

June 24, 1938

[FDR File #13 - National Affairs]

FDR Speech File

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ADDRESS OF THE PRESIDENT, JUNE 24, 1936.

(BROADCAST FROM THE WHITE HOUSE)

Our Government, happily, is a democracy. As part of the democratic process, your President is again taking an opportunity to report on the progress of national affairs to the real rulers of this country -- the voting public.

The Seventy-Fifth Congress, elected in November, 1936 on a platform uncompromisingly liberal, has adjourned. Barring unforeseen events, there will be no session until the new Congress, to be elected in November, assembles next January.

On the one hand, the Seventy-Fifth Congress has left many things undone.

For example, it refused to provide more businesslike machinery for running the Executive Branch of the Government. The Congress also failed to meet my suggestion that it take the far-reaching steps necessary to put the railroads of the country back on their feet.

But, on the other hand, the Congress, striving to carry out the Platform on which most of them were elected

achieved more for the future good of the country than any Congress between the end of the World War and the Spring of 1933.

I mention only the more important of these achievements.

1. It improved still further our agricultural laws to give the farmer a fairer share of the national income, to preserve our soil, to provide an all-weather granary, to help the farm tenant toward independence, to find new uses for farm products, and to begin crop insurance.

2. After many requests on my part the Congress passed a Fair Labor Standards Act. That Act -- applying to products in interstate commerce -- ends child labor, sets a floor below wages and a ceiling over hours of labor.

Except perhaps for the Social Security Act, it is the most far-sighted program for the benefit of workers ever adopted. Without question it

starts us toward a better standard of living and increases purchasing power to buy the products of farm and factory.

Do not let any calamity-howling executive with an income of \$1,000.00 a day, who has been turning his employees over to the Government relief rolls in order to preserve his company's undistributed reserves, tell you -- using his stockholders' money to pay the postage for his personal opinions -- that a wage of \$11.00 a week is going to have a disastrous effect on all American industry. Fortunately for business as a whole, and therefore for the Nation, that type of executive is a rarity with whom most business executives heartily disagree.

3. The Congress has provided a fact-finding commission to find a path through the jungle of contradictory theories about wise business

practices -- to find the necessary facts for any intelligent legislation on monopoly, on price-fixing and on the relationship between big business and little business. Different from a great part of the world, we in America persist in our belief in individual enterprise and in the profit motive; but we realize we must continually seek improved practices to insure the continuance of reasonable profits, together with scientific progress, individual initiative, opportunities for the little fellow, fair prices, decent wages and continuing employment.

4. The Congress has coordinated the supervision of commercial aviation and air mail by establishing a new Civil Aeronautics Authority; and it has placed all postmasters under the civil service for the first time in our history.

5. The Congress set up the United States Housing Administration to help finance large-scale slum

clearance and provide low rent housing for the low income groups in our cities. And by improving the Federal Housing Act, the Congress made it easier for private capital to build modest homes and low rental dwellings.

6. The Congress has properly reduced taxes on small corporate enterprises, and has made it easier for the Reconstruction Finance Corporation to make credit available to all business. I think the bankers of the country can fairly be expected to participate in loans where the Government, through the Reconstruction Finance Corporation, offers to take a fair portion of the risk.

7. The Congress has provided additional funds for the Works Progress Administration, the Public Works Administration, the Rural Electrification Administration, the Civilian Conservation Corps and other agencies, in order to take care of what we hope is a temporary additional number of unemployed and to encourage

production of every kind by private enterprise.

All these things together I call our program for the national defense of our economic system. It is a program of balanced action -- of moving on all fronts at once in intelligent recognition that all our economic problems, of every group, of every section, are essentially one.

B. Because of increasing armaments in other nations and an international situation which is definitely disturbing to all of us, the Congress has authorized important additions to the national armed defense of our shores and our people.

On another important subject the net result of a struggle in the Congress has been an important victory for the people of the United States -- a lost battle which won a war.

You will remember that on February 3, 1937, I sent a Message to the Congress dealing with the real need of Federal Court reforms of several kinds. In one way or

another, during the sessions of this Congress, the ends --  
the real objectives -- sought in the Message, have been  
substantially attained.

The attitude of the Supreme Court towards  
constitutional questions is entirely changed. Its recent  
decisions are eloquent testimony of a willingness to  
collaborate with the two other branches of Government to  
make democracy work. The Government has been granted the  
right to protect its interests in litigation between  
private parties involving the constitutionality of Federal  
statutes, and to appeal directly to the Supreme Court in  
all cases involving the constitutionality of Federal  
statutes; and no single judge is any longer empowered to  
suspend a Federal statute on his sole judgment as to its  
constitutionality. Justices of the Supreme Court may now  
retire at the age of seventy after ten years service; a  
substantial number of additional judgeships have been  
created in order to expedite the trial of cases;

and greater flexibility has been added to the Federal judicial system by allowing judges to be assigned to congested districts.

Another indirect accomplishment of this Congress has been its response to the devotion of the American people to a course of sane consistent liberalism. The Congress has understood that under modern conditions government has a continuing responsibility to meet continuing problems, and that Government cannot take a holiday of a year, a month, or even a day just because a few people are tired or frightened by the inescapable pace of this modern world in which we live.

Some of my opponents and some of my associates have considered that I have a mistakenly sentimental judgment as to the tenacity of purpose and the general level of intelligence of the American people.

I am still convinced that the American people, since 1932, continue to insist on two requisites of private enterprise, and the relationship of Government to

it. The first is complete honesty at the top in looking after the use of other people's money, and in apportioning and paying individual and corporate taxes according to ability to pay. The second is sincere respect for the need of all at the bottom to get work -- and through work to get a really fair share of the good things of life, and a chance to save and rise.

After the election of 1936 I was told, and the Congress was told, by an increasing number of politically -- and worldly -- wise people that I should coast along, enjoy an easy Presidency for four years, and not take the Democratic platform too seriously. They told me that people were getting weary of reform through political effort and would no longer oppose that small minority which, in spite of its own disastrous leadership in 1929, is always eager to resume its control over the Government of the United States.

Never in our lifetime has such a concerted campaign of defeatism been thrown at the heads of the President and

Senators and Congressmen as in the case of this Seventy-Fifth Congress. Never before have we had so many Copperheads -- and you will remember that it was the Copperheads who, in the days of the War between the States, tried their best to make Lincoln and his Congress give up the fight, let the Nation remain split in two and return to peace -- peace at any price.

This Congress has ended on the side of the people. My faith in the American people -- and their faith in themselves -- have been justified. I congratulate the Congress and I congratulate the American people on their own staying power.

One word about our economic situation. It makes no difference to me whether you call it a recession or a depression. In 1932 the total national income of all the people in the country had reached the low point of thirty-eight billion dollars in that year. With each succeeding year it rose. Last year, 1937, it had risen

to seventy billion dollars -- despite definitely worse business and agricultural prices in the last four months of last year. This year, 1938, while it is too early to do more than give an estimate, we hope that the national income will not fall below sixty billion dollars. We remember also that banking and business and farming are not falling apart like the one-hoss shay, as they did in the terrible winter of 1932-1933.

Last year mistakes were made by the leaders of private enterprise, by the leaders of labor and by the leaders of Government --- all three.

Last year the leaders of private enterprise pleaded for a sudden curtailment of public spending, and said they would take up the slack. But they made the mistake of increasing their inventories too fast and setting many of their prices too high for their goods to sell.

Some labor leaders goaded by decades of

oppression of labor made the mistake of going too far.

They were not wise in using methods which frightened many well-wishing people. They asked employers not only to bargain with them but to put up with jurisdictional disputes at the same time.

Government too made mistakes -- mistakes of optimism in assuming that industry and labor would themselves make no mistakes -- and Government made a mistake of timing in not passing a farm bill or a Wage and Hour Bill last year.

As a result of the lessons of all these mistakes we hope that in the future private enterprise -- capital and labor alike -- will operate more intelligently together, and in greater cooperation with their own Government than they have in the past. Such cooperation on the part of both of them will be very welcome to me. Certainly at this stage

there should be a united stand on the part of both of them to resist wage cuts which would further reduce purchasing power.

If this is done, it ought to result in conditions which will replace a great part of the Government spending which the failure of cooperation made necessary this year.

From March 4, 1933 down, not a single week has passed without a cry from the opposition "to do something, to say something, to restore confidence". There is a very articulate group of people in this country, with plenty of ability to procure publicity for their views, who have consistently refused to cooperate with the mass of the people, whether things were going well or going badly, on the ground that they required more concessions to their point of view before they would admit having what they called "confidence".

These people demanded "restoration of confidence"

when the banks were closed -- and again when the banks were reopened.

They demanded "restoration of confidence" when hungry people were thronging the streets -- and again when the hungry people were fed and put to work.

They demanded "restoration of confidence" when droughts hit the country --- and again now when our fields are laden with bounteous yields and excessive crops.

They demanded "restoration of confidence" last year when the automobile industry was running three shifts and turning out more cars than the country could buy -- and again this year when the industry is trying to get rid of an automobile surplus and has shut down its factories as a result.

It is my belief that many of these people who have

been crying aloud for "confidence" are beginning today to realize that that hand has been overplayed, and that they are now willing to talk cooperation instead. It is my belief that the mass of the American people do have confidence in themselves -- have confidence in their ability, with the aid of Government, to solve their own problems.

It is because you are not satisfied, and I am not satisfied, with the progress we have made in finally solving our business and agricultural and social problems that I believe the great majority of you want your own Government to keep on trying to solve them. In simple frankness and in simple honesty, I need all the help I can get -- and I see signs of getting more help in the future from many who have fought against progress with tooth and nail.

And now following out this line of thought, I want to say a few words about the coming political primaries.

Fifty years ago party nominations were generally made in conventions -- a system typified in the public imagination by

a little group in a smoke-filled room who made out the party slates.

The direct primary was invented to make the nominating process a more democratic one -- to give the party voters themselves a chance to pick their party candidates.

What I am going to say to you tonight does not relate to the primaries of any particular political party, but to matters of principle in all parties -- Democratic, Republican, Farmer-Labor, Progressive, Socialist or any other. Let that be clearly understood.

It is my hope that everybody affiliated with any party will vote in the primaries, and that every such voter will consider the fundamental principles for which his party is on record. That makes for a healthy choice between the candidates of the opposing parties on Election Day in November.

An election cannot give a country a firm sense of direction if it has two or more national parties which merely have different names but are as alike in their principles and

aims as peas in the same pod.

In the coming primaries in all parties, there will be many clashes between two schools of thought, generally classified as liberal and conservative. Roughly speaking, the liberal school of thought recognizes that the new conditions throughout the world call for new remedies.

Those of us in America who hold to this school of thought, insist that these new remedies can be adopted and successfully maintained in this country under our present form of government if we use government as an instrument of cooperation to provide these remedies. We believe that we can solve our problems through continuing effort, through democratic processes instead of Fascism or Communism. We are opposed to the kind of moratorium on reform which, in effect, is reaction itself.

Be it clearly understood, however, that when I use the word "liberal", I mean the believer in progressive principles of democratic, representative government and not the wild man

who, in effect, leans in the direction of Communism, for that is just as dangerous as Fascism.

The opposing or conservative school of thought, as a general proposition, does not recognize the need for Government itself to step in and take action to meet these new problems. It believes that individual initiative and private philanthropy will solve them -- that we ought to repeal many of the things we have done and go back, for instance, to the old gold standard, or stop all this business of old age pensions and unemployment insurance, or repeal the Securities and Exchange Act, or let monopolies thrive unchecked -- return, in effect, to the kind of Government we had in the twenties.

