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

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

File No. 759

1935 January 4

Message to the Congress on the State of Union



January 4, 1935

MEMORANDUM FOR MISS LE HAND
MISS GRACE TULLY

I gave Grace yesterday the original edited copy of the President's address to the Congress today. I am now sending the reading copy which you will see contains additional editing by the President in longhand.

A copy of this has been made since the President addressed the Congress today; has been signed by the President and transmitted as a document to the Clerk of the House of Representatives.

This additional "original" for your files.

STEPHEN EARLY

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MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE SENATE AND OF THE HOUSE OF REPRESENTATIVES:

The Constitution wisely provides that the Chief Executive shall report to the Congress on the state of the Union, for through you, the chosen legislative representatives, our citizens everywhere may fairly judge the progress of our governing. I am confident that today, in the light of the events of the past two years, you do not consider it merely a trite phrase when I tell you that I am truly glad to greet you and that I look forward to common counsel, to useful cooperation, and to genuine friendships between us.

We have undertaken a new order of things: yet we progress towards it under the framework and in the spirit and intent of the American Constitution. We have proceeded throughout the nation a measurable distance on the road towards this new order. Materially, I can report to you substantial benefits to our agricultural population, increased industrial activity, and profits to our merchants. Of equal moment, there is evident a restoration of that spirit of confidence and faith which marks the American character. Let him who, for speculative profit or partisan purpose,

without just warrant would seek to disturb or dispel this assurance, take heed before he assumes responsibility for any act which slows our onward steps.

Throughout the world change is the order of the day. In every nation economic problems long in the making have brought crises of many kinds for which the masters of old practice and theory were unprepared. In most nations social justice, no longer a distant ideal, has become a definite goal, and ancient governments are beginning to heed the call.

Thus the American people do not stand alone in the world in their desire for change. We seek it through tested liberal traditions, through processes which retain all of the deep essentials of that republican form of representative government first given to a troubled world by the United States.

As the various parts in the program begun in the Extraordinary Session of the 73rd Congress shape themselves in practical administration, the unity of our program reveals itself to the nation. The outlines of the new economic order, rising from the disintegration of the old, are apparent. We test what we have done as our measures take root in the living texture of life. We see where we have built wisely and where we can do still better.

The attempt to make a distinction between recovery and reform is a narrowly conceived effort to substitute the appearance of reality for reality itself. When a man is convalescing from illness wisdom dictates not only cure of the symptoms but also removal of their cause.

It is important to recognize that while we seek to outlaw specific abuses, the American objective of today has an infinitely deeper, finer and more lasting purpose than mere repression. Thinking people in almost every country of the world have come to realize certain fundamental difficulties with which civilization must reckon. Rapid changes - the machine age, the advent of universal and rapid communication and many other new factors have brought new problems. Succeeding generations have attempted to keep pace by reforming in piecemeal fashion this or that attendant abuse. As a result, evils overlap and reform becomes confused and frustrated. We lose sight, from time to time, of our ultimate human objectives.

Let us, for a moment, strip from our simple purpose the confusion that results from a multiplicity of detail and from millions of written and spoken words.

We find our population suffering from old inequalities, little

changed by past sporadic remedies. In spite of our efforts and in spite of our talk, we have not weeded out the over-privileged and we have not effectively lifted up the under-privileged. Both of these manifestations of injustice have retarded happiness. No wise man has any intention of destroying what is known as the profit motive: because by the profit motive we mean the right by work to earn a decent livelihood for ourselves and for our families.

We have, however, a clear mandate from the people, that Americans must forswear that conception of the acquisition of wealth which, through excessive profits, creates undue private power over private affairs and, to our misfortune, over public affairs as well. In building toward this end we do not destroy ambition nor do we seek to divide our wealth into equal shares on stated occasions. We continue to recognize the greater ability of some to earn more than others. But we do assert that the ambition of the individual to obtain for him and his a proper security, a reasonable leisure, and a decent living throughout life, is an ambition to be preferred to the appetite for great wealth and great power.

I recall to your attention my Message to the Congress last June in which I said - "among our objectives I place the security of

the men, women and children of the nation first." That remains our first and continuing task; and in a very real sense every major legislative enactment of this Congress should be a component part of it.

In defining immediate factors which enter into our quest, I have spoken to the Congress and the people of three great divisions:

1. The security of a livelihood through the better use of the national resources of the land in which we live.
2. The security against the major hazards and vicissitudes of life.
3. The security of decent homes.

I am now ready to submit to the Congress a broad program designed ultimately to establish all three of these factors of security -- a program which because of many lost years will take many future years to fulfill.

A study of our national resources, more comprehensive than any previously made, shows the vast amount of necessary and practicable work which needs to be done for the development and preservation of our natural wealth for the enjoyment and advantage of our people in generations to come. The sound use of land and water is far more comprehensive than the mere planting of trees, building of dams,

distributing of electricity or retirement of sub-marginal land. It recognizes that stranded populations, either in the country or the city, cannot have security under the conditions that now surround them.

To this end we are ready to begin to meet this problem - the intelligent care of population throughout our nation, in accordance with an intelligent distribution of the means of livelihood for that population. A definite program for putting people to work, of which I shall speak in a moment, is a component part of this greater program of security of livelihood through the better use of our national resources.

Closely related to the broad problem of livelihood is that of security against the major hazards of life. Here also a comprehensive survey of what has been attempted or accomplished in many nations and in many States proves to me that the time has come for action by the National Government. I shall send to you, in a few days, definite recommendations based on these studies. These recommendations will cover the broad subjects of unemployment insurance and old age insurance, of benefits for children, for mothers, for the handicapped, for maternity care and for other aspects of dependency and illness where a beginning can now be made.

The third factor -- better homes for our people -- has also

been the subject of experimentation and study. Here, too, the first practical steps can be made through the proposals which I shall suggest in relation to giving work to the unemployed.

Whatever we plan and whatever we do should be in the light of these three clear objectives of security. We cannot afford to lose valuable time in haphazard public policies which cannot find a place in the broad outlines of these major purposes. In that spirit I come to an immediate issue made for us by hard and inescapable circumstance -- the task of putting people to work. In the spring of 1933 the issue of destitution seemed to stand apart; today, in the light of our experience and our new national policy, we find we can put people to work in ways which conform to, initiate and carry forward the broad principles of that policy.

The first objectives of emergency legislation of 1933 were, to relieve destitution, to make it possible for industry to operate in a more rational and orderly fashion, and to put behind industrial recovery the impulse of large expenditures in government undertakings. The purpose of the National Industrial Recovery Act to provide work for more people succeeded in a substantial manner within the first few months

of its life, and the Act has continued to maintain employment gains and greatly improved working conditions in industry.

The program of public works provided for in the Recovery Act launched the Federal government into a task for which there was little time to make preparation and little American experience to follow. Great employment has been given and is being given by these works.

More than two billions of dollars have also been expended in direct relief to the destitute. Local agencies of necessity determined the recipients of this form of relief. With inevitable exceptions the funds were spent by them with reasonable efficiency and as a result actual want of food and clothing in the great majority of cases has been overcome.

But the stark fact before us is that great numbers still remain unemployed.

A large proportion of these unemployed and their dependents have been forced on the relief rolls. The burden on the Federal Government has grown with great rapidity. We have here a human as well as an economic problem. When humane considerations are concerned, Americans give them precedence. The lessons of history, confirmed by

the evidence immediately before me show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy. It is in violation of the traditions of America. Work must be found for able bodied but destitute workers.

The Federal government must and shall quit this business of relief.

I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves or picking up papers in the public parks. We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance and courage and determination. This decision brings me to the problem of what the government should do with approximately five million unemployed now on the relief rolls.

About one million and a half of these belong to the group which in the past was dependent upon local welfare efforts. Most

of them are unable for one reason or another to maintain themselves independently - for the most part, through no fault of their own. Such people, in the days before the great depression, were cared for by local efforts -- by states, by counties, by towns, by cities, by churches and by private welfare agencies. It is my thought that in the future they must be cared for as they were before. I stand ready through my own personal efforts, and through the public influence of the office that I hold, to help these local agencies to get the means necessary to assume this burden.

The security legislation which I shall propose to the Congress will, I am confident, be of assistance to local effort in the care of this type of cases. Local responsibility can and will be resumed, for after all, common sense tells us that the wealth necessary for this task existed and still exists in the local community, and the dictates of sound administration require that this responsibility be in the first instance a local one.

There are however an additional three and one half million employable people who are on relief. With them the problem is different and the responsibility is different. This group was the

victim of a nation-wide depression caused by conditions which were not local but national. The Federal government is the only governmental agency with sufficient power and credit to meet this situation. We have assumed this task and we shall not shrink from it in the future. It is a duty dictated by every intelligent consideration of national policy to ask you to make it possible for the United States to give employment to all of these three and one half million employable people now on relief, pending their absorption in a rising tide of private employment.

It is my thought that with the exception of certain of the normal public building operations of the government, all emergency public works shall be united in a single new and greatly enlarged plan.

With the establishment of this new system we can supersede the Federal Emergency Relief Administration with a coordinated authority which will be charged with the orderly liquidation of our present relief activities and the substitution of a national chart for the giving of work.

This new program of emergency public employment should be governed by a number of practical principles.

- (1) All work undertaken should be useful --
not just for a day, or a year, but useful in the sense
that it affords permanent improvement in living conditions
or that it creates future new wealth for the Nation.

