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Fireside Chat on Economic Conditions, April 14, 1938


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A This was not because the people of those nations disliked democracy; it was because they had grown tired of unemploymont and insecurity, of seeing their children hungry while they sat helpless in the face of hern em confusion分中 weakness y Finally, in desperation, they chose to sacrifice liberty in the hope of getting something to hands
eat. We in America anombticurnicent that our own

## RADIO SPEECH

Five months have gone by since I last spoke to the \& 4 people of the Nation about the state of the Nation. Five years ago we faced a very serious problem of economic and social recovery, For four and a half years that recovery proceeded apace. It is only in the past months that it has received a setback. $\$ / A, F$,

This recession has not returned us to the disasters and suffering of the gang of 1933 , $150 t+t$


from the White House min the bander year
Thendoreday sent a Message of far-reaching importance to the Congress. I want to read to you tonight certain
 passages from that Message, and to queen din obsemations
by way of simplification and clamentextion.


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And it is only within the past two months, as we have waited paternity to see whether $h 2$ forces would counteract it, that it has be-
come apparent that government ban no longer safely fail to take aggressive government steps to it.

## TNSERT B

Your money in the bank is safe; farmers are no longer
 speculation have been minimized; national income is almost



But I know that many of you have lost your jobs or
have seen your friends or members of your families lose their jobs, and I do not propose that the government shall pretend not to see these things. I know that the effect of our present difficulties has been uneven; that they have affected some groups and some localities seriously but that they have been scarcely felt in others. But $I$ conceive the first duty of governnent is to protect the economic welfare of all the people in all sections and in all groups. I said in my Message opening the last session of Congress that if private enterprise did not provide jobs this Spring, government would take up the slack -- that I would not let the people down. We have all learned the lesson that government cannot afford to wait until it has lost the power to act.

And, therefore, I have today sent a Message of far-man peaching

I pointed out to the Congress that the national
income -- not the Government's income but the total of the income of all the individual citizens and familias of the United states -- every farmer, every worker, every banker,
 eighty billion dollars. By 1932 this had fallen to thirtyeight billion dollars. Gradually, and up to a few months ago, it had risen to a total of sixty-eight billion dollars, a pretty good come back from the low point. I then said this to the Congress:
"But the very vigor of the recovery in both durable goods and consumers' goods brought into the picture early in 1937 certain highly undesirable practices, which were in large part responsible for the economic decline which began in the later months of that year. Again production outren the ability to buy.
"There were many reasons for this over-pro-
duction. One was fear -- fear of war abroad, fear of inflation, fear of nation-wide strikes. None of these fears have been borne out. There were other causes of overproduction, and these causes differed in each industry.

DRAFT \#1 -2-

 ज' production in many important lines of goods outran the ability of the public to purchase them. For example, through the winter and spring of 1937 cotton factories in hundreds of cases were running on a three-shift basis, piling up cotton goods in the factory and in the hands of middle men and retailers. For example, also, automobile manufacturers not only turned out a normal increase of finished cars, but encouraged the normal increase to run into abnormal figures, using every known method to push their sales. This meant, of course, that the steel mills of the Nation ran on a twentyfour hour basis, and the tire companies and cotton factories speeded up to meet the same type of abnormally stimulated demand. The buying power of the Nation lagged behind.
"Thus by the Autumn of 1937 the Nation again
had stocks on hand which the consuming public could not buy because the purchasing power of the consuming puhlic had not kept pace with the production.
"During' the same period patand
the prices of many vital products had risen faster than was
warranted. For example, copper -- which undoubtedly can be produced at a profit in this country for from ten to twelve

cents a pound -- was pushed up and up to ninen cents a pound.

The price of steel products of many kinds was increased far more than was justiried by the increased wages of steel workers.

In the case of many commodities the price to the consumer was raised well above the inflationary boom prices of 1929. In many lines of goods and materials, prices got so high that buyers and builders ceased to buy or to build.

Herreentrent 1 't the economic process of getting out the raw materials, putting them through the manufacturing and finishing processes, selling them to the ređailers, selling them to the consumer, and finally using them, got


workers came upon us last Autumn and has been continuing at
such a pace ever since that all of us, Governnent and banking and business and workers, and those faced with destitution, recognize the need for action.


All of this I said to the Congress today and I
repeat it to you, the people of the country tonight.

