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

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

File No. 1028

1937 January 6

Message to Congress - State of the Union
THE PRESIDENT'S ANNUAL MESSAGE
JANUARY 6, 1937.

To THE CONGRESS OF THE UNITED STATES:

For the first time in our national history
a President delivers his Annual Message to a new Congress within
a fortnight of the expiration of his term of office. While there
is no change in the Presidency this year, change will occur in
future years. It is my belief that under this new constitutional
practice, the President should in every fourth year, in so far as
seems reasonable, review the existing state of our national affairs
and outline broad future problems, leaving specific recommendations
for future legislation to be made by the President about to be
inaugurated.

At this time, however, circumstances of the
moment compel me to ask your immediate consideration of: First,
measures extending the life of certain authorizations and powers
which, under present statutes, expire within a few weeks; second,
an addition to the existing Neutrality Act to cover specific points
raised by the unfortunate civil strife in Spain; and, third,
a deficiency appropriation bill for which I shall submit estimates this week.

In March, 1933, the problems which faced our nation and which only our national government had the resources to meet, were more serious even than appeared on the surface.

It was not only that the visible mechanism of economic life had broken down. More disturbing was the fact that long neglect of the needs of the underprivileged had brought too many of our people to the verge of doubt as to the successful adaptation of our historic traditions to the complex modern world. In that, lay a challenge to our democratic form of government itself.

Ours was the task to prove that democracy could be made to function in the world of today as effectively as in the simpler world of a hundred years ago. Ours was the task to do more than to argue a theory. The times required the confident answer of performance to those whose instinctive faith in humanity made them want to believe that in the long run democracy would prove superior to more extreme forms of government as a process of getting action when action was wisdom, without the spiritual sacrifices which those other forms of government exact.
That challenge we met. To meet it required unprecedented activities under Federal leadership -- to end abuses -- to restore a large measure of material prosperity -- to give new faith to millions of our citizens who had been traditionally taught to expect that democracy would provide continuously wider opportunity and continuously greater security in a world where science was continuously making material riches more available to man.

In the many methods of attack with which we met these problems, you and I, by mutual understanding and by determination to cooperate, helped to make democracy succeed by refusing to permit unnecessary disagreement to arise between two of our two branches of government. That spirit of cooperation was able to solve difficulties of extraordinary magnitude and ramification with few important errors, and at a cost cheap when measured by the immediate necessities and the eventual results.

I look forward to a continuance of that cooperation in the next four years. I look forward also to a continuance of the basis of that cooperation -- mutual respect for each
other's proper sphere of functioning in a democracy which is working well, and a common-sense realization of the need for play in the joints of the machine.

On that basis, it is within the right of the Congress to determine which of the many new activities shall be continued or abandoned, increased or curtailed.

On that same basis, the President alone has the responsibility for their administration. I find that this task of executive management has reached the point where our administrative machinery needs comprehensive overhauling. I shall, therefore, shortly address the Congress more fully in regard to modernizing and improving the Executive branch of the government.

That cooperation of the past four years between the Congress and the President has aimed at the fulfillment of a two-fold policy -- first, economic recovery through many kinds of assistance to agriculture, industry and banking; and, second, deliberate improvement in the personal security and opportunity of the great mass of our people.
The recovery we sought was not to be merely temporary. It was to be a recovery protected from the causes of previous disasters. With that aim in view -- to prevent a future similar crisis -- you and I joined in a series of enactments -- safe banking and sound currency, the guarantee of bank deposits, protection for the investor in securities, the removal of the threat of agricultural surpluses, insistence on collective bargaining, the outlawing of sweat shops, child labor and unfair trade practices, and the beginnings of security for the aged and the worker.

Nor was the recovery we sought merely a purposeless whirring of machinery. It is important, of course, that every man and woman in the country be able to find work, that every factory run, that business as a whole earn profits. But government in a democratic nation does not exist solely, or even primarily, for that purpose.

It is not enough that the wheels turn. They must carry us in the direction of a greater satisfaction in life for the average man. The deeper purpose of democratic government
is to assist as many of its citizens as possible -- especially those who need it most -- to improve their conditions of life, to retain all personal liberty which does not adversely affect their neighbors, and to pursue the happiness which comes with security and an opportunity for recreation and culture.

Even with our present recovery we are far from the goal of that deeper purpose. There are far-reaching problems still with us for which democracy must find solutions if it is to consider itself successful.

For example, many millions of Americans still live in habitations which not only fail to provide the physical benefits of modern civilization but breed disease and impair the health of future generations. The menace exists not only in the slum areas of the very large cities, but in many smaller cities as well. It exists on tens of thousands of farms, in varying degrees, in every part of the country.

Another example is the prevalence of an un-American type of tenant farming. I do not suggest that every farm family has the capacity to earn a satisfactory living on its own farm.
But many thousands of tenant farmers -- indeed most of them -- with some financial assistance and with some advice and training, can be made self-supporting on land which can eventually belong to them. The nation would be wise to offer them that chance instead of permitting them to go along as they do now, year after year, with neither future security as tenants nor hope of ownership of their homes nor expectation of bettering the lot of their children.

Another national problem is the intelligent development of our social security system, the broadening of the services it renders, and practical improvement in its operation. In many nations where such laws are in effect, success in meeting the expectations of the community has come through frequent amendment of the original statute.

And, of course, the most far-reaching and the most inclusive problem of all is that of unemployment and the lack of economic balance of which unemployment is at once the result and the symptom. The immediate question of adequate relief for the needy unemployed who are capable of performing useful work,
I shall discuss with the Congress during the coming months. The broader task of preventing unemployment is a matter of long-range evolutionary policy. To that we must continue to give our best thought and effort. We cannot assume that immediate industrial and commercial activity which mitigates present pressures justifies the national government at this time in placing the unemployment problem in a filing cabinet of finished business.

Fluctuations in employment are tied to all other wasteful fluctuations in our mechanism of production and distribution. One of these wastes is speculation. In securities or commodities, the larger the volume of speculation the wider become the upward and downward swings and the more certain the result that in the long run there will be more losses than gains in the underlying wealth of the community.

And, as is now well known to all of us, the same net loss to society comes from reckless overproduction and monopolistic underproduction of natural and manufactured commodities.
Overproduction, underproduction and speculation are three evil sisters who distill the troubles of unsound inflation and disastrous deflation. It is to the interest of the nation to have government help private enterprise to gain sound general price levels and to protect those levels from wide perilous fluctuations. We know now that if early in 1931 government had taken the steps which were taken two and three years later, the depression would never have reached the depths of the beginning of 1933.

Sober second thought confirms most of us in the belief that the broad objectives of the National Recovery Act were sound. We know now that its difficulties arose from the fact that it tried to do too much. For example, it was unwise to expect the same agency to regulate the length of working hours, minimum wages, child labor and collective bargaining on the one hand, and the complicated questions of unfair trade practices and business controls on the other.

The statute of NRA has been outlawed. The problems have not. They are still with us.
That decent conditions and adequate pay for labor, and just return for agriculture, can be secured through parallel and simultaneous action by forty-eight states is a proven impossibility. It is equally impossible to obtain curbs on monopoly, unfair trade practices and speculation by state action alone. There are those who, sincerely or insincerely, still cling to state action as a theoretical hope. But experience with actualities makes it clear that Federal laws supplementing state laws are needed to help solve the problems which result from modern invention applied in an industrialized nation which conducts its business with scant regard to state lines.

During the past year there has been a growing belief that there is little fault to be found with the Constitution of the United States as it stands today. The vital need is not an alteration of our fundamental law, but an increasingly enlightened view with reference to it. Difficulties have grown out of its interpretation; but rightly considered, it can be used as an instrument of progress, and not as a device for prevention of action.
It is worth our while to read and re-read the preamble of the Constitution, and Article I thereof, which confers the legislative powers upon the Congress of the United States. It is also worth our while to read again the debates in the Constitutional Convention of one hundred and fifty years ago. From such reading, I obtain the very definite thought that the members of that Convention were fully aware that civilization would raise problems for the proposed new Federal Government, which they themselves could not even surmise; and that it was their definite intent and expectation that a liberal interpretation in the years to come would give to the Congress the same relative powers over new national problems as they themselves gave to the Congress over the national problems of their day.

In presenting to the Convention the first basic draft of the Constitution, Edmund Randolph explained that it was the purpose "to insert essential principles only, lest the operation of government should be clogged by rendering those provisions permanent and unalterable which ought to be accommodated to times and events."
With a better understanding of our purposes, and a more intelligent recognition of our needs as a nation, it is not to be assumed that there will be prolonged failure to bring legislative and judicial action into closer harmony. Means must be found to adapt our legal forms and our judicial interpretation to the actual present national needs of the largest progressive democracy in the modern world.

That thought leads to a consideration of world problems. To go no further back than the beginning of this century, men and women everywhere were seeking conditions of life very different from those which were customary before modern invention and modern industry and modern communications had come into being. The World War, for all of its tragedy, encouraged these demands, and stimulated action to fulfill these new desires.