Assuming the mental capacity of all the candidates, the important question which it seems to me the primary voter must ask is this: "To which of these general schools of thought does the candidate belong?"

As President of the United States, I am not asking

the voters of the country to vote for Democrats next November as opposed to Republicans or members of any other party. Nor am I, as President, taking part in Democratic primaries.

As the head of the Democratic Party, however, charged with the responsibility of carrying out the definitely liberal declaration of principles set forth in the 1936 Democratic platform, I feel that I have every right to speak in those few instances where there may be a clear issue between candidates for a Democratic nomination involving these principles, or involving a clear misuse of my own name.

Do not misunderstand me. I certainly would not indicate a preference in a State primary merely because a candidate, otherwise liberal in outlook, had conscientiously differed with me on any single issue. I should be far more concerned about the general attitude of a candidate toward present day problems and his own inward desire to get practical needs attended to in a practical way. We all know that progress may be blocked by outspoken reactionaries and also by those who

say "yes" to a progressive objective, but who always find some reason to oppose any specific proposal to gain that objective. I call that type of candidate a "yes, but" fellow.

And I am concerned about the attitude of a candidate or his sponsors with respect to the rights of American citizens to assemble peaceably and to express publicly their views and opinions on important social and economic issues. There can be no constitutional democracy in any community which denies to the individual his freedom to speak and worship as he wishes. The American people will not be deceived by anyone who attempts to suppress individual liberty under the pretense of patriotism.

This being a free country with freedom of expression -- especially with freedom of the press -- there will be a lot of mean blows struck between now and Election Day. By "blows" I mean misrepresentation, personal attack and appeals to prejudice. It would be a lot better, of course, if campaigns everywhere could be waged with arguments instead of blows.

I hope the liberal candidates will confine themselves

to argument and not resort to blows. In nine cases out of ten the speaker or writer who, seeking to influence public opinion, descends from calm argument to unfair blows hurts himself more than his opponent.

The Chinese have a story on this -- a story based on three or four thousand years of civilization: Two Chinese coolies were arguing heatedly in the midst of a crowd. A stranger expressed surprise that no blows were being struck. His Chinese friend replied; "The man who strikes first admits that his ideas have given out."

I know that neither in the summer primaries nor in the November elections will the American voters fail to spot the candidate whose ideas have given out.

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*Outline dictated by  
FDR  
in Wash*

OUTLINE

- (1) Brief review of the 75th Congress.
- (2) Brief review of economics of the past two years.
- (3) Sketch of present economic conditions.
- (4) The more immediate economic problems, including railroads.
- (5) Two schools of thought.
- (6) Primaries.

And now, following out this line of thought, let me say a few words to the country about primaries. Some have been held, but in most states they are still to come.

As one who is old enough to remember the old methods of nominating candidates for public office, I want to go on record as saying that in the past generation we have made great strides in getting away from undemocratic methods of choosing candidates. Fifty years ago the selection of party nominees was principally in the hands of a convention system -- typified in the public imagination by the small group of men who gathered together in a smoke-filled room and made out the party slate -- the party slate for Mayor, for town and county officials, for the state



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ticket, and for Congressmen and Senators.

It was to make the nominating process a democratic one that the direct primary was originally suggested. The idea spread, with the result that today almost every state has direct primaries of one form or another.

What I am going to say to you tonight does not relate to the primaries of any particular political party. It is true that we have political parties and the primary system operates through them. I am talking about matters of principle and not matters of any one particular party — Democratic, Republican, Farmer-Labor, Progressive, Socialist, or any other. Let that be clearly understood.

In these primaries, in all parties where there is a contest will have the direct responsibility of choosing between two or more candidates for a given nomination.

What are the factors, what are the tests in making such choices?

The first test is, of course, the mental ability of the candidate to fill the office he seeks if he should be elected. It is essential to democratic government that every office holder, be it an elective office,



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an appointive office, or a Civil Service office, shall have the mental and moral capacity to do the job satisfactorily.

The second test, and one which applies very clearly to elective offices, is this: What general school of thought does the candidate belong to?

It is clear that in an elective office he will be in a position to influence policies -- whether he be a state official or a member of the Federal Senate or House of Representatives.

Today this country, in common with many other of the nations of the world, is facing more new and difficult problems than at any other time in our history. The old rules of economics have in some important ways failed to measure up to modern needs -- and many new factors in economics that were undreamed of a quarter of a century ago are today throwing out of balance specific things like agriculture and industry and banking. Furthermore, methods of living, both in big communities and in rural areas, are in the midst of change and the old-accepted standards of living are no longer adequate to the human race.

For example, because we have now occupied all our frontiers, we



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can no longer use virgin territory as a safety valve for a depression or other temporary form of economic unbalancing in the older settled parts of the country. For example, also, we have recognized a national duty to keep our fellow citizens from destitution, to keep old people from going to the county poorhouse, to protect the savings of our citizens in the banks, and to protect our soil and our forests from turning into deserts. None of these things were thought of as vital national problems and national needs a half century ago.

It is true that great strides toward economic and social security have been made during the past five years -- but it is also true that the majority of our problems cannot be written off as solved.

I mention these things because they have a direct bearing on the choice of the voters who take part in all kinds of party primaries. And I hope everybody will go into the primaries. They will have the chance to choose between several types of individuals. Obviously no one can list every candidate and say that he falls into Class A, Class B, or Class C. But most sensible people know that you can take what might be called a rough classification.



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Suppose, for example, Mr. "A" and Mr. "B" are running against each other for a party nomination. Both of them are making a strenuous campaign up and down their own bailiwick, whether it be a county or a Congressional District or a whole state. Mr. "A" and Mr. "B" both claim to be liberal in thought, to be wholly willing to do whatever may be necessary to improve the condition of their constituents. Both of them may make essentially the same speech. Therefore, the voter cannot necessarily take their campaign speeches the sole test.

There is another test but even that is not an infallible one. Mr. "A" and Mr. "B" in all probability both have some sort of political record. If they have served in a Legislature or in the Congress, Mr. "A" will point to certain specific votes of Mr. "B" and claim that those votes of Mr. "B" prove him to be a hopeless reactionary. Mr. "B" will point to certain votes of Mr. "A" and prove that those votes show Mr. "A" to be a hopeless reactionary. Or Mr. "A" may point to a vote of Mr. "B" for some rather ill-considered measure and claim that Mr. "B" is a Communist or a Bolshevik. And Mr. "B" may retort that Mr. "A" is a crackpot because of such-and-such



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a vote.

In many cases, of course, the voter in the primary can tell by looking at a long series of votes cast by Mr. "A" and Mr. "B" that Mr. "A" is more liberal than Mr. "B". Again you cannot be guided solely by the past official record of the two candidates even though that record may give you a pretty good slant on what is going on inside of the candidate's head.

In the end, therefore, the voter must come back to his own slant on what he wants his party candidates to stand for. If the voter is somewhat fed up with the idea of tackling our new problems and believes that we ought to have a moratorium on any new efforts -- or if he thinks that we ought to repeal many of the things we have done -- go back, for instance, to the old gold standard, stop all this business of old-age pensions, repeal the Securities and Exchange Act, let monopolies thrive unchecked, return to the kind of government we had in the trinities -- then, in either of these cases, the voter ought to vote for that candidate who more nearly conforms to his ideals -- or perhaps I should say to his lack of ideals.



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But if, on the other hand, the voter recognizes the fact that we have all these new problems, that they are not yet solved and that we have got to keep on trying to solve them — if he believes that we can solve them through continuing effort, through democratic processes instead of Fascism — if he is opposed to the kind of moratorium which is the same in its ultimate effect as reaction — then the voter should choose that candidate who is the more liberal of the two.

As I have said, in making this choice the voter cannot be guided solely by speeches, by the candidate's votes on any one measure, by what the newspapers say about him, but rather by trying to look into the hearts of the two candidates themselves.

I am assuming, of course, that both candidates are honest, that both are gentlemen in the best sense of the word, and that both have the mental ability to fill the office. Surely one of them, if you look into his heart, you will find to your own satisfaction to be the more liberal of the two.

As President of the United States, I am not as a general proposition asking the voters of the country to vote for Democrats next



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November as opposed to Republicans or members of any other party. Nor am I taking part in Democratic primaries, except that possibly I may in certain cases point out certain obvious facts in a few instances.

As the head of the Democratic Party, I feel that I have every right to do this in a few instances where a clear issue is involved in the carrying out of certain broad policies which I think are vital to the future of the nation.

In regard to primaries in general, however -- primaries of all parties -- I do honestly believe that an issue of liberal/versus reaction serves as the best guide for all primary voters.

You who vote in primaries, you who vote in the November elections, are, of course, aware that in 1930 and '32 and '34 and '36 the same old hobgoblins in one form or another were trotted out before the American people. I think you would be interested if you would turn back to the files of the newspapers in the spring and summer and autumn of 1934. That was only a year after the nation escaped from the almost fatal collapse of the spring of 1933. And yet in 1934 there were the same old cries from the same old groups asking for an end on new things, demanding that



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business be left alone, trying to make it appear that the country was going on the rocks.

And if you turn back to the files of the newspapers for the spring and summer and autumn of 1936, you will see that the great issue raised by the reactionaries of the nation was that the nation was headed straight for Communism. All honest people were called on to rally against the terrible "Red" menace — a radical government ready to throw itself into the arms of foreign propagandists who, it appeared from the same sources, were ready to spring up at every corner and every crossroad in every state. And you will remember, too, that late in the campaign the nation was flooded with warnings that every worker would be bankrupted and thrown out of a job by the new Social Security Act which was about to go into effect.

And if you did read the files of the papers from March 4, 1933 on down to date, you would find that from not a single week had passed in all those years that the one cry of the opposition was "to do something, say something to restore confidence". When the banks were closed these people demanded the restoration of confidence, when the banks were opened



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From the People to the People

the same people demanded the restoration of confidence. When hungry people were thronging the streets, they demanded the regeneration of confidence. When the hungry people were fed and put to work they still demanded the restoration of confidence. When droughts hit the country and the government sought to help those who suffered, the same crowd asked for restoration of confidence. Now when our fields are laden with bounteous yields and we have excessive crops, the same crowd still says "Give us confidence". When the automobile industry a year ago was running three shifts and turning out more cars than the country could buy, this type of American was demanding a restoration of confidence. This year when they are trying to get rid of the automobile surplus and have shut down their factories as a result, they still use the same cry.

It is because you are not satisfied and I am not satisfied with the progress we have made in solving our business and agricultural and social problems that I believe the great majority of you want your government to keep on trying to solve them. In simple frankness and in simple honesty, I need all the help I can get — and you the voters, regardless of party, can give me that help.



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This being a free country with freedom of expression, and especially with freedom of the press, there will be a lot of blows struck between now and election day. It would be a lot better, of course, if the campaigns could be confined to argument instead of blows.

I hope the liberal candidates will confine themselves to arguments and not resort to blows. Blows take the form of misrepresentation, of personal attack and of appeals to prejudice.

In nine cases out of ten the man who, seeking to influence public opinion either by the written or the spoken word, descends from calm argument to unfair blows hurts himself more than his opponent.

The Chinese have a story on this — a story based on three or four thousand years of civilization: "Two Chinese coolies were arguing heatedly in the midst of a crowd. Then an onlooker expressed surprise that no blows were struck, his Chinese friend said "The man who strikes first admits that his ideas have given out".



