ADDRESS OF THE PRESIDENT

CHICAGO, ILLINOIS

October 14, 1936, 9:30 P.M.

(The President was introduced by Mayor Kelly.)

Mr. Chairman, Governor Horner, Mayor Kelly, my friends of the great State of Illinois:

I seem to have been here before. (Applause)

Four years ago I dropped into this city from the airways -- an old friend come in a new way -- to accept in this hall the nomination for the Presidency of the United States. I came to a Chicago fighting with its back to the wall -- factories closed, markets silent, banks shaky, ships and trains empty. Today those factories sing the song of industry -- markets hum with bustling movement, banks are secure; ships and trains are running full. (Applause) Once again it is a Chicago (as Carl Sandberg saw it -- "The City of the big shoulders" -- the city) that smiles. And with Chicago a whole nation that had not been cheerful for years is full of cheer once more. (Applause)

On this trip (through the Nation) I have talked to farmers, I have talked to miners, I have talked to industrial workers -- and in all that I have seen and heard one fact has been (as) clear as crystal -- that they are part and parcel of a rounded whole, and that none of them can succeed
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 deleted when the speech was delivered, though they appear in the previously prepared reading copy text.
in their chosen occupations if those in the other occupations fall or fail in their prosperity. I have driven (home) that point home.

And tonight, in this center of business of America, I give the same message to the business men of America -- to those who make and sell the processed goods the Nation uses and to the men and women who work for them.

To them I say:

Do you have a deposit in the bank? It is safer today than it has ever been in our history. It is guaranteed. Last October first marked the end of the first full year in 55 years without a single failure of a national bank in the United States. Isn't that on the credit side of the government's account with you? (Applause)

Are you an investor? Your stocks and bonds are up to a five and six year high level (levels).

Are you a merchant? Your markets have the precious life-blood of purchasing power. Your customers on the farms have better incomes and smaller debts. Your customers in the cities have more jobs, surer jobs, better jobs. Didn't your government have something to do with (that) this? (Applause)

Are you in industry? Industrial earnings, industrial profits are the highest in four, six, or even seven years! Bankruptcies are at a new low. Your government takes some credit for that. (Applause)
Are you in railroads? Freight loadings are steadily going up and so are passenger receipts (are steadily going up -- have in some cases doubled --) because, for one reason, your government made the railroads cut rates and make money.

Are you a middleman in the great stream of farm products? The meat and grain that move through your yards and elevators have a steadier supply, a steadier demand and steadier prices than you have known for years. And your government is trying to keep it that way. (Applause)

Now, my friends, some people say that all this recovery has just happened. (Laughter) But in a complicated modern world recoveries from depressions do not just happen. The years from 1929 to 1933 when we waited for recovery just to happen, proves the point.

But in 1933, after March 4th, we did not wait -- we acted. Behind the growing recovery of today is a story of deliberate government acceptance of responsibility to save business -- to save the American system of private enterprise and economic democracy -- a record unequalled by any modern government in history.

What had the previous administration in Washington done for four years? Exactly nothing. (Jeers) Why? For a very fundamental reason. That Administration was not industrially-minded -- nor agriculturally-minded -- nor business-minded. It was high-finance-minded -- (applause) manned and controlled by a handful of men who in turn controlled, and by one financial
device or another took their toll from the greater part of all other business and industry.

Let me make one simple statement. When I refer to high finance I am not talking about all great bankers, or all great corporation executives, or all multimillionaires -- any more than Theodore Roosevelt, in using the term "malefactors of great wealth" implied that all men of great wealth were "malefactors." I do not even imply that the majority of them are bad citizens. The opposite is true.

Just in the same way, the overwhelming majority of businessmen in this country are good citizens and the proportion of those who are not is probably about the same proportion as in the other occupations and professions of life. (Applause)

So when I am speaking of high finance as a harmful factor in recent years, I am speaking about a minority which includes the type of individual who speculates with other people's money -- and you in Chicago know the kind I refer to (applause) -- and I refer also to the type of individual who says that popular government cannot be trusted and that, therefore, that the control of business of all kinds -- and, indeed, of Government itself -- should be vested in the hands of one hundred or two hundred all-wise individuals controlling the purse-strings of the Nation.

High finance of this type refused to permit government credit to go directly to the industrialist, to the businessman, to the home-owner, to the farmer. They wanted it to trickle
down from the top, through the intricate arrangements which they controlled and by which they were able to levy tribute on every business in the land.

They did not want interest rates to be reduced by the use of government funds -- for that would affect the rate of interest which they themselves wanted to charge. They did not want government supervision over financial (markets) exchanges through which they manipulated their monopolies with other people's money.

And in the face of their demands that government do nothing that they called "unsound", the government in those days, hypnotized by its indebtedness to them, stood by and let the depression drive industry and business towards bankruptcy. (Applause)

Now, my friends, we have discovered something in the last three and a half years. We have discovered that America is an economic unit. New means and methods of transportation and communications have made us economically as well as politically a single nation. Let me cite an example. Because kidnappers and bank robbers could in (a) high-powered car speed across state lines it became necessary, in order to protect our people, to invoke the power of the Federal Government. (Applause)

In the same way speculators and manipulators from across State lines and regardless of State laws, have lured the unsuspecting and the unwary to financial destruction. In the
same way across State lines, there have been built up intricate corporate structures, piling bond upon stock and stock upon bond -- huge monopolies which were stifling independent business and private enterprise. (Applause)

There was no power under Heaven that could protect the people against that sort of thing except a people's government at Washington. All that this Administration has done, all that it proposes to do -- and this it does propose to do -- is to use every power and authority of the Federal Government to protect the commerce of America from the selfish forces which ruined it. (Applause)

Always, month in and month out, during these three and a half years, your Government has had but one sign on its desk -- "Seek only the greater good of the greater number of Americans." And in appraising the record, remember two things. First, this Administration was called upon to act after a previous Administration and all the combined forces of private enterprise had failed. Secondly, in spite of all the demand for speed, the complexity of the problem and all the vast sums of money involved, we have had no Teapot Dome. (Applause)

We found when we came to Washington in 1933, that the business and industry of the Nation were like a train which had gone off the rails into (a) the ditch. Our first job was to get it out of the ditch and start it up the track again as far as the repair shops. Our next job was to
repair it -- to repair the broken axles (which) that had got (gotten) it off the road, the engine which had been worn down by gross misuse.

What was it that the average businessman wanted Government to do for him -- to do immediately in 1933?

Five things: 1. Stop inflation and falling prices -- and we did it. (Applause)

2. Increase the purchasing power of his (customers) consumers who were industrial workers in the cities -- and we did it. (Applause)

3. Increase the purchasing power of his customers on the farms -- and we did it. (Applause)

4. Decrease interest rates, power rates and transportation rates -- and we did it. (Applause)

5. Protect him from (the) losses due to crime, bank robbers, kidnappers and blackmailers -- and we (did it) have done it.

How did we do it? By a sound monetary policy which raised prices. By reorganizing the banks of the Nation and insuring their deposits. By bringing the businessmen of the Nation together and encouraging them to pay higher wages, to shorten working hours, and to discourage that minority among their own members who were engaging in unfair competition and unethical business practices.

Through the AAA, through our cattle-buying program, through our program of drought relief and flood relief,
through the Farm Credit Administration, we raised the income of the customers of business who lived on the farms. By our program to provide work for the unemployed, by our CCC camps, and other measures, greater purchasing power was given to those who lived in our cities.

Money began going round again. The dollars paid out by government were spent in the stores and shops of the Nation; and spent again to the wholesaler; and spent again to the factory; and spent again to the wage earner; and then spent again in another store and shop. The wheels of business began to turn again; the train was back on the rails. (Applause)

And mind you, (it) that did not get out of the ditch itself, it was (hauled) pulled out by (your) the Government. (Applause)

And we hauled it along the road. PWA, WPA, both provided normal and useful employment for hundreds of thousands of workers. Hundreds of millions of dollars got into circulation when we liquidated the assets of closed banks through the (Reconstruction Finance Corporation) R.F.C.

 Millions more when we loaned money for home building and home financing through the Federal Housing program. Hundreds of millions more in loans and grants to enable municipalities to build needed improvements. Hundreds of millions more through the CCC camps. (Applause)

I am not going to talk tonight about how much our program to provide work for the unemployed has meant to the
Nation as a whole. That cannot be measured in dollars and cents. It can be measured only in terms of the preservation of the families of America.

But so far as business goes, it can be measured in terms of sales made and goods moving.

The train of American business is moving ahead.

(But) You people know what I mean when I say it was clear that if the train is to run smoothly again the cars will have to be loaded more evenly. (Applause) We have made a definite start in getting the train loaded more evenly, in order that axles may not break again.

For example, we have provided a sounder and cheaper money market and a sound banking and securities system. You business men know how much legitimate business you lost in the old days because your customers were robbed by fake securities or impoverished by shaky banks. (Applause)

By our monetary policy we have kept prices up and lightened the burden of debt. It is easier to get credit. It is easier to repay what you have borrowed.

We have encouraged cheaper power for the small factory owner to lower his cost of production.

We have given the business man cheaper transportation rates.

But above all, we have fought to break the deadly grip which monopoly has in the past been able to fasten on the business of the nation.
Because we cherished our system of private property and free enterprise and were determined to preserve it as the foundation of our traditional American system, we recalled the warning of Thomas Jefferson that "widespread poverty and concentrated wealth cannot long endure side by side in a democracy."

And so our job was to preserve the American ideal of economic as well as political democracy, against the abuse of concentration of economic power that had been insidiously growing up among us in the last fifty years, particularly during the twelve years of preceding Administrations. Free economic enterprise was being weeded out at an alarming pace.

During those years of false prosperity (and during the more recent years of exhausting depression) one business after another, one small corporation after another, their resources depleted, had failed or had fallen into the lap of a bigger competitor.

A dangerous thing was happening. More than half of the (industrial) corporate wealth of the country had come under the control of less than two hundred (huge) big corporations. That is not all. These huge corporations in some cases did not even try to compete with each other. They themselves were tied together by interlocking directors, interlocking bankers and interlocking lawyers. (Applause)
This concentration of wealth and power has been built upon other people's money, other people's business, other people's labor. Under this concentration independent business was allowed to exist only by sufferance. It has been a menace to the social system as well as the economic system which we call American Democracy. (Applause)

As a matter of practical fact, there is no excuse for it in the cold terms of industrial efficiency.

There is no excuse for it from the point of view of the average investor.

There is no excuse for it from the point of view of the independent business man.

I believe, I have always believed, and I (will) always will believe in private enterprise as the backbone of economic well-being in (America) the United States. (Applause)

But I know, and you know, and every independent business man who has had to struggle against the competition of monopolies knows, that this concentration of economic power in all-embracing corporations does not represent private enterprise as we Americans cherish it and propose to foster it. On the contrary, it represents private enterprise which has become a kind of private government (which) and is a power unto itself -- a regimentation of other people's money and other people's lives. (Applause)

Back in Kansas I spoke about bogey-men and fairy tales which the real Republican leaders, many of whom are part of
this concentrated power, are using to spread fear among the American people.

You good people have heard about these fairy tales and bogey-men too. (Applause) You have heard about how antagonistic to business this Administration is (said) supposed to be. You have heard all about the dangers which the business of America is supposed to be facing if this Administration continues.

My friends, the answer to that is the record of what we have done. (Applause) It was this Administration which saved the system of private profit and free enterprise after it had been dragged to the brink of ruin by these same leaders who now try to scare you. (Applause)

Look at the advance in private business in the last three and a half years; and read there what we think about private business.

Today for the first time in seven years the banker, the storekeeper, the small factory owner, the industrialist, can all sit back and enjoy the company of their own ledgers. (Applause) They are in the black. That is where we want them to be; that is where our policies aim (them to be) that they shall be; that is where we intend them to be in the (future) days to come.

Some of these people really forget how sick they were. But I know how sick they were. (Applause) I have their fever charts. (Laughter, applause) I know how the knees
of all of our rugged individualists were trembling four years ago and how their hearts fluttered. (Laughter) They came to Washington in great numbers. Washington did not look like a dangerous bureaucracy to them then. (Applause) (Oh!) No, it looked like an emergency hospital. (Applause, laughter) And all of (the) these distinguished patients wanted two things -- a quick hypodermic to end the pain (laughter) and they wanted a course of treatment to cure the disease. They wanted them in a hurry, and we gave them both. (Applause, laughter) And now, my friends, most of the patients seem to be doing very nicely. Some of them are even well enough to throw their crutches at the doctor. (Laughter, applause)

(The struggle against private monopoly is a struggle for, and not against, American business. It is a struggle to preserve individual enterprise and economic freedom.)

I believe in individualism. I believe in it in the arts, the sciences and professions. I believe in it in business. I believe in individualism in all (of) these things -- up to the point where the individualist starts to operate at the expense of society. And the overwhelming majority of American business men do not believe in it beyond that point. We have all suffered in the past from individualism run wild -- society has suffered and business has suffered.
And so, believing in the solvency of business, the solvency of farmers and the solvency of workers, I believe also in the solvency of Government. Your Government is solvent.

The net Federal debt today is lower in proportion to the income of the Nation and in proportion to the wealth of the Nation than it was on March 4, 1933. ("Right", applause.)

And in the future it will become lower still because with the rising tide of national income and national wealth, the very causes of our emergency spending are (disappearing) starting to disappear, Government expenditures are coming down and government income is going up. (Applause) And so, my friends, the opportunities for private enterprise will continue to expand.

The people of America have no quarrel with business. They insist only that the power of concentrated wealth shall not be abused.

We have come through a hard struggle to preserve democracy in America. Where other nations in other parts of the world have lost that fight, we have won it.

The businessmen of America and all other citizens have joined in a firm resolve to hold the fruits of that victory — to cling to the old ideals, (and) to cling to the old fundamentals upon which America has grown great. (Prolonged applause)
The United States is both the greatest industrial producer and the
greatest agricultural producer in the world. In the commerce of Chicago
more than anywhere else in the country those producers meet. Chicago's
prosperity is the mirror of America's prosperity.

Four years ago I came to Chicago to accept the nomination of the
Democratic Party for the Presidency of the United States. Chicago was
fighting with its back to the wall—its factories closed, its markets
demoralized, its ships and its trains empty. And Chicago was then the
mirror of the nation.

For by March, 1933, along with an agricultural depression as severe
as any in any other country, the United States had reached the point of
industrial depression lower than that in any other country. From April
1932 to March 1933 American industrial production was only 52% of what it
had been from November 1928 to October 1929. Retail sales had fallen
from 49 billion dollars in 1929 to 25 billion dollars in 1932. Collections
were bad, prices were demoralized, credit was almost non-existent.

Today Chicago's factories sing the roaring song of industry, its
markets hum with movement, its ships and its trains are running full.
Once again it is Chicago as Carl Sandberg saw it "The city of the big-shoulders"—the city that laughs. And once again Chicago mirrors the nation! For with Chicago laughs these days a whole nation that had not laughed for years.