I went on to point out to the Senate and the House
of Representatives that all the energies of government and
business must be directed to increasing the national income to putting more people into private jobs, to giving security and a feeling of security to all people in all walks




DRAFM \#1 - -7-
their problems of food and clothing and homes and education and bhang, ATC 1 and health $N$ I repeat it to men gen that nijather it nor the Chief Executive can afford "to weaken or destroy great reforms which, during the past five years, have been effected on behalf of the American people. In our rehabilitaand of agriculture tion of the banking structure/ in our provisions for adequate and cheaper credit for all types of business, in our acceptance of national responsibility for unemployment relief, in our strengthening of the credit of state and local government, in our encouragement of housing, slum clearance and home ownership, in our supervision of stock exchanges and public utility holding companies and the issuance of new securities, in our provision for social security, the electorate of America wants no backward steps taken.
"We have recognized the right of labor to free organization, to collective bargaining; and machinery for the handing of labor relations is now in existence. The principles are established even though we can all admit that through the evolution of time administration and practices can be improved. Such improvement can come about most quickly and most peace*w fully through sincere efforts to understand and assist on the part of labor leaders and employers alike.

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DRAFT \#1 -9-
democratic institutions can be preserved and made to work.

But in order to preserve them we need to act together, to
meet the problems of the Nation boldly, and to prove that $/$ Tr om

the of democratic government equal to the task
of protecting the security of the people.

We are a rich Nation; we can afford to pay for
security and prosperity without having to sacrifice our
liberties into the bargain.

In the first century or our republic we were short of capital, short of workers and short of industrial production, but we were rich in free land, timber and

mineral wealth. The Federal Government rightly assumed
the duty of promoting business and relieving depression by giving subsidies of land and other resources.



Nor only our future economic soundness but the very
soundness of our democratic institutions depends on the determination of our Government to give employment to idle men. The people of America are in agreement in defending their liberties at any cost, and the first line of that defense lies in the protection of economic secupity. Your Government, seeking to protect democracy, must prove that Government is stronger than the forces of business depression.

History proves that dictatorships do not grow out of strong and successful governments but out of weak and helpless ones. If by democratic methods people get a government strong enough to protect them from fear and starvation, their democracy succeeds, but if they do not, they grow impatient. Therefore, the only sure bulwark of continuing liberty is a government strong enough to protect the interests of the people, and a people strong enough

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and well enough informed to maintain its sovereign control over its government.


Themedinte duty of our Government, bent any
is to use its power to build wop the strength and security of the people by providing jobs and promoting business activity. Before I Speak of where the money forming from to carry out this program, I want you to think over another question. If we do overcome is recession, holy are you and I going toto pay for the losses of business recession and q
upporyment? Lost working time is lost money. Every day
that a workman is unemployed, or a machine is unused, or a
business organization is marking time, is a loss to the

Nation. Because of idle men and idle machines this Nation
lost one hundred billion dollars between 1929 and the Spring
of 1933. This year you, the people of this country, are
making about twelve billion dollars less than last year.

It is going to cost something to get out of this recession

but the profit of getting out of it will pay for the cost
several times over.

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If you think back to the experiences of the early
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expressed about the rising expenses of Government. But to the surprise of the doubters, as we proceeded to carry on worm
Public Works and Work Relief, the country grew richer instead of poorer.
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It is worth wile to remember that the annual national people's income was thirty billion dollars more in 1937 than in 1932. It is true that the national debt increased sixteen billion dollars, but remember that in this increase must be included several billion dollars worth of assets which eventually will reduce that increase and that many billion dollars of permanent public improvements -- schools, roads, bridges, tunnels, public buildings, parks and a host of other things meet your eye in every one of the thirty one hundred counties in the United States.

No doubt you will be told that the quad spending program of the past five years did not cause the increase in our national income. They will tell you that business revived because of private spending and investment. That

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    is true in part, for the Government spent only a small part
    of the total. But that Government spending acted as a trigger
    to set off private activity. That is why the total addition
    to our national production and national income has been so
    much greater than the contribution of the Government itself.
            In pursuance of that thought I said to the Congress
    today: "I want to make it clear that we do not believe that
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    we can get an adequate rise in national income merely by
    investing, lending or spending public funds. It is essential
    In our economy that private funds be.put to work and all of
    us recognize that such funds are entitled to a fair profit.
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            As rises, let us not forget that government
expenditures will go down and government tax receipts will
go up.
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A The government contribution of land that we once made to business was the land of all the people. And the Government contribution of money which we now make to business
 labor of all the people. It is therefore only sound morality, may as well as a sound distribution of power, that the benefits of the prosperity And from this use of the money of all the people should be distributed among all the people -- at the bottom as well as at the top. Consequently, I am again expressing my hope that the Congress will enact at this session a wage and hour bill putting a floor under

Motrin wages and a limit on working hours -- to ensure a better
distribution of our prosperity, a better distribution of Chtmbly
available work, and a sounder distribution of power.
"The never-ceasing evolution of human society will doubtless bring forth new problems which will require new adjustments. Our immediate task is to consolidate and maintain the gains achieved.
"In this situation there is no reason and no occasion for any American to allow his fears to be aroused or his energy and enterprise to be paralyzed by doubt or uncertainty."