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Radio  
Speech

Fireside

Delivered.

6/24/38

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Those achievements have been of several kinds.

One kind has been direct achievements -- definite advances

on the statute books.

Let me add up the most important of those direct achievements.

(1) An important number of supplements have been added to our agricultural legislation, to carry further our purpose to preserve the soil, to provide an



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Brief Review of the 75th Congress.

First DRAFT  
A. T. [unclear]  
[unclear]

The 75th Congress was elected in November 1936 on the most forthright platform and by the greatest majorities ever offered by or to a political party.

After two years of session that Congress has adjourned and gone home.

It has left many things undone.

For example, it refused to provide better administration for the Federal Government. It has failed to meet my suggestion that it find a way to take the bold and far-reaching steps necessary for a practical answer to the evils which we have inherited as a result of fifty years of excesses in railroad finance.

But, on the other hand, this Congress has achieved more for the future good of the country than any Congress for many years before this Administration came into power.

These achievements have been of several kinds.

One kind has been direct achievements -- definite advances on the statute books.

Let me add up the most important of those direct achievements.

(1) An important number of supplements have been added to our agricultural legislation, to carry further our purpose to preserve the soil.

all-weather granary, to ensure the farmer a better share of the national income, to give a better opportunity to the underprivileged individual farmer, to find new uses for farm products, to experiment with the beginnings of crop insurance.

2) Carrying out the express promise of the Democratic platform of 1936 -- to our labor legislation has been added -- after six calls by me upon the Congress -- a Fair Labor Standards Act. That Act ends child labor on products in interstate commerce and sets up machinery to put a floor below which wages shall not go and a ceiling beyond which hours shall not be stretched in the production of goods for our national markets. Except perhaps for the Social Security Act, no more far-sighted program for the benefit of labor has probably ever been devised. It is far in advance of anything in European countries which we are accustomed to think of as ahead of us in social legislation. In an economic system whose life-blood is the circulation of mass purchasing power, it will do more to keep our system of private enterprise alive and stable than anything attempted in the last ten years by the leaders of private enterprise.

Starvation wages and overlong hours have no place in the American



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way of life. Their elimination means a better standard of living for our workers and increased purchasing power for the products of farm and factory. And don't let any calamity-howling executive with an income of \$1,000 a day who has been shifting his company's workers over to the government relief rolls in order to preserve its undistributed reserves tell you -- using his stockholders' money to frank his personal opinions -- that a wage of \$11 a week is going to have a disastrous effect upon American industry.

To be cont'd  
3) To our constant effort to find a path through the jungle

of contradictory theories about wise business practices we have added provision for a sober fact-finding inquiry, adequately financed, to find those facts which must be the basis of any intelligent legislation affecting business practices. It will be an inquiry to settle once and for all the endless argument whether we have to let big business swallow up average-sized and little business in order to have the benefits of mass production. It will be an inquiry to find out how we can have scientific progress and democracy at the same time -- an inquiry to learn how to adjust prices, wages, costs and profits so that our system of private



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enterprise and private employment can run as nearly as possible under its own steam without continual subsidies, concealed or un-concealed, from government.

4) We have amended the Federal Housing Act to reduce the down payment required to build a modest home, and the cost of financing home and low-rental dwellings. This legislation has already had a noticeable effect in reviving the building industry.

5) We have reduced taxes on small corporate enterprises and have made a beginning through the R.F.C. to make credit available to small enterprise. The Congress -- whether wisely or not -- has also radically reduced the capital gains and undistributed profits taxes which ~~may~~ have claimed stood in the way of private spending.

6) 7) We have also provided for the resumption of widespread public spending, through the Works Progress Administration, the Public Works Administration, the Rural Electrification Administration, the Civilian Conservation Corps, and other agencies. That is a program for national defense of our economic system.

So much for direct achievements of this 75th Congress.



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of a changed attitude and a willingness to cooperate with the two other branches of government to make democracy work.

Another indirect achievement, almost equally important, was the persistence with which the American people have held on to a course of reform more than their traditional four years. The fact that the

So much for direct achievements of this 75th Congress.

There have been indirect achievements during these two years that history may rank as of even more importance to the development of the American nation.

One of these was a lost battle which won a war.

In an historic fight to make the Supreme Court more alive to modern needs as expressed by Congressional action, we have induced an interpretation of the Constitution of the United States which will permit this nation to live and engage in mutual self-help as a nation.

The recent decisions of the Supreme Court are eloquent testimonials of a changed attitude and a willingness to cooperate with the two other branches of government to make democracy work.

Another indirect achievement, almost equally important, was the tenacity with which the American people have held on to a course of reform more than their traditional four years. The fact that the



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legislation of this Congress has made progress beyond November 1936  
has blasted the theory that this generation of the American people  
lacks the purposefulness and staying power to keep after its problems  
until it has beaten them.<sup>4</sup> In this Congress, the people through their  
representatives have demonstrated that they fully understand that  
under modern conditions government has a continuing responsibility,  
as the people's instrument of mutual self-help, to meet all problems  
as and whenever they arise, as and whenever they cannot otherwise be  
disposed of. That responsibility -- a responsibility of a eternal  
vigilance -- makes it impossible to accede to the requests of a few  
that government take a holiday -- of two years, six months, or even  
a day -- because those few are tired or frightened by the inescapable  
pace of the modern world.

I have always had what many of my political associates have  
considered a mistakenly sentimental judgment as to the democratic  
purposefulness of the American people.

In 1933 the American people made it very clear that they  
wanted to reorganize our economic life by reasserting two things that  
we had always considered to be indispensable requisites of a democratic



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system of private enterprise.

One of those things was scrupulous honesty at the top in stewardship of the financial affairs of the many, and in bearing the full share of a system of taxation supposedly apportioned according to ability to pay. The second thing was scrupulous democratic respect for the opportunity of the farmer and the worker at the bottom to have as much as the resources of the country could practically give him of the good things of life and of a chance to rise.

Many of those who publicly hurried for these principles in 1933 gave me private opinions that the American people would not long stick to their purpose when they had to go through the detailed difficulties of exploring new country without maps and putting down in the specific words of statute and the hard decisions of administration the practical application of these enthusiastic principles. They told me not to take public indignation too seriously. I replied then that I understood the failures in the past of the persistence of American political purpose. But I said that I felt sure that in this generation, with its new level of education and its new appreciation of its interdependent destiny, the American people meant business and would go

through. The achievements of the Congresses up to 1936 confirmed my judgment that I was right.

After the election of 1936, I was told by an increasing number of the politically wise that I should not take the Democratic Platform too seriously -- that I should coast along and enjoy an easy Presidency for four years. I was assured by the worldly-wise that the tremendous majority given to the platform of the Democratic Party and to my express determination to put that platform through the last hurrah of a people who were getting bored with political effort -- who were weary of reform -- who rather than pay the price of pressing on would be perfectly willing to slip back into the hands of that small minority whose personal determination to rule never ceases. You know how much the whole American people have been deluged with that defeatism in the last two years.

Never perhaps in American history has there ever been such a concerted effort of political ambition and private greed to persuade the American people that they were weary of helping themselves -- or that they could not help themselves -- as has been concentrated upon this 75th Congress. Never before have we had so many Copperheads.



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And there were times when only those of great faith could not be shaken into uncertainty that perhaps the cynics were right.

But this Congress has ended, with ~~the~~ the people -- through their representatives -- still unshaken in their belief that government as their method of self-help must not abandon its continuing responsibility for the general welfare. That persistent purposefulness is something new in American public life -- something new for those in politics and business alike who have cynically calculated on the certain cycle of four years of indignation and twelve years of apathy. We not only have a new moral climate in America; we have a new political climate as well. My faith -- their own faith -- in the American people has been justified.

Like all human efforts we still survey "the little done and the undone vast". But what has been done in these last two years is an immense achievement in its implications for the future.

I congratulate the American people on their staying power. And I assure them if they will stay with me, I will stay with them.



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Sketch of Present Economic Conditions.

In discussing the economic state of the nation, we must consider briefly not simply the immediate and pressing economic situation which confronts us now, but the more general economic situation which confronts our generation.

We live in an economic world different from that of our fathers. In their day there was no real problem of unemployment either of men or of capital. If the old land ceased to yield its crops or a factory closed down, there was free land beckoning cultivation in the west. A growing population created an ever growing demand for more food, more clothes, more factories and more homes. There was an apparent inexhaustible need for new capital which absorbed all that our people could save and all that they could borrow from the accumulated savings of Europe. Our fathers were busy, employing every available resource of capital and men in the production of goods and services for the community. Though they had to work hard and often had to endure great hardships to earn their daily bread, they had the satisfaction of knowing that there was always work to be done and an ever ready market for the products of their labor. They did not have to face want in the midst of plenty.



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Their economic system seemed to function almost automatically. Our fathers consequently took it for granted that almost any man should be able to succeed in business if he had a little capital and a little common sense.

But today we know that success in holding a job, in running a business or a farm, or even in preserving one's savings depends upon many factors wholly beyond the individual's control.

Our markets no longer expand as a result of natural forces. Our country is no longer new and undeveloped. The growth of our population has slackened.

Great advances in technology have vastly increased labor's efficiency and the nation's capacity to produce. But the great benefits of increased efficiency and increased productivity are not being fully realized. It is not because man's needs have been satisfied, but because the mass of our people have not the wherewithal, the purchasing power, to buy anything like the amount of goods and services which we as a people are capable of producing. Benefits of technological improvements are lost in technological unemployment.

These technological changes have also led to a minute



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division of labor in nearly all fields of enterprise. Specialization has become the rule not only in industry and in the various professions, but even in farming.

Specialization makes for interdependence. If the farmer's business is bad, the demand for manufactured goods declines. When factories close and workers lose their jobs, retail sales decline. When the retail stores stop buying, the textile mills begin to feel the pinch. If the consumer cannot buy, the producers cannot sell.

In a modern interdependent industrial society, the individual cannot shift for himself unless the economic system is working. He is unemployed, almost always through no fault of his own. He often loses his business or his savings through no fault of his own. The modern interdependent industrial society may be compared with one large factory. Each member has his own job to perform on the assembly line, but if the conveyor belt breaks or gets tangled up, no one, no matter how hard he tries, can do his own particular job. Each of us -- farmer, business man or office worker -- suffers when anything goes wrong in any part of the economic system.

In an interdependent industrial society the economic consumer

belts must be kept moving steadily. In the fits and starts of economic activity -- the so-called business cycles -- there is no security for the average business man or worker. The wide ups-and-downs in our economic life ~~xxxxxx~~/gravest threat to orderly progress.

Alternate booms and depressions are too much of a strain for our nerves as well as our pocketbooks. In other lands when democratic governments failed to keep the economic conveyor belts moving, men in despair were willing to yield their liberty to dictators who forced men to keep the conveyor belts moving.

We must dare to look at economic conditions realistically, and not blur our vision by economic myths. Business activity and employment are not created or curtailed by spots upon the moon. Business activity and employment depend upon spending -- upon public and private spending. They depend upon spending for consumption -- for the goods and services we can enjoy in the present -- and spending for capital improvements for things we can use in the future -- for homes, factories, roads, sewers, schools and hospitals.

spending --  
when/public plus private spending--drops, business activity is bound to fall off. When spending -- public plus private spending --



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rises, business is bound to pick up. A recession or a depression is simply a curtailment of spending which is reflected in slackening of business activity and in loss of jobs.

