
Franklin D. Roosevelt — “The Great Communicator”

The Master Speech Files, 1898, 1910-1945

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

File No. 1191-B

1939 January 4

Message to Congress - The State of the Union

First Draft

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For the last four years I have considered it the duty of leadership to open the Congress with increasing warning of disturbance abroad and the need of putting our own house in order before it has to meet the strength of storms from over the seas.

As this Congress opens, the American people need no more warning.

A war which threatened to engulf the world in flames has been momentarily averted. But it has become increasingly and painfully clear that peace has not been achieved.

All about us is undeclared war, military and economic. All about us grow greater and more deadly armaments - military and economic. All about us are being plotted new incidents to justify aggression -- military and economic.

We have in this hemisphere, under a single ideal of democratic government, the richest diversity of peoples and the richest diversity of resources in the world, functioning together in peace.

To all men of good will, that peace is now the shadow of a great rock in a weary land.

Refugee - The

Three

The storms from abroad present a direct threat to two institutions,
both of which to this generation of Americans are indispensable. One of them dates
back to the earliest days of mankind - religion. The other is an achievement
of a more modern civilization - democracy. We have come to regard these
two values - religion and democracy - as complementary to each other, ~~making~~
~~up together the dignity of man.~~ ~~Paradoxically~~ The one, religion, brings man
a respect for himself because of his sense of relationship to God, ~~and~~ ^{the} ~~other~~
~~rights~~
other, democracy, gives man a respect for the ~~dignity~~ and the liberty ^{of} his
fellow men. It is no accident that whenever democracy has been attacked
~~or overthrown the true spirit of religion has been crushed.~~ And it is no
accident that where religion has been attacked or suppressed ~~the~~
~~sixxys~~ even in the name of a democracy, the sources and methods of attack have
been the antithesis of democracy. For the State that can do no wrong,
or the governing clique that ~~cannot~~ do no wrong cannot live side by side with
the ideals of the Prince of Peace or the ideals of democracy. For those ideals ~~nation~~ ^{individual}
~~within the borders of~~ The same spirit that today attacks ~~dem~~ religion and democracy is ~~to blame for~~
~~the~~ ~~search~~ ^{is responsible} for the anarchy ⁱⁿ ~~our international~~ affairs
between nations. For that spirit refuses to observe the religious good faith
- the self respect and the respect for others - which is the only effective

sanction of international treaties.

The fight to save religion, the fight

to save democracy, and the fight to bring about ^{A pleasured world} ~~an order of sanity~~ in international affairs is all the same fight. To save one, you must save all.

For the past several years I have been compelled to give to the Congress a constantly increasing warning of disturbance abroad and the need of putting our own house in order before it is called upon to meet the ~~the strength of~~ storms from across the seas. As this 76th Congress opens there is no need for further warning.

A war which threatened to engulf the world in flames has been momentarily averted. But it has become increasingly and painfully clear that peace has not been achieved.

All about us is undeclared war, military and economic. All about us grow greater and more deadly armaments - military and economic. All about us are being plotted new incidents to justify aggression -- military and economic.

In this ^{Western} Hemisphere we have under a single ideal of democratic government, the richest diversity of peoples and the richest diversity of resources in the world, functioning together in peace. To all men of good will, that peace is now the last refuge - the shadow of a great rock in a weary desert land.

That hemisphere and that peace, we propose to protect against storms from any quarter -- and we propose to do now anything necessary to guarantee that protection. From that determination no American flinches.

What do we need to protect ourselves?

First of all we need an army, navy and air force, and a well-organized ability to adapt our industrial system for military supplies.

One year ago a substantial part of our people may have believed that the innate decency of mankind would protect from aggression those who by deliberate unpreparedness showed their innate trust of mankind. One year ago many in this country may have believed that the courage of bare hands could defend sacred soil with broomsticks. Today no one ~~can~~ believes such things.

In the course of a few days I ~~hope~~ ^{plan} to send you a special message making my recommendations for ~~obvious~~ military essentials of preparedness against trouble which we hope may not come, but which we cannot take the risks of assuming will not come.

The mere fact that we ~~can~~ refuse to intervene physically
~~to prevent~~
an acts of aggression does not mean that we ~~should~~ act as if there ~~had~~ were
There are
been no aggression. We must find means short of war ~~of having~~ of
by official action which they can understand and
to letting other nations know ~~in~~ that they ~~can~~ understand
take into their calculations what the aggregate ~~individual~~ ^{movements} ~~actions~~ of our
people, ~~are~~. It does no good to bottle up the basically important individual
the reactions of ~~our~~ people under a false diplomatic front of official good will,
up to the very point where a continuation of the cause of irritation actually
brings on war. It is just as important to be frank in the ~~negotiate~~ human
relations of international affairs as in the ~~individual~~ human relations
~~individual and private affairs.~~
~~of disapproval of personal conduct.~~

If ~~any~~ individual, 9 For example an individual may be opposed
to the intervention of the State to bring about compulsory ~~in~~ arbitration
~~at the same time to my self~~
of a labor dispute; but ~~that does not mean that he will not~~ refuse to deal with
a business concern which treats its labor unfairly. The democracies of the world,
facing acts of aggression against others and themselves cannot forever continue^s to
take them lying down. They must do something about them. Obviously they must

proceed along practical, peaceful lines, which do not of necessity mean war. But

they can at least avoid doing anything just as the individual in a community,

which will help to build up and encourage or assist the aggressor.

They must be willing to confer at any time ~~for the purpose~~ with the objective of ending aggression.

They must be willing at any time to mediate. But they should not be called upon

to do anything to help build up the power of the aggressor. The instinct of

self-preservation alone should make that obvious. ~~and~~ In that course lies the true

path to peace.

The second thing essential is complete realism in our foreign policy.

I have earlier said that we have learned from the World War not only much to do but also much not to do in our relations with foreign powers.

But we have also learned much from the new wars which have raged about us in the last two years.

We have learned how ~~much~~ differently ^{in modern days} modern wars, military and economic, are fought — how much preparatory invasion of propaganda, ^{economic}
~~and~~ political ^{actually appears} and sabotage takes place before military aggression ~~follows~~. We have learned the impossibility of isolation by formula since invention and economic interrelationship have decimated distance. We have learned that our own neutrality legislation in its present form operates ^{may} unevenly and unfairly; may actually give aid to an aggressor and deny it to the victim of aggression; may create a public conviction that there can be no middle course of action between ~~a neutrality policy which will~~ aid an aggressor and active ~~military~~ intervention on behalf of the victim of aggression.

We have sought to safeguard the common safety of the

Western Hemisphere by cooperative action. The recent conference at Lima has strengthened our faith in the value and effectiveness of such cooperative action. We shall continue our good neighbor policy in our dealings with our neighbors in this hemisphere.

But the ultimate strength of a nation to defend itself lies deeper than effective diplomacy and adequate stores of arms. Down at the bottom the things that make a nation mighty in self-defense are the same as make it great in peace. Might and greatness both are built of the abilities of men and women given the fullest chance to grow, of irreplaceable natural resources wisely husbanded, of perishable productive resources of labor and capital mutually used to the full, of the self-confidence that comes from the moral cohesion of the diverse racial, religious and social groups that make up the nation. Those things put ability and imagination and devotion behind aeroplanes and tanks and ships of war. Those things give the staying power that hangs on to wins — and those things bring the cool courage of self-restraint with which a people sure of itself avoids being frightened either into war or out of war.

During the Great War we saw civilian populations crack before armies; crack under the drain of physical privation; crack under the pounding of propaganda. And during the present undeclared wars we have seen nations strong on paper in a military sense unnerved by the self-distrust engendered by class injustice, by differences between capital and labor — in short by unsolved social problems at home.

Never forget that in one respect a dictatorship always has an advantage over a free people; a dictator can always command the full strength of a regimented nation.

But to summon forth the united strength of a democratic nation, government must represent the united will of a free people. And in a democracy there is always doubt of that united will unless substantially all the people, educated by modern standards to know what is going on, are convinced that the whole set-up of things is giving them as large a share of opportunity for development and of human dignity and of material goods as they deserve.

For years I have been trying to make the country see our pro-

gram of social and economic reform in that true light ~~of national defense~~
~~International defense~~ as basic as armaments themselves.

And in getting ready for eventualities we have, scarcely realizing it, come magnificent distances that would be envied by many a foreign nation much longer conscious of a defense problem. We have passed deserts and crossed mountains unimaginable twenty -- yes ten years ago.

Do you remember what kind of a fighting organism we were in 1932?

When the great depression of 1929 swept across the world you might have expected that the richest nation on earth, could have organized itself, could have found the ability within itself, to resist the common infection of panic and business collapse. But you know very well that we probably got poorer results for our resources than any other nation on earth.

During the roaring 20's, inside the magnificent false front of national wealth and prosperity, under the flaming cloud castles of

high finance, the sap of our national life had been poisoned with graft, with wild speculation, with narrowness of view. Our land, our rivers, our mines, our forests had been magnificently wasted. The health of the nation as a whole was poor; its housing atrocious. The industrial unemployed were left to deteriorate. The farmers were driven deeper and deeper into debt. We had not even tried to regularize the relationships of employers with employees who had been explosively repressed for thirty years by the dangerous instrument of court injunctions. The prosperity of business was shoved up, year after year, only by foreign loans that would never be paid, by inflation of bank credit, and by the unhealthy stimulation of a stock market boom that was sure to blow up.

When the day of trial came, America was an inflated, hollow shell, not fit to stand the strain of any crisis.

Let us be honest — I doubt if it would have been any different if the crisis had been a world war instead of a world depression.

Any storm that blew could have blown us over. We were out of training, selfish and careless of the future, and so we, the richest nation on earth, fell the hardest and lay helpless and whimpering under the lash of the storm.

Today we have our difficulties but we are a far wiser nation — and a far tougher nation — than we were in 1927, 1929 or 1932. In the perspective of events abroad of the last twelve months, I hope that the pattern and the accomplishments of the last six years — the sum total of what we have been driving at — becomes clearer.

Whatever our deficiencies the American people in the last six years have for the first time in our history moved upon our real problems of national strength and forged national instruments adequate to meet those problems.

Whatever our present deficiencies, we have really gone at the problem of conserving and developing our irreplaceable natural resources.

We have really ~~began to~~ ^{begin to provide for} ~~get at~~ ^{tackled} ~~solving to it~~ that every man, woman and

child who may some day be called upon physically to defend this country,

gets a necessary minimum of food and shelter and medical attention.

We have really ~~began to meet~~ struggled with the enormous economic difficulties of the relationship of the farmer to the industrial order — and with the enormous difficulties of regularizing by law the relations between employer and employee. Our concern for farm prices and decent wages and working conditions for industrial laborers is the first national effort to require the productive system to support the producer.

We have a banking system in which the public's deposits are safe from storm and in which business finance ~~which does~~ ^{need} not depend upon defrauding investors.

And, ^{above all,} whatever our deficiencies we have made the American people conscious of their interrelationship and their interdependence. Today as never before they sense that whatever their occupation or geographical location, race or religion, they share a common destiny. This vast continent, once a mere federation of sections, we have made one nation in thought and in action.

Never have there been any such six years of internal preparedness in the history of any country as far-flung as ours. And all this we have done without any dictator's power to command, without conscription, without labor camps, without concentration camps, without a scratch upon freedom of speech, freedom of the press or the rest of the Bill of Rights.

Having boldly climbed so far, we can now see things that we could not see along the way. As I see our present situation events had outmoded by 1929 the economic tools which our democracy knew how to use. In the six years since March 1933 we have had to forge ourselves a whole new set of tools based on a new conception of the role of government in democracy -- a role of continuing responsibility for the welfare of all the people. The legislation over which we have struggled in those six years, sometimes so bitterly, constitutes those tools.

Some of those tools had to be pretty roughly shaped and need a lot of machining down. All of them are complicated. They will never work at maximum effectiveness until a scheme of government reorganization allows the federal executive and the state executives to use these tools

in the most effective combinations. And even with such reorganization it may be a long time before we develop administrative personnel and experience to use our new tools with a minimum of mistakes.

But two great truths about these new tools and their use are in the forefront of my mind.

The first truth is that the American people have already accepted our new legislation as the indispensable machinery of the next age of democracy. To my mind the most significant feature of the past election was that the opposition party itself accepted these tools as the instruments of a new order of things; that nowhere was there any significant attack upon the new ideas and the new instrumentalities which this Administration has brought to democratic government.

Where there was criticism it was suggestion for refinement or for extension. And I for one welcome the emergence of an effective and intelligent opposition to help in the process of further machining which all of us admit may be needed upon our new tools.

This acceptance of a new technique of democracy is as I say

one of the two important facts of our present situation. The other
 To the use of this legislation, time is of paramount importance.
 truth is the paramount importance of time. The deadline of national

danger against which we must work to make democracy newly effective is
 not within our control. The hourglass which measures our opportunity and
 our needs

may be in the hands of other nations. What lies ahead of us therefore

~~Constitu~~ —
 is a race against time with our new ~~task~~ a race to make democracy work

so that we may be a nation contented in peace and secure in self-defense.

In our plans to win that race there are elements of detail
 which concern
 interesting to every part of our population.

For our older people we want to make better provision by way of
 old age pensions under our Social Security legislation. For the medically
 needy we want to provide better medical care.

For the farmer it is apparent that we must further ~~raise~~ our and
 improve his practical relationships to the Government, without detracting from the objectives of our
 existing farm legislation, simplify it and democratise its administration so as to
 bring better stability in farm prices with less burden on the individual
 farmer.

For the industrial worker we must ~~work~~ out deficiencies in the
 wage and hour law. For employer and employee alike we must find some

way to end factional labor strife and employer-employee strife. No single simple problem makes such demands upon the patriotism and the common sense of all parties to it as our suicidal labor strife and all the weaknesses that flow from it.

*On these matters and on the subject of pardons, I
intend to send special messages to the Congress.*

But over and beyond all these things the compulsions of time force upon us now, I think, a bolder task.

We have now learned enough from experience and we have attained enough of our intermediate goals to dare to tackle during the pendency of this Congress our big over-all problem — full employment of our labor and capital to produce the largest possible volume of goods and national income.

That, mark you, does not mean insurance against unemployment — although such insurance must always have a place in our protective measures. It means something much bolder and bigger — assurance of employment itself. It means a job for every man, woman ~~and child~~ who wants to work. It means taking full advantage of that greatest natural resource of America — the ingrained desire of our people to work whether they have to or not.

We shall never be as strong as we can be -- as we may need to be -- unless we develop to the full our capacity to produce material goods -- and our capacity to develop human skill and courage. Capital and labor which do not use each other, undeveloped youth which has never had a chance to learn and develop skill and self-assurance, are wasted by the very fact they are not used -- on a job.

The first duty of our statesmanship today is to bring capital and man-power together -- by whatever means within our power we may have to use to achieve the result.

Dictators do this by main force -- and by using main force succeed at it. However we may be horrified at their methods, we have to admit that they have achieved substantial complete utilization of all their material and human resources. They have shown that it is possible for governments to do many things which orthodox economists claimed it was not possible for governments to do without going broke. But the dictatorships have not gone broke. They have in their way solved the problems of idle men and idle capital. And if we would compete with

them we must ~~be~~ let our minds be bold in finding methods of achieving substantially the same results within our way of life, within the Bill of Rights, within the bounds of what we consider civilization.

In seeking for those ways, private business leaders and government alike, all over the democratic world, have over the past ten years experimented with one economic theory or another. We have tried deflation and balancing the budget. We have tried the dole without work. We have tried starting the wheels by government work and then giving back to private industry the responsibility to maintain the momentum. And our bona-fide attempt last year at this time to see if business could permanently maintain recovery without government help feebly failed.

No one can be sure of anything in such an inexact field as economics. But the time has come when the necessities of mustering our

strength compel us to make a practical decision -- a decision to take whatever risks may be of following consistently that course which our experiments of the last ten years have shown us is most likely to produce the concrete results of jobs and profits and goods.

In the face of world conditions about us we no longer can afford to waste our capital, our labor and our youth. We shall lose far more by not giving our men jobs than by any civilized method we take to give them jobs. And if we do attain a goal of finding useful jobs for all our unemployed and thereby manage to raise the national income of this country to say 90 billion dollars, the diffused well-being which will result from that increase in national income will more than pay for anything it costs us. But at any cost we cannot risk world events of the next few years without getting our productive machinery fully in gear, without toning up our man-power by use — in jobs.

And that way has business profits as well as jobs. The fact of our experience and the experience of other countries is that when government has been building bridges and sewers and hospitals and schools and roads and power plants and improving forests and rivers and land, private business has flourished and made profits and jobs. And conversely when government has ceased to do these things — when it has ceased to pour its own funds into an investment market to tempt private funds

which seek profit from government initiative --- the initiative of private enterprise dries up.

A new generation of business leaders willing to recognize that they live in 1959 is rapidly breaking through the crust of older men who have learned and forgotten nothing since 1929. Farsighted business men now agree that active business men can make profits, and those profits can keep other men employed, only so long as their markets expand. They agree that the conditions which created expanding markets in our periods of prosperity up to 1929 were the development of new lands and the growth of population. And we all now know to our sorrow that with the passing of frontiers and the slowing up of population growth, private business no longer builds extensively for an expanding future unless it first sees government investment for the future creating present demands for private business. It is the blunt truth that in our mature economic system private investment will not assume the complicated risks of modern business unless public investment, through government, goes ahead to take the first risks. Private business cannot make profits if we attempt to balance the budget at our present level of national income.

More and more as we have let our minds be bold we have realized that profits for business men in this country, with all that implies for the employment of the rest of the population, has always depended in this country, as in other countries that lived under our system of capitalistic democracy, upon government investment, invisible or otherwise. Little by little it has dawned on us that we always had something like the W.P.A. and the P.W.A. in this country -- some investment of public funds that induced private investment.

At one stage of our development we invested public assets by transfer to private individuals of our huge government domain -- worth far more than the government funds we have invested in the last six years. And another time we invested in orders to American producers for goods to be shipped abroad the proceeds of huge publicly-subscribed foreign loans which we were never able to recover. And with countries abroad which have lived under the same economic system as our own, periods of private business prosperity have depended upon the exploitation of colonial resources and public investment in foreign loans.

