

October 21, 1936

[Providence, R.I.]

FDR Speech File

- 0987

READING COPY

SPEECH OF THE PRESIDENT
PROVIDENCE, RHODE ISLAND,
OCTOBER 21, 1936

I am standing on the steps of the Capitol of a State so independent that it did not ratify the Constitution of the United States until two years after it was in effect. Around me lies the most highly industrial and densely populated State in the country.

I could speak to no people who better understand the interdependence of modern economic life.

I have said that what the present National Administration has tried to do was to adjust statecraft to reality -- the reality of forty-eight States which have agreed to live together in a machine age.

When this Administration came to Washington March 4, 1933, the machine of our national economy had completely broken down.

For twelve years it had been neglected by those who believed that machines did not need tending. We tried to rebuild that machine, to modernize it and to turn on the purchasing power.

It was the biggest peacetime job ever attempted. It called for energy in a hundred directions at once, for imagination, for willingness to face facts.

Because it was a modern machine it needed money in circulation to get it going and keep it going. Therefore, we had to obtain purchasing power for the farmer, work for the unemployed, loans to industry, safety and courage for banks.

How much did we spend? Enough to get results -- enough to be sure not to fail. There would have been no second chance if we had failed once.

You and I are used to venturing capital to gain profits. And in these three and a half years our venture has succeeded.

Prosperity measured in dollars is coming back. There are none among you to deny it. But there is a higher measure for prosperity -- the measure of permanency -- the measure of security.

We seek not the prosperity of 1929 but the kind which will mean to every American family an assurance of safety of the home, safety of old age, safety of savings, safety of employment.

You have been told of regimentation. I am opposed to the kind of regimentation under which you labored and suffered in the days of the false prosperity and in the days of the great depression.

We believe that people are even more important than machines. We believe that the material resources of America should serve the human resources of America.

We will not again allow people to be regimented by selfish minorities into bankruptcies and breadlines.

I wish that on this visit I might stay longer. But I know Rhode Island, its cities, its farms, its waters and its valleys. I carry to you the same message I have given in the West and in the South -- you are a vital and necessary part of a united whole. Your Federal Government seeks your well-being for your own sake and for the sake of your sister states.

***** Franklin D. Roosevelt
(My reading copy)

ADDRESS OF THE PRESIDENT
DELIVERED FROM THE STEPS OF THE STATE CAPITOL,
PROVIDENCE, RHODE ISLAND

October 21, 1936, 9.30 A.M.

(The President was introduced by Governor Greene)

My friends, here I am back in Rhode Island and glad to be here. (Applause)

I am glad that Governor Greene spoke of Rhode Island and Providence Plantation as being the cradle of religious liberty.

I am standing on the steps of the Capitol of a) I remember also that this State was so independent that it did not ratify the Constitution of the United States until two years after it was in effect. And I remember also that Rhode Island is very much a part of the United States for around me lies the most highly industrial and densely populated State in the Union. (country)

I could speak to no people who better understand the inter-dependence of modern economic life.

I have said that what the present National Administration has tried to do was to adjust statecraft to reality -- the reality of forty-eight States which have agreed to live together in a machine age.

When this Administration came to Washington on the fourth of March, 1933, the machine of our national economy had completely broken down. For twelve long years it had been neglected by those who believed that machines did not

Franklin D. Roosevelt Library

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

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(several) used in

above to whom several words left him as I
to others add used as follows in the original text
extended suspected

(as to foreign aid to other countries as the United States)
it will therefore be not wise for any one to say I
will never ask any one to believe that the Confidence
that the United States has in you is not entirely true
nor should anyone add to such a statement as that
claimed was isolated group from all other
(countries) which are not believed
businessmen referred only those on as these lines as

still allow others to conclude-that we
-would allow them out of the United States and in

of surveillance functions of any of the other non-neutral
countries and make such single-quotations as will
-say anything as if we were civil or
-not affiliated with any other country and not
-quarantine any two or more countries as if they
had the same kind of evident fact that two or more countries
had the same kind of evident fact

need tending. We tried to rebuild that machine, to modernize it and to turn on the purchasing power.

It was the biggest peace-time job ever attempted. It called for energy in a hundred directions at once, it called for imagination (for) and willingness to face facts.

Because it was a modern machine it needed money in circulation to get it going and keep it going. (Applause) Therefore, we had to obtain purchasing power. (for the farmer, work for the unemployed, loans to industry, safety and courage for banks.)