And yet I feel sorry for some of your newspaper publishers. The rest of their paper may say what they wish were so. And how they love that! But on their financial pages they have to tell at least a tiny little bit of what really is so. And how they must hate that! What has freedom of the Press come to! What have property rights come to! What's the use of owning a newspaper when you can't help telling things you don't want the public to know.

For facts are stubborn things—even more stubborn than rich newspaper publishers. If you read the editorial pages you'll gasp—for there are only _______ days to save America! But if you'll read the financial pages of the same newspaper—if you use your own eyes and ears and powers of observation and look at your own books instead of at billboards, you'll feel better because you'll know that America doesn't even need those _______ days to be saved.
Tonight I want particularly to talk to businessmen who do use their own eyes and ears and who do trust their own books. And to them I say:

Our business life is like a bicycle. It has to keep moving forward or it will fall over. Tonight you and I know it is moving forward—and it gathers speed and stability every day. If it could only be Republican even the editorial pages would be willing to believe that it was real!

Why this great difference between 1932 and 1936 in a nation which in both years had enough physical resources to go around?

The billboards say it just happened. But in a complicated modern world recoveries from depressions do not just happen. The proof of that are years from 1929 to 1935 in this country when we waited for recovery just to happen. The proof of that is in the history of every modern democracy which has survived this depression proves the same thing. And no government alive to its responsibility for the well-being of 150 million people in the dangerous currents of these times could dare even to take the chance that recovery would happen if government did nothing.

We didn’t defy the signs of the times and take that chance. We acted. Behind the growing recovery of today is a story of deliberate government
assumption of responsibility to save business—to save the American
system of private enterprise and economic democracy—unequalled by any
government in history.

The Administration at Washington had done nothing for a very funda-
mental reason. That Administration was not industrially-minded—nor
business-minded—nor agriculturally-minded—nor popular-minded. It
was something far removed from all of these. It was high-finance-minded—
manned and controlled by a handful of lords of creation who by a money
power built up over many years too their toll from all business and
industry—a handful with enough resources to buy in the whole country
at bankruptcy prices if it really hit bottom.

Old remedies failed. New conditions required new remedies to save
the industry and business of the United States. But these lords of high
finance would not permit new remedies which might establish precedents
risky for the performance of their power. They would not let government
give credit directly to the industrialists, the businessman, the home-
owner, the farmer. All credit, they insisted, must trickle down from
the top through the intricate arrangements which they controlled and
from which they profited. They would not let the government reduce interest rates. They would not let the government undertake supervision over the financial markets in which they arranged their monopolies with other people's money.

Between the performance of their power and the good of the people of the United States, they chose their power. And under their advice an Administration, hypnotized by its indebtedness to them, helplessly let the depression drive industry and business toward bankruptcy.

By contrast there has been an Administration at Washington for the last four years that has had nothing to save about business except business itself—that down-to-the-earth manufacturing and mining, buying and selling, transportation and communication, that together with farming gives jobs to and supports the plain people of the United States. It felt bound to protect nothing except the jobs and the happiness of these plain people of the United States.

That Administration was willing to find out what business needed to have done—and do it—in the way that got the best results, whether
that way was an old way or a new way, so long as it worked. It felt bound
by no theory except the necessity of getting results; it mixed theories,
if necessary, in order to get results.

It went at its job in the common-sense way a businessman goes at a
job. It changed details and whole plans from time to time if they did not
work out as anticipated. It took risks and charged off mistakes just as
businessmen do and for the same honest reasons, i.e., that in a complicated,
changing world the "plans of mice and men gang aft agley" and no one can
prophecy how things will turn out.

And in appraising the record, the American people must in fairness re-
member two things. First, this Administration took up its burdens only
after both a previous administration and all the forces of private enter-
prise had proved utterly unable to cope with those burdens. Second, despite
all the pressures of speed and complexity and all the vast sums involved
it has had no Teapot Dome!

Now what did the average American businessman want government to do
for him in 1935?
First of all he wanted it in some way—any way on earth it could be done—to put a sudden stop to the spirit of deflation—to end the made scramble for gold—for liquidity that was wrecking the prices of goods that nobody wanted—to end the fear of social disturbance that had sapped all confidence to engage in business transactions.

But almost as immediately the businessman wanted more permanent assurances—assurances of a chance for long-time prosperity after he had caught his breath. He needed to feel sure that he would have banks that wouldn't fail and tie up his working capital again, that wouldn't cut off his credit again in panic at the threat of runs. He needed to feel sure that the securities market could provide business with capital without blowing up with his own and his customers' investments. He needed continual increase in the purchasing power of his customers so that he could hope to expand. He needed continual decrease in interest rates, power rates, transportation rates, in the losses from crime—in all his costs and losses except the wages which gave customers their purchasing power—so that he could pay bigger wages and make surer profits. He
needed protection against a handful of big corporations crowding him to sell out or get out of business. He needed the security that a higher standard of living and social contentment in a nation bring to every property-owner in it—so that the work of years might not be imperilled in a single thoughtless day.

Those needs demanded a double program. We had to get a derailed train back on the track and under the way, and at the same time we had to repair it so that it wouldn't run off the track again. That meant we had to work on many things at once, and to some people our energy looked like confusion.

But tonight the many things we did stand in clear perspective.

The first need of business was to stop the deflation—to stop the scramble for money instead of things—to stop the fall of prices and get people buying again.

What did we do about it?

We did the common sense thing. On the one hand we removed pressures that were making people scramble for money; on the other we created incentives and purchasing power to buy goods.
What did we do to stop the scramble for money; the mania for liquidity?

We brought about at once the devaluation of the currency that hoarders were fearing, and speculators were anticipating. We reorganized the banks and insured their deposits. We changed the form of the aid the RFC had been giving banks and insurance companies from loans on collateral which only deferred their difficulties to stock contributions which made the government their partner. The scramble stopped.

What did we do to make people want to buy goods and put up the price of goods? We adopted and advertised in every corner of the nation policies certain to result in higher prices and greater purchasing power—certain therefore to make business want to buy. NRA brought employers together to cooperate to bring about higher wages, and to eliminate cut-throat competition, child labor, wage cutting, hour stretching. Funds available for business were increased through our currency devaluation and changes in banking reserve requirements. Greater purchasing power in the farm population was guaranteed by AAA benefits; greater purchasing power in the cities was guaranteed by our relief program; both programs put money into circulation again to turn over and over and over and over.
And by all these things we averted threats of social unrest which themselves had dampened business initiative.

But we had only begun to fight.

To make this new-born recovery keep growing Government released billions of dollars of purchasing power. Thousands of business men retrieved their working capital and hundreds of millions of dollars went in circulation when we liquidated the assets of closed banks through RFC. Hundreds of millions more went into circulation when we insured private home-building and refinanced homes through the FHA and HOLC programs; hundreds of millions more through CCC; a billion more in agricultural aid; four billions more in PWA loans and grants to enable municipalities to carry on normal improvements, to stimulate the capital goods industry, to conserve and develop natural resources; five billions more through the Works Progress Administration which provided useful work and employment for the workers on relief who could not be taken care of by PWA and CCC. With few exceptions, these billions were paid out in small amounts to millions of recipients. The effect on the volume of business of local small enterprises is self evident, while the stimulation to business velocity and business recovery is equally plain.
Now the sustained demand for consumer goods is creating its own
demand for durable goods, for machinery, and for construction. Financial
journals are commenting on the orderly character of recovery, and the
resumption of initiative and capital financing by private enterprise.

I shall deal with the criticisms of our relief program at some other
point in this campaign. But here I want to point out two things that
spending program did for the revival of business.

On the one hand it provided the purchasing power that sustained the be-
ginnings of recovery until private capital and private industry really
dared to take hold.

On the other hand it kept the relation of the unemployed to the economic
system as nearly normal as possible and prevented the formation of conscious
underprivileged groups in the dangerous climate of the times. It made
recovery without revolution possible.

From revival of domestic trade we went on to revival of foreign trade.
Our reciprocal trade agreements have opened wholesome channels of trade with
foreign counties, not for the benefit of a few special interests but for the
nation as a whole. And we have used them as instruments not only to gain
for us the good-will of the entire world but to strengthen immeasurably the forces working for the peace that business and everyone needs.

That's what we have done to restore markets—to create markets for the man in industry and business.

Now let's look at the other side of the picture.

What have we done to cut his costs?

(1) We have given him a sound securities market. Every business man knows that what the stock market out of control costs business—in losses, in morale, in customers. Today the Securities Act, the Stock Exchange Act, the Public Utility Holding Company Act, fought through against terrific opposition, have restored it, functioning as a trustworth part of our business system, capital markets that in 1929 looked beyond the revival of confidence. By their stability business gains immeasurably.

(2) We have given him cheaper money. Definite Government policy—changes in the banking laws—currency devaluation, government financing, and, where necessary, the threat of government competition—have forced down the rates for lending to lighten the burden of debt weighing upon business enterprise and customer purchasing power alike. Every business man knows
that today the cost of money is substantially lower—the burden of debt substantially lighter—than four years ago. It is easier to get credit. It is easier to pay off. And where the burden of debt has threatened social unrest, as in the case of the farm owner and the home owner, those debts have been directly refunded at lower rates with government money.

(3) We have given him cheaper power. The prime mover of electrical power becomes more and more a fundamental cost in industry. Cheap electric power makes possible the decentralization of industry, the revival of the small town. This Administration has preached and proved the doctrine that higher use and lower rates are more profitable to user and supplier alike. It has adopted definite policies to make sure that rates come down and it has brought them down. Today not only are electric rates cheaper for industry, the home, and the farm, but power production is higher and utility securities are far more valuable than they were four years ago.

(4) We have given him better and cheaper transportation. We have made loans to railroads to prevent insolvencies, to provide new and faster equipment; we have forced down the rates of interest private bankers charge them;
we have showed them how to make more money with cheaper rates. We have
financed new developments in airlines. We have organized truck transporta-
tion under the Interstate Commerce Commission. We have begun the reorganiza-
tion of the merchant marine under the new Maritime Commission. We have
centralized regulation of communication in the new Communications Commission.

(5) We have given him new protection from the losses due to crime.

The gun man, the bank-robber, the racketeer, the kidnapper—are on the run.

Never in history has any Government carried through such a titanic
program—against the abuse of special interests, misunderstanding, inertia.

I ask men in business and industry tonight, when was there ever done
for you so much to bring you not only temporary but the possibility of per-
manently prosperity.

Is your working capital on deposit in the bank? It's safer than it has
ever been in our history. As I pointed out in Pittsburgh that October marked
the end of the first year in 1925 years without a failure of a national bank
in the United States. Look at these maps and see what it means.
Are your reserves invested in the stock market? Your stocks are up to five and six year highs.

Are you in industry? Industrial earnings, industrial profits are the highest in four, six, or even seven years!

Are you a middleman in the great stream of farm products? The meat and grain that move through your yards and elevators have steadier supply, steadier demand and steadier prices than you have known for years.

Are you in railroads? Freight loadings are steadily going up. Passenger receipts are steadily going up—have in some cases doubled—because a government which the editorial pages tell you knows nothing about business made the railroads cut rates and make money.

Are you a merchant? Your markets have the precious life-blood of purchasing power. Your customers on the farm have better income and smaller debts. Your customers in the cities have more jobs, better jobs. Your government has sense enough to know that purchasing power and national income are the important facts in modern economy and to know how to create and maintain both of them. Liabilities on insolvencies are the lowest in 30 years.
When has the country ever so justifiably felt sure of its business future.

There is no evidence of unsoundness in the present economic situation. Business is improving, interest rates are low, inventories are not high, prices have not risen unduly, the credit structure as a whole is not inflated. Government revenues are increasing. Government expenditures, apart from the bonus, are declining. The only possible danger lies in a too sudden reversal of governmental policy, either by an unwarranted curtailment of Government activity or by a premature reduction in taxes upon those who were the first to profit and who have profited the most from recovery.

What about the cost?

I put it to you business men—used to venture—used to making money by turning over capital. This program has cost the American people 6 billion dollars. Already it has paid an increase in the national income of 30 billion dollars. It has laid foundations for ever increasing business with bigger and bigger markets and lower and lower costs which will increase that income many billions more. The profit is already 250%—and the venture has only begun to pay. Has that been good business for you businessmen? Has that been good business for America?
Of course there are those who say it is bad business. But they are the same lords of high finance who told the previous administration that it was bad business to help you unless the help trickled down to you through them.

They are the same friends of yours who preached deflation in 1929 and again in 1932, who refused to give you credit themselves and to let the government give it to you either—who wanted the government to let the depression burn out and you with it.

They weren't interested in you in 1929. They weren't interested in you in 1932. And the paper for whom they call the tune aren't interested in you now.

Believe arithmetic, believe your own books—believe your own intelligence.

Don't let billboards sell you a President [the way they sell you a mouthwash]
But for whom have we saved and for whom are we creating all this business?

That brings me to the most fundamental problem in American life, the problem loosely referred to as monopoly.

How we can preserve our American ideal of political and economic democracy against the concentration of economic power that has been growing among us in the last fifty years.

Many years ago the American people thought they had solved that problem when they passed the first anti-trust law. That is still a good law—a law which both parties are pledged to enforce to the hilt. But as every realistic lawyer knows, enforcing the anti-trust laws are not enough. Many years ago when an attempt was made to break up the United States Steel Corporation under those laws, the Supreme Court gave them an interpretation which robbed them of much of the effectiveness Congress had hoped for them, and the best efforts of Democratic Administrations to enforce and supplement them have not had results.

Particularly during the twelve years of the Republican administration
preceding this Administration, the process of merging out free economic enterprise has proceeded at an extraordinary pace. During the depression one small corporation after another, its reserves exhausted by the drain of the depression, has fallen into the lap of a bigger competitor.

Approximately half of the corporate wealth of the country has come under the control of some two hundred corporations, themselves tied together by interlocking directors, interlocking banks and interlocking lawyers. Over three-fourths of the entire operating electric utility industry of the country was divided under the domination of only thirteen large holding company systems, and three of these systems control 40% of the whole operating industry. The great banks of the country formed affiliated investment corporations, and it was not uncommon to find a director or officer of such a banking institution sitting on the board of directors of a score of giant industrial concerns.

Jefferson has warned us that "widespread poverty and concentrated wealth cannot long endure side by side in a democracy." Webster had warned us that "the finest government if it could exist, would not long be acceptable, if the tendency of the laws were to create a rapid
accumulation of property in few hands and to render the great mass of the population dependent and penniless." These great corporations do not represent private enterprise as we Americans have cherished it. They rather represent, as I have said elsewhere, private enterprise becomes too private—a kind of private socialism, a regimentation of other people's lives. If there is one thing on which the great bulk of business men and of the population of this country agree, it is fear of this growing concentration.

Both parties talk about it. This Democratic Administration has done something about it.

We have been realists. We have known that the great consolidations and mergers of the present day depend almost entirely upon the use of other people's money in the securities markets and upon the use of the device of the holding company. And since government must have simple and effective instruments to cope with these giant corporations and their hundreds of lawyers we have used simple and effective instruments at the points of easiest application.