Now for the first time the provision of that normal feeder to

(A) 8-19 - after line 9. as it was last year,

This is not a proposal for pump priming. It is ^a continuous government program which takes no risk that private enterprise will be able to keep the pump going after an interval of government priming. In other words it does not propose to take any chances that ~~we should repeat the inability of private~~ ^{should again be unable completely to} enterprise to take over ~~which followed last pump priming enterprise, although~~ ~~it had failed~~ in some years it need not to be as high as in others. It recognizing the blunt truth which we have now learned from experience that in our mature economic system private investment will not assume the complicated risks of modern business except while public industry through government is going ahead to take the first risks and creating present opportunities for private profit in over the nation's economy as a whole the process. It will pay for itself /by a rise in national income by the stoppage of enormous annual losses such as that from flood damage and disease and ignorance, and its cost can be greatly reduced by the sale to public investors through the private investment market of specific recoverable assets, just as the R. F. C. has lately sold ~~its~~ ^{equity}, its investment in the San Francisco Bay Bridge. It assumes that the nation ~~cannot~~ cannot be making a mistake from the stand point of national defense, from the standpoint of general welfare by transforming useless assets into useful assets no matter how much the bookkeepers may be horrified.

prosperous private enterprise has become conscious with us. There are many things we need to do to provide assurance of full mutual employment for our labor and capital and full employment for the potential abilities of our youth which will rot away or deteriorate and be completely lost to us if unused. But we are now certain that the one most indispensable factor in creating that assurance of full employment is a bold program of government investment in the things -- the illimitable list of things -- that the people of the United States need if they are to be as strong and able as they can be, both in peace and in war.

(A)

minor

I therefore propose to the Congress, along with such undetermined work as may be necessary for filler to meet ~~the~~ necessities of relief,

a permanent and a continuing program of government work of ^{definite} ~~particular~~ ^{a limited number of} ~~such as~~ kinds which in the judgment of the Congress best meet the needs of the

nation for national defense in the widest sense, roads, health facilities,

housing facilities, the conservation of natural resources and flood con-

trol. I suggest to the Congress that on each of these items we set up a

definite program of goals to be achieved over a period of years, and pre-rate

for things which private enterprise will not do.

expenditures over these years at not less than \$
coming fiscal year and \$
for the fiscal year ending

That way lies not only the provision out of idle capital and wasted labor of things the American people need for their strength and well-being both in this and in succeeding generations. That way lies profits for business men. That way lies a rising national income which will not only meet the cost of the program but provide an ever rising standard of private living and private opportunity for all our people. That way opportunity for the application of all of the energies of our people, for the growth of all their abilities for the satisfying dignity of a choice of jobs which in the last century made this country such a happy place to live in.

Of course a program of this character involving far-sighted social engineering will require painstaking care in its execution. It cannot be expected that the gears will always mesh perfectly or that the engine can attain full speed at the very start.

To obtain full employment of capital and of labor under demo-

cratic methods and under a capitalistic economy will require the courage and the cooperation of all of the American people. I believe that that cooperation will be forthcoming, because I think events abroad have made it increasingly clear to all of the American people that any dangers within from each other are unreal compared to dangers without, that if the solution of this problem of idle men and idle capital is the price of preserving our democracy, no formless fears can stand in its way.

But if we are going to solve this problem of idle men and idle capital without abandoning our democracy each of us must be willing to make the accommodations and concessions necessary for its democratic solution. We must begin to understand that paying taxes when we have income from which to pay them and risking capital when we have capital to risk are small costs to pay for the privilege of living in a free country.

True there are those who wonder whether the way of a civilized solution is not too hard to find and whether a dictatorship would be so bad after all. It gets rid of labor trouble. It gets rid of unemployment. It gets rid of a lot of wasted motion.

But for the individual man with money the material benefits of dictatorship are largely illusory. ~~See if you will our own W.P.A. workers,~~
~~but they~~ are doing infinitely more useful and productive work than the military squadrons and storm troops into which the dictators regiment their unemployed. Strong dictators may spend less for education and social services than weak democratic governments, but they do not remit those savings to the taxpayer. They require more and more taxes for their military establishments. And when they can no longer raise the tax rates, they resort to forced loans and capital levies. Undistributed profits do not have to be taxed by the dictators, because undistributed profits are invested ~~in~~ the dictators direct. The dictators do not worry whether or not business has confidence. It does not matter. For, under dictatorship, business is no freer than labor. High finance may help the dictator seize power, but once ~~the~~ ^{power is seized} ~~the~~ ^{becomes the Piper} ~~comun~~ ~~dictator is accomplished~~, the dictator and ~~his gang~~ ^{clique} call the tune. The dictator no longer needs the help of high finance at election time, for there are no elections.

~~And what's the cost even before this ultimate paying of the Piper.~~

~~The cost of the blessed right of being able to say what you please; the~~

cost of freedom of religion; ~~at~~ the cost of being cast in a concentration camp for incurring the dictator's slightest displeasure; ~~at~~ the cost of being afraid to walk down the street with the wrong neighbor; ~~at~~ the cost of having one's children brought up not as free and dignified human beings, but as wooden soldiers with their minds and bodies mortgaged to Baal.

means right
If avoiding that cost ~~meant~~ taxes on my income, I *am* willing to pay those taxes as ~~a part of the cost of civilization~~ the price of living in a free country and spiritually of being part of a living rather than a dead world. If avoidance of that cost ~~meant~~ taxes on my estate at death, I feel I would do far less for my children if I passed on to them a few thousand more dollars (subject to all the diseases of modern bookkeeping dollars) than if I handed down to them the invaluable help of a whole nation of healthy, alert and self-respecting citizens -- able to make a richer civilization for them to live in if they are to have peace — able to make stronger and more trustworthy comrades in arms for them if they are to face war. If we have to choose between land and people on one side and bookkeeping entries on the other, either for ourselves in our generation or for our children in theirs, let us choose realities.

Once I prophesied to you that this generation of Americans had a rendezvous with destiny. Too soon that prophecy comes true. To us much was given; of us much is expected. As Lincoln said to his Congress just before emancipation, "We shall nobly save or meanly lose the last best hope of earth".

For the past several years I have been compelled to give to the Congress a constantly increasing warning of disturbance abroad and the need of putting our own house in order ~~before it is called upon to meet~~
~~the storm~~^{To head}
~~the storms~~^{Q. & G. Note} from across the seas. As this 76th Congress opens there is ~~a~~ need for further warning.

A war which threatened to engulf the world in flames has been ~~momentarily~~ averted. But it has become increasingly and painfully clear that peace ~~has not been achieved~~ is assured to those in the world who ~~pray for peace~~.

All about us is undeclared war, military and economic. All us grow greater and more deadly armaments - military and economic. All about us are ~~being plotted new incidents to justify~~ ^{Propagations of war} aggression -- military and economic.

The storms from abroad present a direct threat to three institutions indispensable to ~~this generation of Americans~~, The first, the ~~mother~~^{first} of the other two dating back to the earliest days of mankind, is religion. The others ~~the complement of the~~ religious spirit - democracy and international good faith. In a modern civilization ~~they~~ complement each other. Religion brings ^{to} ~~to~~ the individual ~~on~~ a moral respect for himself in a sense of his relationship

to God. Democracy gives the individual man moral respect for the rights and the liberties of his fellow nations. And international good faith gives nations of man respect for the humanity of other nations of men.

It is no accident that whenever democracy has been attacked or overthrown, the true spirit of religion has disappeared and international affairs have degenerated into anarchy. And it is no accident that where religion has been attacked or suppressed in modern times even though in the false name of a democracy, the sources and methods of attack have been the antithesis of democracy.

For the spirit that moves the State that can do no wrong, or the governing clique that can do no wrong, cannot live side by side with the ideals of the Prince of Peace or the ideals of democracy or the ideals of a civilized world. It is the same spirit which today attacks religion and democracy within the borders of individual nations that is responsible for the anarchy in affairs between nations. For that spirit refuses to observe the religious good faith -- the self respect and the respect for others -- which is the only effective sanction of international treaties. The fight to save religion, the fight to save democracy, and the fight to bring about a reasoned order in international affairs is all the same fight. To save one, we must save all.

Here in the Western Hemisphere is the strongest fortress of all these.

Here in this Western hemisphere we have under a single ideal of
democratic government, the richest diversity of peoples and the richest
diversity of

resources in the world, functioning together in peace. To all men of good will, that peace is now the last refuge - the shadow of a great rock in a weary desert land.

That hemisphere and that peace, we propose to protect against storms from any quarter -- and we propose to do now anything necessary to guarantee that protection. From that determination no American flinches.

What do we need to protect ourselves?

First of all we need an army, navy and air force, and a well-organized ability to adapt our industrial and transportation system for military supplies.

One year ago a substantial part of our people may have believed that the innate decency of mankind would protect from aggression those who by deliberate unpreparedness showed their innate trust of mankind. Today no one believes that.

In the course of a few days I shall send you a special message making my recommendations for military preparedness against trouble which we hope may not come, but which we cannot take the risks of assuming will not come.

The second thing essential is complete realism in our foreign policy.

We have learned from the World War not only much to do but also much not to do in our relations with foreign powers.

We have learned much from the new wars which have swirled about us in the last two years.

We have learned how differently wars in modern days, are fought -- how much preparatory invasion or propaganda, economic penetration and political sabotage takes place before military aggression actually appears.

We have learned the impossibility of isolation by formula since invention and economic interrelationship have decimated distance. We have learned that our own neutrality legislation in its present form may operate unevenly and unfairly; may actually give aid to an aggressor and deny it to the victim of aggression; may create a public conviction that there can be no middle course of action between aid to an aggressor and active intervention on behalf of the victim of aggression.

The mere fact that we refuse to intervene physically to prevent acts of aggression does not mean that we must act as if there were no aggression. There are means short of war to let other nations know by official action which they can understand and take into their calculations, what are the aggregate sentiments of our people. It does no good to bottle up the reactions of a people under a false diplomatic front of ~~official~~ good will, to the very point where a continuation of the cause of irritation actually brings on war. It is just as important to be frank in the human relations of international affairs as in the human relations of individual and private affairs.

For example an individual may be opposed to the intervention of the State to bring about compulsory arbitration of a labor dispute; but at the same time he may well refuse to deal with a business concern which treats its labor unfairly. The democracies of the world, facing acts of aggression against others and themselves, cannot forever continue to take them lying down. They must do something about them. Obviously they must proceed along practical, peaceful lines, which do not of necessity mean war. But just as the individual in a community, they can at least avoid doing anything which will help to build up, encourage, or assist the aggressor. The instinct of self-preservation

alone should make that obvious. In that course lies the true path to peace.

We have sought to safeguard the common safety of the Western Hemisphere by cooperative action. The recent conference at Lima has strengthened our faith in the value and effectiveness of such cooperative action. We shall continue our good neighbor policy in our dealings with our neighbors in this hemisphere.

But the ultimate strength of a nation to defend itself lies deeper even than effective diplomacy and adequate stores of arms. Down at the bottom the things that make a nation mighty in self-defense are the same as make it great in peace. Might and greatness both are built of the abilities of men and women given the fullest chance to grow, of irreplaceable natural resources wisely husbanded, of perishable productive resources of labor and capital mutually used to the full, of the self-confidence that comes from the moral cohesion of the diverse racial, religious and social groups that make up the nation. Those are the things that put ability and imagination and devotion behind aeroplanes and tanks and ships of war. Those are the things that give the staying power that hangs on to win. Those are the things that bring the cool courage of self-restraint with which a people sure of itself avoids being frightened either into war or out of war.

During the Great War we saw civilian populations crack before armies; crack under the drain of physical privation; crack under the pounding of propaganda. And during the present undeclared wars we have seen nations strong on paper in a military sense unnerved by the self-distrust engendered by class injustice, by differences between capital and labor -- in short by unsolved social problems at home.

In one respect a dictatorship always has an advantage over a free people; a dictator can always command the full strength of a regimented nation.

But to summon forth the united strength of a democratic nation, government must represent the united will of a free people. And in a democracy there is always doubt of that united will unless substantially all the people, educated by modern standards to know what is going on, are convinced that the whole set-up of things is giving them as large a share of opportunity for development and of human dignity and of material goods as they deserve.

Our program of social and economic reform regarded in that true light is a form of preparedness for national defense as basic as armaments themselves.

Today we have our difficulties but we are a far wiser nation -- and a far tougher nation - than we were in 1927, 1929 or 1932. In the perspective of events abroad of the last twelve months, I hope that the pattern and the accomplishments of the last six years -- the sum total of what we have been driving at -- becomes clearer.

Whatever our deficiencies the American people in the last six years have for the first time in our history moved upon our real problems of national strength and forged national instruments adequate to meet those problems.

We have really tackled the problem of conserving and developing our irreplaceable natural resources.

We have really begun to provide for every man, woman and child who may some day be called upon physically to defend this country, a necessary minimum of food and shelter and medical attention.

We have really begun to meet the enormous economic difficulties of the relationship of the farmer to the industrial order - and the enormous difficulties of regularizing by law the relations between employer and employee. Our concern for farm prices and decent wages and working conditions for

industrial laborers is the first national effort to require the productive system to support the producer.

We have a banking system in which the public's deposits are safe from storm and in which business finance need not depend upon defrauding investors.

And, above all, we have made the American people conscious of their interrelationship and their interdependence. Today as never before they sense that whatever their occupation or geographical location, race or religion, they share a common destiny. This vast continent, once a mere federation of sections, we have made one nation in thought and in action.

Never have there been any such six years of internal preparedness in the history of any country as far-flung as ours. And all this we have done without any dictator's power to command, without conscription, without labor camps, without concentration camps, without a scratch upon freedom of speech, freedom of the press or the rest of the Bill of Rights.

Having boldly climbed so far, we can now see things that we could not see along the way. As I see our present situation events had outmoded by 1929 the economic tools which our democracy knew how to use.

In the six years since March 1933 we have had to forge ourselves a whole new set of tools based on a new conception of the role of government in democracy -- a role of continuing responsibility for the welfare of all the people. The legislation over which we have struggled in those six years, sometimes so bitterly, constitutes those tools.

Some of those tools had to be pretty roughly shaped and need a lot of machining down. All of them are complicated. They will never work at maximum effectiveness until a scheme of government reorganization allows the federal executive and the state executives to use these tools in the most effective combinations. And even with such reorganization it may be a long time before we develop administrative personnel and experience to use our new tools with a minimum of mistakes.

The American people have already accepted our new legislation as the indispensable machinery of the next age of democracy. The most significant feature of the past election was that the opposition party itself accepted these tools as the instruments of a new order of things. Where there was criticism it was suggestion for refinement or for extension. And I for one welcome the emergence of an effective and intelligent opposition to

HELP IN THE PROCESS OF FURTHER MACHINING WHICH ALL OF US ADMIT may be needed upon our new tools.

In the use of this legislation, time is of paramount importance. The deadline of national danger against which we must work to make democracy newly effective is not within our control. The hourglass which measures our opportunities and our needs may be in the hands of other nations. What lies ahead of us therefore is a race against time with our new concepts -- a race to make democracy work so that we may be a nation contented in peace and secure in self-defense.

In our plans to win that race there are elements of detail which concern every part of our population.

For our older people we want to make better provision by way of old age pensions under our Social Security legislation. For the medically needy we want to provide better medical care.

For the farmer it is apparent that we must further simplify and improve his practical relationship to the government, without altering the objectives of our farm legislation.

For the industrial worker we must iron out administrative

deficiencies in the wage and hour law. For employer and employee alike we must find some way to end factional labor strife and employer-employee strife. No single problem makes such demands upon the patriotism and the common sense of all parties to it as our suicidal labor strife and all the weaknesses that flow from it.

On these matters and on the subject of railroads, I intend to send special messages to the Congress.

But over and beyond all these things the compulsions of time force upon us now, I think, a bolder task.

We have now learned enough from experience and we have attained enough of our intermediate goals to dare to tackle during the pendency of this Congress our big over-all problem -- full employment of our labor and capital to produce the largest possible volume of goods and national income.

That, mark you, does not mean insurance against unemployment -- although such insurance must always have a place in our protective measures. It means something much bolder and bigger -- assurance of employment itself. It means a job for every man and woman who wants

TO WORK. It means taking full advantage of that greatest natural resource of America -- the ingrained desire of our people to work whether they have to or not.

We shall never be as strong as we can be -- as we may need to be -- unless we develop to the full our capacity to produce material goods -- and our capacity to develop human skill and courage. Capital and labor which do not use each other, undeveloped youth which has never had a chance to learn and develop skill and self-assurance, are wasted by the very fact they are not used -- on a job.

The first duty of our statesmanship today is to bring capital and man-power together -- by whatever means within our power we may have to use to achieve the result.

Dictators do this by main force -- and by ~~xx~~ using main force succeed at it. However we may be horrified at their methods, we have to admit that they have achieved substantial complete utilization of all their material and human resources. They have shown that it is possible for governments to do many things which orthodox economists claimed it was not possible for governments to do without going broke. But the dictatorships have not gone broke. They have in their way solved the problems of idle

Men and idle capital. And if we would compete with them we must let our minds be bold in finding methods of achieving substantially the same results within our way of life, within the Bill of Rights, within the bounds of what we consider civilization.

But the time has come when the necessities of mastering our strength compel us to make a practical decision — a decision to take whatever risks may be of following consistently that course which our experiments of the last ten years have shown us is most likely to produce the concrete results of jobs and profits and goods.

At any cost we cannot risk world events of the next few years without getting our productive machinery fully in gear, without toning up our man-power by use — in jobs. We shall lose far more by not giving our men jobs than by any civilized method we take to give them jobs. And if we do attain a goal of finding useful jobs for all our unemployed and thereby manage to raise the national income of this country to say 90 billion dollars, the diffused well-being which will result from that increase in national income will more than pay for anything it costs us.

And that way has business profits as well as jobs. The fact of our experience and the experience of other countries is that when government has been building bridges and sewers and hospitals and schools and roads and power plants and improving forests and rivers and land, private business has flourished and made profits and jobs. And conversely when government has ceased to do these things -- when it has ceased to pour its own funds into an investment market to tempt private funds which seek profit from government initiative -- the initiative of private enterprise dries up.

Now for the first time the provision of that normal feeder to prosperous private enterprise has become conscious with us. There are many things we need to do to provide assurance of full mutual employment for our labor and capital and full employment for the potential abilities of our youth which will rot away or deteriorate and be completely lost to us if unused. But we are now certain that the one most indispensable factor in creating that assurance of full employment is a bold program of government investment in the things -- the illimitable list of things -- that the people of the United States need if they are to be as strong

and able as they can be, both in peace and in war.

This is not a proposal for pump priming. It is a continuous government program which takes no risk that private enterprise will be able to keep the pump going after an interval of government priming. In other words it does not propose to take any chances that private enterprise should again be unable completely to take over as it was last year. It recognizes the blunt truth which we have now learned from experience that in our mature economic system private investment will not assume the complicated risks of modern business except while public industry through government is going ahead to take the first risks and creating present opportunities for private profit in the process. It will pay for itself over the nation's economy as a whole by a rise in national income by the stoppage of enormous annual losses such as that from flood damage and disease and ignorance. And its cost can be greatly reduced by the sale to public investors through the private investment market of specific recoverable assets, just as the R. F. C. has lately sold its investment in the San Francisco Bay Bridge. It assumes that the nation cannot be making a mistake from the standpoint of national defense, from the

standpoint of general welfare by transforming useless assets into useful assets no matter how much the bookkeepers may be horrified.