How much did we spend? Enough to get results -- enough to be sure not to fail. There would have been no second chance if we had failed once.

You and I are used to venturing capital to gain profits. And in these three and a half years our venture has succeeded.

Prosperity measured in dollars is coming back. There (are) is none among you to deny it. But there is a higher measure for prosperity -- the measure of permanency -- the measure of security.

We seek not the prosperity of 1929 but the kind which will mean to every American family an assurance of safety of the home, safety of old age, safety of savings, safety of employment. (Applause)

You have been (told of) talked to about regimentation. I am opposed to the kind of regimentation under which

you have labored and suffered in the days of the false prosperity and in the days of the great depression.

We believe that people are even more important than machines. (Applause) We believe that the material resources of America should serve the human resources of America.

We will not again allow people to be regimented by selfish minorities into bankruptcies and breadlines.
(Applause)

I wish that (on this visit) I might stay longer. But I know Rhode Island, its cities, its farms, its waters and its valleys. I carry to you the same message I have given in the West and in the South -- you are a vital and necessary part of a united whole. Your Federal Government seeks your well-being for your own sake and for the sake of your sister States. (Prolonged applause)

Providence

I am standing on the steps of the capitol of the state so determined to be free that it has not yet even ratified the Constitution of the United States. About me lies the most highly industrialized and densely populated area in the country. I am looking down on the greatest machine shops in the world.

I could speak to no people who better understand the interdependence of modern economic life. I could speak to no people who would more understand the longing--the determination--of men to be free.

Sometime ago I said in a speech that what the present Democratic Administration had tried to do in Washington was to adjust statecraft to reality.

We live in an economy that is truly a machine--a machine in which no gear can even move unless it meshes into all the others. When the Democratic Administration came to Washington that machine of our national economy had completely broken down. After twelve years of neglect by those who believed machines did not need tending, it had fallen apart all at once like the one-horse shay. This Administration tried to pick up the parts that ~~were~~ still were useful, put them together with new parts that it had

to fabricate and turn on the purchasing power.

It was the biggest peace-time job men have ever attempted. It called for energy in a hundred directions at once, for imagination in re-combining old gears and cogs in new combination, for willingness to face the facts that parts built to function perfectly at the speed of one hundred years ago simply cannot function at the speed of today. When we took up that job the machine was at a dead stop. Because it was a modern machine it needed money in circulation to get it going and keep it going. No one dared to put private funds in circulation. We therefore had to use government money--to give purchasing power to the farmer, the city worker on relief, to industry itself--to give the banks courage to make purchasing power available to others. How much did we spend? Enough to get results, enough to be sure not to fail--because neither you nor us nor anyone else dared to risk that we might fail. There are no second chances after starvation and chaos set in. You Rhode Islanders have had a shrewd nose for profits, from the days of the privateering expedition to the days of the machine shop.

You are used to venturing capital to return profits. Let's talk profits--you and I. Your Government ventured over the last three years $\frac{1}{2}$

billions more than it took in. This very year the nation as a whole is reaping from that venture a profit of twenty billion dollars increase in the national income. That's 150% profit on the investment in this year alone, and the bigger profits are yet to come. The rhythm of recovery is now established and when once that rhythm is established the operation of expanding forces is irresistible. And we still have a democratic government devoted to private enterprise.

I ask you, descendants of Nicholas Brown, merchant extraordinary,
doesn't that sound to you like good business? Let's break down the share
of the profits that have been distributed to you in Rhode Island. In
July of this year the index of manufacturing activity for Rhode Island
published by the Brown University Business Service in cooperation with the
Providence Chamber of Commerce showed that the index of manufacturing activity
for Rhode Island had reached the highest level since November, 1929. Employ-
ment in manufacturing establishments have increased by an average of 30%
between the 12 months ending March, 1933 and the 12 months ending 1936.
I comment from the editorial of that Service: "It would seem that the rise
in 1936 was due to the increasing strength of economic factors, which in the

last analysis, always dominate and control the business situation. Industrial production in Rhode Island reached its low point in May, 1932. The increase in Rhode Island industrial activity, particularly since September, 1934, has been very consistent on the whole."

The same Service shows that:

(1) The number of business failures in Rhode Island and in Attleboro for the twelve months ended August, 1936 is the smallest number in any year since the record begins in 1923.

