
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. 807

1935 October 2

**San Diego, CA - Address at San Diego Exposition
[Good Neighbor]**

SPEECH BY THE PRESIDENT AT THE SAN DIEGO EXPOSITION
WEDNESDAY, OCTOBER 2, 1935.

*See Message
Maya Prologue
Pis Berlin*

It is twenty long years since I stood here in company with Vice President Marshall when ~~the~~ first ~~very~~ perfect ^{here} exposition was held in San Diego. At that time the flames of a world war were spreading and two years later we ourselves were to take part in that great catastrophe of mankind.

In the days that followed the coming of peace our Nation passed through a period of deflation into a decade of self-deceiving prosperity which we accepted unthinkingly in our desire for quietude, peace and luxury. The inevitable overtook us and during more than three years of increasing hardship we came to understand the ultimate national need for more than the necessities and pleasures of life; that which is spiritual in us came forward and taught us to seek security of the spirit -- that peace of mind, that confidence in the future, that deep contentment which make life not only possible but full and complete.

A great adversity has chastened us; ~~and~~ in the process of recovery we have well-nigh unanimous agreement in requiring the elimination of many of those evils in our national life, without which elimination true confidence cannot be made permanent.

I see signs -- unmistakable signs -- of the restoration of this sound and genuine confidence -- a confidence of the masses of the people in the integrity and fairness of government, a confidence that integrity and fairness

in private enterprise will take the place of many of the evils of the past -- in other words, the only confidence on which we can permanently build.

Expositions such as this can and do well express our hope of the future. Not only is the setting perfect, but the extent and the diversity of the products of American artistic and mechanical genius gathered here speak eloquently of what this Nation can attain on a broad scale.

To a great extent the achievements of invention, of mechanical and of artistic creation, must of necessity be individual rather than governmental. It is the self-reliant pioneer in every enterprise who beats the path along which American civilization has ~~travelled~~. Such individual effort is the glory of America.

The task of government is that of application and encouragement. A wise government seeks to provide the opportunity through which the best of individual achievement can be obtained, while at the same time it seeks to remove such obstructions, such unfairness as springs from selfish human motives. Our common life under our various agencies of government, our laws and our basic Constitution, exist primarily to protect the individual, to cherish his rights and to make clear his just principles.

It is this conception of service to the individual with which the Federal Government has concerned itself these two and a half years just passed. When I took the oath of office there were evidences on all sides that the United States did not then possess a sound and just monetary system. The forces of deflation had finally resulted in the almost complete collapse of our economic activities; the banking system had fallen down; prices of commodities were ruinously low; the burden of debt, individual and collective, was more than the Nation could bear. The ~~individual~~ farmer, worker and business man ~~was~~ helpless in the grip of circumstance.

We were confronted by a choice of two ways of meeting the situation. We could let nature take its course until the process of deflation was complete, and then take the long gamble of building on the ruins. Such a course was driving us to irreparable damage to our national life.

We chose the alternate course. We sought in every sound and legitimate way to raise values, particularly the purchasing power of that agricultural half of the Nation without which factory wheels could not turn. We changed a gold standard that had become ~~was~~ ^{not} the assurance of a sound economic life but a straitjacket which pressed upon and paralyzed the nerve centers of our economic system. Through the extension of sound government credit we reduced the burden of private debt. We rehabilitated the banking

system and finally we financed the outlays necessary for the encouragement of recovery, not through an increase in the burden of taxation upon the average citizen, but by adding to the public debt, frankly and honestly.

As a result of all these efforts bank deposits in active commercial banks ~~have~~ increased by ten billion dollars, or more than 30%. At this moment the deposits in the banks of the Nation amount to more than fifty billion dollars which, I submit, compares favorably with the fifty-five billion dollars in June, 1929. Unlike that year, however, the new system of deposit insurance covers 98% of the ~~fifteen~~ million individual depositors in these insured banks and gives them full protection under the provisions of law.

So, too, the credit policy of the Federal Reserve System in the past two years has sought and accomplished a reduction of interest rates for the purpose of stimulating business recovery. As a result, sound business institutions can secure money on bonds at a rate of 3½% instead of 4%. Government bonds on which the taxpayers formerly paid 3½% or more are now sold with an interest rate of 2½%. ~~Now~~ Through result of important amendments to our banking laws, we have given practical recognition to the fact that monetary policies are a national public concern and not a regional or private concern. The Federal Government is in a better position than it ever has been to prevent that disastrous

expansion and contraction of credit which in the past has made our economic life a succession of unhealthy booms and disastrous depressions.