(2) Compensation on emergency public projects should be in the form of security payments which should be larger than the amount now received as a relief dole, but at the same time not so large as to encourage the rejection of opportunities for private employment or the leaving of private employment to engage in government work.

(3) Projects should be undertaken on which a large percentage of direct labor can be used.

(4) Preference should be given to those projects which will be self-liquidating in the sense that there is a reasonable expectation that the government will get its money back at some future time.

(5) The projects undertaken should be selected and planned so as to compete as little as possible with private enterprises. This suggests that if it were not for the necessity of giving useful work to the unemployed now on relief, these projects in most instances would not now be undertaken.

(6) The planning of projects would seek to assure work during the coming fiscal year to the individuals now on relief, or until such time as private employment is available. In order to make adjustment to increasing

private employment, work should be planned with a view to tapering it off in proportion to the speed with which the emergency workers are offered positions with private employers.

(7) Effort should be made to locate projects where they will serve the greatest unemployment needs as shown by present relief rolls, and the broad program of the National Resources Board should be freely used for guidance in selection. Our ultimate objective being the enrichment of human lives, the government has the primary duty to use its emergency expenditures as much as possible to serve those who cannot secure the advantages of private capital.

Ever since the adjournment of the 73rd Congress, the Administration has been studying from every angle the possibility and the practicability of new forms of employment. As a result of these studies I have arrived at certain very definite convictions as to the amount of money that will be necessary for the sort of public projects that I have described. I shall submit these figures in my budget message. I assure you now they will be within the sound credit of the government.

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~~This~~ work will cover a wide field including clearance of slums, which for adequate reasons cannot be undertaken by private capital; in rural housing of several kinds, where, again, private capital is unable

to function; in rural electrification; in the reforestation of the great watersheds of the nation; in an intensified program to prevent soil erosion and to reclaim blighted areas; in improving existing road systems and in constructing national highways designed to handle modern traffic; in the elimination of grade crossings; in the extension and enlargement of the successful work of the Civilian Conservation Corps; in non-Federal work, mostly self-liquidating and highly useful to local divisions of Government; and on many others which the nation needs and cannot afford to neglect.

This is the method which I propose to you in order that we may better meet this present day problem of unemployment. Its greatest advantage is that it fits logically and usefully into the long range permanent policy of providing the three types of security which constitute as a whole an American plan for the American people.

(better point of view future of the)

I shall consult with you from time to time concerning other measures of national importance. Among the subjects that lie immediately before us are the consolidation of federal regulatory administration over all forms of transportation, the renewal and clarification of the general purposes of the National Industrial Recovery Act, the strengthening of our facilities for the prevention, detection and treatment of crime and criminals, the restoration of sound conditions in the public utilities field through abolition of

the evil features of holding companies, the gradual tapering off of the emergency credit activities of government, and improvement in our taxation forms and methods.

We have already begun to feel the bracing effect upon our economic system of a restored agriculture. The hundreds of millions of additional income that farmers are receiving is finding its way into the channels of trade. The farmers' share of the national income is slowly rising. The economic facts justify the widespread opinion of those engaged in agriculture that our provision for maintaining a balanced production ^{give} ~~give~~ at this time the most adequate remedy for an old and vexing problem. For the present and especially in view of abnormal world conditions, agricultural adjustment with certain necessary improvements in methods should continue.

It seems appropriate to call attention at this time to the fine spirit shown during the past year by our public servants. I cannot praise too highly the cheerful work of the Civil Service employees, and of those temporarily working for the government. As for those thousands in our various public agencies spread throughout the country who, without compensation, agreed to take over heavy responsibilities in connection with our various loan agencies and particularly in direct relief work, I cannot say too much. I do not think any country could show a higher average of cheerful and even enthusiastic team-work than has been shown by these men and women.

I cannot with candor tell you that general international relationships outside ^{the} our borders ^{of the U.S.} are improved. On the surface of things many old jealousies are resurrected, old passions aroused; new strivings for armament and power, in more than one land, rear their ugly heads. I hope that calm counsel and constructive leadership will provide the steadying influence and the time necessary for the coming of new and more practical forms of representative government throughout the world wherein ^{privilege} will occupy a lesser place and ^{would} welfare a greater.

I believe, however, that our own peaceful and neighborly attitude towards other nations is coming to be understood and appreciated. The maintenance of international peace is a matter in which we are deeply and unselfishly concerned. Evidence of our persistent and undeniable desire to prevent armed conflict has recently been more than once afforded.

There is no ground for apprehension that our relations with any nation will be otherwise than peaceful. Nor is there ground for doubt that the people of most nations seek relief from the threat and burden attaching to the false theory that extravagant armament cannot be reduced and limited by international accord.

The ledger of the past year shows many more gains than losses. Let us not forget that, in addition to saving millions from

utter destitution, child labor has been for the moment outlawed, thousands of homes saved to their owners and most important of all, the morale of the nation has been restored. Viewing the year 1934 as a whole, you and I can agree that we have a generous measure of reasons for giving thanks.

It is not empty optimism that moves me to a strong hope in the coming year. We can, if we will, make 1935 a genuine period of good feeling, sustained by a sense of purposeful progress. Beyond the material recovery, I sense a spiritual recovery as well. The people of America are turning as never before to those permanent values that are not limited to the physical objectives of life. There are growing signs of this on every hand. In the face of these spiritual impulses we are sensible of the Divine Providence to which Nations turn now, as always, for guidance and fostering care.

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MESSAGE OF THE PRESIDENT
TO THE CONGRESS OF THE UNITED STATES
January 4, 1935

Mr. President, Mr. Speaker, Members of the Senate and
of the House of Representatives:

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sentatives, our citizens everywhere may fairly judge the
progress of our governing. I am confident that today, in
the light of the events of the past two years, you do not
consider it merely a trite phrase when I tell you that I
am truly glad to greet you and that I look forward to
common counsel, to useful cooperation, and to genuine friend-
ships between us.

We have undertaken a new order of things: yet
we progress to it under the framework and in the spirit and
intent of the American Constitution. We have proceeded
throughout the nation a measurable distance on the road
towards this new order. Materially, I can report to you
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Of equal moment, there is evident a restoration of that
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Franklin D. Roosevelt Library

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As the various parts in the program begun in the Extraordinary Session of the 73rd Congress shape themselves in practical administration, the unity of our program reveals itself to the nation. The outlines of the new economic order, rising from the disintegration of the old, are apparent. We test what we have done as our measures take root in the living texture of life. We see where we have built wisely and where we can do still better.

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To this end we are ready to begin to meet this problem -- the intelligent care of population throughout our nation, in accordance with an intelligent distribution of the means of livelihood for that population. A definite

program for putting people to work, of which I shall speak in a moment, is a component part of this greater program of security of livelihood through the better use of our national resources.

Closely related to the broad problem of livelihood is that of security against the major hazards of life. Here also a comprehensive survey of what has been attempted or accomplished in many nations and in many States proves to me that the time has come for action by the National Government. I shall send to you, in a few days, definite recommendations based on these studies. These recommendations will cover the broad subjects of unemployment insurance and old age insurance, of benefits for children, for mothers, for the handicapped, for maternity care and for other aspects of dependency and illness where a beginning can now be made.

The third factor -- better homes for our people -- has also been the subject of experimentation and study. Here, too, the first practical steps can be made through the proposals which I shall suggest in relation to giving work to the unemployed.

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of these major purposes. In that spirit I come to an immediate issue made for us by hard and inescapable circumstance -- the task of putting people to work. In the spring of 1933 the issue of destitution seemed to stand apart; today, in the light of our experience and our new national policy, we find we can put people to work in ways which conform to, initiate and carry forward the broad principles of that policy.

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relief. With inevitable exceptions the funds were spent by them with reasonable efficiency and as a result actual want of food and clothing in the great majority of cases has been overcome.

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A large proportion of these unemployed and their dependents have been forced on the relief rolls. The burden on the Federal Government has grown with great rapidity. We have here a human as well as an economic problem. When humane considerations are concerned, Americans give them precedence. The lessons of history, confirmed by the evidence immediately before me show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy, it is in violation of the traditions of America. Work must be found for able bodied but destitute workers.

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With the establishment of this new system we can supersede the Federal Emergency Relief Administration with a coordinated authority which will be charged with the orderly liquidation of our present relief activities and the substitution of a national chart for the giving of work.

This new program of emergency public employment should be governed by a number of practical principles.

(1) All work undertaken should be useful -- not just for a day, or a year, but useful in the sense that it affords permanent improvement in living conditions or that it creates future new wealth for the Nation.

(2) Compensation on emergency public projects should be in the form of security payments which should be larger than the amount now received as a relief dole, but at the same time not so large as to encourage the rejection of opportunities for private employment or the leaving of private employment to engage in government work.

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possibility and the practicability of new forms of employment. As a result of these studies I have arrived at certain very definite convictions as to the amount of money that will be necessary for the sort of public projects that I have described. I shall submit these figures in my budget message. I assure you now they will be within the sound credit of the government.

The work itself will cover a wide field including clearance of slums, which for adequate reasons cannot be undertaken by private capital; in rural housing of several kinds, where, again, private capital is unable to function; in rural electrification; in the reforestation of the great watersheds of the nation; in an intensified program to prevent soil erosion and to reclaim blighted areas; in improving existing road systems and in constructing national highways designed to handle modern traffic; in the elimination of grade crossings; in the extension and enlargement of the successful work of the Civilian Conservation Corps; in non-Federal work, mostly self-liquidating and highly useful to local divisions of Government; and on many other projects which the nation needs and cannot afford to neglect.