(2) The index of activity in machine tool building is only 6% below the boom levels of 1929 and is 33% above that of 1928 which was itself the best year since the beginning of the decade.

(3) The power consumption figures for the Rhode Island woolen and worsted mills for the twelve months ending this last August shows that year are among the best of the last fifteen years, and are forty-five percent above the level of the twelve months ending March, 1933.

(4) Even in cotton textiles the average monthly consumption of cotton rose 28% from 1932 in the twelve months ending last August.

(5) Bank loans are 36% higher in the twelve months ending August

Print on What grounds?

1936 than in the 12 months ending May, 1935.

And now I speak to you as descendants of the men who burned the Gaspee and who wouldn't ratify the Constitution.

You have always wanted to be free, politically and economically. You have never liked to be regimented. Every American has always felt the same way. But you know and I know that in March, 1933 we who had pretensions to be free were well on our way to being the most regimented people on earth. It was estimated that over four-fifths of the wealth of the country was concentrated in less than one-fifth of the population. One-half of the corporate wealth in the country is concentrated in two hundred corporations. Those two hundred corporations are dominated by a few hundred men.

Political regimentation is not too difficult to deal with. You can always burn a Gaspee. In a democratic country there is a periodical chance at election time to check and change political administrations.

But the private regimentation of industry, finance and commerce is far harder to get rid of. There is no practical way on earth to regulate the economic oligarchy of autocratic, self-constituted and self-perpetuating groups, with all their resources of interlocking directors, interlocking bankers, and

interlocking lawyers. They have power to hire thousands of employees and service workers throughout the country. They have power to give or withhold millions of dollars worth of business. They have power to contribute to the campaign funds of their servants, and to subsidize the enemies of their foes. They menace political and economic freedom alike.

For fifty years an American people devoted to the kind of well-distributed decentralized small business that made Rhode Island and New England once the workshop of the world, have been trying to find a way to do something about it. For fifty years they have not found a way.

Only in this Administration have they found weapons that do not bend or break in attack.

The intercorporate dividends tax, the graduated corporation tax, the ~~unjustly discriminatory profits~~ tax penalizing the retention of unnecessary surplus with which big business swallows up little business, the increase in income surtaxes and estate taxes, the ~~securities~~ laws, the labor laws, the social security system, all enacted by this Administration, have given us a fighting chance really to be free. We are on our way to drive out goose-step Americanism.

the
That's why/kings of monopoly of these days don't like the Democratic

Party and do like the Republican.⁵ That's why you should love us for the
enemies we have made.

Roosevelt

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Don't hurt all your
dogs now!

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enemies we have made.

The ~~Congress~~ ~~had been~~ ~~not~~ ~~give~~ ~~a hand~~ ~~building~~ ~~out~~ ~~will~~ ~~of~~ ~~the~~ ~~year~~
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STATEMENTS FILE

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Shorthand By Kanneer

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safety of old age, safety of savings, safety of employment.

You have been told of regimentation.** I am opposed to the kind
of regimentation under which you labored and suffered in the days
of the false prosperity and in the days of the great depression.



I am in favor of the kind of regimentation which you and I and

other Americans believe in -- the regimentation of the machinery

~~of America for the service of the people of America~~

We believe that people are even more important than machines.

We believe that the material resources of America should serve ~~the~~
human resources of America.

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allow people to
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STATEMENTS FILE

Shorthand by Kanner

FOR THE PRESS

CONFIDENTIAL

October 20, 1936

HOLD FOR RELEASE

HOLD FOR RELEASE

HOLD FOR RELEASE

The following address of the President to be delivered at the State Capitol, Providence, Rhode Island, on Wednesday, October 21 must be held in confidence until released.

Release upon delivery, expected about 9:15 A.M., E.S.T.

Please safeguard against premature release.

STEPHEN EARLY
Assistant Secretary to the President

standing on the steps of the Capitol of a State so independent that it did not ratify the Constitution of the United States until two years after it was in effect. Around me lies the most highly industrial and densely populated State in the country.

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We seek not the prosperity of 1929 but the kind which will mean to every American family an assurance of safety of the home, safety of old age, safety of savings, safety of employment.

You have been told of regimentation. I am opposed to the kind of regimentation under which you labored and suffered in the days of the false prosperity and in the days of the great depression.

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(B)