Many national governments seemed unable adequately to respond; and, often with the improvident assent of the masses of the people themselves, new forms of government were set up with oligarchy taking the place of democracy. In oligarchies, militarism has leapt forward, while in those nations which have retained democracy, militarism has waned.
I have recently visited three of our sister-republics in South America. The very cordial receptions with which I was greeted were in tribute to democracy. To me the outstanding observation of that visit was that the masses of the peoples of all the Americas are convinced that the democratic form of government can be made to succeed and do not wish to substitute for it any other form of government. They believe that democracies are best able to cope with the changing problems of modern civilization within themselves, and that democracies are best able to maintain peace among themselves.

The Inter-American Conference, operating on these fundamental principles of democracy, did much to assure peace in this Hemisphere. Existing peace machinery was improved. New instruments to maintain peace and eliminate causes of war were adopted. Wider protection of the interests of the American Republics in the event of war outside the Western Hemisphere was provided. Respect for, and observance of, international treaties and international law were strengthened. Principles of liberal
trade policies, as effective aids to the maintenance of peace were reaffirmed. The intellectual and cultural relationships among American Republics were broadened as a part of the general peace program.

In a world unhappily thinking in terms of war, the representatives of twenty-one nations sat around a table, in an atmosphere of complete confidence and understanding, sincerely discussing measures for maintaining peace. Here was a great and a permanent achievement directly affecting the lives and security of the two hundred and fifty million human beings who dwell in this Western Hemisphere. Here was an example which must have a wholesome effect upon the rest of the world.

In a very real sense, the Conference in Buenos Aires sent forth a message on behalf of all the democracies of the world to those nations which live otherwise. Because such other governments are perhaps more spectacular, it was high time for democracy to assert itself.
Because all of us believe that our democratic form of government can cope adequately with modern problems as they arise, it is patriotic as well as logical for us to prove that we can meet new national needs with new laws consistent with an historic constitutional framework clearly intended to receive liberal and not narrow interpretation.

The United States of America, within itself, must continue the task of making democracy succeed.

In that task the legislative branch of our government will, I am confident, continue to meet the demands of democracy whether they relate to the curbing of abuses, the extension of help to those who need help, or the better balancing of our interdependent economies.

So, too, the Executive branch of the government must move forward in this task, and, at the same time, provide better management for administrative action of all kinds.

The Judicial branch also is asked by the people to do its part in making democracy successful. We do not ask the Courts to call non-existent powers into being, but we have a
right to expect that conceded powers or those legitimately implied shall be made effective instruments for the common good.

The process of our democracy must not be imperiled by the denial of essential powers of free government.

Your task and mine is not ending with the end of the depression. The people of the United States have made it clear that they expect us to continue our active efforts in behalf of their peaceful advancement.

In that spirit of endeavor and service I greet the Seventy-Fifth Congress at the beginning of this auspicious New Year.

[Signature]

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(Original reading copy)
ADDRESS OF THE PRESIDENT TO THE CONGRESS

January 6, 1937

(TO THE CONGRESS OF THE UNITED STATES:)

MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE CONGRESS OF THE UNITED STATES:

For the first time in our national history a President delivers his Annual Message to a new Congress within a fortnight of the expiration of his term of office. While there is no change in the Presidency this year, change will occur in future years. It is my belief that under this new constitutional practice, the President should in every fourth year, in so far as seems reasonable, review the existing state of our national affairs and outline broad future problems, leaving specific recommendations for future legislation to be made by the President about to be inaugurated.

At this time, however, circumstances of the moment compel me to ask your immediate consideration of: First, measures extending the life of certain authorizations and powers which, under present statutes, expire within a few weeks; second, an addition to the existing Neutrality Act to cover specific points raised by the unfortunate civil strife in Spain; and, third, a deficiency appropriation bill for which I shall submit estimates this week.
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.

The Jackson Incident

For the first time in our national history,

President Jackson, UI, the Twenty-Five Message to the Congress.

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In March, 1933, the problems which faced our nation and which only our national government had the resources to meet, were more serious even than appeared on the surface.

It was not only that the visible mechanism of economic life had broken down. More disturbing was the fact that long neglect of the needs of the underprivileged had brought too many of our people to the verge of doubt as to the successful adaptation of our historic traditions to (the) a complex modern world. In that, lay a challenge to our democratic form of government itself.

Ours was the task to prove that democracy could be made to function in (the) a world of today as effectively as in the simpler world of a hundred years ago. Ours was the task to do more than to argue a theory. The times required the confident answer of performance to those whose instinctive faith in humanity made them want to believe that in the long run democracy would prove superior to more extreme forms of government as a process of getting action when action was wisdom, without the spiritual sacrifices which those other forms of government exact.

That challenge we met. (Applause) To meet it required unprecedented activities under Federal leadership -- to end abuses -- to restore a large measure of material prosperity -- to give new faith to millions of our citizens
who had been traditionally taught to expect that democracy would provide continuously wider opportunity and continuously greater security in a world where science was continuously making material riches more available to man.

In the many methods of attack with which we met (these) those problems, you and I, by mutual understanding and by determination to cooperate, helped to make democracy succeed by refusing to permit unnecessary disagreement to arise between (two of) our two branches of government. (Applause) That spirit of cooperation was able to solve difficulties of extraordinary magnitude and ramification with few important errors, and at a cost that was cheap when measured by the immediate necessities and by the eventual results.

I look forward to a continuance of that cooperation in the next four years. I look forward also to (a) the continuance of the basis of that cooperation -- a mutual respect for each other's proper sphere of functioning in a democracy which is working well, and a common-sense realization of the need for play in the joints of the machine. (Applause)

On that basis, it is within the right of the Congress to determine, for example, which of the many new activities shall be continued or abandoned, increased or curtailed.
On that same basis, the President alone has the responsibility for their administration. I find that this task of executive management has reached the point where our administrative machinery needs comprehensive overhauling. I shall, therefore, shortly address the Congress more fully in regard to modernizing and improving the Executive branch of the government.

That cooperation of the past four years between the Congress and the President has aimed at the fulfillment of a two-fold policy -- first, economic recovery through many kinds of assistance to agriculture, to industry and to banking; and, second, deliberate improvement in the personal security and opportunity of the great mass of our people.

The recovery we sought was not to be merely temporary. It was to be a recovery protected from the causes of previous disasters. With that aim in view -- to prevent a future similar crisis -- you and I joined in a series of enactments -- safe banking and sound currency, the guarantee of bank deposits, protection for the investor in securities, the removal of the threat of agricultural surpluses, insistence on collective bargaining, the outlawing of sweat shops, child labor and unfair trade practices, and, last but not least, the beginnings of security for the aged and the worker. (Applause)
Nor was the recovery that we sought merely a purposeless whirring of machinery. It is important, of course, that every man and woman in the country be able to find work, that every factory run, that business and farming as a whole shall earn profits. But government in a democratic nation does not exist solely, or even primarily, for that purpose.

It is not enough that the wheels turn. They must carry us in the direction of a greater satisfaction in life for the average (man) citizen. (Applause) The deeper purpose of democratic government is to assist as many of its citizens as possible -- especially those who need it most -- to improve their conditions of life, to retain all personal liberty which does not adversely affect their neighbors, and to pursue the happiness which comes with security and an opportunity for recreation and culture.

Even with our present recovery we are far from the goal of that deeper purpose. There are far-reaching problems still with us for which democracy must find solutions if it is to consider itself successful. (Applause)

For example, many millions of Americans still live in habitations which not only fail to provide the physical benefits of modern civilization but breed disease and impair the health of future generations. The menace exists not only in the slum areas of the (very large) great
cities, but in many smaller cities as well. It exists on tens of thousands of farms, in varying degrees, in every part of the country.

Another example is the prevalence of an un-American type of tenant farming. I do not suggest that every farm family has the capacity to earn a satisfactory living on its own farm. But many thousands, tens of thousands, of tenant farmers -- indeed most of them, I believe -- with some financial assistance and with some advice and training, can be made self-supporting on land which can eventually belong to them. (Applause) The nation would be wise to offer them that chance instead of permitting them to go along as they do now, year after year, with neither future security as tenants nor hope of ownership of their homes nor expectation of bettering the lot of their children.

Another national problem is the intelligent development of our social security system, the broadening of the services it renders, and practical improvement in its operation. In many nations where such laws are in effect, success in meeting the expectations of the community has come through frequent amendment of the original statute.

And, of course, the most far-reaching and the most inclusive problem of all is that of unemployment and the lack of economic balance of which unemployment is at once the result and the symptom. The immediate question
of adequate relief for the needy unemployed who are capable of performing useful work, I shall discuss with the Congress during the coming months. The broader task of preventing unemployment is a matter of long-range evolutionary policy, and to (that) it we must continue to give our best thought and effort. We cannot assume that immediate industrial and commercial activity which mitigates present pressures justifies the national government at this time in placing the unemployment problem in a filing cabinet of finished business. (Applause)

Fluctuations in employment are tied to all other wasteful fluctuations in our mechanism of production and distribution. One of these wastes is speculation. In securities or commodities, the larger the volume of speculation, the wider become the upward and downward swings and the more certain the result that in the long run there will be more losses than gains in the underlying wealth of the community.