I therefore propose to the Congress, along with such minor undetermined work as may be necessary for filler to meet emergency necessities of relief, a permanent and a continuing program of government work of a limited number of specified kinds such as roads, health facilities, housing facilities, the conservation of natural resources and flood control, which in the judgment of the Congress best meet the needs of the nation for national defense in the widest sense. I suggest to the Congress that on each of these items we set up a definite program of goals to be achieved over a period of years for things which private enterprise will not do .

That way lies not only the provision out of idle capital and wasted labor of things the American people need for their strength and well-being both in this and in succeeding generations. That way lies profits for business men. That way lies a rising national income which will not only meet the cost of the program but provide an ever rising standard of private living and private opportunity for all our people. That way opportunity for the application of all of the energies of our

people, for the growth of all their abilities for the satisfying dignity of a choice of jobs which in the last century made this country such a happy place to live in.

Of course a program of this character involving far-sighted social engineering will require painstaking care in its execution. It cannot be expected that the gears will always mesh perfectly or that the engine can attain full speed at the very start.

To obtain full employment of capital and of labor under democratic methods and under a capitalistic economy will require the courage and the cooperation of all of the American people. I believe that that cooperation will be forthcoming, because I think events abroad have made it increasingly clear to all of the American people that any dangers within from each other are unreal compared to dangers without, that if the solution of this problem of idle men and idle capital is the price of preserving our democracy, no formless fears can stand in its way.

True there are those who wonder whether the way of a civilized solution is not too hard to find and whether a dictatorship would be so bad after all. It gets rid of labor trouble. It gets rid of unemployment.

It gets rid of a lot of wasted motion.

But for the individual man with money the material benefits of dictatorship are largely illusory. Our W. P. A. workers, are doing infinitely more useful and productive work than the military squadrons and storm troops into which the dictators regiment their unemployed. Strong dictators may spend less for education and social services than weak democratic governments, but they do not remit those savings to the taxpayer. They require more and more taxes for their military establishments. And when they can no longer raise the tax rates, they resort to forced loans and capital levies. Undistributed profits do not have to be taxed by the dictators, because undistributed profits are invested as the dictators direct. The dictators do not worry whether or not business has confidence. It does not matter. For, under dictatorship, business is no freer than labor. High finance may help the dictator seize power, but once the power is seized, the dictator becomes the piper and he and his clique call the tune. The dictator no longer needs the help of high finance at election time, for there are no elections.

And what spiritual cost is paid to the Piper! : the cost of the

blessed right of being able to say what you please, the cost of freedom of religion; the cost of being cast in a concentration camp for incurring the dictator's slightest displeasure; the cost of being afraid to walk down the street with the wrong neighbor; the cost of haveing one's children brought up not as free and dignified human beings, but as wooden soldiers with their minds and bodies mortgaged to Baal.

If avoiding that cost means higher taxes on my income, I am willing to pay those taxes as the price of living in a free country and being part of a living rather than a spiritually dead world. If avoiding that cost means taxes on my estate at death, I feel I would do far less for my children if I passed on to them a few thousand more dollars (subject to all the diseases of modern bookkeeping dollars) than if I handed down to them the invaluable help of a whole nation of healthy, alert and self-respecting citizens -- able to make a richer civilization for them to live in if they are to have peace --- able to make stronger and more trustworthy comrades in arms for them if they are to face war. If we have to choose between land and people on one side and bookkeeping entries on the other, either for ourselves in our generation or for our children in theirs, let us choose realities.

Once I prophesied to you that this generation of Americans
had a rendezvous with destiny. Too soon that prophesy comes true. To us
much was given; of us much is expected. "We shall nobly save or meanly
lose the last best hope of earth".

THIRD DRAFT

-1-

For the past several years I have been compelled to give to the Congress a constantly increasing warning of disturbance abroad and the need of putting our own house in order to heed storm signals from across the seas. As this Seventy-Sixth Congress opens there is need for further warning.

A war which threatened to envelop the world in flames has been averted. But it has become increasingly and painfully clear that peace is not assured to those in the world who pray for peace.

All about us is undeclared war, military and economic. All about us grow greater and more deadly armaments -- military and economic. All about us are suggestions of new aggression -- military and economic.

The storms from abroad present a direct threat to three institutions indispensable to Americans now as always. The first, the source of the other two, dating back to the earliest days of mankind, is religion. The others spring from the true religious spirit -- democracy and international good faith.

THIRD DRAFT

-3-

In a modern civilization all three complement each other. Religion, through its relationship to God, teaches the individual to respect himself by respecting his neighbors.

Democracy, a practice of self-government, gives to groups of men respect for the rights and liberties of their fellows.

International good faith, a sister of democracy, gives nations of men respect for peace and cooperation with other nations of men.

Where, in modern times, religion has been attacked or suppressed, the attack has sprung from sources opposed to democracy. Where democracy has been overthrown, the free spirit of religious worship has suffered or disappeared. In the wake of the grievous wrong against religion and democracy, international good-will and the rule of reason have been displaced by reliance on expediency and brute force.

An ordering of society which relegates religion, democracy and peace among nations to the background, cannot long live side by side with the ideals of the Prince of Peace. The United States rejects such an ordering and retains its ancient faith.

THIRD DRAFT

-3-

There comes a time in the affairs of men when they must prepare to defend not their homes alone but certain tenets of faith on which their churches and their governments are founded. Because these tenets of faith extend to many other nations of the world, the individual nation can ill-afford any isolation which may result in such nation ~~being~~ becoming gradually circumscribed by the enemies of its faith. The defense of religion, of democracy and of the reasoned order between nations is all the same fight. To save one we must ultimately make up our minds to save all.

Fortunate it is that in this Western Hemisphere we have, under a single ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace.

That Hemisphere, that peace and that ideal we ~~want~~ proposed to protect against any storms from any quarter -- and we propose to do now anything and everything necessary to secure that protection. From that determination no American flinches.

Before all else comes the repetition of the standing offer of the Americas to take counsel with all other nations to the end that aggression among all nations be terminated, that the race of armaments cease, and that world commerce be renewed.

But the world has grown so small that no great nations can remain outside the door;

If governments strongly backed (?) by the implements of force insist on the policies of force, adequate self-protection is the only resort to those people who are, or who may be, threatened.

I have spoken of the many nations of the world which in general hold to the same doctrines of peace as we do. I will not paint for you a picture of what might happen to us of the United States if new philosophies of force were to encompass the other Continents and invade our own. Events move so rapidly that it is sufficient for me to remind you of the changes in world affairs and the increase in world dangers which have taken place since 1931 — seven years ago.

THIRD DRAFT

-5-

One year ago a substantial part of our people may have believed that the innate decency of mankind would protect from aggression those who, unprepared, showed their innate trust in mankind. Today we are wiser -- and sadder.

In the course of a few days I shall send you a special message making recommendations for preparedness against trouble which we hope may not come but which we cannot assume will not come.

In our foreign affairs we have learned from the past what not to do; and we have learned from new wars what we must do.

We have learned that sheer survival cannot be guaranteed by arming after the attack begins -- and that the probability of attack is mightily decreased by the assurance of ever-ready defense.

We have learned that we can recognize future attack by the preliminaries of propaganda, the incitement to disunion and the stirring of prejudice.

We have learned that our own neutrality laws in their present form may operate unevenly and unfairly; may give aid to an aggressor and deny it to the victim.

The democracies of the world, facing acts of aggression against others and against themselves, cannot forever take them lying down. Obviously they must proceed along practical, peaceful lines, which by no means necessitate war. The mere fact that we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. Apart from and short of war, there are many methods of bringing home to aggressor governments the aggregate sentiments of our own people.

At the very least, we can and should avoid any action, or any lack of action, which will help to build-up, encourage or assist an aggressor. The instinct of self-preservation should make that obvious.

(A)

In meeting the problems of the world our approach must be an approach of unity -- a recognition that decisions of a majority in meeting external problems should receive the support of all -- even of those who might have preferred other solutions. If other forms of government, unacceptable to the American people, can present united fronts in attacks on democracy, united democracies form the only answer. Such a democracy can and must exist in the United States.

Under modern conditions the words "adequate defense" -- a policy subscribed to by all -- must be divided into three elements. The first necessitates the actual existence of force, at any given moment, strong enough to prevent the destruction of key facilities essential to the successful conduct of later defense and ultimate victory. Second, is the existence of such facilities strategically located and in sufficient supply to require expansion only in order to meet all needs.

If these first two essentials are reasonably provided for we must be able confidently to call on the underlying strength of our citizenship -- the self-confidence, the ability, the imagination and the devotion that give the staying power to see things through.

A unified, successful nation may be destroyed if it is unprepared against sudden attack. But, at the same time, a nation well armed may, after a period of time, meet defeat if it is unnerved by self-distrust, endangered by class prejudice, by differences between capital and labor, by false economy and by other unsolved social problems at home.

A dictator may command the full strength of a regimented nation; but to summon forth the united strength of a democratic nation, educated by modern standards to know what is going on and where they are going, its people must have conviction that they are receiving as large a share of for development, as large a share of human dignity and of material success as they deserve.

Our program of social and economic reform is a part of preparedness for national defense as basic as the armaments themselves.

We have our difficulties -- but we are a far wiser and a far tougher nation than we were in 1927, or 1929, or 1932.

In the perspective of events in Europe, in Africa and in Asia during these recent years, I hope that the pattern and the accomplishment of what we have done since 1933 becomes more clear to the nation.

Whatever our deficiencies, we have moved for the first time upon deep-seated problems of national strength and forged national instruments adequate to meet them.

We have undertaken to conserve our natural resources; to provide a necessary minimum of food, shelter and health for our population; to meet the difficulties of our agriculture and to provide decent wages and working conditions for industry; to make safe the deposits of our public in the banks and protect investors from fraud; to initiate security for the aged, the helpless and the needy.

Above all, we have made the American people conscious of their inter-relationship and their interdependence. They sense a common destiny. We move away from defenses of occupation, geographical location, race or religion, toward the goal of one nation in thought and in action.

Never have there been six years of such internal preparedness in the history of any nation as far-flung as ours. And all this we have done without any dictator's power to command, without the conscription of labor, without concentration camps, without the confiscation of capital, and, withal, without a scratch on freedom of speech, freedom of the Press or the rest of the Bill of Rights.

We see things now that we could not see along the way. The tools we were given in 1933 were outmoded -- and we have had to forge new tools from drawings which conceived of necessity a new role of government in democracy -- a role of new responsibilities for old needs and new needs of welfare.

Some of these tools had to be roughly shaped and need a lot of machining down. All are complicated. Even many of those who fought bitterly against the forging of new tools accept their use today. They no longer ask their discard. The task is, therefore, the task of improvement and on that we should be able to agree.

Most of us recognize that the use of all these tools, old and new, cannot be put to the maximum effectiveness unless the executive processes of government itself -- the Federal executive and its relationship to the State executives -- is revamped -- reorganized, if you will -- into a more effective combination. And even after such reorganization it will take time to develop administrative personnel and experience in order to use our new tools with a minimum of mistakes. The Congress has, of course, full information of this.

With this exception of legislation to provide greater government efficiency, and with the exception of legislation to ameliorate our railroad and other transportation problems, the past three Congresses have met in part or in whole the pressing needs of the new order of things. The American people have already accepted the objectives which the new legislation seeks to attain. Where there has been criticism it has run to suggestions for refinement or for extension. There can well be cooperation between the two major political parties in helping to improve the new tools which we have permanently installed.

But in the use of our implements time is of paramount importance. The deadline of danger from within and from without is not within our control. One hourglass may be in the hands of other nations. Our own hourglass tells us that we are off to a race to make democracy work so that we may be efficient in peace and, therefore, secure in self-defense. Almost every part of our population is concerned.

For our older people we want to make better provision under our social security legislation. For the medically needy we must provide better care.

For the farmer it is clear that we should simplify and improve his practical relationship to the government without altering the objectives of our farm policy.

For the industrial worker, we must remove administrative deficiencies in the Wage and Hour Law. For employer and employee alike we should make further efforts to end the factional labor strife and employer-employee disputes. No single problem makes greater demands on the common sense of all parties to it as our suicidal labor strife.

But beyond all these things, the time element forces on us a bolder task -- the full employment of our labor and our capital to produce the largest possible volume of buying power through work, and as a result a greatly increased total of goods and of national income.

That means assurance of employment -- a potential job for every man and woman who wants to work.

We shall never be as strong as we ought to be -- and may need to be -- unless we develop simultaneously an increased capacity to increase incomes -- especially for those who have practically no incomes today -- and to produce material goods. Capital and labor which do not at the same given time use each other, undeveloped youth which has never had a chance to achieve skill and self-assurance, are both wasted by the very fact that

they are not used.

The first duty of our statesmanship today is to bring capital and man-power together.

Dictators do this by main force. By using main force they apparently succeed at it. However we abhor their methods, we are compelled to admit that they have obtained substantial utilization of all their material and human resources. They have done things which every economist of a decade ago claimed would result in immediate bankruptcy. But the dictatorships are not financially bankrupt today. Like it or not, they have solved, for a time at least, the problem of idle men and idle capital. Can we compete with them by boldly seeking methods of putting idle men and idle capital together and, at the same time, remaining within our way of life, within the Bill of Rights, and within the bounds of what we call, from our point of view, civilization?

FOURTH DRAFT

-1-

In reporting, on the State of the nation,
~~For the past several years~~ I have felt it necessary
on ~~various~~ occasions
~~to~~ ~~give~~ the Congress a constantly increasing warning of
~~warlike~~

disturbance abroad and of the need of putting our own house
in order to heed storm signals from across the seas. As this
Seventy-Sixth Congress opens there is need for further warn-
ing.

A war which threatened to envelop the world in
flames has been momentarily averted. But it has become in-
creasingly and painfully clear that peace is not assured even
to those in the world who pray for peace.

All about us rage undeclared wars, military and
economic. All about us grow greater and more deadly armaments --
military and economic. All about us are threats of new ag-
gression -- military and economic.

The storms from abroad present a direct challenge to
three institutions indispensable to Americans, now as always.
The first is religion. It is the source of the other two --
democracy and international good faith.

Religion, through its relationship to God, gives the
individual a sense of his own dignity and teaches him to respect

himself by respecting his neighbors.

Democracy, the practice of self-government, is a covenant among free men to respect the rights and liberties of their fellows.

International good faith, a sister of democracy, springs from the will of civilized nations of men to respect the rights and liberties of other nations of men.

In a modern civilization, all three -- religion, democracy, international good faith -- complement each other.

Where religion has been attacked, the attack has come from sources opposed to democracy. Where democracy has been overthrown, the spirit of free religious worship has disappeared. And where religion and democracy have vanished, international good-will and the rule of reason have given way to strident ambition and brute force.

An ordering of society which relegates to the background religion, democracy and peace among nations, can find no place within it for the ideals of the Prince of Peace. The United States rejects such an ordering, and retains its ancient faith.

There comes a time in the affairs of men when they

must prepare to defend not their homes alone but the tenets of faith and humanity on which their churches, their governments and their every civilization are founded. The defense of religion, of democracy and of good faith among nations is all the same fight. To save one we must ultimately make up our minds to save all. We, no more than other nations can afford any isolation which may result in our being surrounded by the enemies of our faith and our humanity.

Fortunate it is that in this Western Hemisphere we have, under a common ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace. To men of goodwill that peace and that ideal are like the shadow of a great rock in a weary land.

That Hemisphere, that peace, and that ideal we propose to protect against storms from any quarter. Our people and our resources are pledged to secure that protection. From that determination no American flinches.

All of the American nations stand on their offer to take counsel with all other nations of the world to the end that aggression among them be terminated, that the race of armaments cease, and that international commerce be renewed.

But the world has grown so small that no powerful nation can, with safety to others, remain outside the conference room.

For if any government bristling with implements of war insist on policies of force, weapons of defense are our only protection.

We know what might happen to us of the United States if the new philosophies of force were to encompass the other continents and invade our own. World events of thunderous import move today with lightning speed.

Even a year ago many of our people believed that the innate decency of mankind would protect the unprepared who showed their innate trust in mankind. Today we are all wiser -- and sadder.

In the course of a few days I shall send you a special message making recommendations for defense against danger which we hope will not come but which we cannot assume will not come.

In our foreign relations we have learned from the past what not to do. From new wars we have learned what we must do.

We have learned that survival cannot be guaranteed by arming after the attack begins. We have learned that the probability of attack is mightily decreased by the assurance of ever-ready defense.

We have learned that we can recognize future attack by the preliminaries of propaganda, the stirring of prejudice and the incitement of disunion.

We have learned that even when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly, may actually give aid to an aggressor and deny it to the victim.

God-fearing democracies of the world which observe the sanctity of treaties and good faith in their dealings with other nations cannot be indifferent to international lawlessness. Facing acts of aggression against others and against themselves, they cannot forever take them without effective protest. Obviously they must proceed along practical, peaceful lines. But the mere fact that we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. Words may be futile, but war is not the only means of commanding a decent respect for the opinions

of mankind. There are many methods -- short of war but stronger and more effective than mere words -- of bringing home to aggressor governments the aggregate sentiments of our own people.

At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist, or build up an aggressor. The instinct of self-preservation should make that obvious.

Under modern conditions the words "adequate defense" -- a policy subscribed to by all -- must be divided into three elements. The first necessitates armed forces and defenses strong enough to ward off sudden attack against strategic positions and key facilities essential to ensure sustained resistance and ultimate victory. The second necessitates the organization and location of those key facilities so that they may be immediately utilized and rapidly expanded to meet all needs without danger of serious interruption by enemy attack.

If these first two essentials are reasonably provided for, we must be able confidently to call on the third element, the underlying strength of citizenship -- the self-confidence, the ability, the imagination and the devotion that give the staying power to see things through.

A strong and united nation may be destroyed if it is unprepared against sudden attack. But even a nation well armed and well organized from a strictly military standpoint, may, after a period of time, meet defeat if it is unnerved by self-distrust, endangered by class prejudice, by dissension between capital and labor, by false economy and by other unsolved social problems at home.

In meeting the problems of the world our approach must be an approach of unity -- a recognition that decisions of a free and democratic majority should have the support of all -- even of those who might have preferred other solutions. If any other form of government, unacceptable to the American people, can present a united front in its attack on a democracy, a united democracy forms the only answer. Such a democracy can and must exist in the United States.