I came to the conclusion that the present-day problem calls for action both by the Government and by the people, that we suffer from a failure of consumer demand


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I went on to propose three groups of measures
and I will 6

First, I asked for certain appropriations which
are intended to keep the present rate of Government expenditures for work relief and similar purposes during the coming fiscal
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Hear That includes additional money for the Works Progress Administration; additional funds for the Farm Security Administration; additional allotments for the National Youth Administration, and more money for the Civilian Conservation Corps, in order that it can maintain the existing number of camps now in operation.

These appropriations, made necessary by increased
unemployment, will cost about a billion and a quarter more than the estimates which I sent to the Congress on the third of January.



Therefore I came to the third category of government action which I consider to be vital. I said to the Congress:
"You and I cannot afford to equip ourselves with two rounds of ammunition where three rounds are necessary. If we stop at relief and credit, we may find ourselves without ammuition before the enemy is routed. If we are fully equipped with the third round of ammunition, we stand to win the battle zgainst adversity. "

The third proposal is to make definite additions
to the purchasing power of the Nation by providing new work over and above the continuing of the old work.

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Authority to undertake the immediate construction of about three hundred million dollars of additional slum clearance projects.

Second, to renew a public works program by starting as quickly as possible about one billion dollars worth of needed permanent public improvernents in states, counties and cities.

Third, to add one hundred million dollars to the estimate for federal aid highways in excess of the amount I recommended in January.

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dollars over and above the estimate of sixty-three million dollars for flood control and reclamation works

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            Fifth, twenty-five million
    dollars additional for federal buildings in various parts of
the country.

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In recommending this program $I$ am thinizing not only of the immediate economic needs of the people of the nation, but  precious Zazs/possession of all Americans. I am thinking of our<br>other parts<br>democracy and of the recent trend in 昽如xwis/of the world away from the democratic ideal. Democracy has disappeared in s everal other great nations.

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fiscal year beginning July first next. This estimate of expenditures mas many million dollars below the expenditures of the current year. My new recommendrifons to the Congress increase those estimates of Jpathary by a large sum. The net effector the debt of the government will, however, be thigh It means that between now and July 1, 1939
 $17 A T_{\text {Such }}^{A}$ anal an to the net debt of the United states need not Give concern to any citizen, for it will return to the people of the United states many times over increased paddy ind power and eventually in much greater government tex receipts because of the increase in the citizen income.

What I said to the Congress in the close of my message I repeat to you.
"Let us unanimously recognize the fact that the Federal debt, whether it be twenty-five billions or forty billions, can only be paid if the Nation obtains a vastly increased citizen income. I repeat that if this citizen income can be raised to eighty billion dollars a year the national Government and the overhwelming majority of state
and locsl governments will be "out of the red". The higher the national income goes the faster will we be able to reduce the total of Federal and state and local debts. Viewed from every angle, today's purchasing power -- the citizens' income of today - is not sufficient to drive the economic system at higher speed. Responsibility of government requires us at this time to supplement the normal processes and in so supplementing them to make sure that the addition is adequate. We must start again on a long steady upward incline in national income.

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citizensemyath And in that process, which I believe is ready to start, let us avoid the pitfalls of the past.p-the over-production, the over-speculation and indeed all the extrmes which we did not succeed in avoiding in 1929. In all of this, government cannot and should not act alone. Business must help. I am sure business will help.
"We need more than the materials of recovery. We need a united national will.

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"We need to recognize nationally that the demands of no group, however, just, can be satisfied unless that group is prepared to share in finding a way to produce the income from which they and all other groups can be paid. 11
cratis You, as the Congress, I, as the President, must by virtue of our offices, seek the national good by preserving the balance between all groups and all sections.
"We have at our disposal the national resources, the money, the skill of hand and head to raise our economic level -- our citizens' income. Our capacity is limited only by our ability to work together. What is needed is the will.
"The time has come to bring that will into action with every driving force at our command. And I am determined to do my share.

"Certain positive requirements seem to me to accompany the will -- if we have that will.
"There is placea on all of us the duty of self-
restraint. Hentinn
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 discipline of a democracy. Every patriotic citizen must say to himself or herself, that immoderate statement, appeals to prejudice, the creation of unkindaess, are offenses not against an individual or individuals, but offenses against the whole population of the United States.
"Use of power by any group, however situated, to force its interest or to use its strategic position in order to receive more from the comon fund than its contribution to the common fund justiries, is an attack against and not an aid to our national life.
"Self-restraint implies restraint by articulate public opinion, trained to distinguish fact from falsehood, trained to believe that bitterness is never a useful instrument in public affairs. There can be no dictatorship by an individual or by a group in this Nation, save through division
-21-
fostered by hate. Such division there must never be.
"Amid the voices which now seek to divide group from group, occapation from occupation, section from section, thinking Americans must insist on comron effort in a common endeavior and a common faith in each other. Let every business man set out to use his strength of mind and heart and highonfidence in his fellow men and his country. Let every lapor leader find not how work can be stopped but how it can be maek to proceed smoothly, continuously and parly. Let every public official consider that his task is to use his authority so that the service he renders is adapted to curbing akuses and helping honest effort $\neq$. Let every one of us work together to move the life of the Nation forward.