And, as is now well known to all of us, the same net loss to society comes from reckless overproduction and monopolistic underproduction of our natural and manufactured commodities. (Applause)

Yes, overproduction and underproduction and speculation are three evil sisters who distill the troubles of unsound inflation and the troubles of disastrous deflation.
It is to the interest of the nation, as a whole, to have government help private enterprise to gain sound general price levels and to protect those levels from wide and perilous fluctuations. We know now that if early in 1931 government had taken the steps (which) that were taken two (and) or three years later, the depression would never have reached the depths of the beginning of 1933. (Prolonged applause)

Sober second thought confirms most of us, I think, in the belief that the broad objectives of the National Recovery Act were sound. (Applause) We know now that its difficulties arose from the fact that it tried to do too much. For example, it was unwise, perhaps, to expect the same agency to regulate the length of working hours, minimum wages, child labor and collective bargaining on the one hand and the complicated questions of unfair trade practices and business controls on the other.

The statute of NRA has been outlawed. The problems have not. They are still with us. (Prolonged applause)

That decent conditions and adequate pay for labor, and just return for agriculture, can be secured through parallel and simultaneous action by forty-eight states is a proven impossibility. (Applause) It is equally impossible to obtain curbs on monopoly, unfair trade practices and speculation by state action alone. There are those who,
sincerely or insincerely, still cling to state action as a theoretical hope. But experience with actualities makes it clear that Federal laws supplementing state laws are needed to help solve the problems which result from modern invention applied in an industrialized nation which conducts its business with scant regard to state lines.

During the past year there has been a growing belief in the Nation that there is little fault to be found with the Constitution of the United States as it stands today. (Applause) The vital need is not an alteration of our fundamental law, but an increasingly enlightened view with reference to it. (Applause, cheers) Difficulties have grown out of its interpretation; but rightly considered, it can be used as an instrument of progress, and not as a device for prevention of action. (Applause)

It is worth our while to read and re-read the preamble of the Constitution of the United States, (applause) and Article I thereof which confers the legislative powers upon the Congress of the United States. (Applause) It is also worth our while to read again the debates in the Constitutional Convention of one hundred and fifty years ago. From such reading, I obtain and I believe most of you obtain the very definite thought that the members of that Convention were fully aware that civilization would raise problems for the proposed new Federal Government, which they
themselves could not even surmise; and that it was their
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January 6, 1937

CONSPIRACY: To be held in STRICT CONFIDENTIAL and no portion, synopsis or intimation to be published or given out until delivery of the President's address to the Congress has begun.

CAUTION: Extreme care must be exercised to avoid premature publication.

STEPHEN EARLY
Assistant Secretary to the President

TO THE CONGRESS OF THE UNITED STATES:

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On that same basis, the President alone has the responsibility for their administration. I find that this task of executive management has reached the point where our administrative machinery needs comprehensive overhauling. I shall, therefore, shortly address the Congress more fully in regard to modernizing and improving the Executive branch of the government.

The cooperation of the past four years between the Congress and the President has aimed at the fulfillment of a two-fold policy -- first, economic recovery through many kinds of assistance to agriculture, industry and banking; and, second, deliberate improvement in the personal security and opportunity of the great mass of our people.

The recovery we sought was not to be merely temporary. It was to be a recovery protected from the causes of previous disasters. With that aim in view -- to prevent a future similar crisis -- you and I joined in a series of enactments -- safe banking and sound currency, the guarantee of bank deposits, protection for the investor in securities, the removal of the threat of agricultural surpluses, insistence on collective bargaining, the outlawing of sweat shops, child labor and unfair trade practices, and the beginning of security for the aged and the worker.

Now was the recovery we sought merely a purposeless whirring of machinery. It is important, of course, that every man and woman in the country be able to find work, that every factory run, that business make a whole-some profits. But government in a democratic nation does not exist solely, or even primarily, for that purpose,
It is not enough that the wheels turn. They must carry us in the direction of a greater satisfaction in life for the average man. The deeper purpose of democratic government is to assist as many of its citizens as possible -- especially those who need it most -- to improve their conditions of life, to retain all personal liberty which does not adversely affect their neighbors, and to pursue the happiness which comes with security and an opportunity for recreation and culture.

Even with our present recovery we are far from the goal of that deeper purpose. There are far-reaching problems still with us for which democracy must find solutions if it is to consider itself successful.

For example, many millions of Americans still live in habitations which not only fail to provide the physical benefits of modern civilization but breed disease and impair the health of future generations. The menace exists not only in the slum areas of the many large cities, but in many smaller cities as well. It exists on tens of thousands of farms, in varying degrees, in every part of the country.

Another example is the prevalence of an un-American type of tenant farming. I do not suggest that every farm family has the capacity to earn a satisfactory living on its own farm. But many thousands of tenant farmers -- indeed most of them -- with some financial assistance and with some advice and training, can be made self-supporting on land which can eventually belong to them. The nation would be wise to offer them that chance instead of permitting them to go along as they do now, year after year, with neither future security as tenants nor hope of ownership of their homes nor expectation of bettering the lot of their children.

Another national problem is the intelligent development of our social security system, the broadening of the services it renders, and practical improvement in its operation. In many nations where such laws are in effect, success in meeting the expectations of the community has come through frequent amendment of the original statute.

And, of course, the most far-reaching and the most inclusive problem of all is that of unemployment and the lack of economic balance of which unemployment is at once the result and the symptom. The immediate question of adequate relief for the needy unemployed who are capable of performing useful work, I shall discuss with the Congress during the coming months. The broader task of preventing unemployment is a matter of long-range evolutionary policy. To that we must continue to give our best thought and effort. We cannot assume that immediate industrial and commercial activity which mitigates present pressures justifies the national government at this time in placing the unemployment problem in a filing cabinet of finished business.
Fluctuations in employment are tied to all other wasteful fluctuations in our mechanism of production and distribution. One of these wastes is speculation. In securities or commodities, the larger the volume of speculation, the wider become the upward and downward swings and the more certain the result that in the long run there will be more losses than gains in the underlying wealth of the community.

And, as is now well known to all of us, the same net loss to society comes from reckless overproduction and monopolistic underproduction of natural and manufactured commodities.

Overproduction, underproduction and speculation are the three evil sisters who distill the troubles of unceasing inflation and disastrous deflation. It is to the interest of the nation to have government help private enterprise to gain sound general price levels and to protect those levels from wide perils.

Sooner or later, we know, now that its difficulties arose from the fact that it tried to do too much. For example, it was unable to expect the same agency to regulate the length of working hours, minimum wages, child labor and collective bargaining on the one hand and the complicated questions of unfair trade practices and business controls on the other.

The statute of NRA has been outlawed. The problems have not. They are still with us.

That decent conditions and adequate pay for labor, and just return for agriculture, can be secured through parallel and simultaneous action by forty-eight states is a proven impossibility. It is equally impossible to obtain curbs on monopoly, unfair trade practices and speculation by state action alone. There are those who, sincerely or insincerely, still cling to state action as a theoretical hope. But experience with securities makes it clear that Federal laws supplementing state laws are needed to help solve the problems which result from modern invention applied to an industrialized nation which conducts its business with scant regard to state lines.

During the past year there has been a growing belief that there is little fault to be found with the Constitution of the United States as it stands today. The vital need is not an alteration of our fundamental law, but an increasingly enlightened view with reference to it. Difficulties have grown out of its interpretation; but rightly considered, it can be used as an instrument of progress, and not as a device for prevention of action.
It is worth our while to read and re-read the preamble of the Constitution, and Article I thereof which confers the legislative powers upon the Congress of the United States. It is also worth our while to read again the debates in the Constitutional Convention of one hundred and fifty years ago. From such reading, I obtain the very definite thought that the members of that Convention were fully aware that civilization would raise problems for the proposed new Federal Government, which they themselves could not even imagine; and that it was their definite intent and expectation that a liberal interpretation in the years to come would give to the Congress the same relative powers over new national problems as they themselves gave to the Congress over the national problems of their day.

In presenting to the Convention the first basic draft of the Constitution, Edmund Randolph explained that it was the purpose "to insert essential principles only, lest the operation of government should be clogged by rendering those provisions permanent and unalterable which ought to be accommodated to times and events."

"With a better understanding of our purposes, and a more intelligent recognition of our needs as a nation, it is not to be assumed that there will be prolonged failure to bring legislative and judicial action into closer harmony. Means must be found to adapt our legal forms and our judicial interpretation to the actual present national needs of the largest progressive democracy in the modern world."

That thought leads to a consideration of world problems. To go no further back than the beginning of this century, men and women everywhere were seeking conditions of life very different from those which were customary before modern invention and modern industry and modern communications had come into being. The World War, for all of its tragedy, encouraged these demands, and stimulated action to fulfill these new desires.