We have done three things:
First, we have stepped in to see that the securities markets and our banking machinery can no longer be abused to create and expand these monsters. We have passed the Banking Acts, the Securities Act and the Securities Exchange Act to prevent the excessive use of credit for speculative purposes, to prevent the investor being misled by inadequate or false information, stock manipulations and kindred deceptions, and to prevent powerful commercial banks through investment affiliates extending their control over American industry. The investor will be better able to judge whether mergers and consolidations are being arranged for operating economies or for promoters' profits. The investor will be able to see if the insiders are getting out when he is invited to get in. Powerful groups will not be able to forestall the application of the brakes against inflation while they put through other mergers, consolidations and other stock deals.

Second, we have struck directly at the evil of the holding company device. We have thoroughly regulated it in the public utility field by the Public Utility Holding Company Act. And we have struck at it in all fields by a special tax on intercorporate dividends passing between
parent and subsidiary companies in a holding company group.

Third, we have deliberately put the burden of proof of its superior
efficiency upon the bigger corporation by making it pay bigger taxes in
proportion than the smaller corporations. We have graduated our corpora-
tion taxes from 8 to 15 per cent like the graduated taxes on individual
incomes. We have given special advantages to smaller enterprises in our
new corporate surplus law.

Fourth, by that corporate surplus tax law we have forced out into the
hands of individual investors for reinvestment by them in large or small
enterprises as they individually choose, large accumulations of capital
which if left under the control of the corporation managers would almost
inevitably be invested by the management to concentrate further economic
power in themselves.

I do not intend to talk in detail about the corporate surplus law
tonight. But I do want to point out how completely it has been designed
to complement the other measures the Administration has taken to strike
at the increasing concentration of economic power in a few corporations.

The revenue laws previously encouraged the large and wealthy shareholders
who control the big corporations to avoid the surtaxes on their individual income by withholding dividend declarations. Under the old law these large shareholders did not have to pay any individual income tax on corporate earnings not distributed as dividends and the corporation only had to pay the normal corporate taxes on its earnings whether they were distributed or not. It was consequently to the advantage of the large shareholders who controlled the large corporations to cause those corporations to retain a maximum amount of the profits earned. The result was that the large corporations accumulated surpluses far beyond their immediate needs and sought investment outlets for their funds in all sorts of different enterprises bearing no relation to their immediate businesses. In the process large corporations gobbled up more and more businesses and the field of small independent business became more and more restricted.

But under the new tax measure the individuals who control the large corporations will not be able to escape their individual taxes by withholding the earnings of these corporations not only from themselves but from the great mass of shareholders. The distribution of such earnings to the
individual investors will enable investors generally to select the new enterprises in which they wish to invest their surplus savings. The course of investment will be directed by the free choice and judgment of numerous investors rather than by a relatively few large corporations. And what is equally important, the course of new business will be released from the domination of a few large corporations controlled by a handful of monopolists.

The new tax law gives back to the investors control over their surplus savings and creates conditions which will encourage independent business to remain independent. New business enterprise may be able to finance themselves without losing their independence; they may be able to tap the investment markets without being gobbled up by or coming under the domination of some monopolistic holding company or so-called investment trust.

The struggle against private monopoly is a struggle for and not against American business. The struggle against the excessive concentration of private economic power over other people's businesses and lives is a struggle to preserve and not to destroy individual enterprise and economic freedom.
I don't say that we have solved this problem of monopoly, but I do say that we have made a beginning, that we have been realistic and honest, that we have accomplished more in four years than has been accomplished since the American people became concerned with the problem, and that we shall press forward. In judging what we have done and judging what we may do, I ask the American business men and particularly the independent business men in this great Middle West not to accept assertions that have been made and that will be made by the monopolists and their high-paid lawyers and public relations counsel that what we do will hurt the investor or will hurt independent business. What we have done and what we will do has been done and will be done to free and protect the investor and independent business from a private paternalism, a private socialism, which threatens our economic and political liberty.

Let us examine briefly what we have done to meet the problem of monopoly.
The United States is both the greatest industrial producer and the
greatest agricultural producer in the world. In the commerce of Chicago
more than anywhere else in the country those producers meet. Chicago's
prosperity is the mirror of America's prosperity.

Four years ago I came to Chicago to accept the nomination of the
Democratic Party for the Presidency of the United States. Chicago was
fighting with its back to the wall—its factories closed, its markets
demoralized, its ships and its trains empty. And Chicago was then the
mirror of the nation.

For by March, 1933, along with an agricultural depression as severe
as any in any other country, the United States had reached the point of
industrial depression lower than that in any other country. From April
1932 to March 1933 American industrial production was only 52% of what it
had been from November 1928 to October 1929. Retail sales had fallen
from 49 billion dollars in 1929 to 25 billion dollars in 1932. Collections
were bad, prices were demoralized, credit was almost non-existent.

Today Chicago's factories sing the roaring song of industry, its
markets hum with movement, its ships and its trains are running full.
Once again it is Chicago as Carl Sandberg saw it "The city of the big-shoulders"—the city that laughs. And once again Chicago mirrors the nation! For with Chicago laughs these days a whole nation that had not laughed for years.

And yet I feel sorry for some of your newspaper publishers. The rest of their paper may say what they wish were so. And how they love that! But on their financial pages they have to tell at least a tiny little bit of what really is so. And how they must hate that! What has freedom of the Press come to! What have property rights come to! What's the use of owning a newspaper when you can't help telling things you don't want the public to know.

For facts are stubborn things—even more stubborn than rich newspaper publishers. If you read the editorial pages you'll gasp—for there are only _____ days to save America! But if you'll read the financial pages of the same newspaper—if you use your own eyes and ears and powers of observation and look at your own books instead of at billboards, you'll feel better because you'll know that America doesn't even need those _____ days to be saved.
Tonight I want particularly to talk to businessmen who do use their own eyes and ears and who do trust their own books. And to them I say:

Our business life is like a bicycle. It has to keep moving forward or it will fall over. Tonight you and I know it is moving forward—and it gathers speed and stability every day. If it could only be Republican even the editorial pages would be willing to believe that it was real!

Why this great difference between 1932 and 1938 in a nation which in both years had enough physical resources to go around?

The billboards say it just happened. But in a complicated modern world recoveries from depressions do not just happen. The proof of that are years from 1929 to 1933 in this country when we waited for recovery just to happen. The proof of that in the history of every modern democracy which has survived this depression proves the same thing. And no government alive to its responsibility for the well-being of 130 million people in the dangerous currents of these times could dare even to take the chance that recovery would happen if government did nothing.

We didn't defy the signs of the times and take that chance. We acted.

Behind the growing recovery of today is a story of deliberate government
assumption of responsibility to save business—to save the American system of private enterprise and economic democracy—unequalled by any government in history.

The Administration at Washington had done nothing for a very fundamental reason. That Administration was not industrially-minded—nor business-minded—nor agriculturally-minded—nor popular-minded. It was something far removed from all of these. It was high-finance-minded—manned and controlled by a handful of lords of creation who by a money power built up over many years too their toll from all business and industry—a handful with enough resources to buy in the whole country at bankruptcy prices if it really hit bottom.

Old remedies failed. New conditions required new remedies to save the industry and business of the United States. But these lords of high finance would not permit new remedies which might establish precedents risky for the performance of their power. They would not let government give credit directly to the industrialists, the businessman, the home-owner, the farmer. All credit, they insisted, must trickle down from the top through the intricate arrangements which they controlled and
from which they profited. They would not let the government reduce interest rates. They would not let the government undertake supervision over the financial markets in which they arranged their monopolies with other people's money.

Between the performance of their power and the good of the people of the United States, they chose their power. And under their advice an Administration, hypnotised by its indebtedness to them, helplessly let the depression drive industry and business toward bankruptcy.

By contrast there has been an Administration at Washington for the last four years that has had nothing to save about business except business itself—that down-to-the-earth manufacturing and mining, buying and selling, transportation and communication, that together with farming gives jobs to and supports the plain people of the United States.

It felt bound to protect nothing except the jobs and the happiness of these plain people of the United States.

That Administration was willing to find out what business needed to have done—and do it—in the way that got the best results, whether
that way was an old way or a new way, so long as it worked. It felt bound
by no theory except the necessity of getting results; it mixed theories,
if necessary, in order to get results.

It went at its job in the common-sense way a businessman goes at a
job. It changed details and whole plans from time to time if they did not
work out as anticipated. It took risks and charged off mistakes just as
businessmen do and for the same honest reasons, i.e., that in a complicated,
changing world the "plans of mice and men gang aft agley" and no one can
prophecy how things will turn out.

And in appraising the record, the American people must in fairness re-
member two things. First, this Administration took up its burdens only
after both a previous administration and all the forces of private enter-
prise had proved utterly unable to cope with those burdens. Second, despite
all the pressures of speed and complexity and all the vast sums involved
it has had no Teapot Dome!

Now what did the average American businessman want government to do
for him in 1935?
First of all he wanted it in some way—any way on earth it could be done—to put a sudden stop to the spirit of deflation—to end the scramble for gold—for liquidity that was wrecking the prices of goods that nobody wanted—to end the fear of social disturbance that had sapped all confidence to engage in business transactions.

But almost as immediately the businessman wanted more permanent assurances—assurances of a chance for long-time prosperity after he had caught his breath. He needed to feel sure that he would have banks that wouldn't fail and tie up his working capital again, that wouldn't cut off his credit again in panic at the threat of runs. He needed to feel sure that the securities market could provide business with capital without blowing up with his own and his customers' investments. He needed continual increase in the purchasing power of his customers so that he could hope to expand. He needed continual decrease in interest rates, power rates, transportation rates, in the losses from crime—in all his costs and losses except the wages which gave customers their purchasing power—so that he could pay bigger wages and make surer profits. He
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needed protection against a handful of big corporations crowding him to sell out or get out of business. He needed the security that a higher standard of living and social contentment in a nation bring to every property-owner in it—so that the work of years might not be imperilled in a single thoughtless day.

Those needs demanded a double program. We had to get a derailed train back on the track and under the way, and at the same time we had to repair it so that it wouldn't run off the track again. That meant we had to work on many things at once, and to some people our energy looked like confusion. But tonight the many things we did stand in clear perspective.

The first need of business was to stop the deflation—to stop the scramble for money instead of things—to stop the fall of prices and get people buying again.

What did we do about it?

We did the common sense thing. On the one hand we removed pressures that were making people scramble for money; on the other we created incentives and purchasing power to buy goods.
What did we do to stop the scramble for money; the mania for liquidity?

We brought about at once the devaluation of the currency that hoarders were fearing, and speculators were anticipating. We reorganized the banks and insured their deposits. We changed the form of the aid the RFC had been giving banks and insurance companies from loans on collateral which only deferred their difficulties to stock contributions which made the government their partner. The scramble stopped.

What did we do to make people want to buy goods and put up the price of goods? We adopted and advertised in every corner of the nation policies certain to result in higher prices and greater purchasing power—certain therefore to make business want to buy. NRA brought employers together to cooperate to bring about higher wages, and to eliminate cut-throat competition, child labor, wage cutting, hour stretching. Funds available for business were increased through our currency devaluation and changes in banking reserve requirements. Greater purchasing power in the farm population was guaranteed by AAA benefits; greater purchasing power in the cities was guaranteed by our relief program; both programs put money into circulation again to turn over and over and over.
And by all these things we averted threats of social unrest which
themselves had dampened business initiative.

But we had only begun to fight.

To make this new-born recovery keep growing Government released billions
of dollars of purchasing power. Thousands of business men retrieved their
working capital and hundreds of millions of dollars went in circulation when
we liquidated the assets of closed banks through RFC. Hundreds of millions
more went into circulation when we insured private home-building and
refinanced homes through the FHA and HOLC programs; hundreds of millions
more through CCC; a billion more in agricultural aid; four billions more in
PWA loans and grants to enable municipalities to carry on normal improvements,
to stimulate the capital goods industry, to conserve and develop natural
resources; five billions more through the Works Progress Administration which
provided useful work and employment for the workers on relief who could not
be taken care of by PWA and CCC. With few exceptions, these billions were
paid out in small amounts to millions of recipients. The effect on the
volume of business of local small enterprises is self evident, while the
stimulation to business velocity and business recovery is equally plain.
Now the sustained demand for consumer goods is creating its own demand for durable goods, for machinery, and for construction. Financial journals are commenting on the orderly character of recovery, and the resumption of initiative and capital financing by private enterprise.

I shall deal with the criticisms of our relief program at some other point in this campaign. But here I want to point out two things that spending program did for the revival of business.

On the one hand it provided the purchasing power that sustained the beginnings of recovery until private capital and private industry really dared to take hold.

On the other hand it kept the relation of the unemployed to the economic system as nearly normal as possible and prevented the formation of conscious underprivileged groups in the dangerous climate of the times. It made recovery without revolution possible.

From revival of domestic trade we went on to revival of foreign trade. Our reciprocal trade agreements have opened wholesome channels of trade with foreign countries, not for the benefit of a few special interests but for the nation as a whole. And we have used them as instruments not only to gain
for us the good-will of the entire world but to strengthen immeasurably
the forces working for the peace that business and everyone needs.

That's what we have done to restore markets—to create markets for the
man in industry and business.

Now let's look at the other side of the picture.

What have we done to cut his costs?

(1) We have given him a sound securities market. Every business man
knows that the stock market out of control costs business—in losses,
in morale, in customers. Today the Securities Act, the Stock Exchange Act,
the Public Utility Holding Company Act, fought through against terrific
opposition, have restored him, functioning as a trustworth part of our
business system, capital markets that in 1929 looked beyond the revival of
confidence. By their stability business gains immeasurably.

(2) We have given him cheaper money! Definite Government policy—
changes in the banking laws—currency devaluation, government financing, and,
where necessary, the threat of government competition—have forced down
the rates for lending to lighten the burden of debt weighing upon business
enterprise and customer purchasing power alike. Every business man knows
that today the cost of money is substantially lower—the burden of debt substantially lighter—than four years ago. It is easier to get credit. It is easier to pay off. And where the burden of debt has threatened social unrest, as in the case of the farm owner and the home owner, those debts have been directly refunded at lower rates with government money.

(3) We have given him cheaper power! The prime mover of electrical power becomes more and more a fundamental cost in industry. Cheap electric power makes possible the decentralization of industry, the revival of the small town. This Administration has preached and proved the doctrine that higher use and lower rates are more profitable to user and supplier alike.

It has adopted definite policies to make sure that rates come down and it has brought them down. Today not only are electric rates cheaper for industry, the home, and the farm, but power production is higher and utility securities are far more valuable than they were four years ago.

(4) We have given him better and cheaper transportation. We have made loans to railroads to prevent insolvencies, to provide new and faster equipment; we have forced down the rates of interest private bankers charge them;
we have showed them how to make more money with cheaper rates. We have
financed new developments in airlines. We have organized truck transporta-
tion under the Interstate Commerce Commission. We have begun the reorganiza-
tion of the merchant marine under the new Maritime Commission. We have
centralized regulation of communication in the new Communications Commission.

(5) We have given him new protection from the losses due to crime.