In the midst
~~Ancient~~, of the greatest and most disastrous of these depressions, the very foundations of individual life ~~were~~ crumbling in the Spring of 1933 because of the appalling increase in suffering and destitution due to the fact of unemployment. Local and state governments and private charities were, in the large, drained of their resources. With the utmost good will in the world they could not meet their primary responsibility. The situation which I faced too was/challenging and too mandatory to permit of hesitation. An American Government cannot permit Americans to starve. The task assumed in Federal relief carried us on an uncharted course. Mistakes and errors were inevitable -- that we know -- but essentially we met the larger responsibilities of the situation. The time demanded action as a substitute for inaction.

action
In the first emergency we provided direct relief because a human situation confronted us, but, as rapidly as we could, recognizing that the moral and spiritual fibre of the American people should not be sapped by the narcotic of idleness, we undertook to substitute work for a dole.

outlook is clearer
Today the skies are clearing and even though we have not found final solution for many of the by-products of depression, some old and some new, as they affect unemployment, ~~unemployment~~, nevertheless,

less it is not the spirit of America to shrink before a plain necessity. As the burden lifts, the Federal Government can and will greatly divest itself of its emergency responsibility but, at the same time, it cannot ignore the imperfections of the old order. In the same broad field a changing civilization has raised new problems with respect to the relationship between the employer and the employed. It is now beyond partisan controversies that it is a fundamentally individual right of a worker to associate himself with other workers and to bargain collectively with his employer. New laws do not pretend to prevent labor disputes, nor do they cover all industry and all labor. But they do constitute an important step toward the achievements of just and peaceable labor relations in industry. This right of the Federal Government is well established. If for no other reason in that every President in this generation has been faced by the fact that when labor relations are strained to the breaking point there remains but one high court of conciliation -- the Government of the United States. In like manner we have sought to foster human cooperation within industry itself. Through the institution of codes within industries we sought to establish a rule of constitutional government within industry in substitution for the rule of tooth and claw. The experience gained by business in cooperative methods marked a permanent advance. I have talked with hundreds of business men and an overwhelming proportion of them tell me frankly ~~me~~ that

unless they can unite for the elimination of unfair and destructive practices, naught but chaos and insecurity can be expected. These principles, so widely accepted under the National Industrial Recovery Act still live and means for their application ~~of~~ ^{still can} be found.

We stand ~~now~~ once more upon an economic plateau, ^{we have a} ~~now~~ right to look forward to the brighter future while, at the same time, we remember the mistakes of the past.

Simple facts speak so eloquently that explanation is unnecessary. From March, 1933, through June, 1935, the following gains have been recorded in the industrial and business life of America. Industrial production increased 45%; factory employment 35%; ^{unreal} general store sales 104%; automobile sales 157%; life insurance written 41%; electrical power production 18% — this last being, incidentally, a higher mark than in any other time in our history. Reliable statistics indicate that the net profit of 418 leading industrial corporations totalled over one billion dollars for 1934, more than ~~xxxx~~ in any year since 1930, and the indications are that for 1935 a still more substantial gain is being recorded.

Centuries ago the greatest writer in our history described the two most menacing clouds that hang over human government and human society as "malice domestic" and "fierce foreign war". We are not rid of these dangers but we can summon the intelligence to meet them.

Never was there more genuine reason for Americans to face down these two causes of fear. ~~the~~ "Malice domestic" will from time to time come to you in the shape of those who would raise false issues, pervert facts, preach the gospel of hate, and minimize the importance of public action to secure human rights or spiritual ideals. There are those today who would sow these seeds, but your answer to them is in the possession of the plain facts of our present condition.

The second cloud -- "foreign war" -- is more real -- a more potent danger at this moment to the future of civilization. It is no ~~surprise~~ ^{surprise} that many feel a deep sense of apprehension lest some of the nations of the world repeat the folly of twenty years ago and drag civilization to a level from which world-wide recovery may be all but impossible.

In the face of this apprehension the American people can have but one concern and speak but one sentiment: ~~the~~ despite what happens in continents overseas, the United States of America shall and must remain, as long ago the Father of our Country prayed that it might remain, -- unentangled and free.

This country seeks no conquest. We have no imperial designs. ~~Now~~, ^{we} From day to day and year to year, establishing a more perfect assurance of peace with our neighbors. We rejoice especially in the prosperity, the stability and the independence of all of the American republics. We not only earnestly desire peace, but we are moved by a stern determina-

tion to avoid those perils that will endanger our peace with the world.