Many national governments seemed unable adequately to respond; and, often with the improvident assent of the masses of the people themselves, new forms of government were set up with oligarchy taking the place of democracy. In oligarchies, militarism has loomed forward, while in those nations which have retained democracy, militarism has vanished.

I have recently visited three of our sister Republics in South America. The very cordial receptions with which I was greeted were in tribute to democracy. To me the outstanding observation of that visit was that the masses of the peoples of all the Americas are convinced that the democratic form of government can be made to succeed and do not wish to substitute for it any other form of government. They believe that democracies are best able to cope with the changing problems of modern civilization within themselves, and that democracies are best able to maintain peace among themselves.
The Inter-American Conference, operating on these fundamental principles of democracy, did much to assure peace in this Hemisphere. Existing peace machinery was improved. New instruments to maintain peace and eliminate causes of war were adopted. Wider protection of the interests of the American Republics in the event of war outside the Western Hemisphere was provided. Respect for, and observance of, international treaties and international law were strengthened. Principles of liberal trade policies, as effective aids to the maintenance of peace were reaffirmed. The intellectual and cultural relationships among American Republics were broadened as a part of the general peace program.

In a world unhappily thinking in terms of war, the representatives of twenty-one nations sat around a table, in an atmosphere of complete confidence and understanding, sincerely discussing measures for maintaining peace. Here was a great and permanent achievement directly affecting the lives and security of the two hundred and fifty million human beings who dwell in this Western Hemisphere. Here was an example which must have a wholesome effect upon the rest of the world.

In a very real sense, the Conference in Buenos Aires sent forth a message on behalf of all the democracies of the world to those nations which live otherwise. Because such other governments are perhaps more spectacular, it was high time for democracy to assert itself.

Because all of us believe that our democratic form of government can cope adequately with modern problems as they arise, it is patriotic as well as logical for us to prove that we can meet new national needs with new laws consistent with an historic constitutional framework clearly intended to receive liberal and not narrow interpretation.

The United States of America, within itself, must continue the task of making democracy succeed.

In that task the legislative branch of our government will, I am confident, continue to meet the demands of democracy whether they relate to the curbing of abuses, the extension of help to those who need help, or the better balancing of our interdependent economies.

So, too, the Executive branch of the government must move forward in this task, and, at the same time, provide better management for administrative action of all kinds.

The Judicial branch also is asked by the people to do its part in making democracy successful. We do not ask the Courts to call non-existent powers into being, but we have a right to expect that conceded powers or those legitimately implied shall be made effective instruments for the common good.

The process of our democracy must not be imperiled by the denial of essential powers of free government.

Your task and mine is not ending with the end of the depression. The people of the United States have made it clear that they expect us to continue our active efforts in behalf of their peaceful advancement.

In that spirit of endeavor and service I greet the Seventy-Fifth Congress at the beginning of this auspicious New Year.

THE WHITE HOUSE, January 6, 1937.

FRANKLIN D. ROOSEVELT.
TO THE CONGRESS OF THE UNITED STATES:

For the first time in our national history a President delivers his annual Message to the Congress within a fortnight of the expiration of his term of office. While no change in the Presidency occurs this year, such change will occur in future years, and I am therefore constrained to the belief that in every fourth year the President should, in so far as seems reasonable, review the existing state of our national affairs, but leave to a time immediately following the coming inauguration specific recommendations for future legislative enactments to the President about to be inaugurated.

I will not burden you with a detailed recital of the problems which faced our nation, and therefore our national government, in March, 1933. You are fully aware not only of the economic crisis of those days, but also of the crying need for social betterment. You know also of the unprecedented activities under Federal leadership during the past four years, under which many former abuses have been ended or lessened, a great degree
Not only had the mechanism of economic life broken down but long years of neglect of the needs for social betterment of the underprivileged had thrown down brought about a split of popular conditions which laid down a challenge to democracy itself. This was the job to make the prove that democracy could be made to work in a world bent by, which tends as in the modern world as much as in the simpler world of a hundred years ago. This was the job to give an answer to those who held to the hope that there was a practical alternative of democracy in a world of dictators.

That challenge we met. To meet it required...
of material prosperity restored, and hope given to many millions of our citizens who rightfully believed that they were entitled to greater opportunity and greater security in their lives.

Here again it is unnecessary for me to recite the scores of individual methods of attack which we have used in meeting these problems. We have moved on a broad front. Too little credit has been given to the simple fact of understanding cooperation between the legislative and the Executive branches of our Governments, and cooperation which in view of the magnitude and the wide ramifications of the task, resulted in few fundamental errors, and in expenditures in greater part justified both by the necessities and by the outcome.

Many new activities have been undertaken, it is wholly within the right of the Congress to determine whether these activities shall be continued or abandoned, increased or curtailed.

On the President, however, falls the exclusive duty for their administration. The Constitution vests this responsibility in him and in him alone. I find that this task of executive manage-
3) we solved one of the problems of a government protected by a democratic separation of powers - understanding and working cooperation between the Congress -
C.) I look forward to continued cooperation in the next four years. I look forward to a continuance of the basis of that cooperation—a mutual respect for each other's proper sphere of functioning in a democracy which works. And therefore, of the
ment has reached the point where the administrative machinery needs a comprehensive revision. I shall shortly address the Congress more fully in regard to what I believe to be vital importance to the modernizing and improvement of government. At this time however, it may well be said that installing better business management into the Executive branch of government, while relieving duplication and lost motion, does not in itself produce a large percentage of savings in comparison with total expenditures. Large savings can be obtained only by abolishing or diminishing actual functions of government. Congress determines this policy by means of authorizations and appropriations.

Beginning in 1933, and continuing through each of the three succeeding years, the Congress and the President were in full accord in the adoption of a two-fold policy - relief for the needy unemployed, and assistance to banking, industry and agriculture in order to make them self-supporting. As corollaries to these two fields were the series of enactments intended to avert a future crisis similar to that through which we were passing, the guarantee
and definite improvement in the security and opportunity of the great mass of our people.

But recovery was not our goal. We sought to remove the causes which had brought on disaster and to build protection to make it permanent by protecting it from the causes of disaster in 1933. For that reason we co-operated in a series of

attachments
E) the beginnings of security to the aged and the workers, the removal of the threat of agricultural surpluses, protection for the investor in securities, sound banking and intelligent currency, the outlawing of sweatshops, child labor and unfair trade practices.
Agricultural adjustment, social security, resettlement, flood prevention, security supervision and fiscal laws. All of this called for greatly increased expenditures the first year, in the face of a greatly diminished national revenue. From that time on, however, the revenues have steadily and definitely increased, and the expenditures are, with equal deficits, declining.

The forthcoming budget message will, I am sure, be gratifying to you for it leads us to hope that the time is not far off when the government can begin some reduction in the public debt.

I would not have you think that I am deliberately advocating a policy of retrenchment based on the abandonment of any of the objectives which have guided us during the past four years. There is no reversal of national policy. You and I hew to the same line. We do so for the good reason that our objectives have not yet been attained.
Government of a nation like the United States does not exist for the sole or even the primary purpose of fostering prosperity. Its true purpose is to assist as large a majority of its citizens as possible to improve their conditions of life, to retain all personal liberty which does not adversely affect their neighbors, and to pursue the happiness which means security and an opportunity for the avocations of recreation and culture.

The problem of adequate relief for the needy unemployed, who are capable of performing useful work, I shall hope to discuss with the Congress during the coming month. This problem, nevertheless, is inevitably and rightly connected with long-range policies which are with us today, and which we cannot solve merely by assuming that great business or building activity will so mitigate as to allow the national government to place it among those unfinished matters which are put away in filing cabinets of finished matters.

For example, many millions of Americans are living
Even with our present recovery, we are far from attaining the goal of that greater purpose. For example, there are still far too many unemployed citizens.
today in habitations which not only breed disease, thus not only affecting and impairing the health of future generations, but make impossible the enjoyment of what have come to be considered many of the material benefits of our much-vaunted modern civilization. The menace

The dwelling conditions to which I refer exist not only in the very large cities, but also in many of the smaller cities as well. They exist on tens of thousands of farms, [some of them] in every part of the country, but most of them in the southern states.

Another example to which we cannot be blind is the prevalence of an unsatisfactory and un-American type of tenant farming. I do not mean to suggest that every farm family has the capacity to earn a satisfactory living on its own farm. But I point out that many thousands of them, with some and financial assistance, with some advice and training, can be made self-supporting on land which will eventually belong to the nation would be wise to offer them that chance, instead of going along as they do now, year after year, as tenants with no hope of ownership of their homes and no expectation of being able to better the lot of their children.
Another example among our national needs is that of continuing efforts to improve our social security laws. We should remember for instance, that many nations which adopted old-age contributory pension systems many years ago, have amended and improved the original law through almost all of the succeeding years.

Another example relates to the field of buying and selling securities and commodities, and this merges into the even larger question of planning against either unwieldy surpluses or abnormal scarcities.