This is the method which I propose to you in order that we may better meet this present-day problem of unemployment. Its greatest advantage is that it fits logically and usefully into the long-range permanent policy of

providing the three types of security which constitute as a whole an American plan for the betterment of the future of the American people.

I shall consult with you from time to time concerning other measures of national importance. Among the subjects that lie immediately before us are the consolidation of federal regulatory administration over all forms of transportation, the renewal and clarification of the general purposes of the National Industrial Recovery Act, the strengthening of our facilities for the prevention, detection and treatment of crime and criminals, the restoration of sound conditions in the public utilities field through abolition of the evil features of holding companies, the gradual tapering off of the emergency credit activities of government, and improvement in our taxation forms and methods.

We have already begun to feel the bracing effect upon our economic system of a restored agriculture. The hundreds of millions of additional income that farmers are receiving is finding its way into the channels of trade. The farmers' share of the national income is slowly rising. The economic facts justify the widespread opinion of those engaged in agriculture that our provision for maintaining a balanced production give at this time the most adequate remedy for an old and vexing problem. For the present and especially in view of abnormal world conditions, agricul-

tural adjustment with certain necessary improvements in methods should continue.

It seems appropriate to call attention at this time to the fine spirit shown during the past year by our public servants. I cannot praise too highly the cheerful work of the Civil Service employees, and of those temporarily working for the government. As for those thousands in our various public agencies spread throughout the country who, without compensation, agreed to take over heavy responsibilities in connection with our various loan agencies and particularly in direct relief work, I cannot say too much. I do not think any country could show a higher average of cheerful and even enthusiastic team-work than has been shown by these men and women.

I cannot with candor tell you that general international relationships outside the borders of the United States are improved. On the surface of things many old jealousies are resurrected, old passions aroused; new strivings for armament and power, in more than one land, rear their ugly heads. I hope that calm counsel and constructive leadership will provide the steadying influence and the time necessary for the coming of new and more practical forms of representative government throughout the world wherein privilege and power will occupy a lesser place and world welfare a greater.

I believe, however, that our own peaceful and neighborly attitude towards other nations is coming to be understood and appreciated. The maintenance of international peace is a matter in which we are deeply and unselfishly concerned. Evidence of our persistent and undeniable desire to prevent armed conflict has recently been more than once afforded.

There is no ground for apprehension that our relations with any nation will be otherwise than peaceful. Nor is there ground for doubt that the people of most nations seek relief from the threat and burden attaching to the false theory that extravagant armament cannot be reduced and limited by international accord.

The ledger of the past year shows many more gains than losses. Let us not forget that, in addition to saving millions from utter destitution, child labor has been for the moment outlawed, thousands of homes saved to their owners and most important of all, the morale of the nation has been restored. Viewing the year 1934 as a whole, you and I can agree that we have a generous measure of reasons for giving thanks.

It is not empty optimism that moves me to a strong hope in the coming year. We can, if we will, make 1935 a genuine period of good feeling, sustained by a sense of purposeful progress. Beyond the material recovery, I

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sense a spiritual recovery as well. The people of America are turning as never before to those permanent values that are not limited to the physical objectives of life. There are growing signs of this on every hand. In the face of these spiritual impulses we are sensible of the Divine Providence to which Nations turn now, as always, for guidance and fostering care.

I

Jan. 4, 1935

Message

Y. L. D. H.

TO THE CONGRESS:

I welcome and greet you, the members of the Seventy-Fourth Congress, in whom for the coming two years will vest the high responsibility of the legislative branch of the Government of the United States.

One year ago, in addressing the Congress, I said that I had come not so much to request special items of legislation as to counsel with the Congress, in order that without partisanship we might cooperate to continue the restoration of our national well-being. Today I see every good reason to repeat this because the events of the past twelve months emphasize to us that our citizens seek, with decreasing partisanship, what I have called a continued "reform of many old methods -- a permanent readjustment of many of our ways of thinking and, therefore, of many of our social and economic arrangements."

We do not stand alone in our demand for change. The past two decades have witnessed the end of one era in world affairs and the beginning of another. Just as the previous century and a half was notable for the general acceptance of representative and constitutional government, for the dissemination of general education and for the advent of the machine age and the quickening of transportation and communication between all parts of the world, so this new era upon the threshold of which we stand will hold out the realization of a more widely distributed material prosperity, of a greater responsibility of man to man, of more unselfishness, of larger social justice.

I cannot with candor tell you that the relationships between nations are improved. For the moment the contrary seems evident. On the surface of things old jealousies are resurrected, old passions aroused; new strivings for armament and power, in more than one land, rear their ugly heads. I hope that these are but manifestations of a transition from the old to the new; that the acquiescence of whole populations in the leadership of oligarchies or militarists is but a stepping-stone to the coming of new and more practical forms of representative government wherein privilege will occupy a lesser place and welfare a greater.

We, too, have entered upon a transition. We, too, cannot accomplish it in a year or in a decade. But, and herein lies a distinction, we Americans are striving with all sincerity, and I believe with definite success, to pass from the old era to the new by processes which retain all of the deep essentials of that republican form of representative government first presented to the world by the United States and maintained ever since.

(Preface to the)

But while the American people do not stand alone in the world in their desire for change, we seek it through tested liberal traditions, and through processes which retain all of the deep essentials of that republican form of representative government first ^{given} ~~presented~~ to a troubled world by the United States.

As the various parts in the program begun in the Extraordinary Session of the 73rd Congress shape themselves in practical administrative detail, the unity of ~~our program reveals itself to the nation.~~ ^{our program reveals itself to the nation.} ~~We are able to see more clearly~~ ^{now} the outlines of the economic order that is rising from the disorganization of the old ^{are apparent} ~~to see how it will be shaped by what we have done to safeguard and stabilize it.~~ We ~~can~~ test what we have done as our measures take root in the living texture of ~~our economic and social~~ life. We ~~can~~ see where we have built wisely and where we can do still better.

The attempt to make a distinction between recovery and reform is a narrowly conceived effort to substitute the appearance of reality for reality itself. When a man is convalescing from ~~an~~ illness ~~based upon~~ ^{care of the symptoms but also} ~~his own excessive~~ wisdom dictates not only ~~the~~ ^{removal of the cause.} ~~but the temptation to use them.~~

It is important to recognize that while we seek to outlaw specific abuses the American objective of today is an infinitely deeper, finer and more lasting purpose than mere repression. Thinking people in almost every country of the world have come to realize certain fundamental difficulties with which civilization must reckon. Rapid changes ~~have brought critical problems.~~ ^{The spread of representative or parliamentary government is of comparatively recent origin and the coming of the machine age and of universal and rapid communication followed soon after.} ~~The advent of universal and rapid communication and many other new factors~~ ^{these instruments of progress} have brought new problems. Succeeding generations have attempted to keep pace by reforming piecemeal, ^{in fashion} ~~this or that~~ ^{attendant abuse.} As a result, ^{evils} ~~these evils~~ overlap and reform becomes confused and frustrated. We lose sight from time to time of our ultimate human objectives.

Let us for a moment strip the ~~confusion~~ from our simple purpose ^{the} confusion that results from a multiplicity of detail and from millions of written and spoken words.

We find our population suffering from old inequalities, little changed by our sporadic remedies. In spite of our efforts and in spite of our talk, we have not weeded out the ^{over-}privileged and we have not effectively lifted up the under-privileged. Both of these manifestations of injustice have retarded happiness. No ~~man~~ ^{wise} man has any intention of destroying what is known as the profit motive: ^{from} because by the profit motive we mean the right ^{to} by work to earn a decent livelihood for ourselves and for our families. We have, however, a clear mandate ^{from} the people, that Americans must forswear that conception of the acquisition of wealth which, through excess ^{we} profits, ^{creates undue} ~~builds up~~ private power over private affairs and, to our misfortune, over public affairs as well. In building toward this end we do not destroy ambition nor do we seek to divide our wealth into equal shares on stated occasions. We continue to recognize the greater ability of some to earn more than others. But we do assert that the ambition of the individual to obtain for him and his a proper security, a reasonable leisure, and a decent living throughout life, is an ambition to be preferred to the appetite for great wealth and great power. ^I I recall to your attention my Message to the Congress last June in which I said - "among our objectives I place the security of the men, women and children of the nation first." That ^{remains} remains our first and continuing task; and in a very real sense every major legislative enactment of this Congress should be a component part of it.

^I In defining immediate factors which enter into our quest, I have spoken to the Congress and the people of three great divisions:

1. ^{The} security of a livelihood through the better use of the national resources of the land in which we live.
2. ^{The} security against the major hazards and vicissitudes of life.
3. ^{The} security of decent homes.

I am now ready to submit to the Congress a broad program designed to establish all three of these factors ^{of security} -- a program which of necessity will take years to carry out, even in the light of what today we know to be necessary to catch up with many lost years. ^{ultimately}

A study of our national resources, more comprehensive than any previously made shows the vast amount of necessary and practicable work which needs to be done for the development and preservation of ^{our} natural ~~wealth~~ ^{advantage} ~~resources~~ and for the enjoyment and ~~development~~ of our people in generations to come. The sound ~~development of the~~ use of land and water is far more comprehensive than the mere planting of trees, building of dams, distribut^{ing} of electricity or retirement of sub-marginal land. It recognizes that stranded populations, either in the country or the city, cannot ^{have} ~~be given~~ security ^{under the conditions that now surround them.} ~~where they are today.~~ ^{To this end} ~~We are ready to make definite beginnings toward meeting~~ ^{begin to} ~~our~~ this problem of an intelligent ^{Care} ~~distribution~~ of population throughout ~~the~~ nation, in accordance with an intelligent distribution of the means of livelihood for that population. A definite program for putting people to work, of which I shall speak in a moment, is a component part of this greater program of security of livelihood through the better use of our national resources.