Our national determination to keep free of foreign wars and foreign entanglements cannot prevent us from time to time from feeling deep concern when ideals and principles that we have cherished are challenged. In the United States we regard it as axiomatic that every person shall enjoy the free exercise of his religion according to the dictates of his conscience. Our flag for a century and a half has been the symbol of the principles of liberty of conscience, of religious freedom and equality before the law; and these concepts are deeply ~~un~~grained in our national character.

It is true that other nations, as they do, enforce contrary rules of conscience and conduct. It is true that policies that may be pursued under ~~flags~~ other than our own are beyond our jurisdiction. Yet in our inner lives we can never be indifferent, ~~to their effects~~ and we assert for ourselves complete freedom to embrace, to profess and to observe the principles for which our flag has so long been the lofty symbol. As it was so well said by James Madison, "We hold it for a fundamental and inalienable truth that religion and the manner of discharging it can be directed only by reason and conviction, not by force or violence."

As President of the United States I say to you most earnestly once more that the people of America and the

Government of those people intend and expect to remain at peace with all the world. In the two years and a half of my ^Presidency, this Government has remained constant in following this policy of our own choice. At home we have preached, and will continue to preach, the gospel of the good neighbor. I hope from the bottom of my heart that as the years go on, in every continent and in every clime, nation will follow nation in subscribing to the ideal of the Americas — I AM A GOOD NEIGHBOR. proving by deed as well as by word their adherence ^{and} to the ideal of the Americas — I AM A GOOD NEIGHBOR.

FNS.

SAN DIEGO, CALIFORNIA

At the Stadium

October 2, 1935, 2 o'clock P.M.

(Exposition President Belcher introduced the Mayor. The Mayor read a telegram from Senator McAdoo expressing his regret that he could not be present, due to an automobile accident. The Mayor then welcomed the President and introduced Governor Frank Merriam, who presented Mrs. Roosevelt and the President.

The Stadium and the field it surrounded were filled to capacity. At the opposite end of the Stadium to that occupied by the speakers' stand, several thousand school-children were costumed to spell out the word "Welcome.")

THE PRESIDENT: Governor Merriam, Mayor Benbough, fellow citizens, my friends: You have given me a wonderful party today and I am very grateful.

It is twenty long years since I stood here in company with Vice President Marshall (when the) at the time that that first gem of an exposition was given (first exposition was held) here in San Diego. I remember well at that time the flames of a world war were spreading and two years later we ourselves were to take part in that great catastrophe of mankind.

Franklin D. Roosevelt Library

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

(and successive revised editions thereof)

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never done) but the guidance over the above is to accept
what you do, just as easy as your guidance as
possible to

In the days that followed the coming of peace our Nation passed through a difficult period (of deflation) into, I am sorry to say, a decade of self-deceiving prosperity which we accepted unthinkingly in our desire for quietude, peace and luxury. The inevitable overtook us and during more than three years of increasing hardship we came to understand the ultimate national need for more than the necessities and pleasures of life; that which is spiritual in us came forward and taught us to seek security of the spirit -- that peace of mind, that confidence in the future, that deep contentment which make life not only possible but full and complete.

(A) That great adversity has chastened us; in the process of recovery we have well-nigh unanimous agreement in requiring the elimination of many of those evils in our national life, without which elimination true confidence cannot be made permanent.

I see signs -- we all see signs, unmistakable signs, of the restoration of this sound and genuine confidence -- a confidence of the masses of the people in the integrity and fairness of their government, a confidence that integrity and fairness in private enterprises themselves will take the place of many of the evils of the past -- in other words, the only confidence on which we can permanently build.

Expositions such as this at San Diego can and do well

express our hope of the future. Not only is the setting perfect, but the extent and the diversity of the products of American artistic and mechanical genius gathered here speak eloquently of what this Nation can attain on a broad scale.

To a great extent the achievements of invention, of mechanical and of artistic creation, must of necessity, and rightly, be individual rather than governmental. It is the self-reliant pioneer in every enterprise who beats the path along which American civilization has marched. Such individual effort is the glory of America.

The task of government is that of application and encouragement. A wise government seeks to provide the opportunity through which the best of individual achievement can be obtained, while at the same time it seeks to remove such obstruction, such unfairness as springs from selfish human motives. Our common life under our various agencies of government, our laws and our basic Constitution, exist primarily to protect the individual, to cherish his rights and to make clear his just principles.