In the case of the exchanges on which securities and commodities are dealt in, the greater the speculation the greater become the upward and downward swings, and it is these drastic swings which, in the long run, create more losses than gains in the underlying wealth of the community.

In the case of the basic commodities, whether they be crops or minerals, or textiles or steel, or automobiles, government in itself, under modern conditions, is justified in the use of proper means to prevent run-away over-production
While such laws now work smoothly, the efficiency of operation has come through constant amendment and improvement of the original statutes.
Modern government is also prepared to meet the idle overproduction of certain basic agricultural and natural resources with the resulting destructive surpluses and the equally harmful build-up of production of certain indispensable manufactured commodities by monopolistic price and quota controls.
and also to avoid harmful under-production. We know now, that if, early in 1931, the government had fostered a great building program, and at the same time had curtailed the acreage of a few of our major crops, the depth reached by the depression in the spring of 1933 would not have been nearly as great as it was.

The great questions which affect men and women who work for wages, are involved in this same broad field. Because the length of working hours, minimum pay, child labor, and indeed all the underlying principles of collective bargaining, have much to do with production and prices.

A sober second thought leads most of us to believe that the objectives of the National Recovery Act were sound. The principal difficulties lay in the administration of an Act which did not separate the administrative functions into several parts. If the Supreme Court, by its decision, had not outlawed the whole of the work of the National Recovery Administration, legislation based on experience would have been wholly capable over a period of a few years, of obtaining the underlying
We know now that its difficulties arose from the fact that it tried to accomplish too much at the same time.
objectives.

That adequate conditions and pay for work can be secured on the one hand, and curbs on monopoly, unfair trade practices and speculation can be obtained on the other hand, through parallel and simultaneous action by 48 states, is a proven impossibility. There are those who still cling to the hope, but the long experience of a century and a half makes it clear that Federal laws alone can solve these problems which are the direct result of modern invention applied in an industrialized nation which conducts its business with scant regard to state lines.

During the past year there has been a growing belief that there is little fault to be found with the Constitution of the United States as it stands today. The vital need of today is not an alteration of our fundamental law, but an increasingly enlightened view with reference to it. Difficulties have grown out of its interpretation: but rightly considered, it can be used as an instrument of progress, and not a device for preventing action. It is worth our while to read and re-read
It is equally impossible, on the other hand, to obtain curbs on monopoly, unfair trade practices and speculation by state action.
the preamble of the Constitution, and Article I thereof, which
confers the legislative powers upon the Congress of the United
States. It is also worth our while to read again the debates in
the Constitutional Convention of 150 years' ago. From such read-
ing, I obtain the very definite thought that the members of
that Convention were fully aware that the problem of civilization
would raise questions for the Federal Government which they
were creating, which they themselves could not even surmise;
and that it was their definite intent that a liberal interpre-
tation in the years to come would give to the Congress the same
relative powers over new national problems which they themselves
gave to the Congress with respect to existing national problems.

With a better understanding of our purposes, and a wider
recognition of our needs as a nation, it is not to be assumed
that there will be prolonged failure to bring legislative and
judicial action into closer harmony. Means must be found to a-
dapt our legal forms and our judicial interpretation to the
actual present national needs of the largest progressive democracy
in the modern world.
That thought leads me logically to a consideration of world problems. To go no further back than the beginning of this century, it seems evident that men and women everywhere were seeking conditions of life very different from those which were customary before modern invention and modern industry and modern communications had come into being. The world War, for all of its tragedy, encouraged these demands, and stimulated the desire for action.

Many forms of national governments seemed unable to respond, and, often with the assent of the masses of the people in themselves, new forms of government where oligarchy took the place of democracy were set up. With them militarism has leapt forward, whereas among those nations which have retained democracy militarism has waned.

I have recently visited three of our sister-republics in South America. I do not hesitate to say that to me the outstanding lesson of that visit was the strengthening of my conviction that the masses of the peoples of all the Americas be-
lieve that the democratic form of government can be made to succeed and that they do not wish to substitute for it the oligarchic form of government. They believe that democracies are best able to retain peace, and that democracies are best able to cope with the changing problems of modern civilization within themselves.

In a very real sense the great Inter-American Conference in Buenos Aires issued a challenge on behalf of all the democracies of the world to those nations which live under other forms of government. Because such other governments are perhaps more spectacular it was high time democracy asserted itself.

If for no other reason than that all of us believe that our form of government can cope adequately with new problems as they arise, we can patriotically and logically proceed with new laws to meet new national needs under an historic constitutional framework clearly intended to receive liberal and not narrow interpretation.
The Inter-American Conference proceeding on the fundamental principles of Democracy of which I have spoken, took many steps in furtherance of peace in this hemisphere. Existing peace machinery was strengthened; new instruments to maintain peace and eliminate causes leading to war were adopted; a wider protection of the interests of the American Republics in the event of war outside the Western hemisphere was provided; respect for, and observance of, international treaties and international law was strengthened; principles of liberal trade policies, as effective aids to the maintenance of peace were reaffirmed; and the intellectual and cultural relations among American Republics as a part of the general peace program were broadened.

I do not hesitate to say that the results of the Conference constitute a great and I believe a permanent achievement in direct effect on the lives of and peace among the two hundred and fifty million human beings who dwell in this Western Hemisphere.

The Conference did more. In a world unhappily thinking in terms of war, and of cut-throat competition, the representatives of 21 nations have sat at a common table and earnestly discussed
measures for maintaining peace in an atmosphere of complete confidence and understanding. Such an example cannot but have a wholesome effect upon the rest of the world.

The United States of America, within itself, must continue the task of making democracy succeed. The legislative branch of our government will I trust continue to meet social needs whether they relate to the curbing of abuses, the extension of help to those who need help, or the better balancing of our economies.

So too The Executive Branch of the Government also must move forward, it must provide better management for administrative action of all kinds.

The Legislative branch also is asked by the people to assist in making democracy successful: we do not ask the Courts to call non-existent powers into being, but we have a right to expect that conceded powers or those legitimately implied shall be made effective instruments for the common good.

Your task and mine is not ending with the end of the depression. The people of the United States have made it clear
that they expect us to continue our active efforts in behalf of their peaceful advancement. In that spirit of endeavor and service I greet the 75th Congress at the beginning of this auspicious New Year.
TO THE CONGRESS OF THE UNITED STATES:

For the first time in our national history a President delivers his Annual Message to a new Congress within a fortnight of the expiration of his term of office. While there is no change in the Presidency this year, change will occur in future years. It is my belief that in every fourth year the President should, in so far as seems reasonable, review the existing state of our national affairs and outline broad future problems, leaving specific recommendations for future legislative enactments to the President about to be inaugurated.

The problems which faced our nation in March, 1933, and which only our national government had the resources to meet, went far deeper than appeared on the surface.

Not only had the mechanism of economic life broken down, but long years of neglect of the needs for social betterment of the underprivileged had brought about conditions which laid down a challenge to democracy itself.
world of a hundred years ago. Ours was the test to give

confident answer to those who held to the hope of Democracy

in a world of Dictatorships.

That challenge we met. To meet it required

unprecedented activities under Federal leadership during

the past four years, to end abuses, to restore a large
degree of material prosperity and to give new hope to

millions of our citizens who had been led to expect that

Democracy would provide in their lives wider opportunity

and greater security.

In the scores of individual methods of attack

which we used in meeting these problems, in meeting on a

broad front, we solved one of the major problems of a govern-

ment protected by a democratic separation of powers —

understanding and working cooperation between the legislative

and the Executive branches of our Government. That co-

operation solved problems of extraordinary magnitude and

ramifications, with few fundamental errors, and at a cost

immediate

not excessive when measured by the necessities or the

eventual results.
I look forward to continued cooperation in the next four years. I look forward to a continuance of the basis of that cooperation — a mutual respect for each other's proper sphere of functioning in a democracy which is works. And, therefore, of the many new activities which have been undertaken, it will be within the right of the Congress to determine which shall be continued or abandoned, increased or curtailed.

On the President alone, however, the Constitution has placed the responsibility for their administration. I find that this task of executive management has reached the point where our administrative machinery needs a comprehensive overhauling. I shall shortly address the Congress more fully in regard to the modernizing and improvement of the Executive side of the government. At this time, however, it should be pointed out that while better business management in the Executive branch of government will relieve duplication and lost motion, it cannot produce appreciable savings in comparison with total expenditures. Large savings can come only by abolishing or diminishing actual functions of government. Congress alone can determine that by the control of authorizations and appropriations.
For these last four years, the Congress and the President have been in full accord in a two-fold policy — economic recovery by relief for the needy unemployed, and assistance to agriculture, industry and banking, and definite improvement in the security and opportunity of the great mass of our people.

But mere temporary recovery was not our goal. We sought to make it permanent by protecting it from the causes of disaster in the future. For that reason we cooperated in a series of enactments intended to avert a future crisis similar to that through which we were passing — the guarantee of bank deposits, the beginnings of security to the aged and the worker, the removal of the threat of agricultural surpluses, protection for the investor in securities, sound banking and sound currency, the outlawing of sweat shops, child labor and unfair trade practices.