Closely related to the broad problem of livelihood is that of security against the major hazards ~~and vicissitudes~~ of life. Here also a comprehensive survey of what has been attempted or accomplished in many nations and in many States proves to me that the time has come for action by the National Government. I shall send to you, in a few days, definite recommendations based on these studies. These recommendations will cover the broad subjects of unemployment and old age ^{insurance} ~~insurance~~, of benefits for children, for mothers, for the handicapped, ~~dependents~~, ^{illness} ~~illnesses~~, for maternity care and for other aspects of dependency and ~~sterility~~ where a beginning can now be made.

The third factor -- better homes for our people -- has also been the subject of experimentation and study. Here ^{too} ~~also~~, the first practical steps can be made through the proposals which I shall suggest in relation to giving work to the unemployed.

Whatever we plan and whatever we do should be in the light of these three clear objectives ^{of security.} ~~We cannot afford to lose valuable time in~~

I am now ready to submit to the Congress a broad program designed ultimately to establish all three of these factors of security -- a program which ~~we~~ *because of many lost years will take many future years to fulfill, necessity will take years to carry out, even in the light of what today*
~~we know to be necessary to catch up with many lost years.~~

II

It is because you and I must survey the broader needs and the broader trends of the affairs of humanity as a whole that we must dissent from those narrow minds which separately classify each separate effort and place them in convenient pigeon-holes with appropriate titles such as "relief" or "recovery" or "reform." They fail to grasp the larger truth that all of these of necessity fit together, and together with many other subjects form essential elements of a social and economic order which must be new because all of us know that the old social and economic order was a proven failure.

Liberal thought is convinced of this and liberal thought dominates the United States and is spreading throughout the world.

The objectives of this thought you and I have often expressed; the elimination of abuses and the substitution of greater justice and a greater happiness for a larger number of people than have ever had it before.

Methods are distinct from objectives. We have tried many methods - some have succeeded greatly; others are still being tried in the balance; still others have not succeeded, as we had hoped, and must be discarded for new methods which, in the light of our experience, give greater hope.

The ledger of the last year shows many ^{more} ~~great~~ gains than losses. Out of the groping of 1933 we have emerged into daylight; out of distress we have come to comparative ease. Our great agricultural population is definitely better off, our industries have made great material gains, homes and farms have been saved to their owners; starvation wages have been added to

and child labor has been ended; millions have been saved from utter destitution and, best of all, the morale of a nation has been restored.

Viewed as a whole, therefore, you and I can give accord to the knowledge that the year 1934 will live as one for which we can give thanks.

It is true that some of the methods which we have put into effect are not yet clear in their results. We are seeking, for example, a clearer, more generally accepted and acceptable process for the maintenance of satisfactory and friendly relations between those who work and those who employ them. Sound principles have, I believe, been established but the details of the practical processes of settling labor problems are still in the evolutionary form. Helpful understanding of this by all citizens will hasten the day of industrial peace.

So also within the greater and lesser groups which constitute industry itself, many ancient evils have been cut off, such as the unlimited freedom of corporations to determine to invite the public into their financing; some evils, such as the recent invention known as the holding company, must still be attended to; other evils such as the unfair practices which existed within industries, and including such things as price fixing, have been the subject of great experimentation; each day that passes teaches us more and gives us better opportunity to revise the methods we have tried.

Finally, I would speak with you in regard to a method which in large part has failed. I do this in fulfillment of the promise which I gave that I would be the first to advise you of any failure, and to recommend to you a definite plan of action.

In the Special Session of the Congress in the spring of 1933 alarming destitution and want faced half of our population. The Congress and the Executive laid down the principle that no successful government could permit its citizens to starve. We adopted two emergency lines of action; first, the establishment of direct relief and, secondly, the appropriation of large sums for permanent public works.

The Federal relief agencies stopped starvation but they did not create work of permanent value. The program of Public Works, because there was no time to prepare for it, did not put as many men into useful employment as quickly as we had hoped. To have proceeded faster and without examination into the merits and the honesty of every project would have resulted in the misdirection and misuse of vast sums entrusted to the Executive by a Congress and a Nation which properly demanded an honest accounting.

I now propose to the Congress of the United States that relief be brought to an end. I say this because relief in the form of a dole is a failure as applied to Americans. I am not willing that the mental vitality of our people be further sapped by the gift of cash, of market baskets, or of a few hours of weekly work, cutting the grass or picking up papers in the public parks. In saying this I am, of course, not referring to the many people -- necessarily many in a nation of one hundred and twenty millions -- who, through no fault of their own, are unable to perform continuous work. These people, in the days before the great depression, were cared for by local efforts - by states, by counties, by towns, by cities, by churches and by local charity. Out of five million people who today are receiving, in one form or another, Federal relief, approximately one million and a half fall, I believe, into the category of those who in the past have

II

-4-

been cared for by agencies other than the Federal Government. It is my thought that in the future they should be cared for as they were cared for before.

This leaves three and a half million persons, the great majority of them with families, who are physically capable of employment and who, in almost every case, ask employment instead of a dole.

That is why, while retaining the objective, I ask the abandonment of the old method of relief. That is why I ask the Congress to make it possible for the United States to give employment to all of these three and a half millions who are now on relief.

Ever since the adjournment of the Seventy-Third Congress, the Administration has been studying from every angle the possibility and the practicability of creating this employment. To do this means creating work for three and a half million people -- work which must pass certain tests. First, it must be useful work -- not useful just for a day or a year, but useful in the sense that it gives permanent improvement to social conditions or that it creates future new wealth for the nation. Furthermore, it must be work on which a very large percentage of direct labor can be used -- enough direct labor to give work for eight hours a day, and five days a week, to three and a half million persons.

Every type of project has been examined and, as a result, it is my best opinion that if the Congress will eliminate the present system of relief during the coming fiscal year and in lieu of it appropriate a sum slightly less than five billion dollars, we can assure work to all employable persons, now on the relief rolls, by the autumn of 1935.

Geneva where, as a method of limiting armaments, we have proposed a system of licensing which, if adopted, will turn the light of publicity upon activities unfortunately too often veiled in secrecy.

There is ~~not the slightest~~^{no} ground for apprehension that our relations with any nation will be otherwise than peaceful. Nor is there ground for doubt that *the people of* ~~eventually~~^{must} the nations in cooperation with each other ~~will find~~^{will} relief from the threat and burden attaching to the false theory that ~~war can be avoided by endless~~^{extravagant armaments} ~~cannot be achieved and limited by international accord.~~
~~extravagant and wasteful preparation for war.~~

I shall expect to submit from time to time to Congress suggestions relative to specific matters bearing upon our international policies and aspirations.

(Things left out)
Civil Service - employees

Special Patter of Revolution.

Redistribution of wealth.

Punalty for violation of codes.
Restoration of strength.

I cannot with candor tell you that ^{general international} ~~the~~ relationships ~~between~~ ^{outside our borders} ~~nations~~ are improved. ~~For the moment the contrary seems evident.~~ On the surface of things ^{many} old jealousies are resurrected, old passions aroused; new strivings for armament and power, in more than one land, rear their ugly heads. I hope that ^{calm counsel and constructive leadership} ~~these two~~ ^{will provide the steady influence and the force} ~~manifestations of a transition from the old to the new that the acquiescence of whole populations in the leadership of oligarchies or militarists is but a stepping stone to the coming of new and more practical forms of representative government, wherein~~ ^{throughout the world} privilege will occupy a lesser place and welfare a greater.

Insert F. The ledger of the past year shows many more gains than losses. *Insert G.* The ~~general national distress of 1933 has been immeasurably relaxed.~~ Our ~~great agricultural population is definitely better off, our industries have made great material gains, homes and farms have been saved to their owners, starvation wages have been improved and child labor has been ended. Millions have been saved from utter destitution and best of all, the morale of the Nation has been restored.~~ Viewing the year 1934 as a whole, you and I can ~~also~~ ^{agree} ~~ascertain the knowledge~~ that we have a generous measure of reasons for giving thanks. *hope*

It is not empty optimism that moves me to a strong ~~belief~~ ^{hope} in the ~~possibilities of the~~ coming year. We can, if we will, make 1935 a genuine period of good feeling, sustained by a sense of ^{purposeful} progress ~~toward a broad goal.~~ ~~Beyond the material recovery, I sense a spiritual recovery as well. The people of America are turning as never before to those permanent values that are not limited to the~~ ^{physical vibrations of life} ~~material world in which they live.~~ ^{There are growing signs of this on every hand.} In the face of ^{new} spiritual impulses we ~~cannot be~~ ^{are} ~~insensible to the~~ ^{of the} ~~Divine~~ Providence to which Nations turn now, as always, for guidance and fostering care.

General Harding

Insert F

State Dept

December 28, 1934.

He I believe however that

our own peaceful and neighborly
our attitude towards other nations is coming to
be ~~more thoroughly~~ understood, *and appreciated.*

The maintenance of international peace is a matter
in which we are deeply and unselfishly concerned.