It is this conception of service to the individual with which the Federal Government has concerned itself these two and a half years (just passed) gone by. When I took the oath of office there were evidences on all sides that the United States did not then possess a sound and just monetary

system. The forces of deflation had finally resulted in the almost complete collapse of our economic activities; the banking system had fallen down; prices of commodities were ruinously low; the burden of debt, individual and collective, was more than the Nation could bear. The farmer, the worker and business man often were helpless in the grip of circumstance.

We were confronted at that time by a choice of two ways of meeting the situation. We could let nature take its course until the process of deflation was complete, and then take (the) a long gamble (of) on building on the ruins. Such a course was driving us to irreparable damage (to) in our national life.

So we chose the alternate course. We sought in every sound and legitimate way to raise values, particularly the purchasing power of that agricultural half of the Nation without which factory wheels of the other half could not turn. We changed a gold standard that had become, not the assurance of a sound economic life, but a strait-jacket which pressed upon and paralyzed the nerve centers of our economic system. Through the extension of sound government credit we reduced the burden of private debt. We rehabilitated the banking system and finally we financed the outlays necessary for the encouragement of recovery, not through an increase in the burden of taxation upon the average citizen,

but by adding to the public debt, frankly and honestly.
(Applause)

As a result of (all these) those efforts bank deposits in active commercial banks have increased by ten billions of dollars, or more than 30%. At this moment the deposits in the banks of the Nation amount to more than fifty billion dollars which, I submit, compares favorably with the fifty-five billion dollars in June, 1929. (Applause) Unlike that year, however, the new system of deposit insurance is (covers) covering 98% of the (five) fifty million individual depositors in these insured banks and gives them full protection under the provisions of law. (Applause)

So, too, the credit policy of the Federal Reserve System in the past two years has sought and accomplished a reduction of interest rates for the purpose of stimulating business recovery. As a result, sound business (institutions) enterprises can secure money on bonds at a rate of 3½% instead of 4½% and 5%. Government bonds on which (the) you taxpayers formerly paid 3½% (or more) are now sold with an interest rate of 2½%. Through important amendments to our banking laws, we have given practical recognition to the fact that monetary policies are a national public concern and not a regional or a private concern. For the Federal Government is in a better position than it ever has been to prevent

that disastrous expansion and contraction of credit which in the past has made our economic life a succession of unhealthy booms and disastrous depressions.

In the midst of the greatest and most disastrous of these depressions, the very foundation of individual life was crumbling in the Spring of 1933 because of the appalling increase in suffering and in destitution due to the fact of unemployment. Local and state governments and private charities were, in the large, drained of their resources. With the utmost good-will in the world they could not meet their primary responsibility. The situation, my friends, which I faced at that time was too challenging (and), too mandatory to permit of hesitation. An American Government cannot permit Americans to starve. (Applause) The task assumed in Federal relief carried us on an uncharted course. Mistakes (and), errors were inevitable -- that we know -- but essentially we met the larger responsibilities of the situation. The time demanded action as a substitute for inaction. (Applause)

In the first emergency action of those days we provided direct relief because a human situation confronted us, but, as rapidly as we could, recognizing that the moral and spiritual fibre of the American people should not be sapped by the narcotic of idleness, we undertook to substitute work for (a) the dole.

Today, after more than two years, the outlook is clearer, and even though we have not found final solution for many of the by-products of depression, some old and some new, as they affect unemployment, nevertheless it is not the spirit of America to shrink before a plain necessity. As the burden lifts, the Federal Government can and will greatly divest itself of its emergency responsibility but, at the same time, it cannot ignore the imperfections of the old order.

In the same broad field a changing civilization has raised new problems with respect to the relationship between the employer and the employed. It is now beyond partisan controversy that it is a fundamentally individual right of a worker to associate himself with other workers and to bargain collectively with his employer. (Applause) New laws, in themselves, do not bring a millenium, new laws do not pretend to prevent labor disputes, nor do they cover all industry and all labor. But they do constitute an important step toward the achievement of just and peaceable labor relations in industry. This right of the Federal Government is well established. Every President of the United States in this generation has been faced by the fact that when labor relations are strained to the breaking point there remains but one high court of conciliation -- the Government of the United States. (Applause)

In like manner we have sought to foster human co-operation within industry itself. Through the institution of codes within industries we sought to establish a rule of constitutional government within industry in substitution for the old rule of tooth and claw. The experience thus gained by business in cooperative methods marks a permanent advance. I have talked with hundreds of business men from every part of the land and an overwhelming proportion of them tell me frankly that unless they can unite for the elimination of unfair and destructive practices, naught but chaos and insecurity can be expected. These principles, so widely accepted under the National Industrial Recovery Act, still live and means for their application, I trust, can be found. (Applause)

Once more we stand upon an economic plateau. We have, therefore, a right to look forward to the brighter future while, at the same time, we remember the mistakes of the past.