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fInally I should like to say a personal word to those of you who are listening.

I XIEXX never forget that I live in a house owned by all the American people and that I have been given their trust r, 4.5 IT

I try always to remember that their deepest problems are : ccmathooth human like my awn. I talk with those who come to tell me

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 great 탱톃/industries and financial institutions of the country -the wombat
with those who represent the farmer and -- and more of ten with your own public officials or your neighbor -- who come to this house. to see beyond the doors of White House into the hopes and fears of men and women lase in their homes. I have travelled the country over many times. My wife bring to me reports of what you are thinking and hoping for $I$ do not wish to lose touch with those whom I do not meet personally. For I want to be sure that neither the trappings nor the battles and the burdens of office shall ever blind me to an intimate knowledge of the way the American people want to live and the simple purposes for which they. put me here.

## INSERT G

Finally I should like to say a personal word to those of you who are listening.

I never forget that I live in a house owned by all the American people and that $I$ have been given their trust.

I try always to remember that their deepest problems are human like my own. I constantly talk with those who come to tell me their own points of view -- with those who manage the great industries and financial institutions of the country -- with those who represent the farmer and the worker-average citijums wittanthigh papithen.
 who come to this house. And constantly PEEK $H^{2}$
 the doors of the White House, into the hopes and fears of men and women in their homes. I have travelled the country over
 bring to me reports of what you are thinking and hoping. I want to be sure that neither the trappingismon battles no burdens of office shall ever blind me to an intimate knowledge of the way the American people want to live and the simple purposes for which they put me here.

In these great problems of government I try not to forget that what really counts at the bottom of it all, is that the

the American people and that $I$ have been given their trust as it has been given to few men. I try to remember that
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Pe those who can come to tell me their point
of view -- those who have in charge the great industries and

financial institutions of the country, But $Z$ try constantly
 through other members of my household and my staff -- through mary into
as much travelling as I can do consonant with my duties --
not to lose touch with those who cannot afford to come to
me but whose day-to-day problems and ways of living are the
heart of American life.

In these great bookkeeping problems of government, I try not to forget that at the bottom what really counts is that the man and woman willingto work can have a dignified job to take care of themselves and their homes and their children, and the manufacturer that the storekeeper, the gasoline pup operator, the merchant//big and small -- the banker who takes pride in the help he gives to the building of his community, can be sure of a reasonable profit -- not today nor tomorrow alone but in
reasonable prospect for next month, next year and the next twenty years.
men and women willing to work can have a job to take motequatelly; care of themselves and their homes and their children; that the

farmer, the storekeeper, the gas station man, the manufacturer, the merchant -- big and small -- the banker who takes pride in the help he gives to the building of this community -- that all these can be sure of a reasonable profit and safety for the savings they earn -- not today nor tomorrow alone, but anterspon when 2,5 far ahead as they can see.

I can hear your unspoken wonder as to where we are headed
in this troubled world. I cannot expect all of the underatmaf $N / 1$ and

 problems; but it is my job to try to understand the problems,


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I always try to remember that reconcilian cannot satisfy everyone completely I miry tirement sentencing ane in themormincourseone Because $I$ do not expect too much, I am not disappointed. But I know that I must never give up simply because of disagreement and misunderstanding -- that I must never let the greater interest of all the people down, merely because that might be for the moment the
easiest personal way out.

I believe we have been right in the course we have
charted, even though sometimes mo Alun+2durn usa forbade

stable and a more tolerant America , would be to miss the tide ongerywemb. I pro-
 pose to sail ahead. I feel sure that your hopes are with me.

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ajifarmers．Because any reconciliation cannot satisfy every one completely，government has to expect a temporary resistance and misunderstanding，first from one group and then from another．But it must never give up simply because of resist－ ance－－it must never let the greater interest of allee people down because that is the easiest thing for the moment to do．And to ease off our course of building a greater，a styx stabler，a more understanding and tolerant America because of the criticism of a few，would be to let the people Enable：
down．We must be sure we are right，as Lincoln said，but after being sure we must go ahead．I have been thinking a great deal in the last few months．

I ampere that we have been right in the course we have been pursuing，even though
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sometimes we have to sail against the wind．I propose to go
 ahead．I feel sure your with me．

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    In these great problems of government I try not to
forget that what m really counts at the bottom of it all,
is that the men and women willing to work can have a
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gasoline station man, the manufacturer, the merchant -- big
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in this troubled world. I cannot expect all of the many kihds
of people in this country to sympathize completely with each
other's problems; but it is my job to try to understand all
the problems and to suggest the best reconciliation possible
in thel light of the general welfare.
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## I always try to remember that reconciliation cannot satisfy

 come I am not dimppojnted them -But I kmow-I must never fire un simply to avoid them
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I know that/disagreement and misunderstanding are in the normal course of things, Recuse I do not expect too much, I am not disappointed. But I know that I must never give up simply because f disagreement and misunderstanding -T hat 0 must never let the greater interest of all the people down merely that might be because/for the moment xxxix the easiest personal way out,

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## RADLO SPEECH

APRTL 14, 1938.

