the drought areas to other regions where there is pasture so that they can be held for breeding, milking, and in some cases later slaughtering.

*Comp for relief*



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Because of the fact that we are buying these cattle as soon as it has become certain there is not feed for them, they are in good condition for killing and canning. All of this meat will be used. Much of it is being distributed fresh; millions of pounds will be distributed as canned roast beef and other meat products. The program has been extended to sheep where there is not feed for them. In this way the Federal Government is making it possible for the farmers in the drought area to carry the maximum number of livestock through based on the feed available. On the other hand, the Government is seeing that every pound of food-stuffs that results from these purchases goes into the hands of the needy unemployed.

It will give you some idea of the extent of this program when I tell you that the cans alone require 58,254 tons of tin plate and that every packing plant and meat canning plant in the United States that was available for contract to the Federal Surplus Relief Corporation is working to full capacity. *Now?* This is going forward as a great cooperative enterprise with the Government, industry, and transportation each participating in the most effective way possible.

The unemployed themselves are doing ~~most~~ <sup>good</sup> of the work necessary to taking care of these products. Vast quantities of vegetables and fruits are being canned by the unemployed in workrooms, and canning centers and have been set up by the Relief Administrations for the conservation of food. ~~The unemployed are engaged in the distribution and handling of these products. They process them and store them. More and more~~ <sup>therefore</sup> work relief labor is being directed to the benefit of the unemployed themselves. There is a simple logic in this, namely that an unemployed man shall be enabled to work at producing or taking care of things that he and others like him and their children need.



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Some of the surplus products that are available, such as cotton, need to be processed to make them useful for the unemployed <sup>and in this way</sup> ~~and so there have been set~~ up <sup>thence as used to</sup> ~~all about the country~~ workrooms <sup>that</sup> enable men and women on relief to make quilts, comforters, mattresses, and other things they <sup>around</sup> ~~needed~~ out of raw surpluses that were available. People who have been unemployed for a long time find that their furniture wears out and other common necessities around the house break and disappear. Here, too, work relief labor is now being used to <sup>replace a broken</sup> ~~replace~~ these articles. While the Federal Government has taken on the responsibility of seeing that no person shall suffer utter want, it also is <sup>glad</sup> ~~glad~~ to encourage these efforts made on behalf of the unemployed to enable them to maintain their self-respect and to help themselves through partly supplying their own needs.

It was from the unemployed themselves that the first stimulus came toward productive use of their own labor. Cooperative associations of the unemployed sprang up throughout the country in the past four years to enable their members to exchange labor for the things they needed. The Federal Government has given grants for working capital to many of these enterprises. In addition, State and local Relief Administrations throughout the country have, on their own motion, set up work centers and workrooms that make it possible for the unemployed to help themselves. The Federal Government has not promoted this movement but has been glad to offer aid to States and communities that have wanted it. This aid has been in both money and experience because it has taken a good deal of skill to develop work centers or to use existing facilities in such a way that the best requirements of working conditions, the highest standards of safety, and the best principles of management shall be maintained. At the same time unemployed people are given an opportunity to work at things this points



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that they have worked at before so that they keep their hands in and do not lose the skills that are necessary to them when they go back to industry. All of this is part of our program of making a better, more secure life for those confronted with insecurity and want. *And*

To you as taxpayers this is a highly significant thing. ~~It is true that we could find the money and supply all of the wants of the unemployed—furniture that has been worn out, dishes that have broken, bedding and clothing worn to tatters—all of these could be replaced but to do so would cost tremendous sums. The use of the labor of the unemployed themselves in the production of the things they need will reduce the load on the taxpayer and the burden on American business that would otherwise be built up in future obligations.~~ *Here'*

*from* So, my friends, the Government's relief program is intended to take care of all surpluses and commodities in the United States that would otherwise be wasted or that are depressing factors in the market. It is intended to enable farmers in drought-stricken regions to reduce their herds so that they can carry them through on the feed they have: it is intended to save, conserve, and make the best use of all of the surplus commodities and food-stuffs of every kind that are available now so that they may be consumed by the needy unemployed through the winter. Further than this it is intended to enable the unemployed themselves to do work in their own benefit, to maintain their skills, to preserve their self-respect, to keep the habits of work and workmanship that are necessary to a prosperous industrial people. Finally, it is intended that all this shall be done at the least possible cost, that the labor of the unemployed shall be directed to the reduction of costs, that this labor shall be made as productive as possible of those things that the unemployed need so that the taxpayer and American business shall be saved every penny possible.

September 7, 1934



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From the Papers of  
HENRY L. HOPKINS

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Some of the surplus products that are available, such as cotton, need to be processed to make them useful for the unemployed and so there have been set up all about the country workrooms that enable men and women on relief to make quilts, comforters, mattresses, and other things they needed out of raw surpluses that were available. People who have been unemployed for a long time find that their furniture wears out and other common necessities around the house break and disappear. Here, too, work relief labor is now being used to replace these articles. While the Federal Government has taken on the responsibility of seeing that no person shall suffer utter want, it also is glad to encourage these efforts made on behalf of the unemployed to enable them to maintain their self-respect and to help themselves through partly supplying their own needs.

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JBish

September 7, 1934



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