Simple facts speak so eloquently that explanation is unnecessary. From March, 1933, through June, 1935, here are your gains (the following gains have been recorded) in the industrial and business life of America. Industrial production, as a whole, increased 45%; factory employment 35%; rural general store sales 104%; life insurance written 41%; automobile sales 157%; electrical power production 18% --

(this last being) which, incidentally, brings it to a higher (mark) point than in any (other) previous time in our history. (Applause)

Several centuries ago the greatest writer in our history described the two most menacing clouds that hang over human government and human society as "malice domestic and fierce foreign war". We are not rid of those dangers but we can summon (the) our intelligence to meet them.

Never was there more genuine reason for Americans to face down these two causes of fear. "Malice domestic" from time to time will come to you in the shape of those who would raise false issues, pervert facts, preach the gospel of hate, and minimize the importance of public action to secure human rights or spiritual ideals. There are those today who would sow these seeds, but your answer to them is in the possession of the plain facts of our present condition. (Applause)

The second cloud -- "foreign war" -- is more real -- a more potent danger at this moment to the future of civilization. It is not surprising that many of our citizens feel a deep sense of apprehension lest some of the nations of the world repeat the folly of twenty years ago and drag civilization to a level from which world-wide recovery may be all but impossible.

In the face of this apprehension the American people can have but one concern -- (and) the American people can speak but one sentiment: despite what happens in continents overseas, the United States of America shall and must remain, as long ago the Father of our Country prayed that it might remain, -- unentangled and free. (Prolonged applause)

This country seeks no conquest. We have no imperial designs. From day to day and year to year, we are establishing a more perfect assurance of peace with our neighbors. We rejoice especially in the prosperity, the stability and the independence of all of the American republics. (Applause) We not only earnestly desire peace, but we are moved by a stern determination to avoid those perils that will endanger our peace with the world. (Applause)

Our national determination to keep free of foreign wars and foreign entanglements cannot prevent us from feeling deep concern when ideals and principles that we have cherished are challenged. In the United States we regard it as axiomatic that every person shall enjoy the free exercise of his religion according to the dictates of his conscience. (Applause) Our flag for a century and a half has been the symbol of the principle of liberty of conscience, of religious freedom and equality before the law; and these concepts are deeply ingrained in our national character.

It is true that other nations may, as they do, enforce contrary rules of conscience and conduct. It is true that policies (that) may be pursued under flags other than our own, and those policies are beyond our jurisdiction. Yet in our inner individual lives we can never be indifferent, and we assert for ourselves complete freedom to embrace, to profess and to observe the principles for which our flag has so long been the lofty symbol. (Applause) As it was so well said by James Madison, long over a century ago, "We hold it for a fundamental and inalienable truth that religion and the manner of discharging it can be directed only by reason and conviction, not by force or violence." (Applause)

My friends, as President of the United States I say to you most earnestly once more that the people of America and the Government of those people intend and expect to remain at peace with (all) the world. (Applause) In the two years and a half of my Presidency, this Government has remained constant in following this policy of our own choice. At home we have preached, and will continue to preach, the gospel of the good neighbor. I hope from the bottom of my heart that as the years go on, (in every continent and in every clime), nation will follow nation in proving by deed as well as by word their adherence to the ideal of the Americas --
I AM A GOOD NEIGHBOR:

STATEMENTS FILE

SAN DIEGO, CALIFORNIA.

At the Stadium,

October 2, 1935 - 2 o'clock PM

(Exposition President Belcher introduced the Mayor. The Mayor read a telegram from Sen. McAdoo expressing his regret that he could not be present, due to an automobile accident. The Mayor then welcomed the President and introduced Gov. Frank Merriam, who presented Mrs. Roosevelt and the President.

The Stadium and the field it surrounded were filled to capacity. At the opposite end of the Stadium to that occupied by the speakers' stand, several thousand schoolchildren were costumed to spell out the word "Welcome".)

THE PRESIDENT: Governor Merriam, Mayor Benbow (check on this name), fellow citizens, my friends: You have given me a wonderful party today and I am very grateful.

It is --

at the time that that first gem of an exposition was given -- Diego. I remember well at that time -- a difficult period into, I am sorry to say, a

That great --

- 2 -

I see signs -- we all see signs, unmistakable signs,
of the --

of their government

enterprises themselves will --

as this at San Diego can --

necessity, and rightly, be --

page 2

years gone by.