Five months have gone by since I Last spoke to the people of the Nation about the state of the Nation.

> I had hoped to be able to defer this talk until next meek because, as we all know, this is Holy week. But whet I want to say to you, the people of the country, is of puch immediate need and relates so closely to the lives of humen beings and the prevention of human suffering that I have felt that there should be no defy. In this decision I have been strengthened by the thought that by speaking tonight there will be greater peace and the hope of सaster may be more real at firesides everywhere, and that it is not insppropriate to encourage peace when so many of us are thinking of the pince of Peace.

Tive years ago we faced a very serious problem of economic and sockal recovery, For four and a half years that recovery proceedec apace. It is only in the past seven months that it has received a visible setback.

And it is only within the past two months, as we have

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DRAFT #2
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steps to meet it.
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This recession has not returned us to tha disasters and suffering of the beginning of 1933. Your money in the bank is saíe; farnexs are no longer in deep distress and have greater purchesing power; dangers of security speculation have been minimized: national income is almost $50 \%$ higher than in 1932; and government has an established and accepted responsibility for relief.

But I know that many of you have lost your jobs or have seen your friends or members of your families lose their jobs, and I do not propose that the government shall pretend not to see these things. I mow that the effect of our present difficulties has been uneven; that they have affected some groups and some localities seriously but that they have been scarcely felt in others. But I conceive the first duty of governiment is to protect the economic welfare of all the people in all sections and in all groups. I said in my message opening the Last session of Congress that if private enterprise did not provide jobs this Spring, gove mant would take up the slack -that I would not let the people down. We have all learned the Iesson that govermment cannot afford to wait until it has Lost the power to act.

DRAFT \#2 -3-

Therefore, I have sent a dessage of far-reaching inportance to the Congress. I want to read to you tonight certain passages from that Message, and to talk with you about them.

In that Message I analyzed the causes of the collapse of 1929 in these words: "over speculation in and over-production of practically every article or Instrument used by man .... millions of people had been put to work, but the products of their hands had exceeded the purchasing power of their pocketbooks ...... Under the inexorable lew of supply and demand, supplies so overran demand that production was compelled to stop. Unemployment and closed factories resulted. Hence the tragic years from 1929 to 1933**

I pointed out to the Congress that the netional income not the Government's income but the total of the income of all the indridual oitizens and families of the United States every farmer, every worker, every banker, every professional man and every person who lived on income derived from investments -that national income amounted, in the year 1929, to eighty billion dollars. By 1932 this had fallen to thirty-eight billion dollars. Gradually, and uy to a few months ago, it had risen to a total of sixty-elght billion dollaxs - a pretty good come-back from the

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I then said this to the Congress:
Wut the very vigor of the recovery in both durable goods and consumers" goods brought into the picture early in 1937 certain highly undesirable practices, which were in large part responsible for the economic decline which began in the later months of that year, Again production outran the ability to buy,
"there were many reasons for this over-production. One was fear - fear of way abroad, fear of inflation, fear of nationwide strikes. None of these fears have been borne out. There were other conuses of over-prodaction, and these causes differed in each industry.
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waw materials, putting them through the manufgoturing and finishing processes, selling them to the retailars, seling them to the consumer, and inally using them, got completely Out of balance.
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A1 of this I sada to tha Congress today and I repeat it to you, the people of the country tonight.

I went on to point out to the Senate and thefouse of Representatives that all the enorgies of government and $^{2}$ business must be dreeted to increasing the national incone to puting more people into private jobs, to giving security and a feeling of searity to all people in all walks of life. I at constantly thinking of all our peoplo - memployed and enployed alite - of their human problams of food and olothing and homes ana ouncation min health and ola age. You and I agrea hat security is our greatest need - - the chance to work, the opportimity of making a reasonable profit in our business - whether it beca very susil business or a larger one - the possibility of sellinc our esm products for mough money for our fanilies to live on cematy. I know these are the things that decide the well-belng of all