In the old days when the demand for capital to be used by a growing and undeveloped country was almost unlimited, we did not have to worry about the aggregate amount of our spending, for all of our savings and all of the savings we could borrow from Europe could be used to build up our country in its natural growth, to build railroads and factories and homes.

As a nation we are still accumulating savings, but in recent years we have failed to find in private enterprise a steady outlet for our savings. And we have learned the sad truth that when our savings are not absorbed by industry, but are hoarded, sooner or later the whole interdependent economic system becomes sick and dislocated and unemployment results.

That is why if we would preserve our system of free private enterprise government must see to it that the stream of spending originating from public and private sources is maintained in a steady flow. That is why government must step in with public expenditures.

and public investment when private expenditures and private investments fall off.

You and I may retain our individual savings in our bank, but if the combined savings of all of us do not finally find their way into expenditures which add to the nation's wealth our aggregate savings are bound to be decreased either in deflation or inflation. For the wealth of the nation is not represented by money in our banks but by tangible wealth like factories, schools, roads, farms, hospitals and a sturdy, healthy law-abiding citizenry.

There is still room for the development of great and expanding markets in this country. But those great and expanding markets can be expected to come, not from a rapid increase in our population, but from a sustained rise in the standard of living of all American people. We as a nation can afford to spend for consumption and capital improvements as much or more than we spent in 1929 if we spend wisely. Public expenditures may be ill-timed or ill-chosen, but so were many of the private expenditures of the New Era days of the late 1920's.

To conquer new markets and new social frontiers and to provide

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a higher standard of living we must have the courage to adopt new methods-- courage not to face physical dangers, like our pioneer ancestors, but to face the economic realities of a new world. If we would be guided by the light of reason, we must let our minds be bold.

There are those who say that the efforts of government to help business by spending has failed. I should say rather that the last year has demonstrated that free private enterprise cannot survive without the periodic help of government spending.

Government spending in 1934, in 1935, and in 1936 turned the business curve upward to the point where we had regained a considerable part of our lost prosperity. Early in 1937 business activity in many lines reached almost boom proportions. Many business men became too optimistic. So confident of the future were they that they urged the government to curtail sharply its expenditures and to balance its budget. The government did sharply curtail its expenditures and did start on the way towards balancing our budget. But the private spending which we had anticipated soon began to dry up. But business activity might have moved forward even with curtailed government expenditures, if business men had not become so optimistic as to build up



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excessive inventories and if some monopolistic industries had not raised prices to a point which stopped volume buying.

The present recession would have been short-lived if the captains of high finance and cartelized industry had not tried to exploit the situation for their own selfish ends. When business activity slackened, the prices of farm and other commodities in which there was a free market would naturally fall. But the monopolists who had raised their prices during the inventory boom in the spring of 1937 continued artificially to hold their prices virtually at their peak. Inevitably workers were thrown out of work, for exorbitant prices which had stopped buying when business confidence was high could of course not attract buying in a period of recession.

The captains of high finance who exercise an undue influence over American industry failed to turn a hand to assist in the adjustment of price disparities, which might have made possible a resumption of private spending. They started a campaign not to restore business activity but to restore and make lawful tax-dodging as condition precedent to recovery. They claimed capital investment had been stopped by the undistributed profits tax, ignoring the fact that plant



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extensions were proceeding during the first six months of 1937 at approximately the same rate as in the prosperous year of 1929, and that business had ample funds, in addition, to accumulate excessive inventories. They complained that the capital gains tax had somehow broken the stock market, although the stock market broke just as badly and with a great deal more damage to a much larger number of people in 1929, when the capital gains tax was much lower. They asked that taxes be lowered for those of us in the upper brackets, and that wages be cut for the rest of us. They protested a resumption of government spending and at the same time discouraged private spending by proclaiming their want of confidence in the people's government.

Captains of high finance asked that government take a holiday not for six months but for at least a year or two, while they had time to calm their shattered nerves. But while captains of high finance may live on the interest from their tax-exempt bonds during this holiday, the workers of this country want not a holiday but a job, and want it now. And the average business, too, wants not a holiday but orders for goods to keep his business going and out of the control of his banker.



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The American government, the people's government, is not going to take a holiday. To provide jobs, it will itself stay on the job. The government has acted, and if further action is necessary, that action will come. For as long as I am charged with the responsibility of the Administration, the government will not let the people down.

The present serious economic situation can and will be met. We are not in 1933. Our banking system is not in collapse but is well-fortified by the guaranty of bank deposits. We have control of our gold and of our currency. We have instruments of government available for prompt action which we did not have in 1933, and they can and will be used to the extent needed to restore business activity. Interest rates are low, and combined with the stimulating effects of public spending should in due course encourage a resumption of private spending. It is true that some of our railroads are in distress not simply because of bad business but because of hopelessly pyramided debt structures which can and should be corrected. The correction of this situation should ultimately improve the value of the underlying railroad properties and make possible more adequate expenditures for maintenance.

The American people are determined to work their way back to prosperity. The American people can afford to work. The American



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people cannot afford to be idle.

The American people are masters of their own destiny and  
their own resources. I do not believe that the American people  
want their government to take a holiday.



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Primaries.

And now, following out this line of thought, let me say a few words about political primaries.

In the past generation we have made great strides in getting away from undemocratic methods of choosing candidates.

Many of us are old enough to remember the old methods of nominating candidates for public office. Fifty years ago the selection of party nominees was principally made in conventions -- typified in the public imagination by the little group in a smoke-filled room who made out the party slate -- the party slate for Mayor, for town and county officials, for the state ticket, and for Congressmen and Senators.

The direct primary was originally suggested to make the nominating process a democratic one -- to give voters a chance to pick candidates who represent ideas in which the mass of voters are interested rather than the beneficiaries of inside political trades.

Today almost every state has direct primaries of one form or another.

What I am going to say to you tonight does not relate to the primaries of any particular political party. I am talking about matters of principle in making the primary system mean something in

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all parties -- Democratic, Republican, Farmer-Labor, Progressive, Socialist, or any other. Let that be clearly understood.

In a democracy it is important that the people should have a chance to express themselves on the important controversial principles which are the warp and woof of democratic policies. The election in November will be meaningless if there is no sharp division between the candidates on the vital issues of the day.

The clash between the schools of thought I have mentioned is the real motivating force of our present political struggles. It is therefore important in the interest of a healthy appreciation by the nation of the real forces which are moving it that the national elections in November should reflect that clash squarely and openly. For in a changing world it is essential that a government should feel a clear mandate to move firmly in some one direction.

But the issues between those two schools of thought cannot be drawn in the November national elections. If, for instance, the people have to choose between a democratic candidate who likes a particular leader but is opposed to many of his essential policies, and a Republican candidate who disavows that leader but claims that



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he too sympathizes with the general objectives of that leader to help the underdog, democracy will not be able to express itself. That is why it is so vitally important that everyone who will participate in the national elections this fall shall participate in some primary this summer.

It is important that in the primaries the voters should not only choose between the forces of reaction and the forces of progress. After the voters who are for the New Deal eliminate those candidates who are hopelessly reactionary, it is important that they should also begin to choose among those candidates who not only want to go forward but who have some idea as to how they wish to advance. Progress may be blocked by those who always favor a forward objective but always find some reason to oppose any specific proposal to gain that objective. I call them the Yes-Putters.

I have not only made known the objectives of my administration but I have tried and shall continue to try to find specific ways and means of attaining those objectives. I do think that the voters at the primaries and in the November elections should have an opportunity to choose between candidates on the basis of their allegiance



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to principles of government rather than their allegiance to the political machines of any party. After all the purpose of our elections is to decide some things. Democracy should permit the voters to express themselves on the vital political issues of the day. Democracy should not rest solely on the personal amiability of candidates for public office.

In these primaries, in all parties the voters where there is a contest will have the direct responsibility of choosing between two or more candidates for a given nomination.

What are the factors, what are the tests in making such choices?

Assuming the mental capacity of all the candidates, the important question which it seems to me the primary voter must ask is: which of the two general schools of thought I have described does the candidate belong to?

In the end the voter must come back to his own slant on what he wants his party candidates to stand for. If the voter is somewhat fed up with the idea of tackling our new problems and believes that we ought to have a moratorium on any new efforts --

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or if he thinks that we ought to repeal many of the things we have done -- go back, for instance, to the old gold standard, stop all this business of old-age pensions, repeal the Securities and Exchange Act, let monopolies thrive unchecked, return to the kind of government we had in the twenties -- then, in either of these cases, the voter ought to vote for that candidate who more nearly conforms to his ideals -- or perhaps I should say to his lack of ideals.

But if, on the other hand, the voter recognizes the fact that we have all these new problems, that they are not yet solved and that we have got to keep on trying to solve them -- if he believes that we can solve them through continuing effort, through democratic processes instead of Fascism -- if he is opposed to the kind of moratorium which ~~this~~ is the same in its ultimate effect as reaction -- then the voter should choose that candidate who is the <sup>more</sup> liberal of the two.

And in making this choice the voter cannot be guided solely by speeches, by the candidate's votes on any one measure, by what the newspapers say about him, but rather by trying to look into the hearts of the two candidates themselves. Surely one of them, if you



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look into his heart, you will find to your own satisfaction to be the more liberal of the two.

As President of the United States, I am not as a general proposition asking the voters of the country to vote for Democrats next November as opposed to Republicans or members of any other party. Nor am I taking part in Democratic primaries, except possibly in a few instances.

But as the head of the Democratic Party charged with the responsibility of carrying out the definitely liberal declaration of principles set forth in the 1936 Democratic Platform, I feel that I have every right to point out which of two candidates I believe in his heart stands for the principle and the spirit of that party platform.

Do not misunderstand me. I certainly would not interfere in a local election because any candidate otherwise liberal in outlook had conscientiously differed with me on any single issue, particularly if that issue, like that involved in our recent struggle to liberalize the judicial interpretation of the Constitution, has been resolved by



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the course of events. It is the present and the future rather than the past which concerns the American people. I should be much more concerned, for example, about the attitude of a candidate with respect to the rights of American citizens to assemble peaceably and to express publicly their views and opinions on important social and economic issues than I would be about a candidate's attitude towards matters of less fundamental concern to a great democracy.

There can be no constitutional democracy in any community which denies to the individual his freedom to speak and worship as he wishes. The American people will not be deceived by incipient dictators attempting to suppress individual liberty under the pretense of patriotism or under the cloak of law and order.

Now who who vote in primaries, you who vote in the November elections, are, of course, aware that in '32 and '34 and '36 the same old hobgoblins in one form or another were trotted out before the American people. I think you would be interested if you would turn back to the files of the newspapers in the spring and summer and autumn of 1934. That was only a year after the nation escaped

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from the almost fatal collapse of the spring of 1933. And yet in 1934 there were the same old cries from the same old groups asking for an end on new things, demanding that business be left alone, trying to make it appear that the country was going on the rocks.

And if you turn back to the files of the newspapers for the spring and summer and autumn of 1936, you will see that the great issue raised by the reactionaries of the nation was that the nation was headed straight for Communism. All honest people were called on to rally against the terrible "rad" xxxx menace -- a radical government ready to throw itself into the arms of foreign propagandists who, it appeared from the same sources, were ready to spring up at every corner and every crossroad in every state. And you will remember, too, that late in that campaign the nation was flooded with warnings that every worker would be bankrupted and thrown out of a job by the new Social Security Act which was about to go into effect.