The gunman, the bank-robber, the racketeer, the kidnapper—are on the run.

Never in history has any Government carried through such a titanic
program—against the abuse of special interests, misunderstanding, inertia.

I ask men in business and industry tonight, when was there ever done
for you so much to bring you not only temporary but the possibility of per-
manent prosperity.

Is your working capital on deposit in the bank? It's safer than it has
ever been in our history. As I pointed out in Pittsburgh that October marked
the end of the first year in 1925 years without a failure of a national bank
in the United States. Look at these maps and see what that means.
Are your reserves invested in the stock market? Your stocks are up to five and six year highs.

Are you in industry? Industrial earnings, industrial profits are the highest in four, six, or even seven years!

Are you a middleman in the great stream of farm products? The meat and grain that move through your yards and elevators have steadier supply, steadier demand and steadier prices than you have known for years.

Are you in railroads? Freight loadings are steadily going up. Passenger receipts are steadily going up—have in some cases doubled—because a government which the editorial pages tell you knows nothing about business made the railroads cut rates and make money.

Are you a merchant? Your markets have the precious life-blood of purchasing power. Your customers on the farm have better income and smaller debts. Your customers in the cities have more jobs, surer jobs, better jobs. Your government has sense enough to know that purchasing power and national income are the important facts in modern economy and to know how to create and maintain both of them. Liabilities on insolvencies are the lowest in 30 years.
When has the country ever so justifiably felt sure of its business future.

There is no evidence of unsoundness in the present economic situation. Business is improving, interest rates are low, inventories are not high, prices have not risen unduly, the credit structure as a whole is not inflated. Government revenues are increasing. Government expenditures, apart from the bonus, are declining. The only possible danger lies in a too sudden reversal of governmental policy, either by an unwarranted curtailment of Government activity or by a premature reduction in taxes upon those who were the first to profit and who have profited the most from recovery.

What about the cost?

I put it to you business men—used to venture—used to making money by turning over capital. This program has cost the American people $8 billion dollars. Already it has paid an increase in the national income of $10 billion dollars. It has laid foundations for ever increasing business with bigger and bigger markets and lower and lower costs which will increase that income many billions more. The profit is already 25%—and the venture has only begun to pay. Has that been good business for you businessmen? Has that been good business for America?
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Four years ago I came to Chicago to accept the nomination of the Democratic Party for the Presidency of the United States. Chicago was fighting with its back to the wall — its factories closed, its markets demoralized, its ships and its trains empty. And that Chicago was then the mirror of the nation.

Both in agriculture and in industry our depression had gone deeper than in any other democracy that survived. From April 1932 to March 1933 American industrial production was only 53% of what it had been from November 1928 to October 1929. Retail sales had fallen from 49 to 25 billion dollars. Collections were bad, prices were demoralized, credit was almost non-existent.

Today Chicago's factories sing the roaring song of industry, its markets hum with movement, its ships and its trains are running full. Once again it is Chicago as Carl Sandberg saw it "The city of the big-shoulders" — the city that laughs. And once again Chicago mirrors the nation! For with
Chicago laughs these days a whole nation that had not laughed for years.

And yet I feel sorry — for some of your newspaper publishers. For most of their paper they may say what they wish were so. And how they love it! But on their financial pages they have to tell at least a tiny, little bit of what really is so. And how they must hate it! Freedom of the press, property rights — what have they come to! What's the use of owning a newspaper when you can't help telling things you don't want the public to know.

For facts are stubborn things — even more stubborn than rich newspaper publishers — and stubbornly they break through the most artful editing.

If you read the editorial pages you'll gasp — for there are only _______ days to save America! But if you read the financial pages of the same newspaper — and you do — if you use your own eyes and ears and look at your own books instead of at billboards — you feel better because you know that America has already been saved many times those _______ days.

Tonight I want particularly to talk to men and women in business and industry who do use their eyes and ears and who do trust their books.

Why this great difference between 1932 and 1936 in a nation which in both these years had substantially the same physical and human resources?
The billboards say it just happened. But in a complicated modern world recoveries from depressions do not just happen. The proof of that is the history of every modern democracy which has survived this depression. The proof of that is the years from 1929 to 1933 when we waited in vain in this country for recovery to just happen. And in the dangerous currents of these times no government alive to its responsibility for the well-being of 130 million people could dare even to take the chance that recovery might just happen if government did nothing.

We didn't defy the signs of the times and take that chance. We acted. Behind the growing recovery of today is a story of deliberate government assumption of responsibility to help business — to save the American system of private enterprise and economic democracy.

The preceding Administration had not been industrially-minded — nor business-minded — nor agriculturally-minded — nor popular-minded. It was high-finance-minded — manned and controlled by a handful of lords of creation who took their toll from all business and industry through a money power built up over many years — a handful with enough resources to buy in the whole country at bankruptcy prices if it really hit bottom.
Old remedies were failing. New conditions were demanding new remedies to save the industry and business of the United States. But these lords of high finance would not permit new remedies which might establish precedents which would risk the retention of their power. They would not let government give credit directly to the industrialist, the businessman, the homeowner, the farmer. All credit, they insisted, must trickle down from the top through the intricate toll gates which they controlled. They would not let the government reduce interest rates and set a bad example for themselves. They would not let the government undertake supervision over the financial markets in which they arranged their monopolies with other people’s money.

Under their advice a helpless Administration, hypnotized by its indebtedness to them, let the depression drive industry and business straight toward bankruptcy.

For the last four years there has been an Administration at Washington which has had nothing to protect but business itself — the mining and manufacturing, buying and selling, transportation and communication, which together with farming provide the jobs and the security of the American people.

This Administration has been willing to find out what business needs to
have done -- and do it -- in any way that gets the best results, whether that way was an old way, a new way, or a combination of both.

It has gone at its job in the common-sense way a businessman goes at a job. It has changed details and whole plans if they did not work out. It has taken risks and charged off mistakes just as businessmen do and for the same honest reasons, i.e., that in a complicated, changing world no one can try a new venture with a certainty of 100% success.

And in appraising the record, it asks the American people to remember two things. First, this Administration took up its burdens after a previous administration and all the forces of private enterprise had been unable to cope with those burdens. Second, despite all the pressures of speed and complexity and despite all the vast sums involved, it has had no Teapot Dome!

Now what did the average American businessman want government to do for him in 1933?

First of all he wanted it in some way -- any way -- to stop the spirit of deflation and defeat -- to end the mad scramble for liquidity that was wrecking the prices of goods that nobody dared to buy -- to end the fear of social disturbance that smothered business confidence.
But he also wanted the confidence that depends upon a feeling of continued business security.

He needed to feel sure that banks wouldn’t fail and tie up his working capital again, that banks wouldn’t cut off his credit again in panic over runs. He needed to feel sure that the securities market could provide business with capital without blowing up with his own and his customers’ investments.

He needed continued increase in the purchasing power of his customers so that he could hope to grow. He needed continued decrease in interest rates, in power rates, in transportation rates, in losses from crime — in all his costs — so that he could pay higher wages and still make surer profits. He needed protection against big corporations crowding him to sell out or get out of business. He needed the security that a higher standard of living and social contentment bring to every property-owner.

All that meant that we had to work on many things at once. To some people our energetic efforts in many directions looked like confusion. But tonight the many things we did stand in clear perspective.

What did we do to stop deflation?
We did the common-sense thing. We removed pressures that were making people scramble for money. We created incentives and purchasing power to buy goods.

We devalued the dollar at once, stopped hoarding and speculation in gold. The banks were reorganized and their deposits insured. The RFC changed its aid to banks and insurance companies from loans on collateral which only deferred difficulties to stock contributions which made the government their partner. The scramble stopped.

What did we do to make people want to buy goods?

We adopted policies certain to result in greater purchasing power -- certain therefore to make business want to buy. NIRA brought employers together to cooperate to bring about higher wages, to eliminate cut-throat competition, child labor, wage cutting, hour stretching. Funds available for business were increased through our currency devaluation, and changes in banking reserve requirements. Greater purchasing power in the farm population was assured by AAA benefits; greater purchasing power in the cities was assured by increased wages and relief payments; these put money into circulation again to turn over and over and over -- a velocity which businessmen understand.
But we had only begun to fight.

To make this new-born recovery keep growing, the Government released billions of dollars. And keep in mind that with few exceptions, these billions of government purchasing power were paid out in small amounts to literally millions of recipients.

Thousands of businessmen retrieved their frozen working capital and hundreds of millions of dollars went in circulation when the RFC liquidated the assets of closed banks. Hundreds of millions of dollars more went into circulation when the FHA program insured private home-building and the HOLC program refinanced home mortgages; hundreds of millions were spent by the families of boys in the CCC. A billion more of agricultural aid revived the farmers' trade with town and city. FHA loans and grants and WPA activities enabled municipalities to carry on normal improvements, gave back-log orders to heavy industry, provided contracts for tens of thousands of contractors and sub-contractors, put wages first into the pockets of millions of workers and then into the pockets of grocers, clothiers, landlords. The retailer bought from the wholesaler, the wholesaler bought from the factory, the factory bought raw materials, tools and machinery.
Sustained demand for consumer goods is creating its own demand for durable goods, for machinery, and for construction. Financial journals are commenting on the orderly character of recovery, and the resumption of initiative and capital financing by private enterprise.

From revival of domestic trade we went on to revival of foreign trade. Our reciprocal trade agreements have opened wholesome channels of trade with foreign countries, not for the benefit of a few special interests but for the nation as a whole. And we have used them as instruments not only to gain for us the good-will of the entire world but to strengthen immeasurably the forces working for the peace that business and everyone needs.

That's what we have done to restore markets -- to create markets -- for the men in industry and business.

Now let's look at what we have given commerce and industry to help in cutting costs:

(1) Cheaper money! Definite Government policy -- changes in the banking laws -- dollar devaluation -- government financing -- and, where necessary, actual competition -- have forced down interest rates to lighten the burden of debt upon business enterprise and customer purchasing power alike. It is
easier to get credit, it is easier to pay off than it was four years ago.

And where the burden of debt has threatened social unrest, as in the case of
the farm owner and the home owner, those debts have been directly refunded at
lower rates with government money.

(2) Cheaper power! The prime mover of electrical power becomes more
and more a fundamental cost in industry. Cheap electric power makes possible
the decentralization of industry and the revival of the small town. This
Administration has preached and proved that higher use and lower rates are
more profitable to user and supplier alike. Today not only are electric
rates cheaper for industry, the home, and the farm, but power production is
higher and utility securities are far more valuable than they were four years
ago.

(3) A sound securities market! Every business man knows what the stock
market cost of control costs business — in losses, in morale, in customers.
Today the Securities Act and the Stock Exchange Act have restored as a stable,
trustworthy part of our business system, capital markets that in 1933 looked
as if they never could again command confidence.

(4) Better and cheaper transportation! Loans have been made to railroads
to refund obligations, to prevent insolvencies, to pioneer new and faster equipment. Rates of interest charged by private bankers have been forced down. Cheaper passenger rates produce bigger net revenues. The RFC has financed new developments in airlines. The Interstate Commerce Commission has organized truck transportation. The new Communications Commission has centralized regulation of communications. The new Maritime Commission has begun the reorganization of the merchant marine.

(5) We have given him new protection from the losses due to crime.

The gunman, the bank-robber, the racketeer, the kidnapper — who have cost business hundreds of millions — are on the run.

Never in history has any Government carried through such a titanic program.

I ask men in business and industry tonight — "When was there ever done for you so much to bring you not only temporary but the possibility of permanent prosperity."

"When has the country ever so justifiably felt sure of its business future."

Business is improving, interest rates are low, inventories are not
bloated, prices have firm but have not risen unduly, the credit structure
is not inflated. Government revenues are increasing. Government expenditures
are declining. The only possible danger lies in a too sudden reversal of
governmental policy, either by an unwarranted curtailment of Government
activity or by a premature reduction in taxes upon those who were the first
to profit and who have profited the most from recovery.

And the cost?

I put it to you business men -- accustomed to venture -- accustomed to
making money by turning over capital. This program has cost the American
people 8 billion dollars in three years. This year alone it is paying a
return of at least 20 billion dollars in increased yearly national income.
It has laid foundations with bigger and bigger markets and lower and lower
costs which will increase that national income many billions more. Based on
increased national income alone -- the profit is already 100%. And big
dividends on the venture have only begun to come in. Has that been good
business for your businessman? Has that been good business for America?

If two and two are still four, it has been mighty good business.

Of course there are those who say it is bad business. But they are
the same lords of high finance who told the previous administration that it
was bad business to help you unless the help trickled down to you through
them. They are the same lords of creation who practiced inflation in 1929
and preached deflation in 1932, who refused to give you credit themselves
or to let the government give it to you either -- who wanted the government
to let the depression burn out and burn you out with it.

They weren't interested in you in 1929. They weren't interested in you
in 1932. And the piper for whom they call the tune today isn't interested
in you either. Believe arithmetic, believe your own books -- believe your
own intelligence. Don't let billboards sell you a President.

But for whom have we saved -- for whom are we creating -- all this
business and all these opportunities for profit? For a few big corporations --
for a few industrial and financial empires -- or for the American people?

That brings me to the most fundamental problem in American business
life -- the problem of monopoly.

How can we preserve our American ideal of political and economic democracy
against the abuse and the concentration of economic power that has been grow-
ing among us in the last fifty years?
Many years ago the American people thought they had solved that problem when they passed the Sherman anti-trust law. That is still a good law -- a law which both major political parties are pledged to enforce to the hilt. But as every realistic lawyer knows that law has not been enough to break up monopoly. Many years ago when an attempt was made to break up the United States Steel Corporation under the Sherman Act, the Supreme Court gave it an interpretation which robbed it of much of the effectiveness Congress had hoped for, and the best efforts to enforce and supplement it have simply not had results.

Particularly during the twelve years of the preceding Administration, the process of merging out free economic enterprise has proceeded at an extraordinary pace. And during the depression one small corporation after another, its resources exhausted, has fallen into the lap of a bigger competitor.

Approximately half of the corporate wealth of the country had come under the control of some two hundred corporations, themselves tied together by interlocking directors, interlocking bankers and interlocking lawyers. Over three-fourths of the entire operating electric utility industry of the country was divided under the domination of only thirteen large holding company systems,
and three of these systems control 40% of the whole operating industry. The great banks of the country formed affiliated investment corporations, and it was not uncommon to find a director or officer of such a banking institution sitting on the board of directors of a score of giant industrial concerns.

Jefferson has warned us that "widespread poverty and concentrated wealth cannot long endure side by side in a democracy". Webster has warned us that "the freest government, if it could exist, would not long be acceptable, if the tendency of the laws were to create a rapid accumulation of property in few hands and to render the great mass of the population dependent and penniless". I believe in private enterprise and private profit as the backbone of American economic democracy. But, this concentration and these great corporations do not represent private enterprise as we Americans have cherished it. They represent, as I have said elsewhere, private enterprise become too private -- a kind of private socialism, a regimentation of other people's lives. If there is one thing on which the great bulk of business men and of the population of this country agree, it is fear of this growing concentration.