A dictator may command the full strength of a regimented nation. But the united strength of a democratic nation can be mustered only when its people, educated by modern standards to know what is going on and where they are going, have conviction that they are receiving as large a share of opportunity for development, as large a share of material success and of human dignity as they deserve.

Our nation's program of social and economic reform
a part of
is therefore ~~preparedness for national~~ defense as basic as
armaments themselves.

We have our difficulties, true -- but we are a wiser
and a tougher nation than we were in 1927, or 1929, or 1932.

Against the background of events in Europe, in Africa
and in Asia during these recent years, the pattern of what we
have accomplished since 1933 appears in even clearer focus.

We have moved for the first time upon deep-seated
problems affecting our national strength and forged national
instruments adequate to meet them.

We have undertaken to conserve our natural resources;
to provide a necessary minimum of food, shelter and health for
our population; to meet the difficulties of our agriculture
and to provide decent wages and working conditions for industry;
to make safe deposits in our banks and to protect investors
^{the people}
from fraud; to initiate security for the aged, the helpless and
the needy.

Above all, we have made the American people conscious
of their inter-relationship and their interdependence. They sense
a common destiny. Differences of occupation, geographical loca-

tion, race, and religion no longer obscure the nation's fundamental unity in thought and in action.

Never have there been six years of such far-flung internal preparedness in ~~any~~ history. ^{of our} ~~any~~. And all this has been done without any dictator's power to command, without the conscription of labor, without concentration camps, without the confiscation of capital, and without a scratch on freedom of speech, freedom of the press or the rest of the Bill of Rights.

We see things now that we could not see along the way. The tools we had in 1933 were outmoded. We have had to forge new tools from drawings which presented a new role of government in democracy -- a role of new responsibility for new needs and increased responsibility for old needs, long neglected.

Some of these tools had to be roughly shaped and still need much machining down. All are complicated. Many of those who fought bitterly against the forging of these new tools welcome their use today. The American people, as a whole, have accepted the objectives for which the new tools are to be used. Where there has been criticism it has consisted largely of sug-

gestions for refinement or for extension. The nation looks for cooperation between the two major political parties in helping to improve the new machinery which we have permanently installed. On that we should all be able to agree.

For instance, all of us want better provision for our older people under our social security legislation. For the medically needy we must provide better care. ~~Most~~ of us agree that we should simplify and improve the practical relationship ~~any law will now when it becomes definitely clear from experience and of the farmer to the government without altering the objectives of our farm policy;~~ ~~operation that administrative changes are desirable.~~ ~~All of us agree that we must remove administrative deficiencies in the wage and hour law as we gain more experience with its operation.~~

~~Most~~ of us agree that for the sake of employer and employee alike we should make further efforts to end factional labor strife and employer-employee disputes. ~~No single problem makes greater demand on the common sense of all parties to it, than our suicidal labor warfare.~~

Most of us recognize that the use of all these tools, old and new, cannot be put to maximum effectiveness unless the executive processes of government are revamped -- reorganized,

if you will -- into a more effective combination. And even after such reorganization it will take time to develop administrative personnel and experience in order to use our new tools with a minimum of mistakes. The Congress, of course, needs no further information on this.

With this exception of legislation to provide greater government efficiency, and with the exception of legislation to ameliorate our railroad and other transportation problems, /the past three Congresses have met in part or in whole the pressing needs of the new order of things.

~~We have now passed the period of internal conflict seen~~
~~in the launching of~~ ¹
our program of social reform. Our full energies may now be released to assure the security of the nation, ~~in the~~ ^{continued} problems of peace as well as of war.

But time is of paramount importance. The deadline of danger from within and from without is not within our control. The hourglass may be in the hands of other nations. Our own hourglass tells us that we are off to a race to make democracy work, so that we may be efficient in peace and therefore secure in self defense.

This time element forces on us a bolder task -- the full employment of our labor and our capital.

~~We shall never be as strong as we ought to be -- and may need to be -- unless we develop simultaneously an increased capacity to increase incomes -- especially for those who have practically no income today -- and to produce material goods. Capital and labor which do not at the same given time use each other, undeveloped youth which has never had a chance to achieve skill and self-assurance, are both wasted by the very fact that they are not used.~~

~~That means assurance of employment -- a potential job for every man and woman who wants to work.~~

The first duty of our statesmanship today is to bring capital and man-power together.

Dictators do this by main force. By using main force they apparently succeed at it. However we abhor their methods, we are compelled to admit that they have obtained substantial utilization of all their material and human resources. ~~They have done things which every economist of a decade ago claimed would result in immediate bankruptcy. But the dictatorships are not financially bankrupt today.~~ Like it or not they have

solved, for a time at least, the problem of idle men and idle capital. Can we compete with them by boldly seeking methods of putting idle men and idle capital together and, at the same time, remain within our American way of life, within the Bill of Rights, and within the bounds of what is, from our point of view, civilization itself.

We suffer from a great unemployment of capital.
~~This is due largely to our failure to invest our savings.~~
The aggregate debt, public and private, of the nation is actually less than it was in 1930. State and municipal borrowings are about the same today as they were in 1932. The indebtedness of the federal government has increased since 1930, but this increase has been more than off-set by the decline in private debts. And the annual rate of growth of our investments, public and private, is less than it was before the depression of 1929.

A In other words, while the Federal Government has kept ~~private enterprise~~ ~~lacking in creating new~~ the wheels turning by putting people to work, by ~~leaving its~~ expense, and even our states and cities are ~~money~~ and thereby adding to its debt — the total of all annually investing no more capital than they the other debts in the nation, private, state and municipal, did for the preceding decade. are well below the old level.

There is therefore less capital at work creating new wealth in the form of wages, construction and production today than then.

The object ~~this~~ is to increase the working capital of the nation -- and the great need in this field is to put capital -- private as well as public -- to work. It does not seem logical to me ~~that~~ at the moment we ~~are trying to~~ ^{All work by this method} ~~and~~ to increase production and consumption, for the Federal Government to consider a drastic curtailment in its own capital operations.

This whole subject of government spending and government income is one which may be approached in two different ways.

The first calls for the elimination of enough activities of government to bring the expenses of government immediately into balance with income of government. This school of thought maintains that because our national income this year is only sixty billion dollars, ^{Aug 25} ~~we~~ is only a sixty billion dollar country; that government must treat it as such; and that ~~it~~ without the help of government, it ^{may someday grow into} happened to become an eighty billion dollar country. ~~in the future, government may do~~

cide to do more at that time but not until then.

If the Congress decides to accept this point of view, it will logically have to reduce the present functions of government by about one-third. The Congress will have to accept the responsibility for such reduction; and the Congress will have to determine which activities ^{are to} ~~shall~~ be reduced.

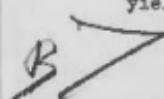
Certain expenditures we cannot possibly reduce, such as the interest on the public debt, ~~and the normal running ex-~~ ^{the normal or in contrast with} ~~pences of departments and permanent agencies.~~ A few million dollars saved here or there in ~~this normal work~~ will make no great dent in the Federal budget. Therefore, the Congress would have to reduce drastically some of certain large items, such as aids to agriculture and soil conservation, veterans' pensions, public works, grants for social and health security, relief for the unemployed, ^{or} ~~on~~ national defense.

The Congress alone has the power to do all this, as it is the appropriating branch of the government.

^{to the question of government spending}
The other approach takes the position that this Nation ought not to be only a sixty billion dollar nation; that at this moment it has the men and the resources sufficient to make it at least an eighty billion dollar nation. This

school of thought does not believe that it ~~will~~ become an eighty billion dollar nation in the near future if government cuts its operations by one-third. It is convinced that if we were to try it, we would invite disaster. In 1937 government ^{did} curtailed its work and very soon came a definite recession of industry and prosperity. Last Spring the Congress resumed the government activities which had been suspended. Almost immediately there followed an up-turn, which [/] has been increasing the national income slowly and steadily ever since.

This second approach is the approach of economists and students of government who believe that if government activities are fully maintained, there is a good prospect of our becoming an eighty billion dollar country in a very short time. With such a national income, present tax laws will ^{balance} yield enough each year to ~~fill~~ each year's expenses.

B 
Public investment can be used as a medium to fill a vacuum, which, for many complicated reasons, private investment of itself does not fill. A continuation of sound spending is necessary in order that we may not be accused of halting prosperity again just when it is getting into its stride.

Spending soundly ^{instead of} ~~wastefully~~ spending wastefully.

To guard against opportunist appropriations, I have on several occasions addressed the Congress on the importance of permanent long-range planning. I have pointed out the necessity

that the Congress have full and current information as to what can be usefully done and what can not, as to when public works and social improvements should be increased ~~and when they should be curtailed and~~

I hope, therefore, that following my recommendation of last year, a permanent agency will be set up and authorized to report annually on the urgency and desirability of the various types of government investment.

It is neither intelligent nor fair to put all spending by government into one category.

For example, the cost of running the regular departments, pensions for veterans, and all "out of pocket" expenditures are government spending which creates no tangible national wealth even though it may add to the spending power of many individuals. These expenditures may be vitally necessary, but they are not in the strict sense public investments.

On the other hand there are government expenditures for certain types of work or loans which will be repaid to the government in future years. These are self-liquidating

expenditures which may properly be designated as public investments. The cost of building Boulder Dam, for example, will come back to the government through the sale of its water and power. Most, though perhaps not all, of the loans heretofore made by government lending agencies to save farms, homes, banks, railroads and insurance companies will be repaid to the government.

Then there is a third classification -- expenditures which, although not strictly self-liquidating, increase the national wealth in various ways and, therefore, add to the government revenues of the future. For example, by controlling floods we are actually saving wealth by preventing millions of dollars of property damage and retaining millions of tons of good and irreplaceable top soil for future agricultural production. Likewise, when highways are improved, the property near them, in almost every case, appreciates in value, produces more wealth and returns more taxes.

Likewise, when we spend money for hospitals, for schools, and for better housing, we are creating great additions to our future wealth in terms of human lives. Thousands of projects throughout the nation and in every county of the nation

have increased the national and local wealth, not only in dollars but in better standards of living and increased happiness for the men, women and children of America.
~~Investment for prosperity can be made in a democracy.~~

I hear some people say "There are certain advantages in a dictatorship". It gets rid of labor trouble, of unemployment, of wasted motion and of having to do your own thinking".

My answer is "yes, but it also gets rid of some other things which we Americans intend very definitely to keep".

It will cost us capital and taxes to attain some of the practical advantages which other forms of government have acquired.

Dictatorship, however, involves costs which the American people will never pay. The cost of seeing our capital confiscated! The cost of losing our spiritual values! The cost of the blessed right of being able to say what we please! The cost of freedom of religion! The cost of being cast into a concentration camp! The cost of being afraid to walk down the street with the wrong neighbor! The cost of having our children brought up not as free and dignified human beings, but as pawns molded and enslaved by a machine!

The time is
If avoiding these costs means higher taxes on my
A
income; if avoiding these costs means more taxes on my estate
at death, I would pay those taxes willingly as the price of
my breathing and my children breathing the free air of a
free country, as parts of a living and not a dead world.

Let us choose realities. To obtain full employment
of capital and of labor under democratic methods and in an
economy of private ownership will require the courage and the
/ Unity
~~cooperation~~ of all of the American people.

I believe that this cooperation will be given. Events
abroad have made it increasingly clear to the American people
that dangers within are less to be feared than dangers from
without; that if a solution of this problem of idle men and
idle capital is the price of preserving our liberty, no formless
selfish fears can stand in its way.

Once I prophesied that this generation of Americans
had a rendezvous with destiny. That prophecy comes true. To
us much is given; more is expected.

This generation will "nobly save or meanly lose the
last best hope of earth The way is plain, peaceful,
generous, just -- a way which if followed the world will forever
applaud and God must forever bless".

FIFTH DRAFT

MESSAGE TO CONGRESS

RTW
FEB 1947
PAPY 1947
RECEIVED

In reporting on the state of the nation, I have felt it necessary on previous occasions to advise the Congress of disturbance abroad and of the need of putting our own house in order to heed storm signals from across the seas. As this Seventy-Sixth Congress opens there is need for further warning.

A war which threatened to envelop the world in flames has been ~~successfully~~ averted: but it has become increasingly ~~clearly~~ clear that peace is not assured, ~~even to those in~~ ~~those who pray for peace.~~

All about us rage undeclared wars, military and economic. All about us grow greater and more deadly armaments -- military and economic. All about us are threats of new aggression -- military and economic.

The storms from abroad present a direct challenge to three institutions indispensable to Americans, now as always. The first is religion. It is the source of the other two -- democracy and international good faith.

Religion, through its relationship to God, gives the individual a sense of his own dignity and teaches him to respect himself by respecting his neighbors.

Democracy, the practice of self-government, is a covenant among free men to respect the rights and liberties of their fellows.

International good faith, a sister of democracy, springs from the will of civilized nations of men to respect the rights and liberties of other nations of men.

In a modern civilization, all three -- religion, democracy, international good faith -- complement each other.

First, see if
Where religion has been attacked, the attack has come from sources opposed to democracy. Where democracy has been overthrown, the spirit of free religious worship has disappeared. And where religion and democracy have vanished, international good-will and the rule of reason have given way to strident ambition and brute force.

An ordering of society which relegates to the background religion, democracy and peace among nations, can find no place within it for the ideals of the Prince of Peace. The United States rejects such an ordering, and retains its ancient faith.

There comes a time in the affairs of men when they must prepare to defend not their homes alone but the tenets of faith and humanity on which their churches, their

governments and their very civilization are founded. The defense of religion, of democracy and of good faith among nations is all the same fight. To save one we must ~~now~~ ^{now} save all the others. ^{A few p. 4.} We no more than other nations, ^A can afford ~~any isolation which may result in our being surrounded~~ ^{To be} by the enemies of our faith and our humanity.

fortunate it is that in this Western Hemisphere we have, under a common ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace. ~~Men of good will throughout~~ ^{that} ~~that ideal are like the shadow of a great rock in a weary land.~~

That Hemisphere, that peace, and that ideal we propose to protect against storms from any quarter. Our people and our resources are pledged to secure that protection. From that determination no American flinches.

^B ~~All of the American nations~~ stand on ^{We arerip/this} ~~their~~ offer to take counsel with all other nations of the world to the end that aggression among them be terminated, that the race of armaments cease, and that international commerce be renewed.

^C But the world has grown so small that no powerful nation can, with safety to others, ~~remain outside the~~ conference room.

For if any government bristling with implements of war insists on policies of force, weapons of defense are our only protection.

We know what might happen to us of the United States if the new philosophies of force were to encompass the other continents and invade our own. Since 1931 world events of thunderous import have moved with lightning speed. During these seven years many of our people clung to the hope that the innate decency of mankind would protect the unprepared who showed their innate trust in mankind. Today we are all wiser — and sadder.

In the course of a few days I shall send you a special message making recommendations for ^{physical} ~~external~~ defense against danger which we hope will not come but which we cannot assume will not come.

In our foreign relations we have learned from the past what not to do. From new wars we have learned what we must do.

We have learned that survival cannot be guaranteed by arming after the attack begins. We have learned that the probability of attack is mightily decreased by the assurance of ever-ready defense.

We have learned that we can recognize future attack by the preliminaries of propaganda, the stirring of prejudice and the incitement of disunion.

We have learned that even when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly, may actually give aid to an aggressor and deny it to the victim.

God-fearing democracies of the world which observe the sanctity of treaties and good faith in their dealings with other nations cannot be indifferent to international lawlessness. Facing acts of aggression against others and against themselves, they cannot forever take them without effective protest. Obviously they must proceed along practical, peaceful lines. But the mere fact that we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods -- short of war but stronger and more effective than mere words -- of bringing home to aggressor governments the aggregate sentiments of our own people.

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Our nation's program of social and economic reform is therefore a part of defense as basic as armaments themselves.

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and a tougher nation than we were in ~~1929~~, 1928, or 1932.

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sense a common destiny. Differences of occupation, geographical
location, race and religion no longer obscure the nation's
fundamental unity in thought and in action.

Never have there been six years of such far-flung internal preparedness in ~~such~~ our history. And all this has been done without any dictator's power to command, without the conscription of labor, without concentration camps, without the confiscation of capital, and without a scratch on freedom of speech, freedom of the press or the rest of the Bill of Rights.

Franklin D. Roosevelt

We see things now that we could not see along the way. The tools of government which we had in 1933 were outmoded. We have had to forge new tools from drawings which presented a new role of government in democracy -- a role of new responsibility for new needs and increased responsibility for old needs, long neglected.

Some of these tools had to be roughly shaped and still need much machining down. ~~All are completed.~~ Many of those who fought bitterly against the forging of these new tools welcome their use today. The American people, as a whole, have accepted ~~the suggestions upon the new tools are to be based.~~ Where there has been criticism it has consisted largely of suggestions for refinement or for extension. The nation looks for cooperation between the two major political parties in

helping to improve the new machinery which we have permanently installed. On that we should ~~all be able~~ ^{392K} to agree.

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1.26
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The object is to increase the ~~total~~ ^{Total of the} capital of the nation — and the great need ~~is~~ ^A is to put capital — private as well as public — to work. It does not seem logical to me, at the moment we ~~are~~ ^{drive} seek by this method to increase production and consumption, for the Federal Government to consider a drastic curtailment ~~of~~ ^A its own capital ~~investments~~. investments.

instituted

This whole subject of government ~~spending~~ and government income is one which may be approached in two different ways.

The first calls for the elimination of enough activities of government to bring the expenses of government immediately into balance with income of government. This school of thought maintains that because our national income this year is only sixty billion dollars, ours is only a sixty billion dollar country; that government must treat it as such; and that without the help of government, it may some day, somehow happen to become an eighty billion dollar country.

If the Congress decides to accept this point of view,
or activities
it will logically have to reduce the present functions of government by about one-third. The Congress will have to accept the responsibility for such reduction; and the Congress will have to determine which activities are to be reduced.

Certain expenditures we cannot possibly reduce, such as the interest on the public debt. A few million dollars saved here or there in ~~the~~ curtailed work of the old departments will make no great ~~dent~~ in the Federal budget. Therefore, the Congress would have to reduce drastically some of certain large items, such as aids to agriculture and soil

FIFTH DRAFT

-14-

*Build our rail, highways, and other
waterways; and other
civitan organization work activities,
and health security, relief for the unemployed, or national
defense.*

The Congress alone has the power to do all this, as it is the appropriating branch of the government.