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our people. Trerefore, I am detemmned to do all in my
power to malp you attain that sacurity and because I know tint
the people themselves have a deep conviction that secure
prosperity of that zind cannot be a lagting one except on a
basis of business fakn dealing and a besls where all
Irom top to bottom shame in prosperity, I repeated to the
Congrest today thet neither it nor the Chief #xecutive can
Efford nto weaken or destroy great reforms which, during
the past five yeass, have been effacted on behalf or the
American poople. In our rehabilitation of the bonking
structupe mad of ggrioulture in oux provisions for adequate
and cheaper eredit for all types of business, in our sceeptance
of national sesponsibility for unemployment relief, in our
strengthening of the credit of state and local government,
in our encouragement of housing, slum clearsnce and home
ownershtp, in our supervision of stock exchanges anc public
utility holding compmates and the issuance of new securities,
in our proviston for sociri seoumity, the electorate of Arertea
wants no backward steps taken*
    #we rave recognized the rlght of Labor to free
Organization, to collootive bargaining; wnd machinery for the
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handing of labor relations is now in existence. The principles Wre established even though we can all admit that through the evolution of time administuation and practices can be improved. Such improvement can come about most quickly and most peaceftaly through sincere efforts to understand and assist on the part of labor leaders and employers alike. \#he never-ceasing evolution of human society will dountless bring forther new problems which will require new adjustments. Our imediate tasia is to consolidate and maintain the geins achieved.

Mn this stituation there is no reason and no occasion for any Anerican to allow his fears to be aroused or his energy and enterprise to be paralyzed by doubt or uncertainty."

I came to the conclusion thet the present-day problem calls for action both by the Government and by the people, that we suffer from failure of consumer demend because of lack of buying power. It is up to us to create an economic upturn.

How and where can ma should the Government help to start an upward spiral?

T went on to propose three groups of measures and I will summarize the recommendations.

First, I asked for certain appropriations which are intended to keep the present mete of Government expencitures for work relief and similar purposes during the coning fiscal year at the same rate of expenditure as at present. Thst includes additional money for the Forks Progress Admintstration; additional funds for the Farm Security Administration; additional allotments for the National Youfh Administration, and more money for the Civilien Conservation Corps, in order that it can maintain the existing number of camps now in operetion.

These appropriations, made necessary by increased unemployment, w111 cost about billion and a qurter more than the etimates which I sent to the Congress on the third of Januery.

Secondy, I told the Congress that the Acministration prom poses to make additional bank reserves available for the credit needs of the country. About one billion four hundred mililon dollars of gold now in the Treasury will be used to pay these additional expenses of the Government, and three-guarters of a billion dollars of additional credit will be made avallable to the banks by reduclng the reserves now required by the Federal Reserve Board.

These two steps taking eare of relief needs and adang to bank credits are in our juagment insufficient by themselves to start the 制thion on a sustained mpward movement.

Therefore, I cane to the third category of Government action which I consider to be vital. I seid to the Congress:

Mou and I eannot afford to equip ourselves
with two rounds of ammantion where three rounds are necessary. If we stop at relief and credit, we may find ourselves without amunition before the enelgy is routed. If we are fully equipped with the third round of amunition, we stand to Win the battie against adversity."

The third proposal is to make definite additions to the purchasing power of the Wetion by providing new work over and above the continuing of the old work.

First, to enable the United States Housing Authority to undertake the immediate construction of about three hundred million dollars of additional slum clearance projects.

Second, to renew a public works progran by starting as quickly as possible about one billion dollars worth of needed permanent public ipprovements in states, counties and cities.

Third, to ado one hundred $h=110 n$ dollams to the estimete fow fecerel dit mghways in excess of the amount I recommended It Jamanay.

Fourth, to ado thirty-seven million dollars over and Whove the former estimate of sixty-three million dallars for flood control and reclatation works.

Fifth, to add twenty-five allion dollars additional for fecienal bullangs in varlous parts of the country.

In recommenatice thit progran I an thinicing not only of the impeditate oconomic needs of the people of the tuthon, but also of their pewsonal liberties -- the most prectous possession of 11 Americans. I am thinking of our democracy and of the recent trend in other pates of the world awey from the denocratic iceal. Denocracy has disappeared in several other great netions.

This wes hot because the people of those nations oisilkea democracy; it was because they had grown tirea of unemployment and insecurity, of seeing their children huxgy while they sat helpless in the face of government confusion, government wekness, through lack of 1 adershyp in govermment, Finally, in aesperetion, they chose to sacrifice liberty in the bope of getting something to ent. 雷e in memida mow that our own democratic institution
 Then whem to act together, wo moth hate prohzoma of the

 securdey of the peopae.
tor only our fature economio sommanss but the very somandes of out comocritic ingestuthons beperation the







Fistoxy proves that dictatorahips do not grow out at strong mo guccessint govexnments but out of weak and
 governanon zhrong anough to protect the from fanc anc Starvation, whein tewocracy tucceeds, but if mey oo not,