Both parties talk about it. This Democratic Administration has done
something about it.

We have been realists. We have known that the great consolidations and mergers of the present day depend almost entirely upon the use of other people's money in the securities markets and upon the use of the device of the holding company. And since government must have simple and effective ways to cope with these giant corporations and their hundreds of lawyers we have sought simple and effective remedies at the points of easiest application.

We have done four things:

First, we have stepped in to see that the securities markets and our banking machinery can no longer be abused to create and expand these Leviathans. We have passed the new Banking Acts, the Securities Act and the Securities Exchange Act to prevent the excessive use of credit for speculative purposes, to prevent the investor being misled by inadequate or false information, stock manipulations and like deceptions, and to prevent powerful commercial banks through investment affiliates extending their control over American industry.

With these laws the investor will be better able to judge whether mergers and consolidations are being arranged for operating economies or for
promoters' profits. The investor will be able to see if the insiders are getting out when he is invited to get in. Powerful groups will not be able to rig the market to help them put through other mergers, consolidations and phoney stock deals.

Second, we have struck directly at the evil of the holding company. We have thoroughly regulated it in the public utility field by the Public Utility Holding Company Act. And we have struck at it in all fields by a special tax on intercorporate dividends passing between parent and subsidiary companies in a holding company group.

Third, we have deliberately put the burden of proof of its superior efficiency upon the bigger corporation by making it pay bigger taxes in proportion than the smaller corporations. We have graduated our corporation taxes from 8 to 15 per cent like the graduated taxes on individual incomes. We have given special advantages to smaller enterprises in our new corporate surplus law.

Fourth, by that, corporate surplus tax law we have forced out into the hands of individual investors for reinvestment by them in large or small enterprises if they individually choose, large accumulations of capital which,
if left under the control of the corporation managers, would almost inevitably be invested by the management to concentrate further economic power in themselves.

I do not intend to talk in detail about the corporate surplus law tonight. But I do want to point out that it has been designed to be part of the program of the Administration to strike at the increasing concentration of economic power.

The revenue laws previously encouraged the large and wealthy shareholders who control the big corporations to avoid the surtaxes on their individual income by withholding dividend declarations. Under the old law these large shareholders did not have to pay any individual income tax on corporate earnings which were not distributed as dividends and the corporation only had to pay the normal corporate taxes on its earnings whether they were distributed or not. Therefore, it was to the advantage of the large shareholders who controlled the large corporations to have those corporations retain a maximum amount of the profits earned and so to withhold dividends from all shareholders, large and small alike.

The result was that the large corporations accumulated surpluses far beyond
their immediate needs and sought investment outlets for their funds in all sorts of different enterprises bearing no relation to their immediate businesses. In that process large corporations gobbled up more and more businesses and the field of small independent business became more and more restricted.

Under the new tax measure the individuals who control the large corporations will not be able to escape their individual taxes by withholding the earnings of these corporations not only from themselves but from the great mass of shareholders. The distribution of such earnings to the individual investors will enable investors generally to select the new enterprises in which they wish to invest their surplus savings. The course of investment will be directed by the free choice and judgment of many individual investors rather than by a relatively few large corporations. And what is equally important, the course of new enterprise will not be dominated by a few large corporations controlled by a handful of monopolists.

The new tax law gives back to the investors control over their surplus savings and creates conditions which will encourage independent business to remain independent. New business enterprise may be able to finance themselves
without losing their independence. They may be able to find capital without being gobbled up by some monopolistic holding company or so-called investment trust.

The struggle against private monopoly is a struggle for and not against American business. The struggle against the excessive concentration of private economic power over other people's businesses and lives is a struggle to preserve and not to destroy individual enterprise and economic freedom.

I don't say that the Democratic Administration has solved this problem of monopoly, but I do say that it has made a beginning, that it has been realistic and honest, that it has accomplished more in four years than has been accomplished since the American people became concerned with the problem, and that it can be trusted to press forward. In judging what we have done and judging what we may do, I ask the independent American business man not to accept assertions that have been made and that will be made by the monopolists and their high-paid lawyers and public relations counsel that what we do will hurt the investor or will hurt independent business. What we have done and what we will do, has been done and will be done, to free and protect the investor and independent business from a private paternalism, a private socialism, which threatens our economic and political liberty.
Chicago 10/14/36
1st 10th only
A little over four years ago I dropped into this City as a visitor from the sky -- an old friend come in a new way -- to accept the nomination of the Democratic Party for the Presidency of the United States. I came to a Chicago fighting with its back to the wall -- its factories closed, its markets dying, its ships and its trains empty. Today those factories sing the roaring song of industry, those markets hum with movement, those ships and those trains are running full. Once again it is Chicago as Carl Sandberg saw it "The city of the big-shoulders" -- the city that laughs. And with Chicago these days laughs a whole nation that had not laughed for years.

And yet I feel sorry for one thing. I feel sorry for some of your newspaper publishers out here. On their editorial pages they say what they wish were so. And how they love that! On their financial pages they have to tell at least a tiny little bit of what really is so. And how they must hate that! What has freedom of the Press come to! What have property rights come to! What's the use of owning a newspaper when you can't help telling things you don't want the public to know.

For facts are stubborn things -- even more stubborn than rich newspaper
publishers. If you read the editorial pages you'll gasp -- for there are only _____ days to save America! But if you'll read the financial pages of the same newspapers -- if you use your own eyes and ears and powers of observation and look at your own books, you'll feel better because you'll know that America doesn't even need those _____ days.

Tonight I want particularly to talk to businessmen who do use their own eyes and ears and who do trust their own books. And to them I say:

Do you have a deposit in the bank? It's safer than it has ever been in our history. I pointed out in Pittsburgh that October marked the end of the first year in 125 years without a failure of a national bank in the United States. Look at these maps and see what that means.

Are you an investor? Your stocks are up to five and six year highs.

Are you a merchant? Your markets have the precious life-blood of purchasing power. Your customers on the farm have better income and smaller debts. Your customers in the cities have more jobs, surer jobs, better jobs. Your government has sense enough to know that purchasing power and national income are the important facts in modern economy and to know how to create and maintain both of them.
Are you in industry? Industrial earnings, industrial profits are the highest in four, six, or even seven years! Bankruptcies are at a new low.

Are you in railroads? Freight loadings are steadily going up. Passenger receipts are steadily going up -- have in some cases doubled -- because a government which the editorial pages tell you knows nothing about business made the railroads cut rates and make money.

Are you a middleman in the great stream of farm products? The meat and grain that move through your yards and elevators have steadier supply, steadier demand and steadier prices than you have known for years.

Our business life is like a bicycle. It has to keep moving forward or it will fall over. Tonight it is moving forward -- and it gathers speed and stability every day. If it could only be Republican even the editorial pages would be willing to believe that it was real!

Why this great difference between 1932 and 1936 in a nation which had enough physical goods to go around in both years?

Some people say that all this recovery has just happened. But in a complicated modern world recoveries from depressions do not just happen. The years from 1929 to 1933 in this country when we waited for recovery just to
happen, proves that it doesn't just happen; the history of every modern democracy which has survived this depression proves the same thing.

And certainly no government could be alive to its responsibility for the well-being of 130 million people in the dangerous currents of these times and dare even to take the chance that recovery would happen if government did nothing. We didn't defy the signs of the times and take that chance. We acted. Behind the growing recovery of today is a story of deliberate government assumption of responsibility to save business --- to save the American system of private enterprise and economic democracy unequalled by any government in history.

By March 1933, on top of an agricultural depression as severe as any in the world, the United States had reached a point of industrial depression deeper than that reached in any other country. From April 1932 to March 1933 our industrial production was less than 52% of its level from November 1928 to October 1929. What that did to all business you know only too well.

What had the Administration at Washington done all these four years?

Nothing. Why? For a very fundamental reason. That Administration was not industrially-minded --- nor business-minded, nor agriculturally-minded. It was high-finance-minded --- manned and controlled by a handful of lords of high
finance who controlled and by one financial device or another took their toll from all business and industry -- a handful with enough resources to buy in the whole country at the bottom.

Unorthodox times required unorthodox remedies. But the preservation for the future of the channels by which high finance controlled and took its toll from industry and business would have been endangered by any direct support from government to industry and business -- "interference" as they called it.

They refused to permit the establishment of a precedent that government credit should go directly to the industrialists, the businessmen, the home-owner, the farmer, rather than trickling down from the top through the intricate arrangements which they controlled and from which they profited. They refused to permit the establishment of a precedent that interest rates be reduced by the use of government funds and so raise questions as to the rate of interest which they themselves charged. They refused to permit government supervision over the financial markets through which they arranged their monopolies with other people's money.

And in the face of their demands that government must not do anything that they called "unsound", i.e. that might possibly injure their own future profits,
an Administration hypnotized by its indebtedness to them, helplessly let the depression drive industry and business toward bankruptcy.

By contrast there has been an administration at Washington for the last four years that has had nothing to save about business except business itself—that down-to-the-earth manufacturing and mining, buying and selling, transportation and communication, that together with farming gives jobs to and supports the plain people of the United States. That Administration has been willing to do what business needed to have done in the way that got the best results, whether that way was an old way or a new way, an orthodox way or an unorthodox way.

It has changed details and whole plans from time to time if they did not work out as anticipated. It has felt bound to protect nothing except the jobs and the happiness of the people of the United States. It has felt bound by no theory except the necessity of getting results; it has mixed theories, if necessary, in order to get results. It has taken risks and charged off mistakes just as businessmen do and for the same honest reasons, i.e. that in a complicated, changing world the "plans of mice and men gang aft agley" and no one can prophesy how things will turn out.
And in appraising the record, businessmen, I ask you in fairness to re-
member two things. The first is that this Administration took up its burdens
only after both a previous administration and all the forces of private enter-
prise had proved utterly unable to cope with the problems. The second is that
despite all the pressures of speed and complexity and all the vast sums involved
we have had no Teapot Dome.

Now what did the average American businessman want government to do for
him in 1933?

First of all he wanted it in some way -- any way on earth if it could be done --
to put a sudden stop to the spirit of deflation -- to end the mad scramble for
liquidity away from goods and into money -- to end the fear of social disturb-
ance to give confidence to engage in business transactions.

But almost as immediately the businessman wanted assurances of conditions
which would let him feel a chance for long-time prosperity after he had caught
his breath. He needed to feel sure that he would have banks that wouldn’t fail
and tie up his working capital, that wouldn’t cut off his credit in panic at the
threat of runs. He needed to feel sure that the securities market could provide
him with capital without blowing up with his own investments. He needed continual
increase in the purchasing power of his customers so that he could hope to expand. He needed continual decrease in interest rates, power rates, transportation rates — in all his costs except the wages which gave the customers their purchasing power — so that he could pay bigger wages and yet make surer profits. He needed protection against a handful of big corporations crowding him to sell out or get out of business. He needed the security that a higher standard of living and social contentment in a nation bring to every property-owner in it — so that the work of years might not be imperilled in a single reckless day.

Our short-time program and our long-time program necessarily ran into each other. It was like getting a derailed engine back on the track and then repairing it as it ran along. We had to work fast and furiously on many things at once and at times our energy may have looked like confusion to those who trembled afar off. But at this distance things began to take perspective.

What did we do to meet the first need of business — to stop the deflation — to stop the scramble for money instead of things — to stop the fall of prices and get people buying again?

On the one hand we removed pressures that were making people scramble for
money; on the other we created incentives and purchasing power to buy goods.

We brought about at once the devaluation of the currency that hoarders were fearing, and speculators were anticipating. We reorganized the banks and restored confidence in them. We insured their deposits. We changed the form of the aid the RFC had been giving them from loans on collateral which only deferred their difficulties to stock contributions which made the government their partner. The scramble for money stopped.

How about a demand for goods? We adopted and made known in every corner of the nation policies certain to result in higher prices and greater purchasing power -- certain therefore to make business want to buy. NRA brought employers together to cooperate to bring about higher wages, and to eliminate cut-throat competition, child labor, wage cutting, hour stretching. Funds available to business were increased through our currency devaluation and changes in our banking reserve requirements. Greater purchasing power in the farm population was guaranteed by AAA benefits; greater purchasing power in the cities was guaranteed by our relief program; money got into circulation again to turn over and over and over. And by all these things we averted threats of social unrest which were weighing down business initiative.
Everything did not work out as smoothly as we hoped. But it worked out better than any of us expected. You know how your orders began to pick up, how your receivables began to be paid, how you began to pay your own bills, how little by little your banks began to loosen up. The deflation turned around; the enemy began to run. We may have broken old rules; we may have been unorthodox. But we won.
But we had only begun to fight.

To make this new-born recovery keep growing we released billions of dollars of purchasing power. Hundreds of millions of dollars went in circulation when we liquidated the assets of closed banks through RFC; millions more when we insured private home-building and home-financing loans through the Federal Housing program. Hundreds of millions more in PWA loans and grants to enable municipalities to carry on normal improvements, to stimulate the capital goods industry, to conserve and develop natural resources; hundreds of millions more through CCC; billions more through the Works Progress Administration which provided useful work and employment for the workers on relief who could not be taken care of by PWA and CCC.

In all these we got value, in America, for the money.

I shall deal with the criticisms of our relief program at some other point in this campaign. But here I want to point out to business men the two enormous boons that spending program has conferred upon them.

On the one hand it kept the relation of the unemployed to the economic system as nearly normal as possible and prevented the formation of conscious under-privileged groups in the dangerous climate of the times.
It made recovery without revolution possible.

On the other hand it provided the purchasing power that sustained the beginnings of recovery until private capital and private industry really dared to take hold.

We went on from domestic to foreign trade. Our reciprocal trade agreements have opened wholesome channels of trade with foreign countries, not for the benefit of a few special interests but for the nation as a whole. And we have used them as instruments not only to gain for us the good-will of the entire world but to strengthen immeasurably the forces working for the peace that business and everyone needs.

That's what we have done to restore—to create—the business man's markets.

What have we done to cut his costs?

(1) We have given him a sound securities market. Business needs investors. Investors need investments. Both need machinery to bring them together which both can be sure is honest and which both can feel will not blow up in their faces. Every business man knows that one of the greatest sources of business losses has been conditions in the securities markets. Today The Securities Act, the Stock Exchange Act, the Public Utility Holding
Company Act, fought through against terrific opposition, have given borrower and lender alike reason to feel sure of each other. The capital markets that in 1929 looked beyond the revival of confidence are now functioning as a trustworthy part of our business system. Business gains immeasurably by their stability.

(3) We have given him cheaper money! Definite Government policy—Treasury rates, government spending, currency devaluation, and, where necessary, the threat of government competition—have forced down the rates for lending to lighten the burden of debt weighing upon business enterprise and customer purchasing power alike. Every business man knows that today the cost of money is substantially lower—the burden of debt substantially lighter—than four years ago. It is easier to get credit. It is easier to pay off. And where the burden of debt threatened social unrest, as in the case of the farm owner and the home owner, those debts have been directly refunded at lower rates with government money.