The other approach to the question of government spending takes the position that this Nation ought not to be only a sixty billion dollar nation; that at this moment it has the men and the resources sufficient to make it at least an eighty billion dollar nation. This school of thought does not believe that it can become an eighty billion dollar nation in the near future if government cuts its operations by one-third. It is convinced that if we were to try it, we would invite disaster. *But
we must not try it again, even a bit. C. action -
In 1937 government did curtail its work, and a very soon came
a definite recession of industry and prosperity. Last Spring
the Congress resumed the government activities which had been
suspended. Almost immediately there followed an up-turn,
which has been increasing the national income slowly and
steadily ever since.*

To be added

This second approach is the approach of economists and students of government who believe that if government activities are fully maintained, there is a good prospect of our becoming an eighty billion dollar country in a very short time. With such a national income, present tax laws will yield enough each year to balance each year's expenses. *G. Nationally money
ngmen & go*

It is my conviction that down in their hearts the American public -- industry, agriculture, finance -- wants this Congress to press forward to raise our national income to eighty billion dollars a year.

Investing
~~Spending~~ soundly must preclude spending wastefully.

To guard against opportunist appropriations, I have on several occasions addressed the Congress on the importance of permanent long-range planning. I hope, therefore, that following my recommendation of last year, a permanent agency will be set up and authorized to report ~~annually~~ on the urgency and desirability of the various types of government investment.

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A2-Cut T
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If the avoidance of these costs means higher taxes on my income; if avoiding these costs means more taxes on my estate at death, I would pay those taxes willingly as the price of my breathing and my children breathing the free air of a free country, as parts of a living and not a dead world.

Let us choose realities. To obtain full employment of capital and of labor under democratic methods and in an economy of private ownership will require the courage and the

unity of all of the American people.

I believe that this cooperation will be given. Events abroad have made it increasingly clear to the American people that dangers within are less to be feared than dangers from without; that if a solution of this problem of idle men and idle capital is the price of preserving our liberty, no formless selfish fears can stand in its way.

Once I prophesied that this generation of Americans had a rendezvous with destiny. That prophecy comes true. To us much is given; more is expected.

This generation will "nobly save or meanly lose the last best hope of earth The way is plain, peaceful, generous, just -- a way which if followed the world will forever applaud and God must forever bless."

JACKSON DAY SPEECH

1. Objectives of New Deal accepted.
2. Need improvement in administration.
3. Necessity for flexibility:
 - Examples - (1) One kind of social condition needs improvement in one section and not in another.
 - (2) Tell the story of Puerto Rico -- Wages & Hour Bill.
 - (3) Relief on a per capita basis -- objections thereto.
 - (4) Los Angeles as compared with Meriwether County, Georgia.
 - (5) Rich community versus poor community.
4. Suggestion of Congress naming every school, every waterworks, every highway; every form of public improvement where Federal Government helps locality. Perfect right so to do -- result worse than palmiest days of pork barrel bills.
5. Demand of public for more honest government. Rebukes given by public to dishonest government.
6. Out of frying pan into fire.
7. Deliberate distortion of facts. Humorous reference to little pigs.
8. Demand that opposition state alternative.
9. Mere tearing down creates discord -- no result. People must have a choice of methods even if agree on objectives.
10. Consideration of domestic squabbles and distortion of fact in relationship to effect on other countries -- story of Gridiron dinner.

SIXTH DRAFT

MESSAGE TO CONGRESS

In reporting on the state of the nation, I have felt it necessary on previous occasions to advise the Congress of disturbance abroad and of the need of putting our own house in order to heed storm signals from across the seas. As this Seventy-Sixth Congress opens there is need for further warning.

A war which threatened to envelop the world in flames has been averted: but it has become increasingly [underpaid]
[scary] clear that peace is not assured.

All about us rage undeclared wars, military and economic. All about us grow more deadly armaments -- military and economic. All about us are threats of new aggression -- military and economic.

Storms from abroad directly challenge three institutions indispensable to Americans, now as always. The first is religion. It is the source of the other two -- democracy and international good faith.

Religion, through its relationship to God, gives the individual a sense of his own dignity and teaches him to respect himself by respecting his neighbors.

Democracy, the practice of self-government, is a covenant among free men to respect the rights and liberties of their fellows.

International good faith, a sister of democracy, springs from the will of civilized nations of men to respect the rights and liberties of other nations of men.

In a modern civilization, all three -- religion, ^{and} democracy _A international good faith -- complement each other.

Where freedom of religion has been attacked, the attack has come from sources opposed to democracy. Where democracy has been overthrown, the spirit of free religious worship has disappeared. And where religion and democracy have vanished, good faith and reason in international affairs have given way to strident ambition and brute force.

An ordering of society which relegates to the background religion, democracy and good faith among nations, can find no place within it for the ideals of the Prince of Peace. The United States rejects such an ordering, and retains its ancient faith.

There comes a time in the affairs of men when they

must prepare to defend not their homes alone but the tenets of faith and humanity on which their churches, their governments and their very civilization are founded. The defense of religion, of democracy and of good faith among nations is all the same fight. To save one we must now make up our minds to save all. *We know what might happen to us if* the United States if the new philosophies of force were to encompass the other continents and invade our own. *We no*, more than other nations, can afford to be surrounded by the enemies of our faith and our humanity. Fortunate it is, therefore, that in this Western Hemisphere we have, under a common ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace.

That Hemisphere, that peace, and that ideal we propose to protect against storms from any quarter. *To that protection our people and our resources are pledged, From* that determination no American flinches.

That by no means implies that the American Republics disassociate themselves from the nations of other continents. We as one of the Republics reiterate our willingness to help

The Americas, of and the rest of the world.

SIXTH DRAFT

-4-

the cause of world peace. We stand on our historic offer to take counsel with all other nations of the world to the end that aggression among them be terminated, that the race of armaments cease, and that international commerce be renewed.

But the world has grown so small and weapons of attack so swift that no nation can be safe in its will to peace so long as any other single powerful nation refuses to settle its grievances at the council table.

influence of
For if any government bristling with ~~weapons of~~
power
~~offense~~ insists on policies of force, weapons of defense are the only protection.

~~In the course of a few days I shall send you a special message making recommendations for physical defense against external danger which we fervently hope will not come but which we cannot assume will not come.~~

In our foreign relations we have learned from the past what not to do. From new wars we have learned what we must do.

We have learned that effective timing of defense, and *the distant points from which attacks may be launched* ~~effective frontiers of defense~~ are completely different from

what they were twenty years ago.

We have learned that survival cannot be guaranteed by arming after the attack begins -- ~~weapons of offense are too~~
~~for there is now time~~
~~and speed to offend~~

We have learned that long before any overt military act, begins with preliminaries of propaganda, ~~subsidized~~
~~penetration, the loosening of~~ ~~mines~~ of good will, the stirring of prejudice and the incitement of disunion.

We have learned that God-fearing democracies of the world which observe the sanctity of treaties and good faith in their dealings with other nations cannot safely be indifferent to international lawlessness anywhere. ~~Engaging acts of aggression~~
~~governments which are not friendly~~
~~against themselves, they cannot forever~~
~~let them pass without effective protest.~~

A Obviously they must proceed along practical, peaceful lines. But the mere fact that we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods -- short of war but stronger and more effective than mere words -- of bringing home to aggressor governments the aggregate sentiments of our own people.

At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist or build up an aggressor. We have learned that when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly, may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us that we ~~cannot~~ ^{ought not to} let that happen ⁱⁿ ~~any~~ ^{wise} ,

And we have learned something else -- the old, old lesson that probability of attack is mightily decreased by the assurance of an ever ready defense. Since 1931 world events of thunderous import have moved with lightning speed. During these seven years many of our people clung to the hope that the innate decency of mankind would protect the unprepared who showed their innate trust in mankind. Today we are all wiser -- and sadder.

Under modern conditions the words "adequate defense" -- a policy subscribed to by all -- must be divided into three elements. The first necessitates armed forces and defenses strong enough to ward off sudden attack against strategic positions and key facilities essential to ensure sustained resistance and ultimate victory. The second necessitates the

organization and location of those key facilities so that they may be immediately utilized and rapidly expanded to meet all needs without danger of serious interruption by enemy attack.

In the course of a few days I shall send you a special message making recommendations for those two essentials of defense against danger which we hope will not come but which we cannot assume will not come.

If these first two essentials are reasonably provided for, we must be able confidently to ^{insure} ~~make~~ the third element, the underlying strength of citizenship -- the self-confidence, the ability, the imagination and the devotion that give the staying power to see things through.

A strong and united nation may be destroyed if it is unprepared against sudden attack. But even a nation well armed and well organized from a strictly military standpoint, may, after a period of time, meet defeat if it is unnerved by self-distrust, endangered by class prejudice, by dissension between capital and labor, by false economy and by other unsolved social problems at home.

Friends *we must meet them*

In meeting the ~~problems~~ of the world ~~our approach must be~~
~~as one people - with~~
~~an approach of unity~~ -- a unity born of the fact that for generations
those who have come to our shores, representing many kindreds and
tongues, have been welded by common opportunity into a united
patriotism. If ~~another~~ form of government can present a
united front in its attack on a democracy, the attack must be met
by a united democracy. Such a democracy can and must exist in the
United States.

A dictatorship may command the full strength of a regimented nation. But the united strength of a democratic nation can be mustered only when its people, educated by modern standards to know what is going on and where they are going, have conviction that they are receiving as large a share of opportunity for development, as large a share of material success and of human dignity, as they have a right to.

Our nation's program of social and economic reform is therefore a part of defense as basic as armaments themselves.

Against the background of events in Europe, in Africa and in Asia during these recent years, the pattern of what we have accomplished since 1933 appears in even clearer focus.

For the first time we have moved upon deep-seated problems affecting our national strength and have forged national instruments adequate to meet them.

We have undertaken to conserve our natural resources; to provide a necessary minimum of food, shelter and health for our population; to meet the difficulties of our agriculture and to provide decent wages and working conditions for industry; to make safe the people's deposits in our banks and to protect investors from fraud; to initiate security for the aged, the helpless and the needy.

Above all, we have made the American people conscious of their interrelationship and their interdependence. They sense a common destiny and ~~their~~ need of each other. Differences of occupation, geography, ~~and language~~, race and religion no longer obscure the nation's fundamental unity in thought and in action.

We have our difficulties, true -- but we are a wiser and a tougher nation than we were in 1929, or 1932.

ALTERNATIVE ON PAGE 9

Consider what the seemingly piecemeal struggles of these six years add up to in terms of realistic national preparedness.

We ~~are~~ conserving and developing natural resources -- land, water, forests, ~~water~~.

We ~~are~~ trying to provide a necessary minimum of food, shelter and medical care for the health of our population.

We ~~are~~ building agriculture -- our system of food and fibre supply -- on a sound basis.

We ~~have~~ strengthened the weakest spot in our system of industrial supply -- its long smouldering labor difficulties.

We have cleaned up ~~and reorganized~~ our credit system so that depositor and investor alike may more readily and willingly make their capital available for peace or war.

BZ
~~we have seen to it that the education of our youth
did not stop~~

We have sustained the morale of all the population by the dignified recognition of our obligations to the aged, the helpless and the needy.

Never have there been six years of such far-flung internal preparedness in our history. And all this has been done without any dictator's power to command, without conscription of labor or confiscation of capital, without concentration camps, and without a scratch on freedom of speech, freedom of the press or the rest of the Bill of Rights.

We see things now that we could not see along the way. The tools of government which we had in 1933 were outmoded. We have had to forge new tools from drawings which presented a new role of government in democracy -- a role of new responsibility for new needs and increased responsibility for old needs, long neglected.

Some of these tools had to be roughly shaped and still need much machining down. Many of those who fought bitterly against the forging of these new tools welcome their use today. The American people, as a whole, have accepted them. *but C*
Where there has been criticism it has consisted largely of suggestions for refinement or for extension. The nation looks for cooperation between the two major political parties in

helping to improve the new machinery which we have permanently installed. On that we should all seek to agree.

All of us agree that we should simplify and improve ~~the laws, ~~old and new, when it becomes definitely clear from~~~~ if ~~clearly demonstrate the need for~~ experience and operation ~~that administrative changes are~~ ~~necessary~~. For instance, all of us want better provision for our older people under our social security legislation. For the medically needy we must provide better care.

Most of us agree that for the sake of employer and employee alike we must find ways to end factional labor strife and employer-employee disputes.

WWD
Most of us recognize that the use of all these tools, old and new, cannot be put to maximum effectiveness unless the executive processes of government are revamped -- reorganized, if you will -- into more effective combination. And even after such reorganization it will take time to develop administrative personnel and experience in order to use our new tools with a minimum of mistakes. The Congress, of course, needs no further information on this.

With this exception of legislation to provide greater

government efficiency, and with the exception of legislation to ameliorate our railroad and other transportation problems, the past three Congresses have met in part or in whole the pressing needs of the new order of things.

We have now passed the period of internal conflict in the launching of our program of social reform. Our full energies may now be released ^{but} to ensure the continued security of the nation.

But time is of paramount importance. The deadline of danger from within and from without is not within our control. The hour-glass may be in the hands of other nations. Our own hour-glass tells us that we are off on a race to make democracy work, so that we may be efficient in peace and therefore secure in self defense.

This time element forces ~~on us a belated attack~~ the ^{us} ~~other~~ ^{efforts} full employment of our labor and our capital.

The first duty of our statesmanship today is to bring capital and man-power together.

Dictatorships do this by main force. By using main force they apparently succeed at it. However we abhor their methods, we are compelled to admit that they have obtained substantial utilization of all their material and human resources.

Like it or not they have solved, for a time at least, the problem of idle men and idle capital. Can we compete with them by boldly seeking methods of putting idle men and idle capital together and, at the same time, remain within our American way of life, within the Bill of Rights, and within the bounds of what is, from our point of view, civilization itself?

We suffer from a great unemployment of capital.

Many people have the idea that as a nation we are overburdened with debt and are spending more than we can afford. That is not so. Despite our Federal Government expenditures the entire debt of our national economic system, public and private together, is no larger today than it was in 1929.

The object is to put capital -- private as well as

public -- to work. ~~For they have it~~ does not seem logical to me, at the

moment we seek to increase production and consumption, for the Federal Government to consider a drastic curtailment of its own investments.

We want to get enough capital and labor at work to give us a total turnover of business, a total national income, of at least eighty billion dollars a year. At that figure we shall have a substantial reduction of unemployment; and the Federal revenues will be sufficient to balance the current level of cash expenditures on the basis of the existing tax structure. That figure can be attained, working within the framework of our traditional profit system.

The factors in attaining and maintaining that amount of national income are many and complicated.

They include more widespread understanding among business men of many changes which world conditions and technological improvements have brought to our economy over the last twenty years -- changes in the relationship of price and volume and employment, for instance -- changes of the kind in which business men are now educating themselves through opportunities like the so-called "monopoly investigation".

They include a perfecting of our farm program to protect farmers' income and consumers' purchasing power from alternate risks of crop gluts and crop shortages.

They include wholehearted acceptance of new standards of honesty in our financial markets.

They include reconciliation of enormous, antagonistic interests -- some of them long in litigation -- in the railroad and general transportation ~~problems~~ fixed.

They include the working out of new techniques -- state ^{private}, and federal -- to protect the public interest and to develop ^{fair} ~~wider~~, ~~the widest possible~~ markets ~~in the field~~ ^{for} electric power, development.

They include a revamping of the tax relationships between federal, state and local units of government.

~~private~~ They include the perfecting ^{of} labor organization and a universal ungrudging attitude by employers toward the labor movement, until there is a minimum of stoppage of production and employment.

Obviously we shall not have all these problems solved immediately, nor at the same time. We shall get them in shape one by one at different and unpredictable times; we simply cannot know how long it will take for the multifarious interests involved to work out their contribution to a larger national income.

To be immediately practical, while ~~awaiting~~ ^{proceeding} with a steady evolution in the solving of deferred solutions on these and like problems, we must wisely use instrumentalities, like Federal investment, which are immediately available to us ~~and are completely within our control~~.

Here, as elsewhere, time is the deciding factor in our choice of remedies.

The whole subject of government investing and government income is one which may be approached in two different ways.

The first calls for the elimination of enough activities of government to bring the expenses of government immediately into balance with income of government. This school of thought maintains that because our national income this year is only sixty billion dollars, ours is only a sixty billion dollar country; that government must treat it as such; and that without the help of government, it may some day, somehow happen to become an eighty billion dollar country.

If the Congress decides to accept this point of view, it will logically have to reduce the present functions or activities of government by about one-third. The Congress will have to accept the responsibility for such reduction; and the Congress will have to determine which activities are to be reduced.

Certain expenditures we cannot possibly reduce, such as the interest on the public debt. A few million dollars saved here or there in the normal or in curtailed work of the old departments will make no great saving in the Federal budget. Therefore, the Congress will have to reduce drastically some of certain large items, such as aids to agriculture and soil conservation, veterans' pensions, flood control, highways,

waterways and other public works, grants for social and health security, civilian conservation corps activities, relief for the unemployed, or national defense.

The Congress alone has the power to do all this, as it is the appropriating branch of the government.

The other approach to the question of government spending takes the position that this Nation ought not to be and need not be only a sixty billion dollar nation; that at this moment it has the men and the resources sufficient to make it at least an eighty billion dollar nation. This school of thought does not believe that it can become an eighty billion dollar nation in the near future if government cuts its operations by one-third. It is convinced that if we were to try it, we would invite disaster -- that we would no longer remain even a sixty billion dollar nation.

G Many two years ago, the government began to withdraw its contribution to consumption, a definite recession of industry and prosperity soon appeared. Last Spring the Congress resumed the government activities which had been suspended. Almost immediately there followed an upturn, which has been increasing the national income slowly and steadily ever since.

[This second approach is the approach of economists and students of government who believe that] if government activities are fully maintained, there is a good prospect of our becoming an eighty billion dollar country in a very short time. With such a national income, present tax laws will yield enough each year to balance each year's expenses. And automatically, with a definitely larger national income, many expenses of government, such as that of relief for the needy unemployed, will decrease.]

It is my conviction that down in their hearts the American public -- industry, agriculture, finance -- wants this Congress to do whatever needs to be done to raise our national income to eighty billion dollars a year.

Investing soundly must preclude spending wastefully. To guard against opportunist appropriations, I have on several occasions addressed the Congress on the importance of permanent long-range planning. I hope, therefore, that following my recommendation of last year, a permanent agency will be set up and authorized to report on the urgency and desirability of the various types of government investment.

Investment for prosperity can be made in a democracy. I hear some people say "This is all so complicated. There are certain advantages in a dictatorship. It gets rid of labor

trouble, of unemployment, of wasted motion and of having to do
your own thinking.

My answer is "yes, but it also gets rid of some other things which we Americans intend very definitely to keep -- and we intend to do our own thinking."

It will cost us taxes and the voluntary risk of capital to attain some of the practical advantages which other forms of government have acquired.