Evidence of our persistent and undeniable
desire to prevent armed conflict has recently been more
than once afforded. The recognition of the Government
of Russia was a deliberate hopeful step in the
direction of promoting a more tranquil situation.
Another step was taken when we exerted ourselves at
the Montevideo Conference, and I believe with con-
spicuous success, to banish distrust of our feeling
and purposes with reference to the nations south of
us by arriving at understandings and agreements that
give assurance of continuing future friendship and
harmony. We are the close neighbors of those nations
and we have clearly signified our resolute and unbending
intention to be their good neighbor. In that connection,
let me allude to the treaty negotiated with the Govern-
ment of Cuba that eliminates the so-called Platt Amend-
ment which created constant possibility of serious dis-
turbance and controversy. Let me also refer to the
fact that we have withdrawn our armed forces from
Haiti,

haphazard public policies which cannot find a place in the broad outlines of these major purposes. In that spirit I come to an immediate issue made for us by hard and inescapable circumstance -- the task of putting people to work. In the spring of 1933 ~~the~~ ^{the} ~~issue~~ ^{of destitution} seemed to stand apart; today, in the light of our experience and our new national policy, we ~~find now~~ can put people to work in ways which conform to ~~initial~~ ^{initial} and carry forward the broad principles of that policy.

The ~~initial~~ ^{first} objectives of emergency legislation of 1933 were, ~~first~~ ^{to relieve} ~~the~~ ~~relief~~ of destitution, ~~second~~ to make it possible for industry to operate in a more rational and orderly fashion, ~~and~~ ^{and} ~~third~~ to put behind industrial recovery the impulse of large expenditures in government undertakings. The ~~initial~~ ^{purpose} objective of the National Industrial Recovery Act to provide work for more people succeeded in a substantial manner within the first few months of its life, and the Act has continued to maintain employment gains and greatly improved working conditions in industry.

The program of public works provided for in the Recovery Act launched the Federal government into a task for which there was little time to make preparation and little American experience to follow. I believed, and still believe that to have made haste a primary consideration would have subjected us to the danger of the misdirection and misuse of great sums entrusted to the executive by a Congress and a Nation which properly required an honest accounting. *Great employment has been given and is being given by these works.*

Several billions of dollars have also been expended in direct relief to the destitute. Local agencies of necessity determined the recipients of this form of relief, ~~and~~ ^{and} with inevitable exceptions the funds were spent by them with reasonable efficiency *and as a result actual want of food and clothing in the great majority of cases has been overcome.* But the stark fact before us is that great numbers still remain unemployed.

A large proportion of these unemployed and their dependents have been forced on the relief rolls. The burden on the Federal Government

has grown with great rapidity. We have here a human as well as an economic problem, and when human considerations are concerned, Americans give them precedence. The lessons of history, confirmed by the evidence immediately before me show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy. It is in violation of the traditions of America. Work must be found for able bodied but destitute workers.

The Federal government must and shall quit this business of relief.

I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves or picking up papers in the public parks. We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance and courage and determination. This decision brings me to the problem of what the government should do with approximately five million unemployed now on the relief rolls.

About one million and a half of these belong to the group ^{in the past time} which ~~always has been~~ dependent upon local welfare efforts. ^{Most} of them are unable for one reason or another to maintain themselves independently ~~for~~ for the most part, through no fault of their own. Such people, in the days before the great depression, were cared for by local efforts -- by states, by counties, by towns, by cities, by churches and by private welfare agencies. It is my thought that in the future they must be cared for as they were before. I stand ready through my own personal efforts, and through the public influence of the office that I hold, to help these local agencies to get the means necessary to assume this burden.

The security legislation which I shall propose to the Congress will, I am confident, be of assistance to local effort in the care of ~~many~~ this type of cases. ~~The~~ ^RResumption of local responsibility can and will be done, for, after all, common sense tells us that the wealth necessary for this task ^{exists and still} exists in the local community, and the dictates of sound administration require that this responsibility be in the first instance a local one.

There are however an additional three and one half million employable people who are on relief. With them the problem is different and the responsibility is different. This group was the victim of a nation-wide depression caused by conditions which were not local but national. The Federal government is the only governmental agency with sufficient power and credit to meet this situation. We have assumed this task and we shall not shrink from it in the future. It is a duty dictated by every intelligent consideration of national policy to ask you to make it possible for the United States to give employment to all of these three and one half million employable people now on relief, pending their absorption in a rising tide of private employment.

It is my thought that with the exception of certain of the normal public building operations of the government, all emergency public works shall be united in a single ^{new and greatly enlarged} plan.

With the establishment of this new ^{system} ~~plan~~ we can supersede the Federal Emergency Relief Administration with a ~~new~~ coordinated authority which will be charged with the orderly liquidation of our present relief activities and the substitution of a ^{char-} ~~new plan~~ for the giving of work.

This new program of emergency public employment should be governed by a number of practical principles.

- (1) All work undertaken should be useful -- not just for a day, or a year, but useful in the sense that it affords permanent improvement in living conditions or that it creates future new wealth for the Nation.

(2) Compensation on emergency public projects should be in the form of security payments which should be larger than the amount now received as a relief dole, but at the same time not so large as to encourage the rejection of opportunities for private employment or the leaving of private employment to engage in ^{government} work.

(3) Projects should be undertaken on which a ~~very~~ large percentage of direct labor can be used.

(4) ~~Every effort should be made to give priority to~~ ^{Preference should be given to} those projects which will be self-liquidating in the sense that there is a reasonable expectation that the government will get its money back at some future time.

(5) The projects undertaken should be selected and planned so as to compete as little as possible with private enterprises. This suggests that if it were not for the necessity of giving useful work to the unemployed now on relief, these projects ^{in most instances} would not now be undertaken.

(6) The ^{planning} ~~purpose~~ of projects would ^{be to} ~~be~~ to assure work during the coming fiscal year to the individuals now on relief or until such time as private employment is available. In order to ^{make an adjustment to} ~~adjust the work to~~ increasing private employment, ^{work} ~~the~~ should be planned with a view to tapering it off in proportion to the speed with which the emergency workers are offered positions with private employers.

(7) ~~With respect to the geographical location of projects, the guiding principle of selection should be to locate them where they will serve the greatest unemployment needs as shown by present relief rolls.~~ ^{Effort should be made to locate projects} ~~and~~

~~The~~ ^{primary} ~~use~~ ^{use} The broad program of the National Resources Board should be freely used for guidance in ~~the~~ selection ~~of projects~~. Our ultimate

objective being the enrichment of the lives of all our people, the government has the duty to ^{use} ~~use~~ its emergency expenditures ^{as much as possible} ~~on projects~~ ^{to} ~~that will~~ serve those who cannot secure the advantages provided by expenditures of private capital.

Ever since the adjournment of the 73rd Congress, the Administration has been studying from every angle the possibility and the practicability of new forms of employment. As a result of these studies I have arrived at certain very definite convictions as to the amount of money that will be necessary for the sort of public projects that I have described. I

shall submit these figures in my budget message, *but I can assure you that they will be within the sound credit of the Government.*
This work will cover a wide variety of ~~projects~~ *projects* including

clearance of slums, which for adequate reasons cannot be undertaken by private capital; in rural housing of several kinds, where, again, private capital is unable to function; in rural electrification; in the re-forestation of the great watersheds of the nation; in an intensified program to prevent soil erosion and to reclaim ~~recently~~ *blighted areas;* in improving existing road systems and in constructing national highways designed to handle modern traffic; in the elimination of grade crossings; in the extension and enlargement of the successful work of the Civilian Conservation Corps; in non-Federal work, mostly self-liquidating and highly useful to local divisions of Government; and on many others which the nation needs and cannot afford to neglect.

consult with you
I shall from time to time ~~present to you my views~~ *consult with you* concerning other measures of national importance, ~~either through conference with appropriate leaders of the Congress or through special messages.~~ Among the subjects that lie immediately before us are the consolidation of federal regulatory ~~power and~~ administration over all forms of transportation, the renewal and reformulation of the general purposes of the National Industrial Recovery ~~Administration~~ *Act*, the restoration of sound conditions in the public utilities field through ~~measures contemplating the ultimate~~ abolition of *this will* ~~features of~~ holding companies, the gradual tapering off of the emergency credit activities of government, and ~~an~~ improvement in our taxation forms and methods.

B *>* I am concerning myself also with the general problem of the simplification of our administration and with better methods of recruiting and training public service.

Insert on P. 9

INSERT A (Phrase) ^{P. 9} The strengthening of our facilities for the prevention, detection and treatment of crime and criminals,

Paragraph INSERT B ^{P. 9} We have already begun to feel the bracing effect upon our economic system of ^a restored agriculture. The ^{hundreds of} millions of additional income that farmers are receiving is finding its way into the channels of trade. The farmers' share of the national income is slowing rising, ~~to the point where sound conditions require that it should be~~. The economic facts justify the widespread opinion of those engaged in agriculture that our ^{present} ~~means~~ for maintaining a balanced production ^{have at the time} ~~provide~~ the most adequate remedy for an old and vexing problem. ~~For the present and especially in view of abnormal export~~ ~~no workers and seek the most effective means of increasing the exploitation~~ ~~world conditions~~ ~~of our surpluses and there is ample reason to believe that the means we~~ ~~have adopted will be effective. Meanwhile,~~ agricultural adjustment with certain necessary improvements in methods should continue.

It seems appropriate to call attention at this time to the ~~fine spirit shown~~ ^{cheerful work of the land service employees,} ~~very substantial and cheerful self-sacrifice shown~~ during the past year by our public servants. Those regularly in the Civil Service at Washington had thrust upon them very heavy additional duties, owing to the number of new agencies and the new machinery required during the past twelve months.