And if you did read the files of the papers from March 4, 1933 on down to date, you would find that not a single week had passed in all those years that the one aim of the administration was the de-

something, say something to restore confidence". There is a very articulate group of people in this country with plenty of money to procure publicity for their views who have consistently refused to cooperate with the mass of the people, whether things were going well or going badly, on the ground that they required more concessions to their point of view before they would have what they called "confidence".

These people demanded the restoration of confidence when the banks were closed -- and when the banks were opened.

They demanded the restoration of confidence when hungry people were thronging the streets and when the hungry people were fed and put to work.

The same crowd asked for restoration of confidence when droughts hit the country -- and now when our fields are laden with bounteous yields and excessive crops.

This type of American was demanding a restoration of confidence when the automobile industry a year ago was running three shifts and turning out more cars than the country ~~and~~ could buy -- and this year when they are trying to get rid of the automobile surplus



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and have shut down their factories as a result.

It is high time we recognized that cry for the "Wolf! Wolf!" it is. It is high time that the mass of the people understood that this small minority will never admit confidence -- never cooperating -- as long as they can use their lack of cooperation as a way of regaining their old privileges. It is high time that the mass of the American people decided to have confidence in themselves and in their ability to solve their problems without the need of confidence in this non-cooperative minority. The instrument which makes the mass of the American people confident that they can solve their problems is government.

And it is because you are not satisfied and I am not satisfied with the progress we have made in solving our business and agricultural and social problems that I believe the great majority of you want your government to keep on trying to solve them.

In simple frankness and in simple honesty, I need all the help I can get -- and you the voters, regardless of party, can give me that help.

This being a free country with freedom of expression, and especially with freedom of the press, there will be a lot of blows

struck between now and election day. It would be a lot better, of course, if the campaigns could be confined to argument instead of blows.

I hope the liberal candidates will confine themselves to arguments and not resort to blows. Blows take the form of misrepresentation, of personal attack and of appeals to prejudice.

In nine cases out of ten the man who, seeking to influence public opinion either by the written or the spoken word, descends from calm argument to unfair blows hurts himself more than his opponent.

The Chinese have a story on this -- a story based on three or four thousand years of civilization: "Two Chinese coolies were arguing heatedly in the midst of a crowd. When an onlooker expressed surprise that no blows were struck, his Chinese friend said \*The man who strikes first admits that his ideas have given out\*."



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From the Papers of

Samuel I. Rosenman

Two Schools of Thought.

There are two schools of thought in this country today.

One holds that the mass of people, acting through government, should stop trying to determine the conditions under which that mass of people should live. That school holds that the welfare of that mass should be turned back to the direction of a self-considered ruling class whose uncoordinated private efforts will trickle down to the mass greater material welfare than the mass can obtain for itself by its own coordinated efforts.

The other school of thought sees nowhere in the record before or after 1933, any indication of outstanding leadership of that self-considered ruling class either in morality or in ability. That second school of thought, therefore, feels that the only road of sure improvement for the welfare of the great mass in this country is that it should act directly through government as its instrument, to protect its own interest.



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DRAFT #3

RADIO ADDRESS  
FRIDAY, JUNE 24, 1938.

H. F. L. 6/23

Our Government, happily, is a democracy. As part of the democratic process, your President is again taking an opportunity to report on the progress of national affairs to the real rulers of this country -- the voting public.

The seventy-fifth Congress, elected in November, 1936, on an uncompromisingly liberal platform, has adjourned. Barring unforeseen events, there will be no session until the new Congress to be elected in November assembles next January.

On the one hand, the Seventy-fifth Congress left many things undone.

For example, it refused to provide more businesslike machinery for running the Executive Branch of the Government.

The Congress also failed to meet my suggestion that it take the far-reaching steps necessary to put the railroads of the country back on their feet.

But, on the other hand, the Congress, striving to reach the goal of the Platform of November, 1936, has achieved more for the future good of the country than any Congress between the end of the World War and the Hundred Days of 1933.



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I mention only the more important of these achievements.

1. It improved still further our agricultural to give the farmer a fairer share of the national income, to preserve our soil, to provide an all-weather granary, to help the farm tenant to independence, to find new uses for farm products, and to begin crop insurance.
2. After many requests on my part the Congress passed a Fair Labor Standards Act. That act -- applying to products in interstate commerce -- ends child labor, sets up a floor below wages and a ceiling over hours of labor.

Except perhaps for the Social Security Act, it is the most far-sighted program for the benefit of workers ever adopted. Without question it starts us toward a better standard of living and increases purchasing power to buy the products of farm and factory.

Do not let any calamity-howling executive with an income of \$1,000.00 a day, who has been turning his employees over to the Government relief rolls in order to preserve his company's undistributed reserves, tell you -- using his stockholders' money to pay the postage for his personal opinions -- that a wage of \$11.00 a week is going to have a disastrous effect on all American industry. Fortunately for business as a whole, and therefore for the nation, that type of executive is a rarity with whom most business executives heartily disagree.



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3. The Congress has provided a sober, fact-finding inquiry to find a path through the jungle of contradictory theories about wise business practices -- to find the necessary facts for any intelligent legislation on monopoly, on price-fixing and on the relationship between big business and small business. Different from most of the world, we in America persist in our belief in individual enterprise and in the profit motive; but we realize we must continually seek improved practices to insure the continuance of reasonable profits, together with scientific progress, individual initiative, opportunities for the little fellows, fair prices, decent wages and continuing employment.
4. The Congress provided for the United States Housing Administration to help finance large-scale slum clearance and provide low rent housing for the low income groups in our cities.
5. By improving the Federal Housing Act, the Congress made it easier for private capital to build modest homes and low rental dwellings.
6. The Congress has properly reduced taxes on small corporate enterprises, and has made it easier for the Reconstruction Finance Corporation to make credit available to all business.
7. The Congress has provided additional funds to the Works Progress Administration, the Public Works Administration, the Rural Electrification Administration, the Civil Conservation Corps and other agencies, in order to take care of an additional number of unemployed and to encourage the production of every kind by private enterprise.



## GENERAL SERVICES ADMINISTRATION

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I call all these things together our program for the national defense of our economic system. It is a program of balanced action - of moving on all fronts at once in intelligent recognition that all our economic problems of every group, of every section, are essentially one.

8. Because of increasing armaments in other nations and an international situation which is definitely disturbing to all of us, the Congress has authorized important additions to the national physical defense of our shores and our people.

9. The Congress has co-ordinated the supervision of commercial aviation and air mail by establishing a new Civil Aeronautics Authority; and it has placed all Postmasters under the civil service for the first time in our history.

10. On another important subject the net result of a struggle in the Congress has been an important victory for the people of the United States - a lost battle which won a war.

You will remember that on February 5, 1937, I sent a Message to the Congress dealing with the real need of Federal Court reform of several kinds. Then needs there pointed out were not faced in the clear-cut judicial way proposed, but in one way or another, during the session of the Congress, the ends sought have been substantially attained. XXXX



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Samuel I. Rosenman

*clean sheets*

The attitude of the Supreme Court towards Constitutional questions is entirely changed. Its recent decisions are eloquent testimonials of a willingness to collaborate with the two other branches of government to make democracy work. The government has been granted the right to protect its interests in litigation between private parties involving the constitutionality of Federal statutes, and to appeal directly to the Supreme Court in all cases involving Constitutional law; and no one Judge is any longer empowered to suspend a Federal Statute on his single judgment as to its constitutionality. Justices of the Supreme Court may now retire at the age of seventy after ten years' service; a substantial number of additional judgeships have been created in order to expedite the trial of cases; and greater flexibility has been added to the Federal judicial system b. allowing judges to be assigned to congested districts.

Another indirect achievement of this Congress has been a royal reflection of the tempestuous devotion of the American people to a course of sane consistent liberalism. The Congress has understood that under modern conditions government has a continuing responsibility to meet continuing problems, and that Government cannot take a holiday of a year, a month, or even a day just because a few people are tired or frightened b. the



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From the papers of

inescapable pace of this modern world in which we live.

Some of my opponents and some of my associates have considered that I have a mistakenly sentimental judgment as to the tenacity of purpose and the general level of intelligence of the American people.

I am still convinced that the American people, since 1932, continue to insist on two requisites of private enterprise, and the relationship of government to it. The first is scrupulous honesty at the top in looking after the use of other peoples' money, and in a portioning and paying taxes on individuals and corporations according to ability to pay. The second is scrupulous democratic respect for the need of all at the bottom to get work - and through work to get a really fair share of the good things of life, and a chance to save and rise.

After the election of 1936 I was told, and the Congress was told, by an increasing number of politically - and worldly -- wise people that ~~we~~ should coast along, enjoy an easy Presidency for four years, and not take the Democratic platform too seriously. They told me that people were getting weary of reform through political effort and would no longer persist against that small minority which, in spite of their own disastrous leadership in 1929, is always eager to resume its control of the government of the United States.



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Never in our lifetime has such a spirit of defeatism been thrown at the heads of the President and Senators and Congressmen as in the case of this Seventy-Fifth Congress. Never before have we had so many copperheads -- and you will remember that it was the copperheads who, in the days of the War Between the States, tried their best to make Lincoln and the Congress give up the fight, let the Nation remain split in two and return to peace -- peace at any price.

This Congress has ended on the side of the people. My faith in the American people -- and their faith in themselves -- have been justified. I congratulate the Congress and I congratulate the American people on their own staying power.

One word about our economic situation. It makes no difference to me whether you call it a recession or a depression. In 1932 the total national income of all the people in the country had reached the low point of thirty-eight billion dollars in that year. With each succeeding year it rose. Last year, 1937, it had risen to seventy billion dollars -- despite definitely worse business and agricultural prices in the last four months of last year. This year, 1938, while it is too early to do more than give an estimate, we figure that the national income will not fall below sixty billion dollars. That



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certainly is pretty good in comparison with 1932 when it was  
thirty-eight billion dollars. We remember also that banking  
and business and farming are not falling apart like the one-  
horse shay, as they did in the terrible winter of 1932-1933.

Last year mistakes were made by the leaders of private  
enterprise, by the leaders of labor and by the leaders of  
Government -- all three.

Last year the leaders of private enterprise pleaded for  
a sudden curtailment of public spending and said they would  
take up the slack. But they made the mistake of increasing  
their inventories too fast and setting many of their prices  
too high for their goods to sell.

Some labor leaders goaded by decades of oppression of  
labor made the mistake of going too far. They were not wise in  
using methods which frightened many well-wishing people. They  
asked employers not only to bargain with them but to put up  
~~with~~  
with disputes between rival labor unions at the same time.

Government too made mistakes -- mistakes of optimism  
in assuming that ~~leaders of enterprise and leaders of~~ labor  
would themselves make no mistakes -- and mistakes of timing  
in not passing a farm bill or labor standards bill last year.



all

As a result of ~~all~~ the lessons of these mistakes we hope  
in the future that private enterprise -- capital and labor alike --  
will operate more intelligently together and in greater cooperation  
with their own Government than they have in the past. Such co-  
operation on the part of ~~both~~ of them will be very welcome to me.  
~~of this~~ ~~we~~ ~~ought~~ ~~to~~ ~~work~~ ~~in~~ ~~cooperation~~ ~~which~~ ~~will~~ ~~have~~  
~~I~~ ~~sincerely~~ ~~hope~~ ~~that~~ ~~such~~ ~~a~~ ~~working~~ ~~together~~ ~~of~~ ~~business~~  
and agriculture and Government will make it possible to slow down  
~~the~~ ~~Government~~ ~~spending~~ which the failure of cooperation made  
necessary this year.