Dictatorship, however, involves costs which the American people will never pay. (The cost of seeing our capital confiscated.) The cost of losing our spiritual values. / The cost of the blessed right of being able to say what we please. The cost of freedom of religion. The cost of being cast into a concentration camp. The cost of being afraid to walk down the street with the wrong neighbor. The cost of having our children brought up not as free and dignified human beings, but as pawns molded and enslaved by a machine.

If the avoidance of these costs means ~~more~~ taxes on my income; if avoiding these costs means ~~more~~ taxes on my estate at death, I would ~~pay~~ those taxes willingly as the price of my breathing and my children breathing the free air of a free country, as parts of a living and not a dead world.

Let us choose realities. To obtain full employment of capital and of labor under democratic methods and in an economy of private ownership will require the courage and the unity of all of the American people.

I believe that this cooperation will be given. Events abroad have made it increasingly clear to the American people that dangers within are less to be feared than dangers from without; that if a solution of this problem of idle men and idle capital is the price of preserving our liberty, no formless selfish fears can stand in its way.

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~~DRAFT~~ January 4, 1939.

~~SECRET~~ ~~CONFIDENTIAL~~
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There comes a time in the affairs of men when they must prepare to defend not their homes alone but the tenets of faith and humanity on which their churches, their governments and

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We know what might happen to us if the new philosophies of force were to encompass the other continents and invade our own. We, no more than other nations, can afford to be surrounded by the enemies of our faith and our humanity. Fortunate it is, therefore, that in this Western Hemisphere we have, under a common ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace.

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the Americas against the rest of the world. We as one of the Republics reiterate our willingness to help the cause of world peace. We stand on our historic offer to take counsel with all other nations of the world to the end that aggression among them be terminated, that the race of armaments cease, and that

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But the world has grown so small and weapons of attack so swift that no nation can be safe in its will to peace so long as any other single powerful nation refuses to settle its grievances at the council table.

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In our foreign relations we have learned from the past what not to do. From new wars we have learned what we must do.

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In meeting the troubles of the world we must meet them as one people -- with a unity born of the fact that for generations those who have come to our shores, representing many kindreds and tongues, have been welded by common opportunity into a united patriotism. If another form of government can present a united front in its attack on a democracy, the attack must be met by a united democracy. Such a democracy can and must exist in the United States.

A dictatorship may command the full strength of a regimented nation. But the united strength of a democratic nation can be mustered only when its people, educated by modern standards to know what is going on and where they are going, have conviction that they are receiving as large a share of opportunity for development, as large a share of material success and of human dignity, as they have a right to expect.

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We are trying to provide ~~as~~ necessary ~~minimum~~ food, shelter and medical care for the health of our population.

We are putting agriculture -- our system of food and fibre supply -- on a sounder basis.

We are strengthening the weakest spot in our system of industrial supply -- its long smouldering labor difficulties.

We have cleaned up our credit system so that depositor and investor alike may more readily and willingly make their capital available for peace or war.

We are giving to our youth new opportunities for work and education.

We have sustained the morale of all the population by the dignified recognition of our obligations to the aged, the helpless and the needy. /

Above all, we have made the American people conscious of their interrelationship and their interdependence. They sense a common destiny -- and a common need of each other. Differences of occupation, geography, race and religion no longer obscure the nation's fundamental unity in thought and in action.

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Never have there been six years of such far-flung internal preparedness in our history. And all this has been done without any dictator's power to command, without conscription of labor or confiscation of capital, without

concentration camps, and without a scratch on freedom of speech, freedom of the press or the rest of the Bill of Rights.

We see things now that we could not see along the way.

The tools of government which we had in 1933 were outmoded. We have had to forge new tools ^{for} ~~from drawings which presented~~ a new role of government in democracy — a role of new responsibility for new needs and increased responsibility for old needs, long neglected.

Some of these tools had to be roughly shaped and still need ^{Damni} ~~be~~ machining down. Many of those who fought bitterly against the forging of these new tools welcome their use today. The American people, as a whole, have accepted them. The Nation looks to the Congress to improve the new machinery which we have permanently installed, provided that in the process the social usefulness of the machinery is not destroyed or impaired.

All of us agree that we should simplify and improve laws if experience and operation clearly demonstrate the need. For instance, all of us want better provision for our older people under our social security legislation. For the medically needy we must provide better care.

Most of us agree that for the sake of employer and employee alike we must find ways to end factional labor strife and employer-employee disputes.

Most of us recognize that ~~the use of all~~ ^{most of} these tools, ~~old and new~~, cannot be put to maximum effectiveness unless the executive processes of government are revamped -- reorganized, if you will -- into more effective combination. And even after such reorganization it will take time to develop administrative personnel and experience in order to use our new tools with a minimum of mistakes. The Congress, of course, needs no further information on this.

With this exception of legislation to provide greater government efficiency, and with the exception of legislation to ameliorate our railroad and other transportation problems, the past three Congresses have met in part or in whole the pressing needs of the new order of things.

We have now passed the period of internal conflict in the launching of our program of social reform. Our full energies may now be released to invigorate the processes of recovery in order to preserve our reforms, ~~and to assure~~ the ~~continued security of the nation~~ and to give every man and woman who wants to work a real job at a living wage.

But time is of paramount importance. The deadline of danger from within and from without is not within our control. The hour-glass may be in the hands of other nations. Our own hour-glass tells us that we are off on a race to make democracy work, so that we may be efficient in peace and therefore secure in self defense.

This time element forces us to still greater efforts to attain the full employment of our labor and our capital.

The first duty of our statesmanship today is to bring capital and man-power together.

Dictatorships do this by main force. By using main force they apparently succeed at it.^{for the moment.} However we abhor their methods, we are compelled to admit that they have obtained substantial utilization of all their material and human resources. Like it or not they have solved, for a time at least, the problem of idle men and idle capital. Can we compete with them by boldly seeking methods of putting idle men and idle capital together and, at the same time, remain within our American way of life, within the Bill of Rights, and within the bounds of what is, from our point of view, civilization itself?

We suffer from a great unemployment of capital. Many people have the idea that as a nation we are overburdened with debt and are spending more than we can afford. That is not so. Despite our Federal Government expenditures the entire debt of our national economic system, public and private together, is no longer today than it was in 1929, and ~~the interest thereon is far less than it was in 1929.~~
The object is to put capital -- private as well as public -- to work.

We want to get enough capital and labor at work to give us a total turnover of business, a total national income, of at least eighty billion dollars a year. At that figure we shall have a substantial reduction of unemployment; and the Federal revenues will be sufficient to balance the current level of cash expenditures on the basis of the existing tax structure. That figure can be attained, working within the framework of our traditional profit system.

The factors in attaining and maintaining that amount of national income are many and complicated.

They include more widespread understanding among business men of many changes which world conditions and technological improvements have brought to our economy over the last twenty years -- changes in the interrelationship of price and volume

and employment, for instance -- changes of the kind in which business men are now educating themselves through opportunities like the so-called "monopoly investigation".

They include a perfecting of our farm program to protect farmers' income and consumers' purchasing power from alternate risks of crop gluts and crop shortages.

They include whole-hearted acceptance of new standards of honesty in our financial markets.

They include reconciliation of enormous, antagonistic interests -- some of them long in litigation -- in the railroad and general transportation field.

They include the working out of new techniques -- private, state and federal -- to protect the public interest in and to develop wider markets for electric power.

They include a revamping of the tax relationships between federal, state and local units of government, and consideration of relatively small tax increases to adjust inequalities without interfering with the aggregate income of the American people.

They include the perfecting of labor organization and a universal ungrudging attitude by employers toward the labor movement, until there is a minimum of ~~stoppage~~ ^{interruption} of production and employment because of ~~disputes~~ ^{negotiations} and acceptance by ^{farm of the tenth} both the welfare of labor itself depends on increased balanced output of goods.

To be immediately practical, while proceeding with a steady evolution in the solving of these and like problems, we must wisely use instrumentalities, like Federal investment, which are immediately available to us.

Here, as elsewhere, time is the deciding factor in our choice of remedies.

Therefore, it does not seem logical to me, at the moment we seek to increase production and consumption, for the Federal Government to consider a drastic curtailment of its own investments.

The whole subject of government investing and government income is one which may be approached in two different ways. /

The first calls for the elimination of enough activities of government to bring the expenses of government immediately into balance with income of government. This school of thought maintains that because our national income this year is only sixty billion dollars, ours is only a sixty billion dollar country; that government must treat it as such; and that without the help of government, it may some day, somehow happen to become an eighty billion dollar country.

If the Congress decides to accept this point of view, it

will logically have to reduce the present functions or activities of government by ~~about~~ one-third. The Congress will have to accept the responsibility for such reduction; and the Congress will have to determine which activities are to be reduced.

Certain expenditures we cannot possibly reduce, such as the interest on the public debt. A few million dollars saved here or there in the normal or in curtailed work of the old *And Commissions* departments will make no great saving in the Federal budget.

Would Therefore, the Congress ~~would~~ have to reduce drastically some of certain large items, such as aids to agriculture and soil conservation, veterans' pensions, flood control, highways, waterways and other public works, grants for social and health security, civilian conservation corps activities, relief for the unemployed, or national defense.

The Congress alone has the power to do all this, as it is the appropriating branch of the government.

The other approach to the question of government spending takes the position that this Nation ought not to be and need not be only a sixty billion dollar nation; that at this moment it has the men and the resources sufficient to make it at least an eighty billion dollar nation. This school of thought does

Insert Page 17

By our common sense action of resuming government activities last spring, we have reversed a recession and started the new rising tide of prosperity and national income which we are now just beginning to enjoy.

not believe that it can become an eighty billion dollar nation in the near future if government cuts its operations by one-third. It is convinced that if we were to try it, we would invite disaster -- that we would not long remain even a sixty billion dollar nation. There ^{are} many complicated factors with which we have to deal, but we have learned that it is unsafe to make abrupt reductions at any time in our net expenditure program.

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If government activities are fully maintained, there is a good prospect of our becoming an eighty billion dollar country in a very short time. With such a national income, present tax laws will yield enough each year to balance each year's expenses.

It is my conviction that down in their hearts the American public -- industry, agriculture, finance -- wants this Congress to do whatever needs to be done to raise our national income to eighty billion dollars a year.

Investing soundly must preclude spending wastefully. To guard against opportunist appropriations, I have on several occasions addressed the Congress on the importance of permanent long-range planning. I hope, therefore, that following my recommendation of last year, a permanent agency will be set up and authorized to report on the urgency and desirability of the various types of government investment.

9 Investment for prosperity can be made in a democracy.

Q I hear some people say "This is all so complicated. There are certain advantages in a dictatorship. It gets rid of labor trouble, of unemployment, of wasted motion and of having to do your own thinking."

My answer is "yes", but it also gets rid of some other things which we Americans intend very definitely to keep -- and we intend to do our own thinking."

It will cost us taxes and the voluntary risk of capital to attain some of the practical advantages which other forms of government have acquired.

Dictatorship, however, involves costs which the American people will never pay: The cost of our spiritual values. The cost of seeing our capital confiscated. The cost of the blessed right of being able to say what we please. The cost of freedom of religion. The cost of being cast into a concentration camp. The cost of being afraid to walk down the street with the wrong neighbor. The cost of having our children brought up not as free and dignified human beings, but as pawns molded and enslaved by a machine.

If the avoidance of these costs means taxes on my income;

if avoiding these costs means taxes on my estate at death, I would bear those taxes willingly as the price of my breathing and my children breathing the free air of a free country, as ~~the price~~ ~~people~~ of a living and not a dead world.

Let us choose realities. To obtain full employment of capital and of labor under democratic methods and in an economy of private ownership will require the courage and the unity of all of the American people.

~~I believe that this cooperation will be given.~~ Events abroad have made it increasingly clear to the American people that dangers within are less to be feared than dangers from without. ~~If~~ ^{without} ~~that~~ If's solution of this problem of idle men and idle capital is the price of preserving our liberty, no formless selfish fears can stand in its way.

Once I prophesied that this generation of Americans had a rendezvous with destiny. That prophecy comes true. To us much is given; more is expected.

This generation will "nobly save or meanly lose the last best hope of earth The way is plain, peaceful, generous, just -- a way which if followed the world will forever applaud and God must forever bless."

ADDRESS OF THE PRESIDENT

To the Congress of the United States
The Capitol, Washington, D. C.
January 4, 1939, 1:00 P. M.

(TO THE CONGRESS OF THE UNITED STATES:)

Mr. Vice President, Mr. Speaker, Members of the Senate
and the Congress:

In reporting on the state of the nation, I have felt it necessary on previous occasions to advise the Congress of disturbance abroad and of the need of putting our own house in order in the face of storm signals from across the seas. As this Seventy-Sixth Congress opens there is need for further warning.

A war which threatened to envelop the world in flames has been averted: but it has become increasingly clear that world peace is not assured.

All about us rage undeclared wars -- military and economic. All about us grow more deadly armaments -- military and economic. All about us are threats of new aggression -- military and economic.

Storms from abroad directly challenge three institutions indispensable to Americans, now as always. The first is religion. (It) Religion is the source of the other two -- democracy and international good faith.

Religion, by teaching man his relationship to God, gives the individual a sense of his own dignity and teaches him to respect himself by respecting his neighbors.

Franklin D. Roosevelt Library

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

Democracy, the practice of self-government, is a covenant among free men to respect the rights and liberties of their fellows.

International good faith, a sister of democracy, springs from the will of civilized nations of men to respect the rights and liberties of other nations of men.

In a modern civilization, all three -- religion, democracy and international good faith -- complement and support each other.

Where freedom of religion has been attacked, the attack has come from sources opposed to democracy. Where democracy has been overthrown, the spirit of free worship has disappeared. And where religion and democracy have vanished, good faith and reason in international affairs have given way to strident ambition and brute force.

An ordering of society which relegates religion, democracy and good faith among nations to the background can find no place within it for the ideals of the Prince of Peace. The United States rejects such an ordering, and retains its ancient faith. (Applause)

There comes a time in the affairs of men when they must prepare to defend not their homes alone but the tenets of faith and humanity on which their churches, their governments and their (very civilization are founded) very foundations are set. The defense of religion, of democracy and of good faith among nations is all the same fight. To

save one we must now make up our minds to save all. (Applause)

And we know what might happen to us of the United States if the new philosophies of force were to encompass the other continents and invade our own. We, no more than other nations, can afford to be surrounded by the enemies of our faith and our humanity. Fortunate it is, therefore, that in this Western Hemisphere we have, under a common ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace.

That Hemisphere, that peace, and that ideal we propose to do our share in protecting against storms from any quarter. Our people and our resources are pledged to secure that protection. And from that determination no American flinches. (Applause)

This by no means implies that the American Republics disassociate themselves from the nations of other continents -- it does not mean the Americas against the rest of the world. We as one of the Republics reiterate our willingness to help the cause of world peace. We stand on our long historic offer to take counsel with all other nations of the world to the end that aggression among them may be terminated, that the race of armaments cease and that commerce be renewed.

But the world has grown so small and the weapons of attack so swift that no nation can be safe in its will to peace so long as any other (single) powerful nation

refuses to settle its grievances at the council table.

For if any government bristling with implements of war insists on policies of force, weapons of defense give the only safety.

In our foreign relations we have learned from the past what not to do. From new wars we have learned what we must do.

We have learned that effective timing of defense, and the distant points from which attacks may be launched are completely different from what they were twenty years ago.

We have learned that survival cannot be guaranteed by arming after the attack begins -- for there is new range (and) new speed to offense.

We have learned that long before any overt military act, aggression begins with preliminaries of propaganda, subsidized penetration, the loosening of ties of good will, the stirring of prejudice and the incitement to disunion.

We have learned that God-fearing democracies of the world which observe the sanctity of treaties and good faith in their dealings with other nations cannot safely be indifferent to international lawlessness anywhere. (Applause) No, they cannot forever let pass, without effective protest, acts of aggression against sister nations -- acts which automatically undermine all of us.

Obviously they must proceed along practical, peace-

ful lines. But the mere fact that we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. (Applause) Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people.

At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist or build up an aggressor. We have learned that when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly -- may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us that we ought not to let that happen any more. (Applause)

And we have learned something else -- the old, old lesson that probability of attack is mightily decreased by the assurance of an ever ready defense. (Applause) Since 1931, nearly eight years ago, world events of thunderous import have moved with lightning speed. During these eight years many of our people clung to the hope that the innate decency of mankind would protect the unprepared who showed their innate trust in mankind. Today we are all wiser -- and sadder.

Under modern conditions what we mean by "adequate defense" -- a policy subscribed to by all of us -- must be divided into three elements. First we must have armed forces and defenses strong enough to ward off any sudden attack against strategic positions and key facilities essential to ensure sustained resistance and ultimate victory. Secondly we must have the organization and the location of those key facilities so that they may be immediately utilized and rapidly expanded to meet all needs without danger of serious interruption by enemy attack.

In the course of a few days I shall send to you a special message making recommendations for those two essentials of defense against danger which we cannot safely assume will not come.

If these first two essentials are reasonably provided for, we must be able confidently to invoke the third element, the underlying strength of citizenship -- the self-confidence, the ability, the imagination and the devotion that give the staying power to see things through.

A strong and united nation may be destroyed if it is unprepared against sudden attack. But even a nation well armed and well organized from a strictly military (standpoint) point of view, may, after a period of time, meet defeat if it is unnerved by self-distrust, endangered by class prejudice, by dissension between capital and labor, by false economy and by other unsolved social problems at home.

In meeting the troubles of the world we must meet them as one people -- with a unity born of the fact that for generations those who have come to our shores, representing many kindreds and tongues, have been welded by common opportunity into a united patriotism. If another form of government can present a united front in its attack on a democracy, the attack must and will be met by a united democracy. Such a democracy can and must exist in the United States. (Applause)

A dictatorship may command the full strength of a regimented nation. But the united strength of a democratic nation can be mustered only when its people, educated by modern standards to know what is going on and where they are going, have conviction that they are receiving as large a share of opportunity for development, as large a share of material success and of human dignity, as they have a right to receive.

Our nation's program of social and economic reform is therefore a part of defense, a part as basic as armaments themselves.

Against the background of events in Europe, in Africa and in Asia during these recent years, the pattern of what we here have accomplished since 1933 appears in even clearer focus.

For the first time we have moved upon deep-seated problems affecting our national strength and have forged

national instruments adequate to meet them.

Consider what the seemingly piecemeal struggles of these six years add up to in terms of realistic national preparedness.

We are conserving and developing natural resources -- land, water, power, forests.

We are trying to provide necessary food, shelter and medical care for the good, for the health of our population.

We are putting agriculture -- our system of food and fibre supply -- on a sounder basis.

We are strengthening the weakest spot in our system of industrial supply -- its long smouldering labor difficulties.

We have cleaned up our credit system so that depositor and investor alike may more readily and willingly make their capital available for peace or war.