I cannot praise too highly their ~~willingness to assume these~~ ^{cheerful work of the land service employees,} additional duties uncomplainingly and loyalty for the good of their country. And of these temporarily in government work.

(As for those thousands of administrators of our various public agencies spread throughout the country who, without compensation, agreed to take over heavy responsibilities in connection with our various loan agencies and particularly in direct relief work, I cannot say too much. In many instances these duties were undertaken at the sacrifice of their personal affairs.

I do not think any country could show a higher average of cheerful and even enthusiastic team-work than has been shown by these men and women, ~~suddenly~~ ^{suddenly} called upon to assume unfamiliar burdens which require not only time but study and intelligence to successfully carry out. Congress may well take notice of the magnificent way in which our country has been served in these respects. It is a record to which we may point with pride.

Insert G ~~to~~

~~In all~~ ~~Besides the general progress~~
~~made, to which I have already referred,~~
Let us not forget that, in addition to
saving millions from utter destitution,
Child labor has been abolished, thousands
of homes sold to their owners and, ~~let me~~
~~again repeat,~~ most important of all,
the Morale of the Nation has been
restored.

(L.H.s)

The Constitution provides that you should receive from me a report from time to time on "The state of the Union." I trust that all our citizens will also inform themselves not merely of conditions in this or that locality, but of the nation as a whole, in order that they may fairly judge what progress we have made during the last year toward the high goal of a new relationship between our government and our citizens, towards which we have set out.

I think you will find that while in some places where labor difficulties may have slowed down our progress, or in other where abnormal circumstances may have accelerated our pace for the moment -- we have, on the whole, throughout the entire nation, progressed a measurable distance on the road to economic recovery and a new order of things. Certainly, for instance, our entire agricultural population has been very substantially benefited. From all sections come reports from our merchants of increased business -- profits instead of deficits, and above all -- in all parts of the country, there is visible a return of that confidence in each other which we call "credit" and which is the real, invisible currency of this and every other nation. Let he who would, for speculative profits or for partisan purposes, without just warrant, seek to disturb or dispell this growing confidence in our own strength and in the eventual reaching of a new and better prosperity, take heed before he lays upon his soul the responsibility of any act of his, halting and throwing into confusion our onward march.

Like all Pioneers breaking new paths, we have had to go forward from time to time, first on this side and then on the other of the obstacles that rose before us, taking which ever way gave promise of the firmest ground and the least obstruction. But our course as a whole has been gratifyingly compass-true towards our destination. Permanent employment is absorbing more and more of our idle industrial population and so far, our Government and our States have seen to it that no man starves. Nor is there any longer any real fear in our hearts that such a catastrophe will overtake us.

Besides this notable achievement in meeting the immediate crisis of our affairs, we have also progressed notably towards our ~~new~~ aim of establishing a new civilization where all will have an equal chance in life and that unpleasant word of the social reformers: "the under-privileged family" will be forgotten, for it is our fixed resolve that there shall be no "under-privileged" nor "over-privileged" ~~and~~ citizen in this great country.

To meet the crushing tyranny of the great industrial corporations over their smaller and weaker competitors Industry itself is finding the answer in their new industrial codes, whose motto reads: "Equal Privilege and Equal Protection for All."

For Labor we are establishing the principal that if the laborer must be worthy of his hire, his hire must be worthy of the laborer.

The credit of our country stands high, here and abroad. There are neither wars nor rumors of wars to ~~disturb~~ disturb our

tranquility.

Our Ship of State has passed through a devastating world hurricane. To keep her headed on the course it was necessary to hastily rig upon the stripped spars all manner of "jury sails" and tangled temporary rigging. We are now in calmer waters, and as the unneeded gear upon the decks is cast aside, ~~She~~ emerges once more, full-sailed, dauntless, proud, defiant of the storm, to sweep onward to the new and glorious harbor of our dreams.

Introduction

Wash.
D.C.

(1)

The Constitution wisely provides that the Chief Executive shall report to the Congress on the state of the Union, for through you, the chosen legislative representatives, our citizens everywhere may fairly judge the progress of our governing. I am confident that today ~~in~~ in the light of the results of the ~~two~~ ^{five} past years you do not consider it a merely trite phrase when I tell you that I am truly glad to greet you and that I look forward to ~~a~~ common counsel, ~~and~~ to useful co-operation, and to genuine friendships between us.

~~We are embarked upon a new order.~~

We have undertaken a new order of things: yet we progress towards it under the framework and in the spirit ^{and intent} of the American Constitution. We have proceeded throughout the nation a measurable distance

(2)

are that road towards the new order of things. Materially, I can report to you substantial benefits to our agricultural population, increased industrial activity, and profits to our merchants. Of equal moment are signs in an radiant restoration of that spirit of confidence and faith which marks the American character. Let him who for speculative profit or partisan purpose without just warrant ~~seek~~^{would} to disturb or dispell this assurance, take heed before he assumes ~~the~~ responsibility for any act which slows our onward steps.

Throughout the world change is the order of the day. In every nation economic problems long in the making have brought crisis of many kinds for which the masters of ~~the~~^{old} practice and theory were

impaired. In most nations social
justice has become no longer ^{a distant} ~~an~~ ideal but a
definite goal, and ancient governments
are beginning to heed the call.

Aubrey Williams

December 14, 1954

Unemployment and the relief of the unemployed continues to be the major concern of our Government. In spite of increased employment to the extent of two million new jobs during the last eighteen months, the number of unemployed on relief has increased as well as the number of persons seeking jobs. This condition arises because of the normal net increase among employable persons by reason of young people becoming of age and also because of the exhaustion of resources and savings by many who have been without jobs for months and years.

We are today giving aid to four million three hundred thousand families and to seven hundred thousand unattached persons. Of this number, the essential need of three and one-half million is a job. It is proposed to abolish direct relief and to employ these people on useful projects. Approximately one million persons now receiving relief are unemployable because of age, illness, or other complicating factors. Assistance for this group is rightly the responsibility of State and local governments. Another five hundred thousand live upon the farm and can best be assisted under rural rehabilitation programs.



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The providing of employment for people out of work, rather than aiding them by direct relief, will, it is believed, be approved by every element in the Nation. A few will contend that we should pursue a less expensive method - that direct relief is more desirable because it is cheaper. It is, but direct relief contributes nothing toward our general recovery and, continued over long periods, will result in the establishment of low and impoverished living standards certain to demoralize a large section of our population.

The needy unemployed will be given jobs in the building of homes for the thousands of people in our cities now living in ^{unsalubrious} indecent and unsafe structures; in the construction of rural electrification; in the reforestation of the great water sheds of the Nation; in an extensive program to prevent soil erosion and ^{to} ~~the reclamation~~ of blighted farm land; in constructing national highways designed to handle modern traffic; in the repair and construction of schools, hospitals, and other public buildings that have been neglected for five years; and on such other projects as the skills of the unemployed workers make possible, jobs will be provided both of a Federal and a non-Federal character.



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This entire enterprise should be possible without additional cost to the Nation. The cost of our present relief plan for the past year has been approximately \$2,500,000,000 including CWA. At the present rate, the cost for direct relief is close to \$200,000,000 per month, of which \$150,000,000 is provided by the Federal Government. The return on this investment is not commensurate with the outlay. Millions of our fellow citizens are provided for but upon a very low level, and the increase in community assets is negligible. Little substantial purchasing power is provided and the standard of living of millions of families is reduced to a mere subsistence level. The right of the individual to manage and control his own domestic affairs is being curtailed and circumscribed, and an alarming number of our people are beginning to accept this condition as a necessary way of living for a large part of our population.

The cost of providing regular employment on useful projects for three and a half million persons will be approximately \$5,000,000,000 a year. More than half of this amount can be invested in self-liquidating projects which will pay out and the net final cost of such a program properly designed and administered, will not be substantially greater than our present outlay.



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Thus it is confidently assumed that actual cost to the Government will not be in excess of the present cost of \$2,500,000,000 when we shall have closed our account of this undertaking at some future date. In addition, this plan will have a marked effect upon recovery and outlays for this purpose can be rapidly decreased as employment in private industry is revived. This plan will restore millions of families to their rightful place as contributing members of their communities. It will reestablish the American custom of "living through working", and it will, to a large extent, eliminate the load of relief that has increasingly become a sore spot in the Nation.

And so we plan to make available, through a national work program, three



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million five hundred thousand jobs to be given to persons who are unemployed and in need, and to continue these jobs until, through the rehabilitation of our social and economic structure we can provide work for these persons in private industry.

Labor shall be drawn first from the needy unemployed now on relief. With the development of the work program there will be cumulative effects which will provide a great number of additional jobs, directly on the projects and indirectly in industry, thus providing employment for an increasing number of those who are unemployed and dependent upon their own earnings for a livelihood.

One of the major objects of this program is to aid in our general recovery. Persons working on the projects undertaken will not be paid a competitive wage but every effort will be made to promote job assurance at a fair wage to be determined by the nature of the work done. All work will be upon a force account basis and will be adjusted, insofar as possible, to the prevailing conditions in the locality and the skills of those in need.

In keeping with the establishment of the relief wage for those employed and the use of force-account, it would be expected that an effective reduction of materials could be secured. In a national program employing three million five hundred thousand men, it is certain that increased purchase of materials would enable material manufacturers to manufacture and sell at lower prices than they can on their present volume. Careful estimates indicate that this increased volume would enable manufacturers to sell at a profit for *not slanted down* twenty percent less than present prices.