Government of a democratic nation does not exist for the sole, or even the primary, purpose of fostering prosperity at the top. Its deeper purpose is to assist as many of its citizens as possible to improve their conditions.
of life, to retain all personal liberty which does not adversely affect their neighbors, and to pursue the happiness which comes with security and an opportunity for recreation and culture.

Even with our present recovery we are far from the goal of that greater purpose.

For example, there are still far too many unemployed citizens. The immediate problem of adequate relief for the needy unemployed, who are capable of performing useful work, I shall discuss with the Congress during the coming month. The broader problem of unemployment itself is a matter of long-range policy. We cannot assume that immediate business activity which mitigates present pressures will allow the national government to place the unemployment problem in a filling cabinet of finished matters.

For another example, many millions of Americans are living today in habitations which not only fail to provide the material and physical benefits of modern civilization but also breed disease and impair the health of future generations. The menace exists not only in the much-publicized slum areas of the very large cities, but sometimes to an even greater degree in smaller cities as well. The menace exists on tens of thousands of farms in every part of the country,
particularly in the southern states.

Another example is the prevalence of an unsatisfactory and un-American type of tenant farming. Many thousands of tenant farmers, with some financial assistance and with some advice and training, can be made self-supporting on land which will eventually belong to them. The nation would be wise to offer them that chance instead of permitting them to go along as they do now, year after year, as tenants with no hope of ownership of their homes and no expectation of being able to better the lot of their children.

Another example among our national needs is the continued search for practical improvements in our social security laws. We should remember that in many nations where such laws now work smoothly, the efficiency of operation has come through constant amendment and improvement of the original statute.

Another example relates to the field of buying and selling securities and commodities. The greater the speculation the greater become the upward and downward swings. These drastic swings, in the long run, create more losses than gains in the underlying wealth of the community.
Modern government must also be prepared to meet the evils of the overproduction of certain basic agricultural and mineral resources with the resulting destructive surpluses and the equally harmful underproduction of certain indispensable manufactured commodities by monopolistic price and quota controls.

We know now that if, early in 1931, the government had fostered a great building program, and at the same time had curtailed the acreage of a few of our major crops, the depression would never have reached the depths of the spring of 1933.

The great questions which affect men and women who work for wages are involved in the same problem. The length of working hours, minimum pay, child labor, collective bargaining, all have much to do with production and prices.

Sober second thought confirms most of us in the belief that the broad objectives of the National Recovery Act were sound. We know now that its difficulties arose from the fact that it tried to accomplish too much at the same time. If the Supreme Court, by its decision, had not outlawed the whole of the work of the National Recovery Administration, amendatory legislation based on experience would have been vastly possible, over a period of a few years, of attaining the
underlying objectives.

That adequate conditions and pay for work and adequate returns for agriculture can be secured through parallel and simultaneous action by forty-eight states is a proven impossibility. It is equally impossible to obtain curbs on monopoly, unfair trade practices and speculation by state action. There are those who still cling to the theoretical hope, but experience with actualities makes it clear that Federal laws solve the problems which result from modern invention applied in an industrialized nation which conducts its business with scant regard to state lines.

During the past year there has been a growing belief that there is little fault to be found with the Constitution of the United States as it stands today. The vital need is not an alteration of our fundamental law, but an increasingly enlightened view with reference to it. Difficulties have grown out of its interpretation; but rightly considered, it can be used as an instrument of progress, and not a device for prevention of action. It is worth while to read and re-read
THIRD DRAFT AMENDED

TO THE CONGRESS OF THE UNITED STATES:

For the first time in our national history a President delivers his Annual Message to a new Congress within a fortnight of the expiration of his term of office.

While there is no change in the Presidency this year, change will occur in future years. It is my belief that under the new Constitutional practice, in every fourth year, the President should, in so far as seems reasonable, review the existing state of our national affairs and outline broad future problems, leaving specific recommendations for future legislation to be made by the President about to be inaugurated.

At this time, however, I am compelled by the circumstances of the moment to ask your immediate consideration; first, of measures extending the life of certain authorities which, under present statutes, expire within a few weeks; second, of an amendment of the existing Neutrality Act to cover specific problems occasioned by the unfortunate civil strife in Spain; and, third, a deficiency appropriation bill for which I shall submit estimates this week.
The problems which faced our nation at that time were more fundamental than appeared on the surface.

It was not only that the visible mechanism of economic life had broken down. More disturbing was the fact that neglect of the need for continued betterment of the underprivileged had brought too many of our people to the verge of doubt as to the value of our historic traditions in the complex modern world. In that, lay a challenge to our democratic form of government itself.

Ours was the task to prove that democracy could be made to function in the world of today as efficiently as in the simpler world of a hundred years ago. Ours was the task to do more than to argue a theory. The times required a more confident answer by actual performance to those whose instinctive faith in humanity made them want to believe that in the long run democracy would prove superior to more extreme forms of government as a process of getting action when action was needed.
THIRD DRAFT AMENDED

That challenge we met. To meet it required unprecedented activities under Federal leadership — to end abuses, to restore a large degree of material prosperity, to give new faith to millions of our citizens who had been traditionally taught to expect that democracy would provide continuously wider opportunity and continuously greater security in a world where science was continuously making material riches available to man.

In the course of individual methods of attack which we used in meeting these problems on a broad front, you and I, by mutual understanding and by making cooperation, helped make democracy succeed by avoiding difficulties which in the past have come from the separation of governmental powers designed to protect the democratic process. Our spirit of cooperation proved able to solve problems of extraordinary magnitude and ramifications, but few of them were important and at a cost cheap when measured by the immediate necessities and the eventual results.

I look forward to a continuance of cooperation in the next four years. I look forward also to a continuance of the basis of that cooperation — mutual respect for each
other's proper sphere of functioning in a democracy which is working well. On that basis, it is within the right of the Congress to determine which of the many new activities shall be continued or abandoned, increased or curtailed.

On the same basis, the President alone has placed the responsibility for their administration. I find that this task of executive management has reached the point where our administrative machinery needs comprehensive overhauling. I shall, therefore, shortly address the Congress more fully in regard to the modernizing and improvement of the Executive side of the government.

That cooperation between the Congress and the President has aimed at the fulfillment of a two-fold policy -- first, economic recovery through many kinds of assistance to agriculture, industry and banking; and, second, deliberate improvement in the personal security and opportunity of the great mass of our people.
It is not enough that the wheels turn. They must carry us in the direction of a greater satisfaction in life for the average man.
The recovery we sought was not to be merely temporary. It was to be a recovery protected from the causes of previous disasters. With that aim in view you and I joined in a series of enactments intended to avert a future similar crisis — the guarantee of bank deposits, the beginnings of security to the aged and the worker, the removal of the threat of agricultural surpluses, protection for the investor in securities, safe banking and sound currency, insistence on collective bargaining, the outlawing of sweat shops, child labor and unfair trade practices.

Nor was the recovery we sought merely a purposeless whirring of machinery. It is important that every man and woman in the country find work, that every factory earn, that business as a whole earn profits. But government in a democratic nation does not exist solely or even primarily for that purpose. Its deeper purpose is to assist as many of its citizens as possible — especially those who need it most — to improve their conditions of life, to retain all personal liberty which does not adversely affect their neighbors, and to pursue the happiness which comes with security and an opportunity for recreation and culture.
Even with our present recovery we are far from the goal of that greater purpose.

There are great problems still with us for which democracy must find solution if it is to consider itself successful. For example, many millions of Americans living today in habitations which not only fail to provide the material and physical benefits of modern civilization but even breed disease and impair the health of future generations. The menace exists not only in the slum areas of the very large cities, but in many smaller cities as well. The menace exists on tens of thousands of farms, in varying degrees, in every part of the country.

Another example is the prevalence of an un-American type of tenant farming. I do not suggest that every farm family has the capacity to earn a satisfactory living on its own farm. But many thousands of tenant farmers, with some financial assistance and with some advice and training, can be made self-supporting on land which eventually belong to them. The nation would be wise to offer them that chance instead of permitting them to go along as they do now, year after year, with the hope of ownership of their homes expectation
of living able to better the lot of their children.

Among our national needs also is the continued practical improvements in our social security laws, and the broadening of the service they render. We should remember that in many nations where such laws are in effect, complete success in meeting the expectations of the community has come through constant improvement of the original statute.

And, of course, the most far-reaching problem of unemployment, and the lack of economic balance of which unemployment is but a symptom, is the immediate problem of adequate relief for the needy unemployed, who are capable of performing useful work, I shall discuss with the Congress during the coming months.

The broader problem of unemployment itself is a matter of to the must-continue to give our best thought and long-range evolutionary policy. We cannot assume that immediate activity which might mitigate present pressures, justified the national government at this time in placing the unemployment problem in a filing cabinet of finished The problem of employment fluctuations is tied to all other fluctuations in our methods of production and distribution, in the field of buying and selling securities of commodities, the greater the speculation the greater become the upward and downward swings, in the wasterful in our methods of production and speculation is one of these forces, in the volume of performance of the and the greater the certainty that
long run, create more losses than gains in the underlying
wealth of the community.