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So we

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of those efforts

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insurance is covering 98% of the fifty

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The situation, my friends, which I faced

at that time

page 3

action of those days

after

Today, /more than two years

New laws, in themselves, do not bring a millennium, new laws

Every President of the United States in
business men from every part of the land
1935, here are your gains
Industrial production, as a whole,
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incidentally, brings it to a higher point than in any previous
Several centuries
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concern -- the American people can speak
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My friends, as

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STATEMENTS FILE
Shorthand By Kanner

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FOR THE PRESS

HOLD FOR RELEASE

HOLD FOR RELEASE

SAN DIEGO, CALIFORNIA, OCT. 2, 1935

CONFIDENTIAL: Release upon delivery, expected at the Stadium in San Diego, about 2:00 P.M. Pacific Time.

Please safeguard against premature release.
Stephen T. Early,
Assistant Secretary to the President.

It is twenty long years since I stood here in company with Vice President Marshall when the first exposition was held here in San Diego. At that time the flames of a world war were spreading and two years later we ourselves were to take part in that great catastrophe of mankind.

In the days that followed the coming of peace our Nation passed through a period of deflation into a decade of self-deceiving prosperity which we accepted unthinkingly in our desire for quietude, peace and luxury. The inevitable overtook us and during more than three years of increasing hardship we came to understand the ultimate national need for more than the necessities and pleasures of life; that which is spiritual in us came forward and taught us to seek security of the spirit -- that peace of mind, that confidence in the future, that deep contentment which make life not only possible but full and complete.

A great adversity has chastened us; in the process of recovery we have well-nigh unanimous agreement in requiring the elimination of many of those evils in our national life, without which elimination true confidence cannot be made permanent.

I see signs - unmistakable signs - of the restoration of this sound and genuine confidence - a confidence of the masses of the people in the integrity and fairness of government, a confidence that integrity and fairness in private enterprise will take the place of many of the evils of the past -- in other words, the only confidence on which we can permanently build.

Expositions such as this can and do well express our hope of the future. Not only is the setting perfect, but the extent and the diversity of the products of American artistic and mechanical genius gathered here speak eloquently of what this Nation can attain on a broad scale.

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We were confronted by a choice of two ways of meeting the situation. We could let nature take its course until the process of deflation was complete, and then take the long gamble of building on the ruins. Such a course was driving us to irreparable damage to our national life.

We chose the alternate course. We sought in every sound and legitimate way to raise values, particularly the purchasing power of that agricultural half of the Nation without which factory wheels could not turn. We changed a gold standard that had become, not the assurance of a sound economic life, but a straitjacket which pressed upon and paralyzed the nerve centers of our economic system. Through the extension of sound government credit we reduced the burden of private debt. We rehabilitated the banking system and finally we financed the outlays necessary for the encouragement of recovery, not through an increase in the burden of taxation upon the average citizen, but by adding to the public debt, frankly and honestly.

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So, too, the credit policy of the Federal Reserve System in the past two years has sought and accomplished a reduction of interest rates for the purpose of stimulating business recovery. As a result, sound business institutions can secure money on bonds at a rate of 3½ instead of 4½. Government bonds on which ~~the~~ taxpayers formerly paid 3½ or more are now sold with an interest rate of 2½. Through important amendments to our banking laws, we have given practical recognition to the fact that monetary policies are a national public concern and not a regional or private concern. The Federal Government is in a better position than it ever has been to prevent that disastrous expansion and contraction of credit which in the past has made our economic life a succession of unhealthy booms and disastrous depressions.

In the midst of the greatest and most disastrous of these depressions, the very foundation of individual life was crumbling in the Spring of 1933 because of the appalling increase in suffering and destitution due to the fact of unemployment. Local and state governments and private charities were, in the large, drained of their resources. With the utmost good will in the world they could not meet their primary responsibility. The situation which I faced was too challenging ~~and~~ too mandatory to permit of hesitation. An American Government cannot permit Americans to starve. The task assumed in Federal relief carried us on an uncharted course. Mistakes ~~and~~ errors were inevitable -- that we know -- but essentially we met the larger responsibilities of the situation. The time demanded action as a substitute for inaction.

In the first emergency action we provided direct relief because a human situation confronted us, but, as rapidly as we could, recognizing that the moral and spiritual fibre of the American people should not be sapped by the narcotic of idleness, we undertook to substitute work for dole.