(3) We have given him cheaper power! More and more electrical power becomes a fundamental cost in industry. This Administration has preached and proved the doctrine that higher use and lower rates are
more profitable to user and supplier alike. It has adopted definite
policies to make sure that rates come down and it has brought them down.
Today electric rates are cheaper for industry, the home and the farm,
power production is higher, utility securities are far more valuable
than they were four years ago.

(4) We have given him cheaper transportation. We have made
loans to railroads to prevent insolvencies, to provide new and faster
equipment; we have forced down their rates of interest from private bankers;
we have showed the roads how to make more money with cheaper rates.

We have financed new developments in airlines. We have begun the reor-
ganization of the Merchant marine under the new Maritime Commission.

We have centralized regulation of communication in the new Communications
Commission.

(5) We have given him new protection from the losses due to
crime.

Never in history has any Government carried through such a
progress—against the struggling of special interests, misunderstanding,
inertia. I ask business tonight—when was there ever done for you so much
to bring you not temporary but the possibility of permanent prosperity. 

Then has the country ever so justifiably felt sure of its 
business future?

There is no evidence of unsoundness in the present economic 
situation. Business is improving, interest rates are low, inventories are 
not high, prices have not risen unduly, the credit structure as a whole 
is not inflated. Government revenues are increasing. Government expendi-
tures, apart from the bonus, are declining. The only possible danger 
lies in a too sudden reversal of governmental policy, either by an un-
warranted curtailment of Government activity or by a premature reduction 
in taxes upon those who were the first to profit and who have profited 
the most from recovery.

I put it to you business men—used to venture—used to making 
money by turning over capital. This program has cost the American people 
8 billion dollars. Already it has paid an increase in the national 
income of 30 billion dollars. It has laid foundations for ever increasing 
business with bigger and bigger markets and lower and lower costs which 
will increase that income many billions more. The profit is already 
250%—and the venture has only begun to pay. Has that been good business
for you businessmen? Has that been good business for America?

Of course there are those who say it is bad business. But they are the same lords of high finance who told the previous administration that it was bad business to help you unless the help trickled down to you through them. They are the same friends of yours who preached deflation in 1929 and again in 1933, who refused to give you credit themselves and to let the government give it to you either—who wanted the government to let the depression burn out and you burn with it. They weren't interested in you in 1929. They weren't interested in you in 1932. And those for whom they call the tune aren't interested in you now. Believe your own books—believe yourself. Don't let billboards sell you a President [the way they sell you a mouthwash]
All of this except the second "page 8" — (rearrangement of the first)
A little over four years ago I dropped into this City as a visitor from the sky — an old friend come in a new way — to accept the nomination of the Democratic Party for the Presidency of the United States. I came to a Chicago fighting with its back to the wall — its factories closed, its markets dying, its ships and its trains empty. Today those factories sing the roaring song of industry, those markets hum with movement, those ships and those trains are running full. Once again it is Chicago as Carl Sandberg saw it "The city of the big-shoulders" — the city that laughs. And with Chicago these days laughs a whole nation that had not laughed for years.

And yet I feel sorry for one thing. I feel sorry for some of your newspaper publishers out here. On their editorial pages they say what they wish were so. And how they love that! On their financial pages they have to tell at least a tiny little bit of what really is so. And how they must hate that! What has freedom of the Press come to! What have property rights come to! What's the use of owning a newspaper when you can't help telling things you don't want the public to know.

For facts are stubborn things — even more stubborn than rich newspaper
publishers. If you read the editorial pages you'll gasp -- for there are
only ______ days to save America! But if you'll read the financial pages
of the same newspapers -- if you use your own eyes and ears and powers of
observation and look at your own books, you'll feel better because you'll know
that America doesn't even need those ______ days.

Tonight I want particularly to talk to businessmen who do use their own
eyes and ears and who do trust their own books. And to them I say:
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Tonight I want particularly to talk to businessmen who do use their own eyes and ears and who do trust their own books. And to them I say:

Do you have a deposit in the bank? It's safer than it has ever been in our history. I pointed out in Pittsburgh that October marked the end of the first year in 135 years without a failure of a national bank in the United States. Look at these maps and see what that means.

Are you an investor? Your stocks are up to five and six year highs.

Are you a merchant? Your markets have the precious life-blood of purchasing power. Your customers on the farm have better income and smaller debts. Your customers in the cities have more jobs, better jobs, better jobs. Your government has sense enough to know that purchasing power and national income are the important facts in modern economy and to know how to create and maintain both of them.
Are you in industry? Industrial earnings, industrial profits are the highest in four, six, or even seven years! Bankruptcies are at a new low.

Are you in railroads? Freight loadings are steadily going up. Passenger receipts are steadily going up — have in some cases doubled — because a government which the editorial pages tell you knows nothing about business made the railroads cut rates and make money.

Are you a middleman in the great stream of farm products? The meat and grain that move through your yards and elevators have steadier supply, steadier demand and steadier prices than you have known for years.

Our business life is like a bicycle. It has to keep moving forward or it will fall over. Tonight it is moving forward — and it gathers speed and stability every day. If it could only be Republican even the editorial pages would be willing to believe that it was real?

Why this great difference between 1932 and 1933 in a nation which had enough physical goods to go around in both years?

So, people say that all this recovery has just happened. But in a complicated modern world recoveries from depressions do not just happen. The years from 1929 to 1933 in this country when we waited for recovery just to
happen, proves that it doesn't just happen; the history of every modern democracy which has survived this depression proves the same thing.

And certainly no government could be alive to its responsibility for the well-being of 130 million people in the dangerous currents of these times and dare even to take the chance that recovery would happen if government did nothing. We didn't defy the signs of the times and take that chance. We acted. Behind the growing recovery of today is a story of deliberate government assumption of responsibility to save business -- to save the American system of private enterprise and economic democracy unequalled by any government in history.

By March 1933, on top of an agricultural depression as severe as any in the world, the United States had reached a point of industrial depression deeper than that reached in any other country. From April 1932 to March 1933 our industrial production was less than 52% of its level from November 1929 to October 1929. What that did to all business you know only too well.

What had the Administration at Washington done all these four years? Nothing. Why? For a very fundamental reason. That Administration was not industrially-minded -- nor business-minded, nor agriculturally-minded. It was high-finance-minded -- manned and controlled by a handful of lords of high
finance who controlled and by one financial device or another took their toll
from all business and industry -- a handful with enough resources to buy in the
whole country at the bottom.

Unorthodox times required unorthodox remedies. But the preservation for
the future of the channels by which high finance controlled and took its toll
from industry and business would have been endangered by any direct support from
government to industry and business -- "interference" as they called it.

They refused to permit the establishment of a precedent that government
credit should go directly to the industrialists, the businessmen, the home-owner,
the farmer, rather than trickling down from the top through the intricate arrange-
ments which they controlled and from which they profited. They refused to permit
the establishment of a precedent that interest rates be reduced by the use of
government funds and so raise questions as to the rate of interest which they
themselves charged. They refused to permit government supervision over the
financial markets through which they arranged their monopolies with other people's
money.

And in the face of their demands that government must not do anything that
they called "unsound", i.e. that might possibly injure their own future profits,
And in the same advice

an Administration hypnotized by its indebtedness to them, helplessly let the depression drive industry and business toward bankruptcy.

By contrast there has been an administration at Washington for the last four years that has had nothing to save about business except business itself—that down-to-the-earth manufacturing and mining, buying and selling, transportation and communication, that together with farming gives jobs to and supports the plain people of the United States. That Administration has been willing to do what business needed to have done in the way that got the best results, whether that way was an old way or a new way, an orthodox way or an unorthodox way.

It has changed details and whole plans from time to time if they did not work out as anticipated. It has felt bound to protect nothing except the jobs and the happiness of the people of the United States. It has felt bound by no theory except the necessity of getting results; it has mixed theories, if necessary, in order to get results. It has taken risks and charged off mistakes just as businessmen do and for the same honest reasons, i.e. that in a complicated, changing world the "plans of mice and men go astray." and no one can prophesy how things will turn out.
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And in appraising the record, businessmen, I ask you in fairness to remember two things. First is that this Administration took up its burdens only after both a previous administration and all the forces of private enterprise had proved utterly unable to cope with the problems. The second is that despite all the pressures of speed and complexity and all the vast sums involved it has had no precedent.

Now what did the average American businessman want government to do for him in 1933?

First of all he wanted it in some way — any way on earth if could be done — to put a sudden stop to the spirit of deflation — to end the mad scramble for gold. for liquidity that was robbing the people that only degraded the value of money — to end the fear of social disturbance and to give confidence to engage in business transactions.

But almost as immediately the businessman wanted assurances of conditions which would let him feel a chance for long-time prosperity after he had caught his breath. He needed to feel sure that he would have banks that wouldn't fail and that his working capital, that wouldn't cut off his credit in panic at the threat of runs. He needed to feel sure that the securities market could provide him with capital without blowing up with his own investments. He needed continual
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But almost as immediately the businessman wanted assurances of conditions which would let him feel a chance for long-time prosperity after he had caught his breath. He needed to feel sure that he would have banks that wouldn't fail and tie up his working capital, that wouldn't cut off his credit in panic at the threat of runs. He needed to feel sure that the securities market could provide him with capital without blowing up with his own investments. He needed continual
increase in the purchasing power of his customers so that he could hope to expand. He needed continual decrease in interest rates, power rates, transportation rates - in all his costs except the wages which gave the customers their purchasing power - so that he could pay bigger wages and make larger profits. He needed protection against a handful of big corporations crowding him to sell out or get out of business. He needed the security that a higher standard of living and social contentment in a nation bring to every property-owner in it - so that the work of years might not be imperilled in a single reeless day.

Our short-time program and our long-time program necessarily ran into each other. It was like getting a derailed engine back on the track and then repairing it as it ran along. We had to work fast and furiously on many things at once and at times our energy may have looked like confusion to those who stumbled over it. But at this distance things begin to take perspective.

What did we do - meet the first need of business - to stop the deflation - to stop the scramble for money instead of things - to stop the fall of prices and get people buying again?

What did we do? What did we do?

On the one hand we removed pressures that were making people scramble for
increase in the purchasing power of his customers so that he could hope to expand. He needed continual decrease in interest rates, power rates, transport rates— in all his costs except the wages which gave the customers their purchasing power—so that he could pay bigger wages and yet make surer profits. He needed protection against a handful of big corporations crowding him to sell out or get out of business. He needed the security that a higher standard of living and social contentment in a nation bring to every property-owner in it—so that the work of years might not be imperilled in a single reckless day.

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What did we do to meet the first need of business— to stop the deflation— to stop the scramble for money instead of things— to stop the fall of prices and get people buying again?

On the one hand we removed pressures that were making people scramble for
money; on the other we created incentives and purchasing power to buy goods.

We brought about at once the devaluation of the currency that hoarders were fearing, and speculators were anticipating. We reorganized the banks and restored confidence in them. We insured their deposits. We changed the form of the aid the RFC had been giving them from loans on collateral which only deferred their difficulties to stock contributions which made the government their partner. The scramble for money stopped.

How about a demand for goods? We adopted and made known in every corner of the nation policies certain to result in higher prices and greater purchasing power -- certain therefore to make business want to buy. NRA brought employers together to cooperate to bring about higher wages, and to eliminate cut-throat competition, child labor, wage cutting, hour stretching. Funds available to business were increased through our currency devaluation and changes in our banking reserve requirements. Greater purchasing power in the farm population was guaranteed by AAA benefits; greater purchasing power in the cities was guaranteed by our relief program; money got into circulation again to turn ever and over and over. And by all these things we averted threats of social unrest which were weighing down business initiative.
Everything did not work out as smoothly as we hoped. But it worked out better than any of us expected. You know how your orders began to pick up, how your receivables began to be paid, how you began to pay your own bills, how little by little your banks began to loosen up. The deflation turned around; the enemy began to run. We may have broken old rules; we may have been unorthodox. But we won.
What did we do to stop the scramble for money, the mania for liquidity?

We brought about at once the devaluation of the currency that hoarders were fearing, and speculators were anticipating. We reorganized the banks and insured their deposits. We changed the form of the aid the RFC had been giving banks and insurance companies from loans on collateral which only deferred their difficulties to stock contributions which made the government their partner. The scramble stopped.

What did we do to make people want to buy goods and put up the prices of goods? We adopted and advertised in every corner of the nation policies certain to result in higher prices and greater purchasing power—certain therefore to make business want to buy. NRA brought employers together to cooperate to bring about higher wages, and to eliminate cut-throat competition, child labor, wage cutting, hour stretching. Funds available for business were increased through our currency devaluation and changes in banking reserve requirements. Greater purchasing power in the farm population was guaranteed by AAA benefits; greater purchasing power in the cities was guaranteed by our relief program; both programs put money into circulation again to turn over and over and over—velocity which businessmen understand.
And by all these things we averted threats of social unrest which themselves had dampened business initiative.

But we had only begun to fight.

To make this new-born recovery keep growing Government released billions of dollars of purchasing power. Thousands of business men retrieved their working capital and hundreds of millions of dollars went in circulation when we liquidated the assets of closed banks through RFC. Hundreds of millions more went into circulation when we insured private home-building and refinanced homes through the FHA and HOLC programs; hundreds of millions more through CCC; a billion more in agricultural aid; four billions more in PWA loans and grants to enable municipalities to carry on normal improvements, to stimulate the capital goods industry, to conserve and develop natural resources; five billions more through the Works Progress Administration which provided useful work and employment for the workers on relief who could not be taken care of by PWA and CCC. With few exceptions, these billions were paid out in small amounts to millions of recipients. The effect on the volume of business of local small enterprises is self-evident, while the stimulation to business velocity and business recovery is equally plain.
Many large industries cannot go forward to the creditably mature new height of production without substantial retrenching and new equipment. Now the sustained demand for consumer goods is creating its own demand for durable goods, for machinery, and for construction. Financial journals are commenting on the orderly character of recovery, and the resumption of initiative and capital financing by private enterprise.

I shall deal with the criticisms of our relief program at some other point in this campaign. But here I want to point out two things that spending program did for the revival of business.

On the one hand it provided the purchasing power that sustained the beginnings of recovery until private capital and private industry really dared to take hold.

On the other hand it kept the relation of the unemployed to the economic system as nearly normal as possible and prevented the formation of conscious underprivileged groups in the dangerous climate of the times. (It made recovery without revolution possible.)

Revival of foreign trade follows revival of domestic trade. From revival of domestic trade we went on to revival of foreign trade, and our gold understanding with France + Eng. Our reciprocal trade agreements have opened wholesome channels of trade with foreign countries, not for the benefit of a few special interests but for the nation as a whole. And we have used them as instruments not only to gain
for us the good-will of the entire world but to strengthen immeasurably
the forces working for the peace that business and everyone needs.

That's what we have done to restore markets—to create markets for the
man in industry and business.

Now let's look at the other side of the picture.

What have we done to cut his costs?

(1) We have given him a sound securities market. Every business man
knows that what the stock market out of control costs business—in losses,
in morale, in customers. Today the Securities Act, the Stock Exchange Act,
the Public Utility Holding Company Act, fought through against terrific
opposition, have restored it, functioning as a trustworth part of our
business system, capital markets that in 1929 looked beyond the revival of
confidence. By their stability business gains immeasurably.