A National work program set up with maximum flexibility and control must be set up on a force-account basis. The elements of construction that make for efficiency can be carried over through the salaried employment of contracting superintendents and foremen. Much of the other salaried work would be included in the relief wage payments and should be properly calculated as labor.

Under this plan each needy unemployed worker will be assured of employment for a six-month period. It is confidently expected that this will cover the average individual's unemployed period of need.

Under this plan government expenditures will be at the lowest economic level and will immediately build purchasing power which will contribute directly



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to recovery. By making these jobs certain for the needy unemployed the Government will be automatically turning back into business channels the purchasing power of the individual who gets the job and will be establishing the confidence which is essential to recovery and prosperity. The reverse is obviously true for there can never be recovery as long as there are economic strata of people without money to buy and security to spend. In terms of purchasing power they cannot contribute to recovery and their support constitutes a continuous deflationary drain. They create economic fear in the minds of everyone and no one can justify the maintenance of employable people in idleness and destitution.

To provide the machinery for the administration and financing of this plan, it is proposed that the Federal Government shall loan money to municipalities, counties, and/or states for the carrying on of projects designed to give jobs to the needy unemployed. It is also proposed in order to make funds available in localities where states, municipal, or county governments are unable to make loans that there be established under Federal management state and local corporations for the purpose of organizing and carrying on projects for the employment of needy unemployed people. This will provide for a Federal



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agency which will work through a decentralized unit with its funds loaned to municipalities and states wherever possible and used for the construction of self-liquidating projects which employ needy able-bodied unemployed persons. Much that we have gained in the way of experience and knowledge can be carried over into any new administrative organization which is established to carry out the new program.

The transference of the needy unemployed from direct relief to a job will require several months. It is, therefore, planned to continue the granting of aid through direct relief until those needy unemployed are given jobs in the new program. This will require that we continue the present arrangements for approximately a period of another year, during which time we will gradually close out all of the present arrangement which has been established for the distribution of direct relief.

In undertaking the plan of giving employment in useful and largely self-liquidating types of projects, it is recognized that there are some very real problems. One of these, and probably the most serious one, is that when aid to the unemployed is raised to the level of a job immediately the number who desire its benefits increase beyond the number who apply for direct relief.



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It is, however, to be recognized in considering this phase of the problem that a much larger number apply for direct relief than are granted direct relief and as is now the case with applicants for direct relief, there will have to be devised some way by which the number given jobs can definitely be controlled.

In the above plan a definite control is suggested. This is largely of a financial character with also tests for fitness for the job. In the latter period of the Civil Works Program it was clearly demonstrated that it was possible to reduce the number of those given jobs very greatly by the above limiting factors and this was accomplished without any serious disturbance or without doing injustice to anyone who was entitled to aid from the Federal Government.

The second problem that is faced by this plan is to find self-liquidating projects in sufficient number and at those places where unemployment exists. Fortunately for the success of the plan most of the needy unemployed live in cities and in industrial areas and there is in these same places great need of construction of housing that will rent at a figure within the means of those now who are forced to live in indecent and unsafe structures.



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There is also great need of sewage systems and disposal plants, of street repairs and of other forms of public buildings. On the other hand we must quite frankly recognize that in many places it will be necessary to find employment on non-liquidating projects if the necessary jobs are to be provided.

Aid to Farmers

The problems of aid to farmers are so distinct from those of people living in cities as to require a totally separate approach and it is proposed to separate the two decisively and to adopt the plans and procedures that have been worked out and are now being carried forward under the present rural rehabilitation program which has been developed to get families back on the land and making it possible for them to make a living.

This program involves the taking of all persons living outside of industrial areas from relief rolls and supplying them with means of making a livelihood on a farm. This includes the providing frequently of stock, equipment, seed, and land, and a home, as well as extension of food, and clothing, for a period of time. All of this is made available on a basis of



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need and is in the form of a loan which ~~it is expected~~^{to} will be repaid.

Corporations similar to the ~~one~~^{one} that is suggested above for the urban job program are ~~now~~^{now} established and are carrying on this work. What is proposed here is to stop all relief in rural areas and place the whole thing, as far as Federal Government is concerned, under such corporations and with the understanding that its work will be carried out on the above lines.

The cost of this program is approximately \$6,500,000 a month at the present time. If extended to all rural people, it would probably amount to the sum of \$350,000,000 to \$400,000,000 a year.



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STATEMENTS FILE
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MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE SENATE ~~AND OF~~ THE HOUSE OF REPRESENTATIVES:

The Constitution wisely provides that the Chief Executive shall report to the Congress on the state of the Union, for through you, the chosen legislative representatives, our citizens everywhere may fairly judge the progress of our governing. I am confident that today, in the light of the events of the past two years, you do not consider it merely a trite phrase when I tell you that I am truly glad to greet you and that I look forward to common counsel, to useful cooperation, and to genuine friendships between us. (C)

We have undertaken a new order of things: yet we progress towards it under the framework and in the spirit and intent of the American Constitution. We have proceeded throughout the nation a measurable distance on the road towards this new order. Materially, I can report to you substantial benefits to our agricultural population, increased industrial activity, and profits to our merchants. Of equal moment, there is evident a restoration of that spirit of confidence and faith which marks the American character. Let him who, for speculative profit or partisan purpose,

without just warrant would seek to disturb or dispel this assurance, take heed before he assumes responsibility for any act which slows our onward steps.

Throughout the world change is the order of the day. In every nation economic problems long in the making have brought crises of many kinds for which the masters of old practice and theory were unprepared. In most nations social justice, no longer a distant ideal, has become a definite goal, and ancient governments are beginning to heed the call.

Thus the American people do not stand alone in the world in their desire for change. We seek it through tested liberal traditions, through processes which retain all of the deep essentials of that republican form of representative government first given to a troubled world by the United States.

As the various parts in the program begun in the Extraordinary Session of the 73rd Congress shape themselves in practical administration, the unity of our program reveals itself to the nation. The outlines of the new economic order, rising from the disintegration of the old, are apparent. We test what we have done as our measures take root in the living texture of life. We see where we have built wisely and where we can do still better.

The attempt to make a distinction between recovery and reform is a narrowly conceived effort to substitute the appearance of reality for reality itself. When a man is convalescing from illness wisdom dictates not only cure of the symptoms but also removal of their cause.

It is important to recognize that while we seek to outlaw specific abuses, the American objective of today has an infinitely deeper, finer and more lasting purpose than mere repression. Thinking people in almost every country of the world have come to realize certain fundamental difficulties with which civilization must reckon. Rapid changes - the machine age, the advent of universal and rapid communication and many other new factors have brought new problems. Succeeding generations have attempted to keep pace by reforming in piecemeal fashion this or that attendant abuse. As a result, evils overlap and reform becomes confused and frustrated. We lose sight, from time to time, of our ultimate human objectives.

Let us, for a moment, strip from our simple purpose the confusion that results from a multiplicity of detail and from millions of written and spoken words.

We find our population suffering from old inequalities, little

changed by past sporadic remedies. In spite of our efforts and in spite of our talk, we have not weeded out the over-privileged and we have not effectively lifted up the under-privileged. Both of these manifestations of injustice have retarded happiness. No wise man has any intention of destroying what is known as the profit motive: because by the profit motive, we mean the right by work to earn a decent livelihood for ourselves and for our families.

We have, however, a clear mandate from the people, that Americans must forswear that conception of the acquisition of wealth which, through excessive profits, creates undue private power over private affairs and, to our misfortune, over public affairs as well. In building toward this end we do not destroy ambition nor do we seek to divide our wealth into equal shares on stated occasions. We continue to recognize the greater ability of some to earn more than others. But we do assert that the ambition of the individual to obtain for him and his a proper security, a reasonable leisure, and a decent living throughout life, is an ambition to be preferred to the appetite for great wealth and great power.

I recall to your attention my Message to the Congress last June in which I said - "among our objectives I place the security of

the men, women and children of the nation first." That remains our first and continuing task; and in a very real sense every major legislative enactment of this Congress should be a component part of it.

In defining immediate factors ^cwhich enter into our quest, I have spoken to the Congress and the people of three great divisions:

1. The security of a livelihood through the better use of the national resources of the land in which we live.
2. The security against the major hazards and vicissitudes of life.
3. The security of decent homes.

I am now ready to submit to the Congress a broad program designed ultimately to establish all three of these factors of security -- a program which because of many lost years will take many future years to fulfill.

A study of our national resources, more comprehensive than any previously made, shows the vast amount of necessary and practicable work which needs to be done for the development and ^cpreservation of our natural wealth for the enjoyment and advantage of our people in generations to come. The sound use of land and water is far more comprehensive than the mere planting of trees, building of dams,

- distributing of electricity or retirement of sub-marginal land. It recognizes that stranded populations, either in the country or ⁱⁿ the city, cannot have security under the conditions that now surround them.

To this end we are ready to begin to meet this problem - the intelligent care of population throughout our nation, in accordance with an intelligent distribution of the means of livelihood for that population. A definite program for putting people to work, of which I shall speak in a moment, is a component part of this greater program of security of livelihood through the better use of our national resources.

Closely related to the broad problem of livelihood is that of security against the major hazards of life. Here also a comprehensive survey of what has been attempted or accomplished in many nations and in many States proves to me that the time has come for action by the National Government. I shall send to you, in a few days, definite recommendations based on these studies. These recommendations will cover the broad subjects of unemployment insurance ~~and~~ old age insurance, of benefits for children, for mothers, for the handicapped, for maternity care and for other aspects of dependency and illness where a beginning can now be made. (C) (M)

The third factor -- better homes for our people -- has also

been the subject of experimentation and study. Here, too, the first practical steps can be made through the proposals which I shall suggest in relation to giving work to the unemployed.