Today the outlook is clearer, and even though we have not found final solution for many of the by-products of depression, some old and some new, as they affect unemployment, nevertheless it is not the spirit of America to shrink before a plain necessity. As the burden lifts, the Federal Government can and will greatly divest itself of its emergency responsibility but, at the same time, it cannot ignore the imperfections of the old order.

In the same broad field a changing civilization has raised new problems with respect to the relationship between the employer and the employed. It is now beyond partisan controversy that it is a fundamentally individual right of a worker to associate himself with other workers and to bargain collectively with his employer. New laws do not pretend to prevent labor disputes, nor do they cover all industry and all labor. But they do constitute an important step toward the achievement of just and peaceable labor relations in industry. This right of the Federal Government is well established. Every President in this generation has been faced by the fact that when labor relations are strained to the breaking point there remains but one high court of conciliation -- the Government of the United States.

In like manner we have sought to foster human cooperation within industry itself. Through the institution of codes within industries we sought to establish a rule of constitutional government within industry in substitution for the rule of tooth and claw. The experience thus gained by business in cooperative methods marks a permanent advance. I have talked with hundreds of business men and an overwhelming proportion of them tell me frankly that unless they can unite for the elimination of unfair and destructive practices, naught but chaos and insecurity can be expected. These principles, so widely accepted under the National Industrial Recovery Act still live and means for their application I trust can be found.

We stand once more upon an economic plateau. We have, therefore, a right to look forward to the brighter future while, at the same time, we remember the mistakes of the past.

Simple facts speak so eloquently that explanation is unnecessary. From March, 1933, through June, 1938, the following gains have been recorded in the industrial and business life of America. Industrial production increased 45%; factory employment 35%; rural general store sales 104%; automobile sales 157%; life insurance written 41%; electrical power production 16% -- this last being, incidentally, a higher mark than in any other time in our history.

Centuries ago the greatest writer in our history described the two most menacing clouds that hang over human government and human society as "malice domestic and fierce foreign war". We are not rid of these dangers but we can summon the intelligence to meet them.

Never was there more genuine reason for Americans to face down these two causes of fear. "Malice domestic" from time to time will come to you in the shape of those who would raise false issues, pervert facts, preach the gospel of hate, and minimize the importance of public action to secure human rights or spiritual ideals. There are those today who would sow these seeds, but your answer to them is in the possession of the plain facts of our present condition.

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(1) The second cloud -- "foreign war" -- Is more real -- a more potent danger at this moment to the future of civilization. It is not surprising that many of our citizens feel a deep sense of apprehension lest some of the nations of the world repeat the folly of twenty years ago and drag civilization to a level from which world-wide recovery may be all but impossible.

In the face of this apprehension the American people can have but one concern and speak but one sentiment: despite what happens in continents overseas, the United States of America shall and must remain, as long ago the Father of our Country prayed that it might remain, -- unentangled and free. (17)

This country seeks no conquest. We have no imperial designs. From day to day and year to year, we are establishing a more perfect assurance of peace with our neighbors. We rejoice especially in the prosperity, the stability and the independence of all of the American republics. We not only earnestly desire peace, but we are moved by a stern determination to avoid those perils that will endanger our peace with the world.

Our national determination to keep free of foreign wars and foreign entanglements cannot prevent us from feeling deep concern when ideals and principles that we have cherished are challenged. In the United States we regard it as axiomatic that every person shall enjoy the free exercise of his religion according to the dictates of his conscience. Our flag for a century and a half has been the symbol of the principles of liberty of conscience, of religious freedom and equality before the law; and these concepts are deeply ingrained in our national character.

It is true that other nations may, as they do, enforce contrary rules of conscience and conduct. It is true that policies ~~there~~ may be pursued under flags other than our own are beyond our jurisdiction. Yet in our inner individual lives we can never be indifferent, and we assert for ourselves complete freedom to embrace, to profess and to observe the principles for which our flag has so long been the lofty symbol. As it was so well said by James Madison, "We hold it for a fundamental and inalienable truth that religion and the manner of discharging it can be directed only by reason and conviction, not by force or violence." (18)

As President of the United States I say to you most earnestly once more that the people of America and the Government of those people intend and expect to remain at peace with ~~the~~ the world. In the two years and a half of my Presidency, this Government has remained constant in following this policy of our own choice. At home we have preached, and will continue to preach, the gospel of the good neighbor. I hope from the bottom of my heart that as the years go on, ~~in every continent and in every climate~~, nation will follow nation in proving by deed as well as by word their adherence to the ideal of the Americas -- I AM A GOOD NEIGHBOR:

END

SAN DIEGO, CALIFORNIA, OCT. 8, 1935

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Release upon delivery, expected at the
Stadium in San Diego, about 2:00 P.M. Pacific
Time.