(2) We have given him cheaper money! Definite Government policy—
changes in the banking laws—currency devaluation, government financing, and,
where necessary, the threat of government competition—have forced down
the rates for lending to lighten the burden of debt weighing upon business
enterprise and customer purchasing power alike. Every business man knows
that today the cost of money is substantially lower—the burden of debt substantially lighter—than four years ago. It is easier to get credit, because profitability has returned. It is easier to pay off. And where the burden of debt has threatened social unrest, as in the case of the farm owner and the home owner, those debts have been directly refunded at lower rates with government money.

(3) We have given him cheaper power! The prime mover of electrical power becomes more and more a fundamental cost in industry. Cheap electric power makes possible the decentralization of industry, the revival of the small town. This Administration has preached and proved the doctrine that higher use and lower rates are more profitable to user and supplier alike. It has adopted definite policies to make sure that rates come down, and it has brought them down. Today not only are electric rates cheaper for industry, the home, and the farm, but power production is higher and utility securities are far more valuable than they were four years ago.

(4) We have given him better and cheaper transportation. We have made loans to railroads to prevent insolvencies, to provide new and faster equipment; we have forced down the rates of interest private bankers charge them;
we have showed them how to make more money with cheaper rates. We have
financed new developments in airlines. We have organized truck transporta-
tion under the Interstate Commerce Commission. We have begun the reorganiza-
tion of the merchant marine under the new Maritime Commission. We have
centralized regulation of communication in the new Communications Commission.

(5) We have given him new protection from the losses due to crime.
The gunman, the bank-robber, the racketeer, the kidnapper—are on the run.

Never in history has any Government carried through such a titanic
program—against the abuse of special interests, misunderstanding, inertia.

I ask men in business and industry tonight, when was there ever done
for you so much to bring you not only temporary but the possibility of per-
manent prosperity.

Is your working capital on deposit in the bank? It's safer than it has
ever been in our history. As I pointed out in Pittsburgh that October marked
the end of the first year in 1925 years without a failure of a national bank
in the United States. Look at these maps and see what what means.
Are your reserves invested in the stock market? Your stocks are up to five and six year highs.

Are you in industry? Industrial earnings, industrial profits are the highest in four, six, or even seven years!

Are you a middleman in the great stream of farm products? The meat and grain that move through your yards and elevators have steadier supply, steadier demand and steadier prices than you have known for years.

Are you in railroads? Freight loadings are steadily going up. Passenger receipts are steadily going up—have in some cases doubled—because a government which the editorial pages tell you knows nothing about business made the railroads cut rates and make money.

Are you a merchant? Your markets have the precious life-blood of purchasing power. Your customers on the farm have better income and smaller debts. Your customers in the cities have more jobs, surer jobs, better jobs. Your government has sense enough to know that purchasing power and national income are the important facts in modern economy, and to know how to create and maintain both of them. Liabilities on insolvencies are the lowest in 50 years.
When has the country ever so justifiably felt sure of its business future. Liabilities of concerns failing in June were the lowest in thirty years.

There is no evidence of unsoundness in the present economic situation. Business is improving, interest rates are low, inventories are not high, prices have not risen unduly, the credit structure as a whole is not inflated. Government revenues are increasing. Government expenditures apart from the are declining. The only possible danger lies in a too sudden reversal of governmental policy, either by an unwarranted curtailment of Government activity or by a premature reduction in taxes upon those who were the first to profit and who have profited the most from recovery.

What about the cost?

I put it to you business men—used to venture—used to making money by turning over capital. This program has cost the American people 8 billion dollars. This year it will pay an increase in the national income of at least 30 billion dollars. It has laid foundations for ever increasing business with bigger and bigger markets and lower and lower costs which will increase that income many billions more. The profit is already 150%—and the venture has only begun to pay. Has that been good business for you businessmen? Has that been good business for America?

You ain't seen nothin' yet!
Of course there are those who say it is bad business. But they are the same lords of high finance who told the previous administration that it was bad business to help you unless the help trickled down to you through them. They are the same friends of yours who preached deflation in 1929 and again in 1932, who refused to give you credit themselves and to let the government give it to you either—who wanted the government to let the depression burn out and you with it.

They weren't interested in you in 1929. They weren't interested in you in 1932. And the papers for whom they call the tune aren't interested in you now.

Believe arithmetic, believe your own books—believe your own intelligence. Don't let billboards sell you a President [the way they sell you a mouthwash]
One of the earlier drafts of Chicago speech 1936.

Campaign in Business.

FR's corrections and also SDR

This City as a visitor from accept the nomination of the States. I come to a Chicago as close, the markets store.

Stories sing the roaring song of ships and trains.

Sandelberg saw it "The city of with Chicago these days"

I'm afraid they say that they rich financial pages they have to tell and how they must hate that property rights come to

What's the use of owning a newspaper when you can't help telling things you can't want the public to know.

For facts are stubborn things, as even more stubborn than rich newspaper
A little over four years ago I dropped into this City as a visitor from the sky — an old friend come in a new day — to accept the nomination of the Democratic Party for the Presidency of the United States. I came to Chicago fighting with its back to the wall — factories closed, markets empty, ships and trains empty. Today those factories sing the roaring song of industry, those markets hum with movement, those ships and trains are running full. Once again it is Chicago as Carl Sandburg says it "The city of the big-shoulders" — the city that smiles. And with Chicago these days came a whole nation that had not been chagrined for years.

And yet I feel sorry for one thing: I feel sorry for some of your newspaper publishers out here. On their editorial pages they say that they rich were so. And how they love that. On their financial pages they have to tell at least a tiny little bit of what really is so. And how they must hate that! What has freedom of the press come to? That have property rights come to? That's the use of owning a newspaper when you can't help telling things you don't want the public to know.

For facts are stubborn things, even more stubborn than rich newspaper
publishers. If you read the editorial pages you'll gasp — for there are only ____ days to save America! But if you'll read the financial pages of the same newspapers — if you use your own eyes and ears and powers of observation and look at your own books, you'll feel better because you'll know that America doesn't even need those ____ days.

Tonight I want particularly to talk to businessmen who do use their own eyes and ears and who do trust their own books. And to them I say:

Do you have a deposit in the bank? It's safer than it has ever been in our history. I pointed out in Pittsburgh in October, marked the end of the first year in 65 years without a failure of a national bank in the United States. Don't trust on the roofs of the government and bonds.

Are you an investor? Your stocks are up to five and six year highs. And to the man who even has a glimpse of the future,

Are you a merchant? Your customers have the precious life-blood of purchasing power. Your customers on the farm have better income and smaller debts.

Your customers in the cities have more jobs, better jobs. The government has done enough to know that purchasing power and national income are the important facts in modern economy and to know how to create and maintain both of them.
Are you in industry? Industrial earnings, industrial profits are the
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Our business life is like a bicycle. It has to keep moving forward, or it
will fall over. Tonight it is moving forward and gathers speed and
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would be willing to believe that it was rebuilt.

Why this great difference between 1933 and 1936 in a nation which had
enough physical goods to go around in both years?

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pliated modern world recoveries from depressions do not just happen. The
years from 1929 to 1933 in this country then we waited for recovery just to
happen, proves that a depression just happens; the history of every modern depression which has occurred this depression proves the same thing.

And certainly no government could be alive to its responsibility for the well-being of 150 million people in the dangerous currents of these times and dare even to take the chance that recovery would happen if government did nothing. We didn't defy the signs of the times and take that chance. We acted. Behind the growing recovery of today is a story of deliberate government assumption of responsibility to save business — to save the American system of private enterprise and economic democracy, unequalled by any government in history.

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one can prophesy how things will turn out.
This time PPF 1820 campaign of 1936
What we have done for business and what have we done against business? Again let us analyze. And, as I said in my farm speech - let us boil it down to the things that the public ought to know in simple terms.

1. The problem - the double barreled problem - the right barrel of the gun was intended to stimulate business and lift it out of the downward spiral (use some other expression); start it on the up-grade. What did that involve? It involved the complete revamping of the Reconstruction Finance Corporation which loans to various kinds of businesses - direct loans.

2. The revamping of the banks in order that the banks would be in a sound position to make loans to business.

3. Stop the constant drain on the solvency of individuals. Stop the loss of homes and farms. That meant that the individual could devote some of his income to making purchases instead of paying 8% and 10% on his mortgage.

4. To restore agricultural prices and all I have to do in Chicago is to refer you to the curve of retail sales all through the Nation, not only those sales in big industrial business and big cities but sales in the great farming areas of the Middle West, the far West, the South and even the Eastern farms who, up until the spring of 1933, had been reduced to a point where they could purchase practically no processed goods. (Figures in here to show it.)
5. The gallant and successful effort of NRA to get businessmen to know each other -- to sit around the table, etc.

6. The financial policy of the United States Treasury which successfully sought to restore the value of the dollar to what it had been ten years before, and through this policy the protection of our gold and silver bullion reserve; the removal of control of the Treasury from New York City to Washington, D. C.

7. Finally, the initiation of the new policy of building up world trade, bit by bit, through reciprocal trade agreements.

(Federal Housing Administration - Public Works Administration, Resettlement Administration, Work Relief - Social Security Board (? -- all Government spending agencies)

8. Lowering the interest rate which enabled municipalities and cities to get themselves back in the black and carry on needed civic improvements -- a money policy that kept the interest rate low for private borrowing and private initiative.

These were the effective shots fired in the area which we gave business in order to pull itself out of a quagmire from which it could not free by its own efforts.

Now we come down to the left barrel. We sought in 1933 the causes which led to the inflation, the expansion and the crash of 1929 -- in other words, the unsound practices which carried business too far for the national good and resulted inevitably in decline which could not be stopped by business alone.
We listed the causes and having listed them we applied the remedies.

1. Within industry itself the failure of all efforts to maintain a standard of fair ethics by reason of the failure of a percentage, generally a small one, to live up to the standards demanded. Witness, for instance, the financial difficulty that a fair practice mill had in meeting the competition of a mill which employed children or paid its operatives three and four dollars a week for their work.

2. The Securities Exchange Commission (a) Stock Exchange Control and (b) Security Issuance Control.

3. The abuse of the utilities and the Utilities Act.

4. The railroad labor and Coordination legislation (?

5. The Federal Communications Commission which for all communication is intended to do the same thing as the I.O.O. has been doing for years for the railroads - central, judicial and administrative.

6. Recently passed shipping act -- to end abuse.

7. Stopping kidnapping, bank robberies - Wagner Labor Act, Coal Bill.

8. Ending the abuse of high interest rates.

PART III

Future of business -- large aggregations of capital are not necessary in the opinion of businessmen for the proper conduct of business.

Are you going to leave the further elimination of these abuses in the hands of people who allowed it to grow up and go on, and who are still in command in the other camp,
or are you going to leave it in the hands of people who have accomplished something and who expect to carry the thing through?

As vacancies occur and terms end, do you want to put in as appointees people who will think in terms of the interested vested interests instead of the people of the United States?
Mr. Kanneg.
Is this O.K. for
more oysters - 30c
Four years ago I dropped into this city from the airways -- an old friend in a new way -- to accept in this hall the nomination for the Presidency of the United States. I came to Chicago fighting with its back to the wall -- factories closed, markets silent, banks shaky, ships and trains empty. Today those factories sing the song of industry -- markets hum with bustling movement, banks are secure; ships and trains are running full. Once again it is Chicago to-night. Senator, saw "The Big Structure." The city that smiled with Chicago a whole nation that had not been cheerful for years is full of cheer once more.

On this trip through the Nation I have talked to farmers, I have talked to miners, I have talked to industrial workers -- and in all that I have seen and heard one fact has been as clear as crystal -- that they are part and parcel of a rounded whole, and that none of them can succeed in their chosen occupations if those in the other occupations fail in their prosperity. I have driven home that point.

Tonight I give the same message to the businessmen of America -- to those who make and sell the processed goods the Nation uses and to the men and women who work for them.

To them I say:

Do you have a deposit in the bank? It is safer today than it has ever been in our history. It is guaranteed. Last October 1 first marked the end of the first full year in 55 years without a single failure of a national bank in the United States. Isn't that on the credit side of the government's account with you?

Are you an investor? Your stocks and bonds are up to five and six year high levels.

Are you a merchant? Your markets have the precious life-blood of purchasing power. Your customers on the farms have better incomes and smaller debts. Your customers in the cities have more jobs, better jobs. Didn't your government have something to do with that?

Are you in industry? Industrial earnings, industrial profits are the highest in four, six, or even seven years. Bankruptcies are at a new low. Your government takes some credit for that.

Are you in railroads? Freight loadings are steadily going up. Passenger receipts are steadily going up. Have in some cases doubled because your government made the railroads cut rates and make money.

Are you a middleman in the great stream of farm products? The meat and grain that move through your yards and elevators have a steadier supply, a steadier demand and steadier prices than you have known for years. And your government is trying to keep it that way.
Some people say that all this recovery has just happened. But in a complicated modern world recoveries from depressions do not just happen. The years from 1929 to 1933 when we waited for recovery just to happen proves the point.

But in 1933 we did not wait. We acted. Behind the growing recovery of today is a story of deliberate government acceptance of responsibility to save business -- to save the American system of private enterprise and economic democracy -- a record unequalled by any government in history.

What had the previous administration in Washington done for four years? Nothing. Why? For a very fundamental reason: That Administration was not industrially-minded -- nor agriculturally-minded -- nor business-minded. It was not man-manned and carried by a handful of men who in turn controlled, and by one financial device or another took their toll from the greater part of all other business and industry.

Let me make one simple statement. When I refer to high finance I am not talking about all great bankers, or all great corporation executives, or all multi-millionaires -- any more than Theodore Roosevelt, when using the term "malfactors of great wealth", implied that all men of great wealth were "malfactors." I do not even imply that the majority of them are bad citizens. The opposite is true.

Just in the same way, the overwhelming majority of businessmen in this country are good citizens and the proportion of those who are not is probably about the same proportion as in the other occupations and professions of life.

When I speak of high finance as a harmful factor in recent years, I am speaking about a minority which includes the type of individual who speculate with other people's money -- and you in Chicago know the kind I refer to -- and also the type of individual who says that popular government cannot be trusted and, therefore, that the control of business of all kinds -- and, indeed, of Government itself -- should be vested in the hands of one hundred or two hundred all-wise individuals controlling the purse-strings of the Nation.

High finance of this type refused to permit government credit to go directly to the Industrialist, to the businessman, to the homemaker, to the farmer. They wanted it to trickle down from the top, through the intricate arrangements which they controlled and by which they were able to levy tribute on every business in the land.

They did not want interest rates to be reduced by the use of government funds -- for that would affect the rate of interest which they themselves wanted to charge. They did not want government supervision over financial markets through which they manipulated their monopolies with other people's money.

And in the face of their demands that government do nothing that they called "unsound", the government, hypnotized by its indebtedness to them, stood by and let the depression drive industry and business toward bankruptcy.