And, as is now well known to all of us, from unplanned overproduction and
monopolistic underproduction of natural and manufactured commodities.

Speculation, overproduction and underproduction

are three evil sisters who breed the troubles of unsound
inflation and disastrous deflation. It is to the interest
of the nation to have government help business establish
sound price levels and maintain that level, without
perilous fluctuations. We know now that if early in 1931
government had taken the steps which were taken two
and three years later, the depression would never have
reached the depths of the

Sober second thought confirms most of us in the
belief that the broad objectives of the National Recovery
Act were sound. We know now that its difficulties arose
from the fact that it tried to accomplish too much at the
same time. For example, the tying-up of the length of
working hours, minimum wages, child labor, collective bargaining with complicated questions of unfair trade practices and business practices controls was a confusing obstacle to workable administration. Though the statute of the NRA has been outlawed the whole of the work of the National Recovery Administration, amendmentary legislation based on experience would have resulted, over a period of years, in finding better methods of reaching the underlying objectives.

That decent conditions and adequate pay for labor, and just return for agriculture, can be secured through parallel and simultaneous action by forty-eight states is a proven impossibility. It is equally impossible to obtain curbs on monopoly, unfair trade practices and speculation by state action alone. There are those who still cling to state action as a theoretical hope. But experience with actualities makes it clear that Federal laws are needed to help solve the problems which result from modern invention applied in an industrialized nation which conducts its business with scant regard to state lines.

During the past year there has been a growing belief that there is little fault to be found with the Constitution of the United States as it stands today. The
vital need is not an alteration of our fundamental law, but an increasingly enlightened view with reference to it. Difficulties have grown out of its interpretation; but rightly considered, it can be used as an instrument of progress, and not a device for prevention of action.

It is worth our while to read and re-read the preamble of the Constitution, and Article I thereof, which confers the legislative powers upon the Congress of the United States. It is also worth our while to read again the debates in the Constitutional Convention of one hundred and fifty years ago. From such reading, I obtain the very definite thought that the members of that Convention were fully aware that civilization would raise problems for the proposed new Federal Government, which they themselves could not even surmise; and that it was their definite intent that a liberal interpretation in the years to come would give to the Congress the same relative powers over new national problems which they themselves gave to the Congress over the national problems of their day.
To presenting the first basic draft of the constitution, Edmund Randolph explained that it was the purpose "to insert essential principles only, lest the operations of government should be clogged by rendering those provisions permanent and unalterable which ought to be accommodated to times and events."
With a better understanding of our purposes, and a more intelligent recognition of our needs as a nation, it is not to be assumed that there will be prolonged failure to bring legislative and judicial action into closer harmony. Means must be found to adapt our legal forms and our judicial interpretation to the actual present national needs of the largest progressive democracy in the modern world.

That thought leads me logically to a consideration of world problems. To go no further back than the beginning of this century, men and women everywhere were seeking conditions of life very different from those which were customary before modern invention and modern industry and modern communications had come into being. The World War, for all of its tragedy, encouraged these demands and stimulated action to fulfill these new desires.

Many national governments seemed unable adequately to respond; and, often with the assent of the masses of the people themselves, new forms of government were set up with oligarchy taking the place of democracy. In self-preservation these oligarchies have encouraged militarism to leap forward, while democracies, in equal self-preservation, have tried to keep militarism down.
In the oligarchies, militarism has leapt forward, while in those nations which have retained democracy, militarism has waned.
I have recently visited three of our sister-Republics in South America. The most cordial reception with which I was greeted was in tribute to democracy. To me the outstanding observation of that visit was that the masses of the peoples of all the Americas are convinced that the democratic form of government can be made to succeed and do not wish to substitute for it any other form of government. They believe that democracies are best able to cope with the changing problems of modern civilization within themselves, and that democracies are best able to maintain peace among themselves.

The Inter-American Conference operating on these fundamental principles of democracy did much to assure peace in this Hemisphere. Existing peace machinery was improved. New instruments to maintain peace and eliminate causes of war were adopted. Wider protection of the interests of the American Republics in the event of war outside the Western Hemisphere was provided. Respect for, and observance of, international treaties and international law were strengthened. Principles of liberal trade policies, as effective aids to the maintenance of peace were reaffirmed. The intellectual and
In a very real sense, the Conference in Buenos Aires went forth a message on behalf of all the democracies of the world to those nations which live otherwise. Because such other governments are perhaps more spectacular at more high time for democracy to assert itself.
cultural relationships among American Republics were broadened as a part of the general peace program.

In a world unhappily thinking in terms of war, the representatives of twenty-one nations have sat around a table, in an atmosphere of complete confidence and understanding, sincerely discussing measures for maintaining peace. Here was a great and a permanent achievement directly affecting the peace and security of the two hundred and fifty million human beings who dwell in this Western Hemisphere. Here was an example which must have a wholesome effect upon the rest of the world. (C)

Because all of us believe that our democratic form of government can cope adequately with modern problems as they arise, it is patriotic as well as logical for us to prove that we can meet new national needs with new laws consistent with an historic constitutional framework clearly intended to receive liberal and not narrow interpretation.

The United States of America, within itself, must make democracy succeed. That is the destiny of this generation of Americans. That is our opportunity to find a great place in the history of mankind. In that task, the legislative branch of our government will I meet continue
D)
So too, the Executive Branch of the Government must move forward in this task, and at the same time, provide better management for administrative action of all kinds.
to meet the demands of democracy whether they relate to the curbing of abuses, the extension of help to those who need help, or the better balancing of our interdependent economies.

I pledge you that the Executive branch of the Government will move forward in that task.

The Judicial branch also is asked by the people to do its part in making democracy successful. We do not ask the Courts to call non-existent powers into being, but we have a right to expect that conceded powers or those legitimately implied — powers recognized by a majority of the Court — shall be made effective instruments for the common good.

Your task and mine is not ending with the end of the depression. The people of the United States have made it clear that they expect us to continue our active efforts in behalf of their peaceful advancement.

In that spirit of endeavor and service I greet the Seventy-Fifth Congress at the beginning of this auspicious New York.
TO THE CONGRESS OF THE UNITED STATES:

For the first time in our national history a President delivers his Annual Message to a new Congress within a fortnight of the expiration of his term of office. While there is no change in the Presidency this year, change will occur in future years. It is my belief that under this new constitutional practice, the President should in every fourth year, in so far as seems reasonable, review the existing state of our national affairs and outline broad future problems, leaving specific recommendations for future legislation to be made by the President about to be inaugurated.

At this time, however, I am compelled by the circumstances of the moment to ask your immediate consideration: First, measures extending the life of certain authorizations and powers which, under present statutes, expire within a few weeks; second, an addition to the existing Neutrality Act to cover specific issues raised by the unfortunate civil strife in Spain; and, third, a deficiency appropriation bill for which I shall submit estimates this week.
In March, 1933, the problems which faced our nation and which only our national government had the resources to meet, were more fundamental than appeared on the surface.

It was not only that the visible mechanism of economic life had broken down. More disturbing was the fact that long neglect of the need for continued betterment of the underprivileged had brought too many of our people to the verge of doubt as to the successful application of our historic traditions to the complex modern world. In that, lay a challenge to our democratic form of government itself.

Ours was the task to prove that democracy could be made to function in the world of today as effectively as in the simpler world of a hundred years ago. Ours was the task to do more than to argue a theory. The times required the confident answer of performance to those whose instinctive faith in humanity made them want to believe that in the long run democracy would prove superior to more extreme forms of government as a process of getting action when action was wisdom, without the spiritual sacrifices which those other forms of government exact.
That challenge we met. To meet it required unprecedented activities under Federal leadership -- to end abuses, to restore a large degree of material prosperity, to give new faith to millions of our citizens who had been traditionally taught to expect that democracy would provide continuously wider opportunity and continuously greater security in a world where science was continuously making material riches more available to man.

In the many methods of attack with which we met these problems, you and I, by mutual understanding and by determination to cooperate, helped to make democracy succeed by refusing to permit unnecessary disagreement between government. Our spirit of cooperation was able to solve difficulties of extraordinary magnitude and ramification with a few important errors, and at a cost cheap when measured by the immediate necessities and the eventual results.

I look forward to a continuance of that cooperation in the next four years. I look forward also to a continuance of the basis of that cooperation -- mutual respect for each
other's proper sphere of functioning in a democracy which is working well, and a common-sense realization of the need for play in the parts of the machine.

On that basis, it is within the right of the Congress to determine which of the many new activities shall be continued or abandoned, increased or curtailed.

On that same basis, the President alone has the responsibility for their administration. I find that this task of executive management has reached the point where our administrative machinery needs comprehensive overhauling.

I shall, therefore, shortly address the Congress more fully in regard to modernizing and improving the Executive branch of the government.