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        DMAFP青2 -13
    and well enough informed to maintain its sovereign control over
    Lts govermment.
    We are a rich Nation: we can afford to pay for
    Security and prosperity without having to sacrifice our
    Liberties Into the pargain,
    In the first century of our republic we were
    short of eapital, short of workerg and short of industrial
    production, but ve were rich in free land, free timber and
    fmee mineral wealth. The Federal Govemment rigntly assumed
    the duty of promoting bustness and relleving depression
    by giving subsiales af land and otner resources.
    Thus, from our earliest days we have had a
tradition of substantivi govermamt help to our system of
private enterprise. But today the govermment no longer has
Vast tracts of rich land to give away and we have discovered
that we must spend laxge sums to conserve our land from
Furthef erozion and our gorests from further depletion. The
Situmtion is also very different from the old days, beause
we have plenty of capital, banks and insurance companies
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loaded with idle money; plenty of industrial productive canactuy and several milions of workers looking for jobs. It is following tradition as well as necessity, if we strive to put idie money and idie men to work, to increase our public wealth and to build un the health and strength of the people - and to hely our systera of privete enterprise function* It is going to $\cos$ something to get out of this recession this way but the profit of getting out of it will pay for the cost several times over. Host working time
is lost money. Every day that morkman is memployed, or a machine is unused, or a butiness organization is maxking time, is loss to the wation. Deceuse of idue men and Lide machines this Mation lost one hunared billion dollars between 1929 and the Spring of 1933. This year you, the people of this country, are meking bbout welve billion dollass less tinan Last year.

If you think back to the experiences of the amiy years of this Adainistration you will remember the doubts and fears expressec about the rising expenses of Goverment. But to the surprise or the dowbters, as we groceeded to carry on the program wich inciuded Fublio vorks and work helief,
the country grew wicher instead of poorer.

It is worthmile to womber that the ammal national people's income ws thirty billion dollas more in 1937 than in 2932. It is true that the national debt ancreased siween billion dolless, put remember thet in this Incresse gust be inen识ed several bllion dollers worth of \#ssets which quentually will reduee that increase and that many billion dollats of permanent pubilc inprovements schools, 解 a host of othex thing meat your eye in evexy one of the thirty one mudred counties in the Jnited States.

Wo doubt you wit be told that the govermment spenchng progran of the past five years dit not cause the morease in our national income. They wil tell you that business fevived because of privet spending and investment. That is true in part, for the Government spent only a small part of the total. But that Governant spending acted as a trigger to set off private activity. That is why the total addtiton to our national production and national income has been so muah greater than the contribution of the Goverment itself.

In pursuanee of that thought I saici to the Congress


We can get an adequate rise in national income merely by investing, lending or spenaing public funds. It is essential in our economy that private funds be put to work and all of us recognise that such funds axe entitied to a pair proftt.

As national Incone rises, let us not forget thet Governament expenditures will go down and Government tax receipts will go up. The Governatat contribution of land that we once made to business was the land of all the people. And the Government contribution of money which we now maike to business ultimately comes out of the lebor of all the people. It is, therefore, only sound morality, as well as a sound distribution of buying power, that the benefits of the prosperity coming from this use of the money of all the people should be distributed among all the people mat the bottom as mell as at the top. Consequently, I am again expressing my hope that the Congress will encet at this session * wage and hour bill putting a floor under industrial wages and a limit on working hours - to ensure a better aistribution of our prosperity, better distribution of avialable work, and a sounder distribution of buying power.

You may get all kind of impressions in regerd to the total cost of this new program, or in regard to the amount that will be added to the net nstional debt.

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    It is a bug program, Last sutumn in a sincere effort
to brung Govemment expenditures and Govermuent income Into
closer belance, the Budget I worked out called for shamper
Qemeages In Govermuent spending.
    In the light of present conditions those estimetes were
far too low, mhis new program adas two billion and sixty-two
uillion doliars to firect Treasury expenditures and another
nine hundred and fifty million dollars to Government loans --
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the mreasury in the future.
    The net effect on the cebt of the Governuent is this --
between now wnd Juiy 1; 1939 - fifteen months away -- the
Treasury wll have to adse less than a blllion and a malf
doluars of new roney.
    Sum an mddition to the net debt of the united states
need not give concern to mny citizems for it will retwm to the
people of the United stwtes many times over in inoreased buying
power and eventually in much greater Government tax recelpts
because of the incremse in the citizen income.
    What I said to the Congress in the close of my message
I repeat to you*
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"Let us unamimously recognize the Pact that the Fearal debt, whether it be twenty-five billions or forty billions, ean only be paid if the $\begin{aligned} & \text { atation obtains a } \\ & \text { pastly increased citizen income. I }\end{aligned}$ repeat thet if this citizen income can be rafsed to eighty billion dollars a year the nathonal Government and the overwhelning majority of State and local governments will be "out of the red." The higher the nattonal income goes the faster will we be able to reduce the total of Federd and state and local debts. Viewed from every angle, today's purchasing power -- the citizens ineome of today - in not sufficient to duive the economic system at higher speec. KesponsiBility of Government reguires us at this time to supplement the normal. processes and in so supplementing them to make sure that the adition is adequate: he mut start again on 2 long steady upward incline in national income.
..."Bnd in that process, which I believe is ready to start, let us avoid the pitfalls of the past - - the over-production, the over-speculation, and indeed all the extremes which we did not succeed in avoiding in 1929. In all of this, Government cannot and should not act alone. Business must help. I an sure business will help.