America is an economic unit. New means and methods of transportation and communications have made us economically as well as politically a single nation. Because kidnappers and bank robbers could in a high powered car speed across state lines it became necessary, in order to protect our people, to invoke the power of the Federal Government.
In the same way, speculators and manipulators from a cross state lines (and regardless of state laws, have lured the unsuspecting and the unwary to financial destruction. In the same way across state lines, there have been built up intricate corporate structures, piling bond upon stock and stock upon bond — huge monopolies which were stifling independent business and private enterprise.

There was no power under Heaven that could protect the people against that sort of thing except a people's government at Washington. All that this Administration has done, all that it proposes to do — and this it does propose to do — is to use every power and authority of the Federal Government to protect the commerce of America from the selfish Government which ruined it.

Always, month in and month out, during these three and a half years, your Government has had but one sign on its desk — "Seek only the greater number of the great works the record," and in appraising the record, remember two things. First, this Administration was called to act after a previous Administration and all the combined forces of private enterprise had failed. Secondly, in spite of all the demands for speed, the complexity of the problem and all the vast sums of money involved, we have had no Teapot Dome.

We found when we came to Washington in 1933, that the business and industry of the Nation were like a train which had gone off the rails into a ditch. Our first job was to get it out of the ditch and start it up the track again as far as the shops. Our next job was to repair it — the broken axles which had gotten it off the road, the engine which had been worn down by gross misuse.

What was it that the average businessman wanted Government to do for him — to do immediately in 1933?

1. Stop deflation and falling prices — and we did it.

2. Increase the purchasing power of his customers who were industrial workers in the cities — and we did it.

3. Increase the purchasing power of his customers on the farms — and we did it.

4. Decrease interest rates, power rates and transportation rates — and we did it.

5. Protect him from the losses due to crime, bank robbers, kidnappers, blackmailers — and we did it.

How did we do it? By a sound monetary policy which raised prices, "by reorganizing the banks of the Nation and insuring their deposits, by bringing the businessmen of the Nation together and encouraging them to pay higher wages, to shorten working hours, and to discourage that minority among their own members who were engaging in unfair competition and unethical practices.

Through the AAA, through our cattle buying program, through our program of drought relief and flood relief, through the Farm Credit Administration, we raised the income of the customers of business who lived on the farms. By our program to provide work for the unemployed, by our CCC camps, and other measures, greater purchasing power was given to those who lived in our cities.
Money began going round again. The dollars paid out by government were spent in the stores and shops of the Nation; and spent again to the wholesaler; and spent again to the factory; and spent again to the wage earner; and then spent again in another store and shop. The wheels of business began to turn again; the train was back on the rails.

"Wirt you, Mr. did not get out of the ditch itself, it was hauled out by the Government.

And we hauled it along the road. FWA, WPA, both provided normal and useful employment for hundreds of thousands of workers. Hundreds of millions of dollars got into circulation when we liquidated the assets of closed banks through the Reconstruction Finance Corporation. Millions more when we loaned money for home building and home financing through the Federal Housing program. Hundreds of millions more in loans and grants to enable municipalities to build needed improvements. Hundreds of millions more through the CCC.

I am not going to talk tonight about how much our program to provide work for the unemployed meant to the Nation as a whole. That cannot be measured in dollars and cents. It can be measured only in terms of the preservation of the families of America.

But so far as business goes, it can be measured in terms of sales made and goods moving.

The train of American business is moving ahead.

But you people know what I mean when I say it was clear that if the train is to run smoothly again the cars will have to be loaded more evenly. We have made a definite start in getting the train loaded more evenly, in order that axles may not break again.

For example, we have provided a sounder and cheaper money market and a sound banking and securities system. You business men know how much legitimate business you lost because your customers were robbed by fake securities or impoverished by a hanky banks.

By our monetary policy we have kept prices up and lightened the burden of debt. It is easier to get credit. It is easier to repay.

We have encouraged cheaper power for the small factory owner to lower his cost of production.

We have given the business man cheaper transportation rates.

But above all, we have fought to break the deadly grip which monopoly had in the past been able to fasten on the business of the nation.

Because we cherish our system of private property and free enterprise and were determined to preserve it as the foundation of our traditional American system, we recalled the warning of Thomas Jefferson that "widespread poverty and concentrated wealth cannot long endure side by side in a democracy."
Our job was to preserve the American ideal of economic as well as political democracy, against the abuse of concentration of economic power that had been insidiously growing up among us in the last fifty years, particularly during the twelve years of preceding Administrations. Free economic enterprise was being weeded out at an alarming pace.

During those years of false prosperity and during the more recent years of exhausting depression, one business after another, one small corporation after another, their resources depleted, had failed or had fallen into the lap of a bigger competitor.

A dangerous thing was happening. Half of the industrial corporate wealth of the country had come under the control of less than two hundred huge corporations. That is not all. These huge corporations in some cases did not even try to compete with each other. They themselves were tied together by interlocking directors, interlocking bankers, interlocking lawyers.

This concentration of wealth and power has been built upon other people’s money, other people’s business, other people’s labor. Under this concentration of independent business was allowed to exist only by sufferance. It has been a menace to the social system as well as the economic system which we call American Democracy.

There is no excuse for it in the cold terms of industrial efficiency.

There is no excuse for it from the point of view of the average investor.

There is no excuse for it from the point of view of the independent businessman.

I believe, I have always believed, and I will always believe in private enterprise as the backbone of economic well-being in America.

But I know, and you know, and every independent business man who has had to struggle against the competition of monoplies knows, that this concentration of economic power in all-embracing corporations does not represent private enterprise as we Americans cherish it and propose to foster it. On the contrary, it represents private enterprise become a kind of private government which is a power unto itself—a regimentation of other people’s money and other people’s lives.

Back in Kansas I spoke about bogey-men and fairy tales which the real Republican leaders, many of whom are part of this concentrated power, are using to spread fear among the American people.

You good people have heard about these fairy tales and bogey-men too. You have heard about how antagonistic to business this Administration is said to be. You have heard a lot about the dangers which the business of America is supposed to be facing if this Administration continues.

The record to that is the record of what we have done. It was this Administration which saved the system of private profit and free enterprise after it had been dragged to the brink of ruin by these same leaders who now try to scare you.
Look at the advance in private business in the last three and a half years; and read there what we think about private business.

Today for the first time in seven years the banker, the storekeeper, the small factory owner, the industrialist, can all sit back and enjoy the company of their ledgers. They are in the black. That is where we want them to be; that is where our policies aim them to be; that is where we intend them to be in the future.

Some of these people really forget how sick they were. But I know how sick they were. I have their fever charts. I know how the knees of all of our rugged individualists were trembling four years ago and how their hearts fluttered. They came to Washington in great numbers. Washington did not look like a dangerous bureaucracy to them then. No, it looked like an emergency hospital. All of these distinguished patients wanted two things: a quick hypodermic to end the pain and a course of treatment to cure the disease. We gave them both. And now most of the patients seem to be doing very nicely. Some of them are even well enough to throw their crutches at the doctor.

The struggle against private monopoly is a struggle for, and not against, American business. It is a struggle to preserve individual enterprise and economic freedom.

I believe in individualism. I believe in it in the arts, the sciences and professions. I believe in it in business. I believe in individualism in all of these things up to the point where the individualist starts to operate at the expense of society. American business men do not believe in it beyond that point. We have all suffered in the past from individualism run wild; society has suffered and business has suffered.

Believing in the solvency of business, the solvency of farmers and the solvency of workers, I believe also in the solvency of Government. Your Government is solvent.

The net Federal debt today is lower in proportion to the income of the Nation and in proportion to the wealth of the Nation than it was on March 4, 1935.

In the future it will become lower still because with the rising tide of national income and national wealth, the very causes of our emergency spending are disappearing. Government expenditures are coming down and government income is going up. The opportunities for private enterprise will continue to expand.

The people of America have no quarrel with business. They insist only that the power of concentrated wealth shall not be abused.

We have come through a hard struggle to preserve democracy in America. Where other nations in other parts of the world have lost that fight, we have won.

The businessmen of America and all other citizens have joined in a firm resolve to hold the fruits of that victory -- to cling to the old ideals and old fundamentals upon which America has grown.

* * * * *
Four years ago I dropped into this city from the airways -- an old friend come in a new way -- to accept in this hall the nomination for the Presidency of the United States. I came to Chicago fighting with its back to the wall -- factories closed, markets silent, banks shaky, ships and trains running empty. Today those factories ring the song of industry -- markets hum with bustling movement, banks are secure; ships and trains are running full. Once again it is Chicago as Carl Sandberg saw it -- "The city of the big shoulders" the city that smiles. And with Chicago a whole nation that had not been cheerful for years is full of cheer once more.

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Always, month in and month out, during these three and a half years, your Government has had but one sign on its desk -- "Seek only the greater good of the greater number of Americans." And in appraising the record, remember two things. First, this Administration was called upon to act after a previous Administration and all the combined forces of private enterprise had failed. Secondly, in spite of all the demand for speed, the complexity of the problem and all the vast sums of money involved, we have had no Teapot Dome.

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We have come through a hard struggle to preserve democracy in America. Where other nations in other parts of the world have lost that right, we have won.

The businessmen of America and all other citizens have joined in a firm resolve to hold the fruits of that victory -- to cling to the old ideals and old fundamentals upon which America has grown great.
Money began going round again. The dollars paid out by government were spent in the stores and shops of the Nation; and spent again to the wholesaler; and spent again to the factory; and spent again to the wage earner; and then spent again in another store and shop. The wheels of business began to turn again; the train was back on the rails.

Mint you, it did not get out of the ditch itself, it was hauled out by your Government.

And we hauled it along the road. PWA, WPA, both provided normal and use full employment for hundreds of thousands of workers. Hundreds of millions of dollars got into circulation when we liquidated the assets of closed banks through the Reconstruction Finance Corporation. Millions more when we loaned money for home building and home financing through the Federal Housing program. Hundreds of millions more in loans and grants to enable municipalities to build needed improvements. Hundreds of millions more through the CCC.

I am not going to talk tonight about how much our program to provide work for the unemployed meant to the Nation as a whole. That cannot be measured in dollars and cents. It can be measured only in terms of the preservation of the families of America.

But so far as business goes, it can be measured in terms of sales made and goods moving.

The train of American business is moving ahead.

But you people know what I mean when I say it was clear that if the train is to run smoothly again the cars will have to be loaded more evenly. We have made a definite start in getting the train loaded more evenly, in order that axles may not break again.

For example, we have provided a sounder and cheaper money market and a sound banking and securities system. You business men know how much legitimate business you lost because your customers were robbed by fake securities or impoverished by a shaky banks.

By our monetary policy we have kept prices up and lightened the burden of debt. It is easier to get credit, it is easier to repay.

We have encouraged cheaper power for the small factory owner to lower his cost of production.

We have given the business man cheaper transportation rates.

But above all, we have fought to break the deadly grip which monopoly has in the past been able to fasten on the business of the nation.

Because we cherished our system of private property and free enterprise and were determined to preserve it as the foundation of our traditional American system, we recalled the warning of Thomas Jefferson that "widespread poverty and concentrated wealth cannot long endure side by side in a democracy."
Our job was to preserve the American ideal of economic as well as political democracy, against the abuse of concentration of economic power that had been insidiously growing up among us in the last fifty years, particularly during the twelve years of preceding Administrations. Free economic enterprise was being weeded out at an alarming pace.

During those years of false prosperity and during the more recent years of exhausting depression, one business after another, one small corporation after another, their resources depleted, had failed or had fallen into the lap of a bigger competitor.

A dangerous thing was happening. Half of the industrial corporate wealth of the country had come under the control of less than two hundred huge corporations. That is not all. These huge corporations in some cases did not even try to compete with each other. They themselves were tied together by interlocking directors, interlocking bankers, interlocking lawyers.

This concentration of wealth and power has been built upon other people's money, other people's business, other people's labor. Under this concentration independent business was allowed to exist only by sufferance. It has been a menace to the social system as well as to the economic system which we call American Democracy.

There is no excuse for it in the cold terms of industrial efficiency.

There is no excuse for it from the point of view of the average investor.

There is no excuse for it from the point of view of the independent businessman.

I believe, I have always believed, and I will always believe in private enterprise as the backbone of economic well-being in America.

But I know, and you know, and every independent business man who has had to struggle against the competition of monopolies knows, that this concentration of economic power in all-embracing corporations does not represent private enterprise as we Americans cherish it and propose to foster it. On the contrary, it represents private enterprise become a kind of private government which is a power unto itself — a regimentation of other people's money and other people's lives.

Back in Kansas I spoke about bogey-men and fairy tales which the real Republican leaders, many of whom are part of this concentrated power, are using to spread fear among the American people.

You good people have heard about these fairy tales and bogey-men too. You have heard about how antagonistic to business this Administration is said to be. You have heard a lit about the dangers which the business of America is supposed to be facing if this Administration continues.

The answer to that is the record of what we have done. It was this Administration which saved the system of private profit and free enterprise after it had been dragged to the brink of ruin by these same leaders who now try to scare you.
Look at the advance in private business in the last three and a half years; and read there what we think about private business.

Today for the first time in seven years the banker, the storekeeper, the small factory owner, the industrialist, can all sit back and enjoy the company of their ledgers. They are in the black. That is where we want them to be; that is where our policies aim them to be; that is where we intend them to be in the future.

Some of these people really forget how sick they were. But I know how sick they were. I have their fever charts. I know how the knees of all of our rugged individualists were trembling four years ago and how their hearts fluttered. They came to Washington in great numbers. Washington did not look like a dangerous bureaucracy to them then. Oh no, it looked like an emergency hospital. All of the distinguished patients wanted two things -- a quick hypodermic to end the pain and a course of treatment to cure the disease. We gave them both. And now most of the patients seem to be doing very nicely. Some of them are even well enough to throw their crutches at the doctor.

The struggle against private monopoly is a struggle for, and not against, American business. It is a struggle to preserve individual enterprise and economic freedom.

I believe in individualism. I believe in it in the arts, the sciences and professions. I believe in it in business. I believe in individualism in all of these things -- up to the point where the individualist starts to operate at the expense of society. American business men do not believe in it beyond that point. We have all suffered in the past from individualism run wild -- society has suffered and business has suffered.

Believing in the solvency of business, the solvency of farmers and the solvency of workers, I believe also in the solvency of Government. Your Government is solvent.

The net Federal debt today is lower in proportion to the income of the Nation and in proportion to the wealth of the Nation than it was on March 4, 1933.

In the future it will become lower still because with the rising tide of national income and national wealth, the very causes of our emergency spending are disappearing, Government expenditures are coming down and Government income is going up. The opportunities for private enterprise will continue to expand.

The people of America have no quarrel with business. They insist only that the power of concentrated wealth shall not be abused.

We have come through a hard struggle to preserve democracy in America. Where other nations in other parts of the world have lost that fight, we have won.

The businessmen of America and all other citizens have joined in a firm resolve to hold the fruits of that victory -- to cling to the old ideals and old fundamentals upon which America has grown great.

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