That cooperation of the past four years between the Congress and the President has aimed at the fulfillment of a two-fold policy -- first, economic recovery through many kinds of assistance to agriculture, industry and banking; and, second, deliberate improvement in the personal security and opportunity of the great mass of our people.

The recovery we sought was not to be merely temporary. It was to be a recovery protected from the causes of previous disasters. With that aim in view, you and I joined
in a series of enactments -- safe banking and sound currency, the guarantee of bank deposits, protection for the investor in securities, the removal of the threat of agricultural surpluses, insistence on collective bargaining, the outlawing of sweat shops, child labor and unfair trade practices, and the beginnings of security for the aged and the worker.

Nor was the recovery we sought merely a purposeless whirring of machinery. It is important, of course, that every man and woman in the country be able to find work, that every factory run, that business as a whole earn profits. But government in a democratic nation does not exist solely, or even primarily, for that purpose.

It is not enough that the wheels turn. They must carry us in the direction of a greater satisfaction in life for the average man. The deeper purpose of democratic government is to assist as many of its citizens as possible — especially those who need it most — to improve their conditions of life, to retain all personal liberty which does not adversely affect their neighbors, and to pursue the happiness which comes with security and an
opportunity for recreation and culture.

Even with our present recovery we are far from the goal of that greater purpose. There are problems still with us for which democracy must find solutions if it is to consider itself successful.

For example, many millions of Americans still live in habitation which not only fail to provide the physical benefits of modern civilization but breed disease and impair the health of future generations. The menace exists not only in the slum areas of the very large cities, but in many smaller cities as well. It exists on tens of thousands of farms, in varying degrees, in every part of the country.

Another example is the prevalence of an un-American type of tenant farming. I do not suggest that every farm family has the capacity to earn a satisfactory living on its own farm. But many thousands of tenant farmers — indeed most of them — with some financial assistance and with some advice and training, can be made self-supporting on land which can eventually belong to them. The nation would be wise to offer them that chance instead of permitting them to go along as they do now, year after year, with neither future security as tenants nor hope of
Another of our national problems is the intelligent development of our social security system, the broadening of the services it renders, and practical improvement in its operation.
ownership of their homes nor expectation of bettering the lot
of their children.

Among our national needs also are the continuous
practical improvement in our social security laws, and the
broadening of the service they render. In many nations where
such laws are in effect, success in meeting the expectations
of the community has come through frequent amendment of the
original statute.

And, of course, the most far-reaching and the
most inclusive problem of all is that of unemployment and
the lack of economic balance of which unemployment is at
once the result and the symptom. The immediate question of
adequate relief for the needy unemployed who are capable of
performing useful work, I shall discuss with the Congress
during the coming months. The broader problem of unemployment
itself is a matter of long-range evolutionary policy. To
that we must continue to give our best thought and effort.
We cannot assume that immediate industrial and commercial
activity which mitigates present pressures justifies the
national government at this time in placing the unemployment
problem in a filing cabinet of finished business.
The problem of fluctuations in employment is tied to all other wasteful fluctuations in our method of production and distribution. Speculation is one of these wastes. In securities or commodities, the greater the volume of speculation the greater become the extremes of the upward and downward swings and the greater the certainty that in the long run there will be more losses than gains in the underlying wealth of the community.

And, as is now well know to all of us, the same net loss to society comes from thoughtless overproduction and monopolistic underproduction of natural and manufactured commodities.

Overproduction, underproduction and speculation are three evil sisters who distill the troubles of unsound inflation and disastrous deflation. It is to the interest of the nation to have government help private enterprise to gain general sound price levels and to protect those levels from wide perilous fluctuations. We know now that if early in 1931 government had taken the steps which were taken two and three years later, the depression would never have reached the depths of the beginning of 1933.
Sober second thought confirms most of us in the belief that the broad objectives of the National Recovery Act were sound. We know now that its difficulties arose from the fact that it tried to accomplish too much at the same time. It was a miscalculation, for example, to tie up in the same agency the length of working hours, minimum wages, child labor and collective bargaining on the one hand and complicated questions of unfair trade practices and business controls on the other; was a confusing obstacle to workable administration. Though the statute of NRA has been outlawed, the problems have not. They are still with us.

That decent conditions and adequate pay for labor, and just return for agriculture, can be secured through parallel and simultaneous action by forty-eight states is a proven impossibility. It is equally impossible to obtain curbs on monopoly, unfair trade practices and speculation by state action alone. There are those who, still clinging to state action as a theoretical hope. But experience with actualities makes it clear that Federal laws supplementing state laws are needed to help solve the problems which result from modern invention applied in an industrialized nation which conducts its business with scant regard to state lines.
During the past year there has been a growing belief that there is little fault to be found with the Constitution of the United States as it stands today. The vital need is not an alteration of our fundamental law, but an increasingly enlightened view with reference to it. Difficulties have grown out of its interpretation; but rightly considered, it can be used as an instrument of progress, and not as a device for prevention of action.

It is worth our while to read and re-read the preamble of the Constitution, and Article I thereof, which confers the legislative powers upon the Congress of the United States. It is also worth our while to read again the debates in the Constitutional Convention of one hundred and fifty years ago. From such reading, I obtain the very definite thought that the members of that Convention were fully aware that civilization would raise problems for the proposed new Federal Government, which they themselves could not even surmise; and that it was in expectation their definite assurance that a liberal interpretation in the years to come would give to the Congress the same relative powers over new national problems which they themselves gave to the Congress over the national problems of their day.
In presenting to the Convention the first basic draft of the Constitution, Edmund Randolph explained that it was the purpose "to insert essential principles only, lest the operations of government should be clogged by rendering those provisions permanent and unalterable which ought to be accommodated to times and events."

With a better understanding of our purposes, and a more intelligent recognition of our needs as a nation, it is not to be assumed that there will be prolonged failure to bring legislative and judicial action into closer harmony. Means must be found to adapt our legal forms and our judicial interpretation to the actual present national needs of the largest progressive democracy in the modern world.

That thought leads [as-legitimately] to a consideration of world problems. To go no further back than the beginning of this century, men and women everywhere were seeking conditions of life very different from those which were customary before modern invention and modern industry and modern communications had come into being. The World War, for all of its tragedy, encouraged these demands and stimulated action to fulfill these new desires.
Many national governments seemed unable adequately to respond; and, often with the assent of the masses of the people themselves, new forms of government were set up with oligarchy taking the place of democracy. In such oligarchies, militarism has leapt forward, while in those nations which have retained democracy, militarism has waned.

I have recently visited three of our sister-Republics in South America. The very cordial receptions with which I was greeted were in tribute to democracy. To me the outstanding observation of that visit was that the masses of the peoples of all the Americas are convinced that the democratic form of government can be made to succeed and do not wish to substitute for it any other form of government. They believe that democracies are best able to cope with the changing problems of modern civilization within themselves, and that democracies are best able to maintain peace among themselves.

The Inter-American Conference, operating on these fundamental principles of democracy did much to assure peace in this Hemisphere. Existing peace machinery was improved. New instruments to maintain peace and eliminate causes of war were adopted. Wider protection of the interests of the American Republics in the event of war outside the Western
Hemisphere was provided. Respect for, and observance of, international treaties and international law were strengthened. Principles of liberal trade policies, as effective aids to the maintenance of peace were reaffirmed. The intellectual and cultural relationships among American Republics were broadened as a part of the general peace program.

In a world unhappily thinking in terms of war, the representatives of twenty-one nations sat around a table, in an atmosphere of complete confidence and understanding, sincerely discussing measures for maintaining peace. Here was a great and a permanent achievement directly affecting the peace and security of the two hundred and fifty million human beings who dwell in this Western Hemisphere. Here was an example which must have a wholesome effect upon the rest of the world.

In a very real sense, the Conference in Buenos Aires sent forth a message on behalf of all the democracies of the world to those nations which live otherwise. Because such other governments are perhaps more spectacular, it was high time for democracy to assert itself.
The process of our democracy must not be imperiled by the denial of executive powers of free government. Those powers must be implemented without constitutional amendment if possible — with amendment if necessary.
Because all of us believe that our democratic form of government can cope adequately with modern problems as they arise, it is patriotic as well as logical for us to prove that we can meet new national needs with new laws consistent with an historic constitutional framework clearly intended to receive liberal and not narrow interpretation.

The United States of America, within itself, must continue the task of making democracy succeed.

In that task the legislative branch of our government will, I am confident, continue to meet the demands of democracy whether they relate to the curbing of abuses, the extension of help to those who need help, or the better balancing of our interdependent economies.

So, too, the Executive branch of the government must move forward in this task, and, at the same time, provide better management for administrative action of all kinds.

The Judicial branch also is asked by the people to do its part in making democracy successful. We do not ask the Courts to call non-existent powers into being, but we have a right to expect that conceded powers or those legitimately implied shall be made effective instruments for the common good.
Your task and mine is not ending with the end of the depression. The people of the United States have made it clear that they expect us to continue our active efforts in behalf of their peaceful advancement.

In that spirit of endeavor and service I greet the Seventy-Fifth Congress at the beginning of this auspicious New Year.