We are giving to our youth new opportunities for work and education.

We have sustained the morale of all the population by the dignified recognition of our obligations to the aged, the helpless and the needy.

Above all, we have made the American people conscious of their interrelationship (and), their interdependence. They sense a common destiny -- and a common need of each other. Differences of occupation, geography, race,

(and) religion no longer obscure the nation's fundamental unity in thought and in action.

We have our difficulties, true -- but we are a wiser and a tougher nation than we were in 1929, or in 1932. (Applause)

Never have there been six years of such far-flung internal preparedness in our history. And (all) this has been done without any dictator's power to command, without conscription of labor or confiscation of capital, without concentration camps and without a scratch on freedom of speech, freedom of the press or the rest of the Bill of Rights.

And I think we see things now that we could not see so well along the way. The tools of government which we had in 1933 are outmoded. We have had to forge new tools for a new role of government operating in a democracy -- a role of new responsibility for new needs and increased responsibility for old needs, long neglected.

Some of these tools had to be roughly shaped and still need (some) machining down. Many of these who fought bitterly against the forging of these new tools welcome their use today. The American people, as a whole, have accepted them. The Nation looks to the Congress to improve the new machinery which we have permanently installed, provided that in the process the social usefulness of the machinery is not destroyed or impaired. (Applause)

Yes, all of us agree that we should simplify and improve laws if experience and operation clearly demonstrate the need. For instance, all of us want better provision for our older people under our social security legislation. For the medically needy we must provide better care.

Most of us agree that for the sake of employer and employee alike we must find ways to end factional labor strife and employer-employee disputes.

Most of us recognize that none of these tools can be put to maximum effectiveness unless the executive processes of government are revamped -- reorganized, if you will -- into more effective combination. (Applause) And even after such reorganization it will take time to develop administrative personnel and experience in order to use our new tools with a minimum of mistakes. The Congress, of course, needs no further information on this. (Laughter, applause)

With this exception of legislation to provide greater government efficiency, and with the exception of legislation to ameliorate our railroad and other transportation problems, the past three Congresses have met in part or in whole the pressing needs of the new order of things. (Applause)

We have now passed the period of internal conflict in the launching of our program of social reform. Our full energies may now be released to invigorate the processes of recovery in order to preserve our reforms, and to give

every man and woman who wants to work a real job at a living wage. (Applause)

But time is of paramount importance. The deadline of danger from within and from without is not within our control. The hour-glass may be in the hands of other nations. Our own hour-glass tells us that we are off on a race to make democracy work, so that we may be efficient in peace and therefore secure in (self) national defense.

This time element forces us to still greater efforts to attain the full employment of our labor and our capital.

The first duty of our statesmanship (today) is to bring capital and man-power together.

Dictatorships do this by main force. By using main force they apparently succeed at it -- for the moment. However we abhor their methods, we are compelled to admit that they have obtained substantial utilization of all their material and human resources. Like it or not they have solved, for a time at least, the problem of idle men and idle capital. Can we compete with them by boldly seeking methods of putting idle men and idle capital together and, at the same time, remain within our American way of life, within the Bill of Rights, and within the bounds of what is, from our point of view, civilization itself?

We suffer from a great unemployment of capital. Many people have the idea that as a nation we are overbur-

dened with debt and are spending more than we can afford. That is not so. Despite our Federal Government expenditures the entire debt of our national economic system, public and private together, is no larger today than it was in 1929, and the interest thereon is far less than it was in 1929.

(Applause)

And so the object is to put capital -- private as well as public -- to work.

We want to get enough capital and labor at work to give us a total turnover of business, a total national income, of at least eighty billion dollars a year. At that figure we shall have a substantial reduction of unemployment; and the Federal Revenues will be sufficient to balance the current level of cash expenditures on the basis of the existing tax structure. That figure can be attained, working within the framework of our traditional profit system.

The factors in attaining and maintaining that amount of national income are, it is true, many and complicated.

They include more widespread understanding among business men of many changes which world conditions and technological improvements have brought to our economy over the last twenty years -- changes in the interrelationship of price and volume and employment, for (instance) example -- changes of the kind in which business men are now educating themselves through excellent opportunities like the so-called

"monopoly investigation".

They include a perfecting of our farm program to protect farmers' income and consumers' purchasing power from alternate risks of crop gluts and crop shortages.

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They include the perfecting of labor organization and a universal ungrudging attitude by employers toward the labor movement, until there is a minimum of interruption of production and employment because of disputes, and acceptance by labor of the truth that the welfare of labor itself depends on increased balanced out-put of goods.

To be immediately practical, while proceeding with a steady evolution in the solving of these and like problems, we must wisely use instrumentalities, like Federal invest-

ment, which are immediately available to us.

And here, as elsewhere, time is the deciding factor in our choice of remedies.

Therefore, it does not seem logical to me, at the moment we seek to increase production and consumption, for the Federal Government to consider a drastic curtailment of its own investments. (Applause)

The whole subject of government investing and government income is one which may be approached in two different ways.

The first calls for the elimination of enough activities of government to bring the expenses of government immediately into balance with income of government. (Applause -- cheers) This school of thought maintains that because our national income this year is only sixty billion dollars, ours is only a sixty billion dollar country; (applause -- cheers) that government must treat it as such; and that without the help of government, it may some day, somehow, happen to become an eighty billion dollar country. (Applause -- cheers)

And the important point is that if the Congress decides to accept this point of view, it will logically have to reduce the present functions or activities of government by one-third. (Applause) Not only will the Congress (will) have to accept the responsibility for such reduction; (and) but the Congress will have to determine which activi-

ties are to be reduced. (Prolonged applause -- cheers)

Certain expenditures, I believe, we cannot possibly reduce at this session, such as the interest on the public debt. A few million dollars saved here or there in the normal or in curtailed work of the old departments and commissions will make no great saving in the Federal budget. Therefore, the Congress would have to reduce drastically some of certain large items, very large items, such as aids to agriculture and soil conservation, veterans' pensions, flood control, highway(s) aids, waterways and other public works, grants for social and health security, Civilian Conservation Corps activities, relief for the unemployed, or national defense itself.

The Congress alone has the power to do all this, as it is the appropriating branch of the government. (Applause)

The other approach to the question of government spending takes the position that this Nation ought not to be and need not be only a sixty billion dollar nation; (applause) that at this moment it has the men and the resources sufficient to make it at least an eighty billion dollar nation. This school of thought does not believe that it can become an eighty billion dollar nation in the near future if government cuts its operations by one-third. It is convinced that if we were to try it, we would invite disaster -- and that we would not long remain even a sixty billion dollar nation. (Applause) There are many compli-

cated factors with which we have to deal, but we have learned that it is unsafe to make abrupt reductions at any time in our net expenditure program.

By our common sense action of resuming government activities last Spring, we have reversed a recession and started the new rising tide of prosperity and national income which we are now just beginning to enjoy. (Applause)

If government activities are fully maintained, there (is a) are, definitely, good prospects of our becoming an eighty billion dollar country in a very short time. With such a national income, present tax laws will yield enough each year to balance each year's expenses.

It is my conviction that down in their hearts the American public -- industry, agriculture, finance -- wants this Congress to do whatever needs to be done to raise our national income to eighty billion dollars a year. (Applause)

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Yes, investment for prosperity can be made in a democracy. (Applause)

I hear some people say "This is all so complicated. There are certain advantages in a dictatorship. It gets rid of labor trouble, it gets rid of unemployment, of wasted motion and of having to do your own thinking".

My answer is "yes, but it also gets rid of some other things which we Americans intend very definitely to keep -- and we still intend to do our own thinking". (Applause)

It will cost us taxes and the voluntary risk of capital to attain some of the practical advantages which other forms of government have acquired.

Dictatorship, however, involves costs which the American people will never pay: The cost of our spiritual values. The cost of the blessed right of being able to say what we please. The cost of freedom of religion. The cost of seeing our capital confiscated. The cost of being cast into a concentration camp. The cost of being afraid to walk down the street with the wrong neighbor. The cost of having our children brought up not as free and dignified human beings, but as pawns molded and enslaved by a machine.

If the avoidance of these costs means taxes on my income; if avoiding these costs means taxes on my estate at death, I would bear those taxes willingly as the price of my breathing and my children breathing the free air of a free country, as the price of a living and not a dead world. (Prolonged applause -- cheers)

Events (abroad) across the sea have made it increasingly clear to the American people that dangers within are less to be feared than dangers from without. If therefore a solution of this problem of idle men and idle capital is the price of preserving our liberty, no formless selfish fears can stand in (our) the way.

Once I prophesied that this generation of Americans had a rendezvous with destiny. That prophesy comes true. To us much is given; more is expected.

This generation will "nobly save or meanly lose the last best hope of earth The way is plain, peaceful, generous, just -- a way which if followed the world will forever applaud and God must forever bless". (Applause)

MESSAGE TO THE CONGRESS

JANUARY 4, 1939.

TO THE CONGRESS OF THE UNITED STATES:

In reporting on the state of the nation, I have felt it necessary on previous occasions to advise the Congress of disturbance abroad and of the need of putting our own house in order in the face of storm signals from across the seas. As this Seventy-Sixth Congress opens there is need for further warning.

A war which threatened to envelop the world in flames has been averted: but it has become increasingly clear that peace is not assured.

All about us rage undeclared wars -- military and economic. All about us grow more deadly armaments -- military and economic. All about us are threats of new aggression -- military and economic.

Storms from abroad directly challenge three institutions indispensable to Americans, now as always. The first is religion. It is the source of the other two -- democracy and international good faith.

Religion, by teaching man his relationship to God, gives the individual a sense of his own dignity and teaches him to respect himself by respecting his neighbors.

Democracy, the practice of self-government, is a covenant among free men to respect the rights and liberties of their fellows.

International good faith, a sister of democracy, springs from the will of civilized nations of men to respect the rights and liberties of other nations of men.

In a modern civilization, all three -- religion, democracy and international good faith -- complement each other.

Where freedom of religion has been attacked, the attack has come from sources opposed to democracy. Where democracy has been overthrown, the spirit of free worship

has disappeared. And where religion and democracy have vanished, good faith and reason in international affairs have given way to strident ambition and brute force.

An ordering of society which relegates religion, democracy and good faith among nations to the background can find no place within it for the ideals of the Prince of Peace. The United States rejects such an ordering, and retains its ancient faith.

There comes a time in the affairs of men when they must prepare to defend not their homes alone but the tenets of faith and humanity on which their churches, their governments and their very civilization are founded. The defense of religion, of democracy and of good faith among nations is all the same fight. To save one we must now make up our minds to save all.

We know what might happen to us if the United States if the new philosophies of force were to encompass the other continents and invade our own. We, no more than other nations, can afford to be surrounded by the enemies of our

faith and our humanity. Fortunate it is, therefore, that in this Western Hemisphere we have, under a common ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace.

That Hemisphere, that peace, and that ideal we propose to do our share in protecting against storms from any quarter. Our people and our resources are pledged to secure that protection. From that determination no American flinches.

This by no means implies that the American Republics disassociate themselves from the nations of other continents -- it does not mean the Americas against the rest of the world. We as one of the Republics reiterate our willingness to help the cause of world peace. We stand on our historic offer to take counsel with all other nations of the world to the end that aggression among them be terminated, that the race of armaments cease and that commerce be renewed.

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For if any government bristling with implements of war insists on policies of force, weapons of defense give the only safety.

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Obviously they must proceed along practical, peaceful lines. But the mere fact that we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods short of war, but stronger and more effective than mere words,

of bringing home to aggressor governments the aggregate sentiments of our own people.

At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist or build up an aggressor. We have learned that when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly -- may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us that we ought not to let that happen any more.

And we have learned something else -- the old, old lesson that probability of attack is mightily decreased by the assurance of an ever ready defense. Since 1931 world events of thunderous import have moved with lightning speed. During these eight years many of our people clung to the hope that the innate decency of mankind would protect the unprepared who showed their innate trust in mankind. Today we are all wiser -- and sadder.

Under modern conditions what we mean by "adequate defense" -- a policy subscribed to by all -- must be divided into three elements. First we must have armed forces and defenses strong enough to ward off sudden attack against strategic positions and key facilities essential to ensure sustained resistance and ultimate victory. Secondly we must have the organization and location of those key facilities so that they may be immediately utilized and rapidly expanded to meet all needs without danger of serious interruption by enemy attack.

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In meeting the troubles of the world we must meet them as one people -- with a unity born of the fact that for generations those who have come to our shores, representing many kindreds and tongues, have been welded by common opportunity into a united patriotism. If another form of government can present a united front in its attack on a democracy, the attack must be met by a united democracy. Such a democracy can and must exist in the United States.

A dictatorship may command the full strength of a regimented nation. But the united strength of a democratic nation can be mustered only when its people, educated by modern standards to know what is going on and where they are going, have conviction that they are receiving as large a share of opportunity for development, as large a share of material success and of human dignity, as they have a right to receive.

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We have sustained the morale of all the population by the dignified recognition of our obligations to the aged, the helpless and the needy.

Above all, we have made the American people conscious of their interrelationship and their interdependence. They sense a common destiny -- and a common need of each other. Differences of occupation, geography, race and religion no longer obscure the nation's fundamental unity in thought and in action.

We have our difficulties, true -- but we are a wiser and a tougher nation than we were in 1929, or 1932.

Never have there been six years of such far-flung internal preparedness in our history. And all this has been done without any dictator's power to command, without conscription of labor or confiscation of capital, without concentration camps, and without a scratch on freedom of speech, freedom of the press or the rest of the Bill of Rights.

We see things now that we could not see along the way. The tools of government which we had in 1933 are outmoded.

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With this exception of legislation to provide greater government efficiency, and with the exception of legislation to ameliorate our railroad and other transportation problems, the past three Congresses have met in part or in whole the pressing needs of the new order of things.

We have now passed the period of internal conflict in the launching of our program of social reform. Our full energies may now be released to invigorate the processes of recovery in order to preserve our reforms, and to give every man and woman who wants to work a real job at a living wage.

But time is of paramount importance. The deadline of danger from within and from without is not within our control. The hour-glass may be in the hands of other nations. Our own hour-glass tells us that we are off on a race to make democracy work, so that we may be efficient in peace and therefore secure in self defense.

This time element forces us to still greater efforts to attain the full employment of our labor and our capital.

The first duty of our statesmanship today is to bring capital and man-power together.

Dictatorships do this by main force. By using main force they apparently succeed at it -- for the moment.

However we abhor their methods, we are compelled to admit that they have obtained substantial utilization of all their material and human resources. Like it or not they have solved, for a time at least, the problem of idle men and idle capital. Can we compete with them by boldly seeking methods of putting idle men and idle capital together and, at the same time, remain within our American way of life, within the Bill of Rights, and within the bounds of what is, from our point of view, civilization itself?

We suffer from a great unemployment of capital. Many people have the idea that as a nation we are overburdened with debt and are spending more than we can afford. That is not so. Despite our Federal Government expenditures the entire debt of our national economic system, public and private together, is no larger today than it was in 1929, and the interest thereon is far less than it was in 1929.

The object is to put capital -- private as well as public -- to work.

We want to get enough capital and labor at work to give us a total turnover of business, a total national income, of at least eighty billion dollars a year. At that figure we shall have a substantial reduction of unemployment; and the Federal revenues will be sufficient to balance the current level of cash expenditures on the basis of the existing tax structure. That figure can be attained, working within the framework of our traditional profit system.

The factors in attaining and maintaining that amount of national income are many and complicated.

They include more widespread understanding among business men of many changes which world conditions and technological improvements have brought to our economy over the last twenty years -- changes in the interrelationship of price and volume and employment, for instance -- changes of the kind in which business men are now educating themselves through opportunities like the so-called "monopoly investigation".

They include a perfecting of our farm program to protect farmers' income and consumers' purchasing power from alternate risks of crop gluts and crop shortages.

They include wholehearted acceptance of new standards of honesty in our financial markets.

They include reconciliation of enormous, antagonistic interests -- some of them long in litigation -- in the railroad and general transportation field.

They include the working out of new techniques -- private, state and federal -- to protect the public interest in and to develop wider markets for electric power.

They include a revamping of the tax relationships between federal, state and local units of government, and consideration of relatively small tax increases to adjust inequalities without interfering with the aggregate income of the American people.

They include the perfecting of labor organization and a universal ungrudging attitude by employers toward the labor movement, until there is a minimum of interruption of production and employment because of disputes, and acceptance by labor of the truth that the welfare of labor itself depends on increased balanced out-put of goods.

To be immediately practical, while proceeding with a steady evolution in the solving of these and like problems, we must wisely use instrumentalities, like Federal investment, which are immediately available to us.

Here, as elsewhere, time is the deciding factor in our choice of remedies.

Therefore, it does not seem logical to me, at the moment we seek to increase production and consumption, for the Federal Government to consider a drastic curtailment of its own investments.

The whole subject of government investing and government income is one which may be approached in two different ways.

The first calls for the elimination of enough activities of government to bring the expenses of government immediately into balance with income of government. This school of thought maintains that because our national income this year is only sixty billion dollars, ours is only a sixty billion dollar country; that government must treat it as such; and that without the help of government, it may some day, somehow, happen to become an eighty billion dollar country.

If the Congress decides to accept this point of view, it will logically have to reduce the present functions or activities of government by one-third. The Congress will have to accept the responsibility for such reduction; and the Congress will have to determine which activities are to be reduced.

Certain expenditures we cannot possibly reduce, such as the interest on the public debt. A few million dollars saved here or there in the normal or in curtailed work of the old departments and commissions will make no great saving in the Federal budget. Therefore, the Congress would have to

reduce drastically some of certain large items, such as aids to agriculture and soil conservation, veterans' pensions, flood control, highways, waterways and other public works, grants for social and health security, Civilian Conservation Corps activities, relief for the unemployed, or national defense.

The Congress alone has the power to do all this, as it is the appropriating branch of the government.

The other approach to the question of government spending takes the position that this Nation ought not to be and need not be only a sixty billion dollar nation; that at this moment it has the men and the resources sufficient to make it at least an eighty billion dollar nation. This school of thought does not believe that it can become an eighty billion dollar nation in the near future if government cuts its operations by one-third. It is convinced that if we were to try it, we would invite disaster -- that we would not long remain even a sixty billion dollar nation. There are many complicated factors with which we have to deal, but we have

learned that it is unsafe to make abrupt reductions at any time in our net expenditure program.

By our common sense action of resuming government activities last Spring, we have reversed a recession and started the new rising tide of prosperity and national income which we are now just beginning to enjoy.

If government activities are fully maintained, there is a good prospect of our becoming an eighty billion dollar country in a very short time. With such a national income, present tax laws will yield enough each year to balance each year's expenses.