WWe need more than the materials of recovery. we need a united national will.

We need to recognize netionally that the derands of no group, hovever, just, can be satisfied unless that group is pxepared to mare in finding a way to produce the incone fron whath they and all other groups can be paic. ...*** You, w, the Congress, I, as the President, must by virtue of our offices, seek the nsthonal good by preserving the belance between all groups and all sections.
"We have at our disposinl the national resources, the money, the skill of hand and head to mase our economio level our ctitzeng income. Ouf capacity is Limited only by our ability to work together. What is needed is the minl.

Hane tine has cone to bring that will into action with every driwing foree at our conmand. And I am detervined to do my shame.
**** Wertaln positive requirements seen to me to aocompany the will - 17 we have that will.
 ........2hat is the discipline of a democracy. Every patriotio athan must say to huself or herself, that imoderate statement, appeals to prefudice, the creation of unkindness, are orfenses not against an andvicual or individuals, but offenses againgt the whole population of the United states.
$1021$
weaulted. Wenae the tragto yenm from 1929 to 10\% **



























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We. Heck





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Eqoday the cevernment is binil ealled on to hely
business and relieve dopresalon but the eireumstanoes are
wery afterent. woday he batks and insuranee companies

looking for jobsf we have a large amount of unused industrial

has vast tracte of ptoh land to give awn. $]$章
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the interenta of the peopie, and a people atrong enough
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The Humedinte duty of our coverament，（in my opinton，
1．to use its power to buila up the atrength and seourity of

Sentose I spotir of where the mony is coming from to

guestion．造 we not overcome his weoesaion，how are you
and $I$ going to pay for the 2 assen of business recession and

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bustue orgonization is zarking thet，is lobe to the
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of 193s．男啨 y yar you，the people of this country，are
making about tweive blillon dollars 1ess than 1sst year．

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 metr and women wow wo over.

Wose of power by any group, however situated, to force its Interest or to use its strategic position in order to receive more from the Common fund then its contribution to the comon fund justifies, is an atteck against and not an aid to our national ilfe*

OSelforestraint implies restraint by articulate publie opinion, trainea to distinguish fact from falsehood, trained to believe that bitterness is never a useful instrument in publie affairs. There can be no aictatorship by an individual or by a group in this Nation, save through division fostered by hate. Such division there must never be.

Hmid the voiees which now seek to divide group from group, oceupation from occupation, section from section, thinking Americans must insist on common effort in a common endeavor and a comon faith in each other.

Finally I should like to say a personal word to those of you who are $2 i s t e n i n g$.

I never forget that I live in a house owned by
all the Anerican people and that I have been given their trust.

I try always to remember that their aeepest problems are huan like my own. I constantly talk with those who

DRAFT \#2
cone to tell me their own points of view -m with those who manage the great industries and Einancial institutiong or the country - with those who represent the farmer sind the workex and often with average oitizens without high position who come to this house. And constantly I seek to look beyond the doors of the Whate House, beyond the official door of the National Capital, into the hopes and fears of men and women in their homes. I have wraralled the country over many times. My family, my friends, my enemies, my daily mail bring to me reports of what you are thinking and hoping. I want to be sume that neither batties nor burdens of office shell ever blind we to an intrante knowLedge of the way the American people want to live and the simple purposes for which they put ne here.

In these great problems of government I try not to forget that what really comnts at the bottom of it all, is that the zen and women willing to work can have a decent job
 adequately; bhet the farmer, the factory worker, the storekeeper, the gas stetion man, the mamufacturer, the merchant mo big and
smal - the banker who takes pride in the help he gives to the

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DRAFT #2
    -22
builalng of mis comuunty -m that all these can be sure of a
reasonable prorit and safety for the savings they oarn --
not today nor tomorrow alone, but as far ahead as they can
see.
    I can hear your unspoken wonder as to where we
are headed in this troubled world. I cannot expect all of
the people to understand all of the peoplets problems:
but it is %y jow more then that of my other man to try to
understand those probleas.
    I glways try to fomember that peconciling
differences cennot satisfy everyone completely. Because I do
not expect too much, I am not disappointed. But I know that I
must never give up simply because of disagreement and misunder-
standing m that I must never let the greater interest of all the
people dom, merely because that might be for the moment the
easjest personal way out*
    I believe we have been right in the course we have
charted. To abandon our purpose of building a greater, a more
stable and a more tolerant Anericam, woula be to miss the tide
and perhaps to miss the port. I propose to sail ahead. I
feel sure that your hopes and your help are with me. For to
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DRAFTY ##
    -23-
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reach a port, we must sail - sail, not tie at anchor,
sail, not dxift.


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