~~XXXXXXXXX~~

From March 4, 1933 on down to date, not a single week has  
passed without a cry from the opposition "to do something, to  
say something to restore confidence". There is a very articulate  
group of people in this country with plenty of ability to procure  
publicity for their views who have consistently refused to co-  
operate with the mass of the people, whether things were going  
well or going badly, on the ground that they required more  
concessions to their point of view before they would have what  
they called "confidence".

These people demanded the restoration of confidence  
when the banks were closed -- and again when the banks were  
reopened.



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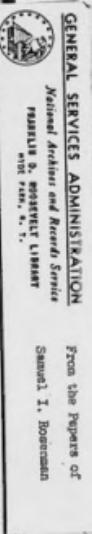
They demanded the restoration of confidence when hungry people were thronging the streets -- and again when the hungry people were fed and put to work.

They demanded restoration of confidence when droughts hit the country -- and again now when our fields are laden with bounteous yields and excessive crops.

They demanded a restoration of confidence when the automobile industry a year ago was running three shifts and turning out more cars than the country could buy -- and again this year when they are trying to get rid of the automobile surplus and have shut down their factories as a result.

It is my belief that many of these people who have been crying aloud for confidence are beginning today to realize that that hand has been overplayed, and that they are now willing to talk cooperation instead. It is my belief that the mass of the American people have confidence in themselves -- have confidence in their ability to solve their own problems.

It is because you are not satisfied, and I am not satisfied with the progress we have made in finally solving our business and agricultural and social problems that I believe the great majority of you want your own government to keep on trying to solve them. In simple frankness and in



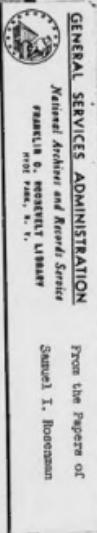
simple honesty I need all the help I can get -- and I see signs of getting more help in the future from many who have fought against progress with tooth and nail.

This being a free country with freedom of expression -- especially with freedom of the press -- there will be a lot of heavy blows struck between now and Election Day. By "blows" I mean misrepresentation, personal attack and appeals to prejudice. It would be a lot better, of course, if campaigns everywhere could be waged with arguments instead of blows.

I hope the liberal candidates will confine themselves to argument and not resort to blows. In nine cases out of ten the man who, seeking to influence public opinion, descends from calm argument to unfair blows hurts himself more than his opponent.

The Chinese have a story on this -- a story based on three or four thousand years of civilization: Two Chinese coolies were arguing heatedly in the midst of a crowd when an onlooker expressed surprise that no blows were being struck. His Chinese friend replied "the man who strikes first admits that his ideas have given out."

I know that neither in the summer primaries nor in the November elections will the American voters fail to spot the



candidate whose ideas have given out.

We in America have clear objectives which are made more difficult to obtain in this Nation than in other nations which are completely regimenting their people and employing vast numbers of them in their armies or in creating all kinds of instruments of war. First, we want to provide enough jobs to go round. Second, we want to avoid the crazy booms and the disastrous panics of the past. If we can provide the machinery to accomplish these two purposes, we will automatically accomplish a third objective and give the savings and the capital of the people of the country a chance to make a decent and a continuing profit.

It is infinitely better for the average citizen to earn a small but continuing profit than to make a big profit one year and find himself in the red the next year. More and more men and women in every walk of life, whether they live on investments, whether they are running corporations, whether they are working in industry, or whether they are farming, are coming to accept that common sense point of view.

And now following out this same line of thought, I want to say a few words about the coming political primaries.



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Fifty years ago party nominations were generally selected in conventions -- a system typified in the public imagination by a little group in a smoke-filled room who made out the party slates.

The direct primary was invented to make the nominating process a more democratic one-- to give the party voters themselves a chance to pick their party candidates.

What I am going to say to you tonight does not relate to the primaries of any particular political party, but to matters of principle in all parties -- Democratic, Republican, Farmer-Labor, Progressive, Socialist or any other -- let that be clearly understood.

It is my hope that everybody affiliated with any party will take part in the primaries and that every primary voter will consider the fundamental principles for which his party is on record. That makes for a healthy choice between the candidates of the opposing parties on Election Day in November.

An election cannot give a country a firm sense of direction if it has two or more national parties which merely have different names but are alike in their principles and aims as peas in the same pod.



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Samuel I. Rosenman

In the coming primaries in all parties, there will be many clashes between two schools of thought, generally classified as liberal and conservative. Roughly speaking the liberal school of thought recognizes that the new conditions throughout the world call for new remedies. We in America, who hold to this school of thought, insist that these new remedies can be adopted and successfully maintained in this country under our present form of government if we use government as an instrument of cooperation to provide these remedies. We believe that our form of democratic government is sufficiently flexible to solve its own problems and to avoid the new forms of government which have been set up in other nations.

The opposing or conservative school of thought, as a general proposition, does not recognize the need for government itself to step in and take steps to meet these new problems. It believes that individual initiative and private philanthropy will solve them -- that we should call a halt on any further activities of government for social and economic betterment, and even modify or repeal many of the new undertakings adopted by your government in the past few years.

Assuming the mental capacity of all the candidates, the important question which it seems to me the primary voter must



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ask is this: "Which of the two general schools of thought that I have described does the candidate belong to?"

In the long run the voter must fall back on his own slant on what he wants his party candidates to stand for. If the voter is somewhat fed up with the idea of continually tackling our new problems, and believes that we ought to have a moratorium on any new efforts along these lines -- or if he thinks we ought to repeal many of the things we have done and go back, for instance, to the old gold standard, or stop all this business of old age pensions and unemployment insurance, or repeal the Securities & Exchange Act, or let monopolies thrive unchecked, return in short to the kind of government we ~~xxxx~~ had in the twenties -- then in such cases the voter ought to vote for that candidate who is the more conservative.

But if, on the other hand, the voter recognizes the fact that we have all these new problems, that they are not yet solved, and that we have to keep on trying to solve them -- if he believes that we can solve them through continuing effort, through democratic processes instead of Fascism or Communism -- if he is opposed to the kind of moratorium or reform which, in effect, is reaction itself, then the voter should choose that candidate who is the more liberal. Be it clearly understood, however,



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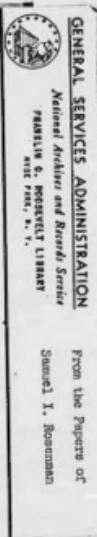
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that when I use the word "liberal", I mean the believer in progressive principles of democratic, representative government and not the wild men who, in effect, leans in the direction of Communism, for that is just as dangerous as Fascism.

As President of the United States, I am not ~~as-a-general~~ proposition asking the voters of the country to vote for Democrats next November as ~~as~~ opposed to Republicans or members of any other party. Nor am I, as President, taking part in Democratic primaries, except that possibly I may in certain instances point out some obvious facts.

As the head of the Democratic Party, however, charged with the responsibility of carrying out the definitely liberal declaration of principles set forth in the 1936 Democratic Platform, I feel that I have every right to speak in those few instances where there may be a clear issue between candidates for a Democratic nomination involving these policies, or a clear misuse of my own name.

Do not misunderstand me. I certainly would not indicate a preference in a State primary merely because a candidate, otherwise liberal in outlook, had conscientiously differed with me on any ~~one or more issues~~. I should be far more concerned about the general attitude of a candidate toward present day problems and



and business needs attended to in a practical way. We all know that progress may be blocked not only by outspoken reactionaries but also by those who always give "lip-service" to a progressive objective, but always find some reason to oppose any specific proposal to gain that objective. I call that type of candidate a "yes, but" --em. *fellow*

ANXXIXXX

I am much more concerned about the attitude of a candidate or his sponsors with respect to the rights of American citizens to assemble peaceably and to express publicly their views and opinions on important social and economic issues. There can be no constitutional democracy in any community which denies to the individual his freedom to speak and worship as he wishes. The American people will not be deceived by anyone who attempts to suppress individual liberty under the pretense of patriotism.



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DRAFT #4

RADIO ADDRESS  
FRIDAY, JUNE 24, 1938.

H. P. Park  
6/23

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The Seventy-Fifth Congress, elected in November, 1936, on a platform, uncompromisingly liberal, has adjourned. Barring unforeseen events, there will be no session until the new Congress, to be elected in November, assembles next January.

On the one hand, the Seventy-Fifth Congress has left many things undone.

For example, it refused to provide more businesslike machinery for running the Executive Branch of the Government. The Congress also failed to meet my suggestion that it take the far-reaching steps necessary to put the railroads of the country back on their feet.

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I mention only the more important of these achievements.

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3. The Congress has provided a sober, fact-finding inquiry to find a path through the jungle of contradictory theories about wise business practices -- to find the necessary facts for any intelligent legislation on monopoly, on price-fixing and on the relationship between big business. Different from a great part of the world, we in America persist in our belief in individual enterprise and in the profit motive; but we realize we must continually seek improved practices to insure the continuance of reasonable profits, together with scientific progress, opportunities for the little individual initiative, fellow, fair prices, decent wages and continuing employment.

4. The Congress has coordinated the supervision of commercial aviation and air mail by establishing a new Civil Aeronautics Authority; and it has placed all postmasters under the Civil Service for the first time in our history.

5. The Congress set up the United States Housing Administration to help finance large-scale slum clearance and provide low rent housing for the low income groups in our cities, and by improving the Federal Housing Act, the Congress made it easier for private capital to build modest homes and low rental dwellings.

6. The Congress has properly reduced taxes on small corporate enterprises, and has made it easier for the Reconstruction Finance Corporation to make credit available to all business. I think the bankers of the country can fairly be expected to participate in loans where the Government, through the Reconstruction Finance Corporation, offers to take a fair portion of the risk.



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All these things I call our program for the national defense of our economic system. It is a program of balanced action -- of moving on all fronts at once in intelligent recognition that all our economic problems of every group, of every section, are essentially one.

8. Because of increasing armaments in other nations and an international situation which is definitely disturbing to all of us, the Congress has authorized important additions to the national armed defense of our shores and our people.

On another important subject the net result of a struggle in the Congress has been an important victory for the people of the United States -- a lost battle which won a war.

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## GENERAL SERVICES ADMINISTRATION

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Senate J. R. Postmaster  
From the Postmaster  
to the President

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*Through  
to page  
4*

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DRAFT #4

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7. The Congress has provided additional funds to the Works Progress Administration, the Public Works Administration, the Rural Electrification Administration, the Civilian Conservation Corps and other agencies, in order to take care of an additional number of unemployed and to encourage production of every kind by private enterprise.

*I call* All these things, together our program for the national defense of our economic system. It is a program of balanced action -- of moving on all fronts at once in intelligent recognition that all our economic problems of every group, of every section, are essentially one.

8. Because of increasing armaments in other nations and an international situation which is definitely disturbing to all of us, the Congress has authorized important additions to the national physical ~~armed~~ defense of our shores and our people.

*To: fm-p3* You will remember that on February 5, 1937, I sent a Message to the Congress dealing with the real need of Federal Court reform of several kinds. In one way or another, during the session of the Congress, the ends -- the real objectives sought have been substantially attained.