(25)
Whatever we plan and whatever we do should be in the light of these three clear objectives of security. We cannot afford to lose valuable time in haphazard public policies which cannot find a place in the broad outlines of these major purposes. In that spirit I come to an immediate issue made for us by hard and inescapable circumstance -- the task of putting people to work. In the spring of 1933 the issue of destitution seemed to stand apart; today, in the light of our experience and our new national policy, we find we can put people to work in ways which conform to, initiate and carry forward the broad principles of ~~that~~ policy.

The first objectives of emergency legislation of 1933 were, to relieve destitution, to make it possible for industry to operate in a more rational and orderly fashion, and to put behind industrial recovery the impulse of large expenditures in government undertakings. The purpose of the National Industrial Recovery Act to provide work for more people succeeded in a substantial manner within the first few months

of its life, and the Act has continued to maintain employment gains and greatly improved working conditions in industry.

The program of public works provided for in the Recovery Act launched the Federal government into a task for which there was little time to make preparation and little American experience to follow. Great employment has been given and is being given by these works.

More than two billions of dollars have also been expended in direct relief to the destitute. Local agencies of necessity determined the recipients of this form of relief. With inevitable exceptions the funds were spent by them with reasonable efficiency and as a result actual want of food and clothing in the great majority of cases has been overcome.

But the stark fact before us is that great numbers still remain unemployed.

A large proportion of these unemployed and their dependents have been forced on the relief rolls. The burden on the Federal Government has grown with great rapidity. We have here a human as well as an economic problem. When humane considerations are concerned, Americans give them precedence. The lessons of history, confirmed by

the evidence immediately before me show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy. It is in violation of the traditions of America. Work must be found for able bodied but destitute workers.

The Federal government must and shall quit this business of relief. (S) (V)

I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves or picking up papers in the public parks. We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance and courage and determination. This decision brings me to the problem of what the government should do with approximately five million unemployed now on the relief rolls.

About one million and a half of these belong to the group which in the past was dependant upon local welfare efforts. Most

of them are unable for one reason or another to maintain themselves independently - for the most part, through no fault of their own. Such people, in the days before the great depression, were cared for by local efforts -- by states, by counties, by towns, by cities, by churches and by private welfare agencies. It is my thought that in the future they must be cared for as they were before. I stand ready through my own personal efforts, and through the public influence of the office that I hold, to help these local agencies to get the means necessary to assume this burden.

The security legislation which I shall propose to the Congress will, I am confident, be of assistance to local effort in the care of this type of cases. Local responsibility can and will be resumed, for after all, common sense tells us that the wealth necessary for this task existed and still exists in the local community, and the dictates of sound administration require that this responsibility be in the first instance a local one.

There are however an additional three and one half million employable people who are on relief. With them the problem is different and the responsibility is different. This group was the

victim of a nation-wide depression caused by conditions which were not local but national. The Federal government is the only governmental agency with sufficient power and credit to meet this situation. We have assumed this task and we shall not shrink from it in the future. It is a duty dictated by every intelligent consideration of national policy to ask you to make it possible for the United States to give employment to all of these three and one half million employable people now on relief, pending their absorption in a rising tide of private employment. (22)

It is my thought that with the exception of certain of the normal public building operations of the government, all emergency public works shall be united in a single new and greatly enlarged plan.

With the establishment of this new system we can supersede the Federal Emergency Relief Administration with a coordinated authority which will be charged with the orderly liquidation of our present relief activities and the substitution of a national chart for the giving of work. (23)

This new program of emergency public employment should be governed by a number of practical principles.

- 1 (1) All work undertaken should be useful --
not just for a day, or a year, but useful in the sense
that it affords permanent improvement in living conditions
or that it creates future new wealth for the Nation.

(2) Compensation on emergency public projects

should be in the form of security payments which should
be larger, ^{~ 1/2} than the amount now received as a relief dole,
but at the same time not so large as to encourage the
rejection of opportunities for private employment or the
leaving of private employment to engage in government work. CR

(3) Projects should be undertaken on which a
large percentage of direct labor can be used. ^{0.1 y 0 2 2}

(4) Preference should be given to those projects
^{which} which will be self-liquidating in the sense that there
is a reasonable expectation that the government will get
its money back at some future time.

(5) The projects undertaken should be selected
and planned so as to compete as little as possible with
private enterprises. This suggests that if it were not
for the necessity of giving useful work to the unemployed
now on relief, these projects in ~~most~~ ^{most} instances would not
now be undertaken.

(6) The planning of projects ~~would~~ ^{will} seek to assure
work during the coming fiscal year ^{6/1, 2, 3, 4, 5, 6, 7, 8} to the individuals
now on relief, or until such time as private employment
is available. In order to make adjustment to increasing

private employment, work should be planned with a view to tapering it off in proportion to the speed with which the emergency workers are offered positions ~~with~~ private ² ~~employers~~.

(7) ² ^c Effort should be made to locate projects where they will serve the greatest unemployment needs as shown by present relief rolls, and the broad program of the National Resources Board should be freely used for guidance in selection. Our ultimate objective being the enrichment of human lives, the government has the primary duty to use its emergency expenditures as much as possible to serve those who cannot secure the advantages of private capital.

Ever since the adjournment of the 73rd Congress, the Administration has been studying from every angle the possibility and the practicability of new forms of employment. As a result of these studies I have arrived at certain very definite convictions as to the amount of money that will be necessary for the sort of public projects that I have described. I shall submit these figures in my budget message. I assure you now they will be within the sound credit of the government.

⁶⁹ This work will cover a wide field including clearance of slums, which for adequate reasons cannot be undertaken by private capital; in

to function; in rural electrification; in the reforestation of the great watersheds of the nation; in an intensified program to prevent soil erosion and to reclaim blighted areas; in improving existing road systems and in constructing national highways designed to handle modern traffic; in the elimination of grade crossings; in the extension and enlargement of the successful work of the Civilian Conservation Corps; in non-Federal work, mostly self-liquidating and highly useful to local divisions of Government; and on many others which the nation needs and cannot afford to neglect.

This is the method which I propose to you in order that we may better meet this present day problem of unemployment. Its greatest advantage is that it fits logically and usefully into the long range permanent policy of providing the three types of security which constitute as a whole an American plan for the American people. (1)

I shall consult with you from time to time concerning other measures of national importance. Among the subjects that lie immediately before ~~us~~ are the consolidation of federal regulatory administration over all forms of transportation, the renewal and clarification of the general purposes of the National Industrial Recovery Act, the strengthening of our facilities for the prevention, detection and treatment of crime and criminals, the restoration of sound conditions in the public utilities field through abolition of

(15)
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the evil ~~features~~ of holding companies, the gradual tapering off of the emergency credit activities of government, and improvement in our taxation forms and methods.

We have already begun to feel the bracing effect upon our economic system of a restored agriculture. The hundreds of millions of additional income that farmers are receiving is finding its way into the channels of trade. The farmers' share of the national income is slowly rising. The economic facts justify the widespread opinion of those engaged in agriculture that our provision for maintaining a balanced production gave at this time the most adequate remedy for an old and vexing problem. For the present and especially in view of abnormal world conditions, agricultural adjustment with certain necessary improvements in methods should continue.

It seems appropriate to call attention ~~at this time~~ to the fine spirit shown during the past year by our public servants. I cannot praise too highly the cheerful work of the Civil Service employees, and of those temporarily working for the government. As for those thousands in our various public agencies spread throughout the country who, without compensation, agreed to take over heavy responsibilities in connection with our various loan agencies and particularly in direct relief work, I cannot say too much. I do not think any country could show a higher average of cheerful and even enthusiastic team-work than

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I cannot with candor tell you that general international relationships outside ~~our borders~~ are improved. On the surface of things many old jealousies are resurrected, old passions aroused; new strivings for armament and power, in more than one land, rear their ugly heads. I hope that calm counsel and constructive leadership will provide the steadying influence and the time necessary for the coming of new and more practical forms of representative government throughout the world wherein privilege will occupy a lesser place and welfare a greater. (22)

I believe, however, that our own peaceful and neighborly attitude towards other nations is coming to be understood and appreciated. The maintenance of international peace is a matter in which we are deeply and unselfishly concerned. Evidence of our persistent and undeniable desire to prevent armed conflict has recently been more than once afforded.

There is no ground for apprehension that our relations with any nation will be otherwise than peaceful. Nor is there ground for doubt that the people of most nations seek relief from the threat and burden attaching to the false theory that extravagant armament cannot be reduced and limited by international accord. (23)

The ledger of the past year shows many more gains than losses. Let us not forget that, in addition to saving millions from

utter destitution, child labor has been for the moment outlawed, thousands of homes saved to their owners and most important of all, the morale of the ^enation has been restored. Viewing the year 1934 as a whole, you and I can agree that we have a generous measure of reasons for giving thanks.

It is not empty optimism that moves me to a strong hope in the coming year. We can, if we will, make 1935 a genuine period of good feeling, sustained by a sense of purposeful progress. Beyond the material recovery, I sense a spiritual recovery as well. The people of America are turning as never before to those permanent values that are not limited to the physical objectives of life. There are growing signs of this on every hand. In the face of these spiritual impulses we are sensible of the Divine Providence to which Nations turn now, as always, for guidance and fostering care.