It is my conviction that down in their hearts the American public -- industry, agriculture, finance -- wants this Congress to do whatever needs to be done to raise our national income to eighty billion dollars a year.

Investing soundly must preclude spending wastefully.

To guard against opportunist appropriations, I have on several occasions addressed the Congress on the importance of permanent long-range planning. I hope, therefore, that following my recommendation of last year, a permanent agency will be set up and authorized to report on the urgency and desirability of the various types of government investment.

Investment for prosperity can be made in a democracy.

I hear some people say "This is all so complicated. There are certain advantages in a dictatorship. It gets rid of labor trouble, of unemployment, of wasted motion and of having to do your own thinking".

My answer is "yes, but it also gets rid of some other things which we Americans intend very definitely to keep -- and we still intend to do our own thinking".

It will cost us taxes and the voluntary risk of capital to attain some of the practical advantages which other forms of government have acquired.

Dictatorship, however, involves costs which the American people will never pay: The cost of our spiritual values. The cost of the blessed right of being able to say what we please. The cost of freedom of religion. The cost of seeing our capital confiscated. The cost of being cast into a concentration camp. The cost of being afraid to walk down the street with the wrong neighbor. The cost of having our children brought up not as free and dignified human beings, but as pawns molded and enslaved by a machine.

If the avoidance of these costs means taxes on my income; if avoiding these costs means taxes on my estate at death, I would bear those taxes willingly as the price of my breathing and my children breathing the free air of a free country, as the price of a living and not a dead world.

Events abroad have made it increasingly clear to the American people that dangers within are less to be feared than dangers from without. If therefore a solution of this problem of idle men and idle capital is the price of preserving our liberty, no formless selfish fears can stand in our way.

Once I prophesied that this generation of Americans
had a rendezvous with destiny. That prophesy comes true.
To us much is given; more is expected.

This generation will "nobly save or meanly lose the
last best hope of earth The way is plain, peaceful,
generous, just --- a way which if followed the world will
forever applaud and God must forever bless".

Franklin D. Roosevelt

The original reading copy

Add 1939

F.D.R.

Speeches

1939

1191

Ribbon copy

Jan 4 - Dec 24, 1939

ADDRESSES
of
THE PRESIDENT
1939

Henry M. Kannee,
Official Reporter.

- Taken from newspaper or mimeographed sheets
- # As delivered, with () indicating matter appearing in printed speech which was omitted in actual delivery and with underscoring indicating new matter interpolated.
- * Completely extemporaneous

1939

- # Jan 4 - To the Congress of the United States
- # 7 - Jackson Day Dinner at the Mayflower Hotel Washington, D. C.
- 30 - The President's Birthday Anniversary (radio)
- * Feb 4 - Addresses at dinner given by Trustees of the Franklin D. Roosevelt Library, Inc., Hotel Carlton, Washington, D. C. (including Dr. Waldo T. Leland, Professor Samuel E. Morison, Professor Guy Stanton Ford, Mr. Basil O'Connor and Honorable Henry Morgenthau, Sr.)
- 8 - Radio address, to the Boy Scouts of America, from the White House (about 10.00 P.M.)
- # 18 - Opening the Golden Gate International Exposition in San Francisco, from Key West, Florida by radio (3.32 P. M.)
- # 18 - To the Pan American Hernando De Soto Exposition at Tampa, from Key West, Florida by radio (3.45 P. M.)
- # Mar 4 - Before Joint Session of the Congress on the occasion of the 150th Anniversary of Congress (12.30 P. M.)
- * / 30 - From automobile at Tuskegee, Alabama (at town Square)
- * 30 - From automobile at Tuskegee Institute, Tuskegee, Alabama
- * 30 - From automobile at Alabama Polytechnic Institute, Auburn, Alabama
- * / 30 - From automobile at Opelika, Alabama
- * April 1 - Address at dedicatory exercises, Georgia Warm Springs Foundation School, Georgia Hall and Norman Wilson Memorial Hospital, Warm Springs Georgia (including addresses by Mr. Basil O'Connor; Mrs. Marian Huntington; Mrs. H. Lynn Pierson; Dr. James Johnson and Dr. C. E. Irwin)
- * 10 - Easter Egg Rolling from the South Portico of the White House
- # 14 - Before the Governing Board of the Pan American Union, in the Pan American Building, on Pan American Day (11.00 A. M.)
- # 14 - 150th Anniversary of George Washington's election as first President of the United States, Mt. Vernon, Virginia (2.47 P. M.)

1939 Cont'd.

- # April 17 - To the National Parole Conference, East Room of the White House (6.00 P. M.)
- # May 23 - To the White House Conference on Children in Democracy, East Room of the White House (10.00 A. M.)
- # May 25 - To the Delegates to the American Red Cross Convention, from the South Portico of the White House (5.00 P. M.)
- # May 30 - Opening the New York World's Fair, 1939, on the Fair grounds (2.30 P. M.)
- # May 31 - Dedication of New Federal Post Office Building Rhinebeck, New York (about 3.45 P. M.)
- June 10 - Radio address, from the White House, dedicating the new building of the Museum of Modern Art, New York, New York (9.45 P. M.)
- # June 22 - To the Retailers' National Forum of the American Retail Federation, Mayflower Hotel, Washington, D. C. (9.30 P. M.)
- June 28 - Toast to his Majesty, King George VI (8.00 P. M.)
- # July 12 - At the graduation exercises of the United States Military Academy, West Point, New York (11.45 A. M.)
- * July 24 - At the site of the Franklin D. Roosevelt Library-Museum, Roosevelt Estate, Hyde Park, New York (about 12 o'clock noon)
- # Sept 3 - Radio address from the White House -- Following declaration of war in Europe (9.00 P. M.)
- # Sept 21 - Message to the Special Session of the Congress, at the Capitol, Washington, D. C. (2.00 P. M.)
- # Oct 9 - Radio address, in behalf of the 1939 Mobilization for Human Needs, from the White House (10.30 P. M.)
- # Oct 11 - To the Postmasters Convention, from the South Portico of the White House (4.35 P. M.)
- Nov 17 - Opening the meeting of the officers of the Intergovernmental Committee at the White House (about 1.00 P. M.)
- # Nov 26 - Radio address, to the New York Herald Tribune Forum, from the White House (11.05 P. M.)
- Nov 11 - Telephone address to the Virginia Military Institute, Lexington, Virginia, on the occasion of its 100th Anniversary, from the Executive Offices (11.30 A. M.)
- Nov 11 - Radio address, in connection with the annual Red Cross Roll Call, from the White House (10.37 P. M.)
- # Nov 15 - Radio address, cornerstone laying of the Jefferson Memorial, Washington, D. C.

1939 Cont'd.

- # Nov 19 - Address at cornerstone laying of the Franklin D. Roosevelt Library at Hyde Park, New York (including Blessing by the Reverend Frank R. Wilson, addresses by Honorable Frank C. Walker; The Librarian of Congress, Archibald MacLeish; and the Archivist of the United States, Dr. R. D. W. Connor)
- * 23 - At Thanksgiving dinner at the Georgia Warm Springs Foundation, Warm Springs, Georgia
- * 24 - At Dedication of the Sara Delano Roosevelt Community Center, Warm Springs, Georgia
- * Dec 7 - Telephone conversation held with Honorable Marvin H. McIntyre, who spoke from Asheville, North Carolina, at National Press Club Annual Founders' Dinner (including Arthur Hachten)
- * 7 - Address at National Press Club Annual Founders' Dinner
- * 17 - Presentation of Congressional Medal awarded Mrs. Richard Aldrich by the Congress, Hyde Park, New York, (including Mrs. Aldrich's remarks of acceptance)
- 24 - Radio address, at the lighting of the Community Christmas tree, the Ellipse, Washington, D. C. (5.10 P. M.)

HOLD FOR RELEASE

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January 4, 1939

CONFIDENTIAL: To be held in STRICT CONFIDENCE and no portion, synopsis or intimation to be published or given out until delivery of the President's message to the Congress NO REGUL.

Release expected about 1:00 P. M., E.S.T., January 4, 1939.

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

STEPHEN EARLY
Secretary to the President

TO THE CONGRESS OF THE UNITED STATES:

In reporting on the state of the nation, I have felt it necessary on previous occasions to advise the Congress of disturbance abroad and of the need of putting our own house in order in the face of storm signals from across the seas. As this Seventy-Sixth Congress opens there is need for further warning.

A war which threatened to envelop the world in flames has been averted; but it has become increasingly clear that peace is not assured.

All about us rage undeclared wars -- military and economic. All about us grow more deadly armaments -- military and economic. All about us are threats of new aggression -- military and economic.

(S) Religion
Storms from abroad directly challenge three institutions indispensable to Americans, now as always. The first is religion. It is the source of the other two -- democracy and international good faith.

Religion, by teaching man his relationship to God, gives the individual a sense of his own dignity and teaches him to respect himself by respecting his neighbors.

Democracy, the practice of self-government, is a covenant among free men to respect the rights and liberties of their fellow.

International good faith, a sister of democracy, springs from the will of civilized nations of men to respect the rights and liberties of other nations of men.

In a modern civilization, all three -- religion, democracy and international good faith -- complement each other.

Where freedom of religion has been attacked, the attack has come from sources opposed to democracy. Where democracy has been overthrown, the spirit of free worship has disappeared. And where religion and democracy have vanished, good faith and reason in international affairs have given way to strident ambition and brute force.

An ordering of society which relegates religion, democracy and good faith among nations to the background can find no place within it for the ideals of the Prince of Peace. The United States rejects such an ordering, and retains its ancient faith. *(S) Appman*

STATEMENTS

FILE

Sho. thd and By Kanner

July 1st

There comes a time in the affairs of men when they must prepare to defend not their homes alone but the tenets of faith and humanity on which their churches, their governments and their very civilization are founded. The defense of religion, of democracy and of good faith among nations is all the same fight. To save one we must now make up our minds to save all. (Applause)

We know what might happen to us of the United States if the new philosophies of force were to encompass the other continents and invade our own. We, no more than other nations, can afford to be surrounded by the enemies of our faith and our humanity. Fortunately it is, therefore, that in this Western Hemisphere we have, under a common ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace.

That Hemisphere, that peace, and that ideal we propose to do our share in protecting against storms from any quarter. Our people and our resources are pledged to secure that protection. From that determination no American flinches. (Applause) And

This by no means implies that the American Republics disassociate themselves from the nations of other continents -- it does not mean the Americas against the rest of the world. We as one of the Republics reiterate our willingness to help the cause of world peace. We stand on our historic offer to take counsel with all other nations of the world to the end that aggression among them be terminated, that the race of armaments cease and that commerce be renewed.

But the world has grown so small and weapons of attack so swift that no nation can be safe in its will to peace so long as any other single powerful nation refuses to settle its grievances at the council table.

For ~~any~~ government bristling with implements of war insists on policies of force, weapons of defense give the only safety.

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We have learned that God-fearing democracies of the world which observe the sanctity of treaties and good faith in their dealings with other nations cannot safely be indifferent to international lawlessness anywhere. They cannot forever let pass, without effective protest, acts of aggression against sister nations -- acts which automatically undermine all of us. (Applause)

Obviously they must proceed along practical, peaceful lines. But the mere fact that we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people.

At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist or build up an aggressor. We have learned that when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly -- may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us that we ought not to let that happen any more. (b) (Applause)

And we have learned something else -- the old, old lesson that probability of attack is mightily decreased by the assurance of an ever ready defense. Since 1931 world events of thunderous import have moved with lightning speed. During these eight years many of our people clung to the hope that the innate decency of mankind would protect the unprepared who showed their innate trust in mankind. Today we are all wiser -- and sadder.

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With this exception of legislation to provide greater government efficiency, and with the exception of legislation to ameliorate our railroad and other transportation problems, the past three Congresses have met in part or in whole the pressing needs of the new order of things. (Applause)

We have now passed the period of internal conflict in the launching of our program of social reform. Our full energies may now be released to invigorate the processes of recovery in order to preserve our reforms, and to give every man and woman who wants to work a real job at a living wage. (Applause)

But time is of paramount importance. The deadline of danger from within and from without is not within our control. The hour-glass may be in the hands of other nations. Our own hour-glass tells us that we are often in a race to make democracy work, so that we may be efficient in peace and therefore secure in war defense. (Applause) (Natural)

This time element forces us to still greater efforts to attain the full employment of our labor and our capital.

The first duty of our statesmanship today is to bring capital and man-power together.

Dictatorships do this by main force. By using main force they apparently succeed at it -- for the moment. However we abhor their methods, we are compelled to admit that they have obtained substantial utilization of all their material and human resources. Like it or not they have solved, for a time at least, the problem of idle men and idle capital. Can we compete with them by boldly seeking methods of putting idle men and idle capital together and, at the same time, remain within our American way of life, within the Bill of Rights, and within the bounds of what is, from our point of view, civilization itself?

We suffer from a great unemployment of capital. Many people have the idea that as a nation we are overburdened with debt and are spending more than we can afford. That is not so. Despite our Federal Government expenditures the entire debt of our national economic system, public and private together, is no larger today than it was in 1929, and the interest thereon is far less than it was in 1929. (Affidavit)

The object is to put capital -- private as well as public -- to work.

We want to get enough capital and labor at work to give us a total turnover of business, a total national income, of at least eighty billion dollars a year. At that figure we shall have a substantial reduction of unemployment; and the Federal revenues will be sufficient to balance the current level of cash expenditures on the basis of the existing tax structure. That figure can be attained, working within the framework of our traditional profit system.

The factors in attaining and maintaining that amount of national income are many and complicated.

They include more widespread understanding among business men of many changes which world conditions and technological improvements have brought to our economy over the last twenty years -- changes in the interrelationship of price and volume and employment, for instance -- changes of the kind in which business men are now educating themselves through opportunities like the so-called "monopoly investigation".

They include a perfecting of our farm programs to protect farmers' income and consumers' purchasing power from alternate risks of crop gluts and crop shortages.

They include wholehearted acceptance of new standards of honesty in our financial markets.

They include reconciliation of enormous, antagonistic interests -- some of them long in litigation -- in the railroad and general transportation field.

They include the working out of new techniques -- private, state and federal -- to protect the public interest in and to develop wider markets for electric power.

They include a revamping of the tax relationships between federal, state and local units of government, and consideration of relatively small tax increases to adjust inequalities without interfering with the aggregate income of the American people.

They include the perfecting of labor organization and a universal ungrudging attitude by employers toward the labor movement, until there is a minimum of interruption of production and employment because of disputes, and acceptance by labor of the truth that the welfare of labor itself depends on increased balanced out-put of goods.

To be immediately practical, while proceeding with a steady evolution in the solving of these and like problems, we must wisely use instrumentalities, like Federal investment, which are immediately available to us.

Here, as elsewhere, time is the deciding factor in our choice of remedies.

Therefore, it does not seem logical to us, at the moment we seek to increase production and consumption, for the Federal Government to consider a drastic curtailment of its own investments.

The whole subject of government investing and government income is one which may be approached in two different ways.

The first calls for the elimination of enough activities of government to bring the expenses of government immediately into balance with income of government. This school of thought maintains that because our national income this year is only sixty billion dollars, ours is only a sixty billion dollar country. That government must treat it as such; and that without the help of government, it may some day, somehow, happen to become an eighty billion dollar country.

If the Congress decides to accept this point of view, it will logically have to reduce the present functions or activities of government by one-third. The Congress will (will) have to accept the responsibility for such reduction; and the Congress will have to determine which activities are to be reduced.

Certain expenditures we cannot possibly reduce, such as the interest on the public debt. A few million dollars saved here or there in the normal or in curtailed work of the old departments and commissions will make no great saving in the Federal budget. Therefore, the Congress would have to reduce drastically some of certain large items, such as aids to agriculture and soil conservation, veterans' pensions, flood control, highways, waterways and other public works, grants for social and health security, Civilian Conservation Corps activities, relief for the unemployed, or national defense.

The Congress alone has the power to do all this, as it is the appropriating branch of the government.

The other approach to the question of government spending takes the position that this Nation ought not to be and need not be only a sixty billion dollar nation; that at this moment it has the men and the resources sufficient to make it at least an eighty billion dollar nation. This school of thought does not believe that it can become an eighty billion dollar nation in the near future if government cuts its operations by one-third. It is convinced that if we were to try it, we would invite disaster — that we would not long remain even a sixty billion dollar nation. There are many complicated factors with which we have to deal, but we have learned that it is unsafe to make abrupt reductions at any time in our net expenditure program.

By our common sense action of resuming government activities last Spring, we have reversed a recession and started the new rising tide of prosperity and national income which we are now just beginning to enjoy.

If government activities are fully maintained, there is a good prospect of our becoming an eighty billion dollar country in a very short time. With such a national income, present tax laws will yield enough each year to balance each year's expenses.

It is my conviction that down in their hearts the American public — industry, agriculture, finance — wants this Congress to do whatever needs to be done to raise our national income to eighty billion dollars a year.

(X) Investing soundly must preclude spending wastefully. To guard against opportunist appropriations, I have on several occasions addressed the Congress on the importance of permanent long-range planning. I hope, therefore, that following my recommendation of last year, a permanent agency will be set up and authorized to report on the urgency and desirability of the various types of government investment.

(yes) Investment for prosperity can be made in a democracy. (Applause)

I hear some people say "This is all so complicated. There are certain advantages in a dictatorship. It gets rid of labor trouble, of unemployment, of wasted motion and of having to do your own thinking".

(1) My answer is "yes, but it also gets rid of some other things which we Americans intend very definitely to keep -- and we still intend to do our own thinking". (Applause)

It will cost us taxes and the voluntary risk of capital to attain some of the practical advantages which other forms of government have acquired.

Dictatorship, however, involves costs which the American people will never pay: The cost of our spiritual values. The cost of the blessed right of being able to say what we please. The cost of freedom of religion. The cost of seeing our capital confiscated. The cost of being cast into a concentration camp. The cost of being afraid to walk down the street with the wrong neighbor. The cost of having our children brought up not as free and dignified human beings, but as pawns molded and enslaved by a machine.

If the avoidance of these costs means taxes on my income; if avoiding these costs means taxes on my estate at death, I would bear those taxes willingly as the price of my breathing and my children breathing the free air of a free country, as the price of a living and not a dead world. (Applause)

Events abroad have made it increasingly clear to the American people that dangers within are less to be feared than dangers from without. If therefore a solution of this problem of idle men and idle capital is the price of preserving our liberty, no formless selfish fears can stand in our way. (Applause)

Once I prophesied that this generation of Americans had a rendezvous with destiny. That prophecy comes true. To us much is given; more is expected.

This generation will "nobly save or meanly lose the last best hope of earth The way is plain, peaceful, generous, just -- a way which if followed the world will forever applaud and God must forever bless". (Applause)

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,
January 4, 1939.