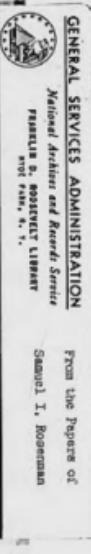


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From the Pages of  
Samuel I. Rosenman

The attitude of the Supreme Court towards constitutional questions is entirely changed. Its recent decisions are eloquent testimonies of a willingness to collaborate with the two other branches of Government to make democracy work. The Government has been granted the right to protect its interests in litigation between private parties involving the constitutionality of Federal statutes, and to appeal directly to the Supreme Court in all cases involving constitutional law; and no single Judge is any longer empowered to suspend a Federal statute on his single judgment as to its constitutionality. Justices of the Supreme Court may now retire at the age of seventy after ten years service; a substantial number of additional judgeships have been created in order to expedite the trial of cases; and greater flexibility has been added to the Federal judicial system by allowing Judges to be assigned to congested districts.

Another indirect accomplishment of this Congress has been its response to the devotion of the American people to a course of sane consistent liberalism. The Congress has understood that under modern conditions government has a continuing responsibility to meet continuing problems, and

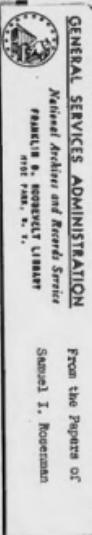


even a day just because a few people are tired or frightened by the inescapable pace of this modern world in which we live.

Some of my opponents and some of my associates have considered that I have a mistakenly sentimental judgment as to the tenacity of purpose and the general level of intelligence of the American people.

I am still convinced that the American people, since 1932, continue to insist on two requisites of private enterprise, and the relationship of Government to it. The first is scrupulous honesty at the top in looking after the use of other people's money, and in apportioning and paying taxes--on individuals and corporations<sup>to you</sup> according to ability to pay. The second is scrupulous democratic respect for the need of all at the bottom to get work -- and through work to get a really fair share of the good things of life, and a chance to save and rise.

After the Election of 1936 I was told, and the Congress was told, by an increasing number of politically -- and worldly -- wise people that I should coast along, enjoy an easy Presidency for four years, and not take the Democratic Platform too seriously. They told us that people were getting weary of



that small minority which, in spite of their own disastrous leadership in 1929, is always eager to resume its control over the Government of the United States.

Never in our lifetime has such a spirit of defeatism been thrown at the heads of the President and Senators and Congressmen as in the case of this Seventy-Fifth Congress.

Never before have we had so many copperheads -- and you will remember that it was the copperheads who, in the days of the

War Between the States, tried their best to make Lincoln and his Congress give up the fight, let the Nation remain split in two and return to peace -- peace at any price.

This Congress has ended on the side of the people. My faith in the American people -- and their faith in themselves -- have been justified. I congratulate the Congress, and I congratulate the American people on their own staying power.

One word about our economic situation. It makes no difference to me whether you call it a recession or a depression. In 1932 the total national income of all the people in the country had reached the low point of thirty-eight billion dollars in that year. With each succeeding year it rose. Last year, 1937, it had risen to seventy billion dollars -- despite

definitely worse banking and agricultural policies in the last



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four months of last year. This year, 1938, while it is too early to do more than give an estimate, we hope that the national income will not fall below sixty billion dollars. We remember also that banking and business and farming are not falling apart like the one-horse shay, as they did in the terrible winter of 1932-1933.

Last year mistakes were made by the leaders of private enterprise, by the leaders of labor and by the leaders of Government — all three.

Last year the leaders of private enterprise pleaded for a sudden curtailment of public spending, and said they would take up the slack. But they made the mistake of increasing their inventories too fast and setting many of their prices too high for their goods to sell.

Some labor leaders goaded by decades of oppression of labor made the mistake of going too far. They were not wise in using methods which frightened many well-wishing people. They asked employers not only to bargain with them but to put up with jurisdictional disputes at the same time.

Government too made mistakes -- mistakes of optimism in assuming that industry and labor would themselves make no



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passing a farm bill or a labor standards bill last year.

As a result of the lessons of all these mistakes we hope in the future that private enterprise -- capital and labor alike -- will operate more intelligently together, and in greater cooperation with their own Government, than they have in the past. Such cooperation on the part of both of them will be very welcome to me.

If this is done, it ought to result in conditions which will replace a great part of the Government spending which the failure of cooperation made necessary this year.

From March 4, 1933 down, not a single week has passed without a cry from the opposition "to do something, to say something, to restore confidence". There is a very articulate group of people in this country, with plenty of ability to procure publicity for their views, who have consistently refused to cooperate with the mass of the people, whether things were going well or going badly, on the ground that they required more concessions to their point of view before they would admit having what they called "confidence".

These people demanded restoration of confidence



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reopened.

They demanded "restoration of confidence" when hungry people were thronging the streets -- and again when the hungry people were fed and put to work.

They demanded "restoration of confidence" when droughts hit the country -- and again now when our fields are laden with bounteous yields and excessive crops.

They demanded "restoration of confidence" last year when the automobile industry was running three shifts and turning out more cars than the country could buy -- and again this year when the industry is trying to get rid of an automobile surplus and has shut down its factories as a result.

It is my belief that many of these people who have been crying aloud for confidence are beginning today to realize that that hand has been overplayed, and that they are now willing to talk cooperation instead. It is my belief that the mass of the American people do have confidence in themselves -- have confidence in their ability, with the aid of Government, to solve their own problems.



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From the "Papers of"  
Samuel I. Rosenman

It is because you are not satisfied, and I am not satisfied, with the progress we have made in finally solving our business and agricultural and social problems that I believe the great majority of you want your own Government to keep on trying to solve them. In simple frankness and in simple honesty, I need all the help I can get -- and I see signs of getting more help in the future from many who have fought against progress with tooth and nail.

And now following out this line of thought, I want to say a few words about the coming political primaries.

Fifty years ago party nominations were generally made in conventions -- a system typified in the public imagination by a little group in a smoke-filled room who made out the party slates.

The direct primary was invented to make the nominating process a more democratic one -- to give the party voters themselves a chance to pick their party candidates.

What I am going to say to you tonight does not relate to the primaries of any particular political party, but to matters of principle in all parties -- Democratic, Republican, Farmer-Labor, Progressive, Socialist or any other. Let that

be clearly understood.



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It is my hope that everybody affiliated with any party will vote in the primaries, and that every such voter will consider the fundamental principles for which his party is on record. That makes for a healthy choice between the candidates of the opposing parties on Election Day in November.

An election cannot give a country a firm sense of direction if it has two or more national parties which merely have different names but are alike in their principles and aims as peas in the same pod.

In the coming primaries in all parties, there will be many clashes between two schools of thought, generally classified as liberal and conservative. Roughly speaking, the liberal school of thought recognizes that the new conditions throughout the world call for new remedies.

Those of us in America, who hold to this school of thought, insist that these new remedies can be adopted and successfully maintained in this country under our present form of Government if we use Government as an instrument of cooperation to provide these remedies. We believe that we can solve our problems through continuing effort, through democratic processes instead of Fascism or Communism. We



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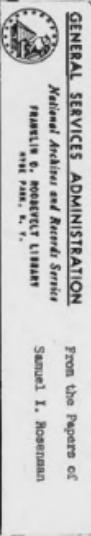
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Samuel I. Rosenman

effect, is reaction itself.

Be it clearly understood, however, that when I use the word "liberal", I mean the believer in progressive principles of democratic, representative government and not the wild man who, in effect, leans in the direction of Communism, for that is just as dangerous as Fascism.

The opposing or conservative school of thought, as a general proposition, does not recognize the need for Government itself to step in and take steps to meet these new problems. It believes that individual initiative and private philanthropy will solve them -- that we ought to repeal many of the things we have done and go back, for instance, to the old gold standard, or stop all this business of old age pensions and unemployment insurance, or repeal the Securities and Exchange Act, or let monopolies thrive unchecked -- return, in effect, to the kind of Government we had in the twenties.

Assuming the mental capacity of all the candidates, the important question which it seems to me the primary voter must ask is this: "To which of these general schools of thought does the candidate belong?"



As President of the United States, I am not asking the voters of the country to vote for Democrats next November as opposed to Republicans or members of any other party. Nor am I, as President, taking part in Democratic primaries.

As the head of the Democratic Party, however, charged with the responsibility of carrying out the definitely liberal declaration of principles set forth in the 1936 Democratic Platform, I feel that I have every right to speak in those few instances where there may be a clear issue between candidates for a Democratic nomination involving these <sup>fundamental</sup> policies, or a clear misuse of my own name.

Do not misunderstand me. I certainly would not indicate a preference in a State primary merely because a candidate, otherwise liberal in outlook, had conscientiously differed with me on any single issues. I should be far more concerned about the general attitude of a candidate toward present day problems and his own inward desire to get practical needs attended to in a practical way. We all know that progress may be blocked by outspoken reactionaries and also by those who say "yes" to a progressive objective, but who always find some reason to oppose any specific proposal to attain the objective. It will take a great



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candidate a "yes, but" fellow.

And I am concerned about the attitude of a candidate or his sponsors with respect to the rights of American citizens to assemble peacefully and to express publicly their views and opinions on important social and economic issues. There can be no constitutional democracy in any community which denies to the individual his freedom to speak and worship as he wishes. The American people will not be deceived by anyone who attempts to suppress individual liberty under the pretense of patriotism.

This being a free country with freedom of expression -- especially with freedom of the press -- there will be a lot of heavy blows struck between now and Election Day. By "blows" I mean misrepresentation, personal attack and appeals to prejudice. It would be a lot better, of course, if campaigns everywhere could be waged with arguments instead of blows.

I hope the liberal candidates will confine themselves to argument and not resort to blows. In nine cases out of ten the speaker or writer who, seeking to influence public opinion, descends from calm argument to "no frills" belligerent shouting.



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The Chinese have a story on this -- a story based on three or four thousand years of civilization: Two Chinese coolies were arguing heatedly in the midst of a crowd. A stranger expressed surprise that no blows were being struck. His Chinese friend replied "the man who strikes first admits that his ideas have given out."

I know that neither in the summer primaries nor in the November elections will the American voters fail to spot the candidate whose ideas have given out.

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Duke  
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# *Advance! Not Retreat*

Address  
of  
**THE PRESIDENT**

Broadcast from the White House

June 24, 1938

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Printed in the Congressional Record of  
June 27, 1938

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*(Not printed at Government expense)*



United States  
Government Printing Office  
Washington : 1938  
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ADDRESS  
of  
THE PRESIDENT

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Mr. BARKLEY. Mr. President, under authority granted me by the Senate, I wish to present for insertion in the Record the address of the President, broadcast from the White House June 24, 1938, as follows:

Our Government, happy in a democracy, As part of the democratic process, your President is again giving opportunity to report on the progress of national affairs to the real rulers of this country, the voting public.

The Seventy-fifth Congress, elected in November 1936 on a platform uncompromisingly liberal, has adjourned. Barring unforeseen events, there will be no session until the new Congress, to be elected in November, assembles next January.

On the one hand, the Seventy-fifth Congress has left many things undone.

For example, it refused to provide more businesslike machinery for running the executive branch of the Government. The Congress also failed to meet my suggestion that it take the far-reaching steps necessary to put the railroads of the country back on their feet.

But, on the other hand, the Congress, striving to carry out the platforms on which most of them were elected achieved more for the future good of the country than any Congress between the end of the World War and the spring of 1933.

I mention only the more important of these achievements.

First. It improved still further our agricultural laws to give the farmer a larger share of the national income, to preserve our soil, to provide an all-weather granary, to help the farm tenant toward independence, to find new uses for farm products, and to begin crop insurance.