Please safeguard against premature release.
Stephen T. Early,
Assistant Secretary to the President.

It is twenty long years since I stood here in company with Vice President Marshall when the first exposition was held here in San Diego. At that time the flames of a world war were spreading and two years later we ourselves were to take part in that great catastrophe of mankind.

In the days that followed the coming of peace our Nation passed through a period of deflation into a decade of self-deceiving prosperity which we accepted unthinkingly in our desire for quietude, peace and luxury. The inevitable overtook us and during more than three years of increasing hardship we came to understand the ultimate national need for more than the necessities and pleasures of life; that which is spiritual in us came forward and taught us to seek security of the spirit -- that peace of mind, that confidence in the future, that deep contentment which make life not only possible but full and complete.

A great adversity has chastened us; in the process of recovery we have well-nigh unanimous agreement in requiring the elimination of many of those evils in our national life, without which elimination true confidence cannot be made permanent.

I see signs - unmistakable signs - of the restoration of this sound and genuine confidence - a confidence of the masses of the people in the integrity and fairness of government, a confidence that integrity and fairness in private enterprise will take the place of many of the evils of the past -- in other words, the only confidence on which we can permanently build.

Expositions such as this can and do well express our hope of the future. Not only is the setting perfect, but the extent and the diversity of the products of American artistic and mechanical genius gathered here speak eloquently of what this Nation can attain on a broad scale.

To a great extent the achievements of invention, of mechanical and of artistic creation, must of necessity be individual rather than governmental. It is the self-reliant pioneer in every enterprise who beats the path along which American civilization has marched. Such individual effort is the glory of America.

The task of government is that of application and encouragement. A wise government seeks to provide the opportunity through which the best of individual achievement can be obtained, while at the same time it seeks to remove such obstruction, such unfairness as springs from selfish human motives. Our common life under our various agencies of government, our laws and our basic Constitution, exist primarily to protect the individual, to cherish his rights and to make clear his just principles.

It is this conception of service to the individual with which the Federal Government has concerned itself these two and a half years just passed. When I took the oath of office there were evidences on all sides that the United States did not then possess a sound and just monetary system. The forces of deflation had finally resulted in the almost complete collapse of our economic activities; the banking system had fallen down; prices of commodities were ruinously low; the burden of debt, individual and collective, was more than the Nation could bear. The farmer, worker and business man were helpless in the grip of circumstance.

We were confronted by a choice of two ways of meeting the situation. We could let nature take its course until the process of deflation was complete, and then take the long gamble of building on the ruins. Such a course was driving us to irreparable damage to our national life.

We chose the alternate course. We sought in every sound and legitimate way to raise values, particularly the purchasing power of that agricultural half of the Nation without which factory wheels could not turn. We changed a gold standard that had become, not the assurance of a sound economic life, but a straitjacket which pressed upon and paralyzed the nerve centers of our economic system. Through the extension of sound government credit we reduced the burden of private debt. We rehabilitated the banking system and finally we financed the outlays necessary for the encouragement of recovery, not through an increase in the burden of taxation upon the average citizen, but by adding to the public debt, frankly and honestly.

As a result of allthese efforts bank deposits in active commercial banks have increased by ten billion dollars, or more than 30%. At this moment the deposits in the banks of the Nation amount to more than fifty billion dollars which, I submit, compares favorably with the fifty-five billion dollars in June, 1939. Unlike that year, however, the new system of deposit insurance covers 98% of the forty million individual depositors in these insured banks and gives them full protection under the provisions of law.

So, too, the credit policy of the Federal Reserve System in the past two years has sought and accomplished a reduction of interest rates for the purpose of stimulating business recovery. As a result, sound business institutions can secure money on bonds at a rate of 3 $\frac{1}{4}$ % instead of 4 $\frac{1}{2}$ %. Government bonds on which the taxpayers formerly paid 3 $\frac{1}{2}$ % or more are now sold with an interest rate of 2 $\frac{1}{2}$ %. Through important amendments to our banking laws, we have given practical recognition to the fact that monetary policies are a national public concern and not a regional or private concern. The Federal Government is in a better position than it ever has been to prevent that disastrous expansion and contraction of credit which in the past has made our economic life a succession of unhealthy booms and disastrous depressions.

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