Second. After many requests on my part the Congress passed a Fair Labor Standards Act. That act—applying to products in interstate commerce—ends child labor, sets a floor below wages and a ceiling over hours of labor.

Except perhaps for the Social Security Act, it is the most far-sighted program for the benefit of workers ever adopted. Without question it starts us toward a better standard of living and increases purchasing power to buy the products of farm and factory.

Do not let any calamity-howling executive with an income of \$1,000 a day, who has been turning his employees over to the Government relief rolls in order to preserve his company's undistributed reserves, tell you—using his stockholders' money to pay the postage on his personal opinions—that a wage of \$11 a week is going to have a disastrous effect on all American industry. Fortunately for business as a whole, and therefore for the Nation, that type of executive is a rarity with whom most business executives heartily disagree.

Third. The Congress has provided a fact-finding commission to find a path through the jungle of contradictory theories about wise business practices—to find the necessary facts for any intelligent legislation on monopoly, on price fixing, and on the relationship between big business and little business. Different from a great part of the world, we in America persist in our belief in individual enterprise and in the profit motive; but we realize we must continually seek improved practices to insure the continuance of reasonable profits, together with scientific progress, individual initiative, opportunities for the little fellow, fair prices, decent wages, and continuing employment.

Fourth. The Congress has coordinated the supervision of commercial aviation and air mail by establishing a new Civil Aeronautics Authority, and it has placed all postmasters under the civil service for the first time in our history.

Fifth. The Congress set up the United States Housing Authority to help finance large-scale slum clearance and provide low-rent housing for the low-income groups in our cities. And by amending the Federal Housing Act the Congress made it easier for private capital to build modest homes and rental dwellings.

Sixth. The Congress has properly reduced taxes on small corporate enterprises and has made it easier for the Reconstruction Finance Corporation to make credit available to all business. I think the bankers of the country can fairly be expected to participate in loans where the Government, through the Reconstruction Finance Corporation, offers to take a fair portion of the risk.

Seventh. The Congress has provided additional funds for the Works Progress Administration, the Public Works Administration, the Rural Electrification Administration, the Civilian Conservation Corps, and other agencies in order to take care of what we hope is a temporary additional number of unemployed and to encourage production of every kind by private enterprise.

All these things together I call our program for the national defense of our economic system. It is a program of balanced action—of moving on all fronts at once in intelligent recognition that all our economic problems, of every group, of every section, are essentially one.

Eighth. Because of increasing armaments in other nations and an international situation which is definitely disturbing to all of us, the Congress has authorized important additions to the national armed defense of our shores and our people.

On another important subject the net result of a struggle in the Congress has been an important victory for the people of the United States—a lost battle which won a war.

You will remember that on February 5, 1937, I sent a message to the Congress dealing with the real need of Federal court reforms of several kinds. In one way or another, during the sessions of this Congress, the ends—the real objectives—sought in the message, have been substantially attained.

The attitude of the Supreme Court toward constitutional questions is entirely changed. Its recent decisions are eloquent testimony of a willingness to collaborate with the two other branches of government to make democracy work. The Government has been granted the right to protect its interests in litigation between private parties involving the constitutionality of Federal statutes, and to appeal directly to the Supreme Court in all cases involving the constitutionality of Federal Statutes; and no single judge is any longer empowered to suspend a Federal statute on his sole judgment as to its constitutionality. Justices of the Supreme Court may now retire at the age of 70 after 10 years' service; a substantial number of additional judgeships have been created in order to expedite the trial of cases; and greater flexibility has been added to the Federal judicial system by allowing judges to be assigned to congested districts.

Another indirect accomplishment of this Congress has been its response to the demand of the American people to a course of sane, equitable liberalism. The Congress has understood that under modern conditions government has a continuing responsibility to meet continuing problems, and that government cannot take a holiday of a year, a month, or even a day just because a few people are tired or frightened by the inescapable pace of this modern world in which we live.

Some of my opponents and some of my associates have considered that I have a mistakenly sentimental judgment as to the tenacity of purpose and the general level of intelligence of the American people.

I am still convinced that the American people, since 1932, continue to insist on two requisites of private enterprise, and the relationship of government to it. The first is complete honesty at the top in looking after the use of other people's money, and in apportioning and paying individual and corporate taxes according to ability to pay. The second is sincere respect for the need of all at the bottom to get work—and through work to get a really fair share of the good things of life, and a chance to save and rise.

After the election of 1936 I was told, and the Congress was told, by an increasing number of politically—and worldly—wise people that I should coast along, enjoy an easy Presidency for another 4 years, and not let the people take things too seriously. They told me that people were getting weary of reform through political effort and would no longer oppose that small minority which, in spite of its own disastrous leadership in 1929, is always eager to resume its control over the Government of the United States.

Never in our lifetimes has such a concerted campaign of defection been thrown at the heads of the President and Senators and Congressmen as in the case of this Seventy-fifth Congress. Never before have we had so many "copperheads"—and you will remember it was the "copperheads" who, in the days of the War between the States, tried their best to make Lincoln and his Congress give up the fight, let the Nation remain split in two, and return to peace—peace at any price.

This Congress has ended on the side of the people. My faith in the American people—and their faith in themselves—have been justified. I congratulate the Congress and the leadership thereof and I congratulate the American people on their own staying power.

One word about our economic situation. It makes no difference to me whether you call it a recession or a depression. In 1932 the total national income of all the people in the country had reached the low point of \$28,000,000,000 in that year. With each succeeding year it rose. Last year, 1937, it had risen to \$70,000,000,000—despite definitely worse business and agricultural prices in the last 4 months of last year. This year, 1938, while it is too early to do more than give an estimate, we hope that the national income will not fall below \$60,000,000,000. We remember also that business and business and farming are not falling apart like the one-horse shay that they did in the terrible winter of 1933-34.

Last year mistakes were made by the leaders of private enterprise, by the leaders of labor, and by the leaders of government—all three.

Last year the leaders of private enterprise pleaded for a sudden curtailment of public spending, and said they would take up the slack. But they made the mistake of increasing their inventories too fast and setting many of their prices too high for their goods to sell.

Some labor leaders, goaded by decades of oppression of labor, made the mistake of going too far. They were not wise in using methods, which frightened many well-wishing people. They asked employers not only to bargain with them but to put up with jurisdictional disputes at the same time.

Government, too, made mistakes—mistakes of optimism in assuming that industry and labor would themselves make no mistakes—and government made a mistake of timing in not passing a farm bill or a wage-and-hour bill last year.

As a result of the lessons of all these mistakes we hope that in the future private enterprise, capital and labor alike—will operate more intelligently together and in greater cooperation with their own Government, than they have in the past. Such cooperation on the part of both of them will be very welcome to me. Certainly at this stage there should be a united stand on the part of both of them to resist wage cuts which would further reduce purchasing power.

If this is done, it ought to result in conditions which will replace a great part of the Government spending which the failure of cooperation made necessary this year.

From March 4, 1933, down, not a single week has passed without a cry from the opposition "to do something, to say something, to restore confidence." There is a very articulate group of people in this country, with plenty of ability to procure publicity for their views, who have consistently refused to cooperate with the mass of the people, whether things were going well or going badly, on the ground that they required more concessions to their point of view before they would admit having what they called "confidence."

These people demanded "restoration of confidence" when the banks were closed—and again when the banks reopened.

They demanded "restoration of confidence" when hungry people were thronging the streets—and again when the hungry people were fed and put to work.

They demanded "restoration of confidence" when drought hit the country—and again now when our fields are laden with bountiful yields and excessive crops.

They demanded "restoration of confidence" last year when the automobile industry was running three shifts and turning out more cars than the country could buy—and again this year when the industry is trying to get rid of an automobile surplus and has shut down its factories as a result.

It is my belief that many of these people who have been crying aloud for "confidence" are beginning today to realize that that hand has been overplayed and that they are now willing to talk cooperation instead. It is my belief that the mass of the American people do have confidence in themselves—have confidence in their ability, with the aid of government, to solve their own problems.

It is because you are not satisfied, and I am not satisfied, with the progress we have made in finally solving our business and agricultural and social problems that I believe the great majority of you want your own Government to keep on trying to solve them. In simple frankness and in simple honesty, I

need all the help I can get—and I see signs of getting more help in the future from many who have fought against progress with tooth and nail.

And now, following out this line of thought, I want to say a few words about the coming political primaries.

Fifty years ago party nominations were generally made in conventions—a system typified in the public imagination by a little group in a smoke-filled room who made out the party slate.

The direct primary was invented to make the nominating process a more democratic one—to give the party voters themselves a chance to pick their party candidates.

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It is my hope that everybody affiliated with any party will vote in the primaries, and that every such voter will consider the fundamental principles for which his party is on record. That makes for a healthy choice between the candidates of the opposing parties on election day in November.

An election cannot give a country a firm sense of direction if it has two or more national parties which merely have different names but are as alike in their principles and aims as peas in the same pod.

In the coming primaries in all parties there will be may clashes between two schools of thought, generally classified as liberal and conservative. Roughly speaking, the liberal school of thought recognizes that the new conditions throughout the world call for new remedies.

Those of us in America who hold to this school of thought insist that these new remedies can be adopted and successfully maintained in this country under our present form of government, if we use government as an instrument of cooperation to provide these remedies. We believe that we can solve our problems through continuing effort, through democratic processes instead of fascism or communism. We are opposed to the kind of moratorium on reform which, in effect, is reaction itself.

Be it clearly understood, however, that when I use the word "liberal" I mean the believer in progressive principles of democratic, representative government and not the wild man who, in effect, leads in the direction of communism, for that is just as dangerous as fascism.

The opposing or conservative school of thought, as a general proposition, does not recognize the need for government itself to step in and take action to meet these new problems. It believes that individual initiative and private philanthropy

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will solve them—that we ought to repeal many of the things we have done and go back, for instance, to the old gold standard, or stop all this business of old-age pensions and unemployment insurance, or repeal the Securities and Exchange Act, or let monopolies thrive unchecked—return, in effect, to the kind of government we had in the twenties.

Assuming the mental capacity of all the candidates, the important question which it seems to me the primary voter must ask is this: "To which of these general schools of thought does the candidate belong?"

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Do not misunderstand me. I certainly would not indicate a preference in a State primary merely because a candidate, otherwise liberal in outlook, had conscientiously differed with me on any single issue. I should be far more concerned about the general attitude of a candidate toward present-day problems and his own inward desire to get practical needs attended to in a practical way. We all know that progress may be blocked by outspoken reactionaries and also by those who say "yes" to a progressive objective, but who always find some reason to oppose any specific proposal to gain that objective. I call that type of candidate "yes, but" fellow.

And I am concerned about the attitude of a candidate or his sponsors with respect to the rights of American citizens to assemble peacefully and to express publicly their views and opinions on important social and economic issues. There can be no constitutional democracy in any community which denies to the individual his freedom to speak and worship as he wishes. The American people will not be deceived by anyone who attempts to suppress individual liberty under the pretense of patriotism.

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I hope the liberal candidates will confine themselves to argument and not resort to blows. In nine cases out of ten the speaker or writer who, seeking to influence public opinion, descends from calm argument to unfair blows hurts himself more than his opponent.

The Chinese have a story on this—a story based on three or four thousand years of civilization: Two Chinese coolies were nailing headily in the midst of a crowd. A stranger expressed surprise that no blows were being struck. His Chinese friend replied, "The man who strikes first admits that his ideas have given out."

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