Franklin D. Roosevelt Library & Museum

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Box 6; Folder = FDR Materials: Press Releases, 1934-1938

[Part 1 of 2]
FOR THE PRESS

HOLD FOR RELEASE

CAUTION: The following address of the President is RELEASED FOR PUBLICATION in editions of all newspapers appearing on the streets NOT EARLIER THAN 10 o'clock P. M., Eastern Standard Time, tonight.

NOTE: Please safeguard against premature release.

STEPHEN T. EARLY
Assistant Secretary to the President

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Three months have passed since I talked with you shortly after the adjournment of the Congress. Tonight I continue that report, though, because of the shortness of time, I must defer a number of subjects to a later date.

Recently the most notable public questions that have concerned us all have had to do with industry and labor and with respect to these, certain developments have taken place which I consider of importance. I am happy to report that after years of uncertainty, culminating in the collapse of the spring of 1933, we are bringing order out of the old chaos with a greater certainty of the employment of labor at a reasonable wage and of more business at a fair profit. These governmental and industrial developments hold promise of new achievements for the nation.

Men may differ as to the particular form of governmental activity with respect to industry and business, but nearly all are agreed that private enterprise in times such as these cannot be left without assistance and without reasonable safeguards lest it destroy not only itself but also our processes of civilization. The underlying necessity for such activity is indeed as strong now as it was years ago when Elihu Root said the following very significant words:

"Instead of the give and take of free individual contract, the tremendous power of organized capital in enormous industrial establishments working through vast agencies of commerce and employing great masses of men in movements of production and transportation and trade, so great in the mass that each individual concerned in them is quite helpless by himself. The relations between the employer and the employed, between the owners of aggregated capital and the units of organized labor, between the small producer, the small trader, the consumer, and the great transporting and manufacturing and distributing agencies, all present new questions for the solution of which the old reliance upon the free action of individual wills appear quite inadequate. And in many directions, the intervention of that organized control which we call government seems necessary to produce the same result of justice and right conduct which obtained through the attrition of individuals before the new conditions arose."
It was in this spirit thus described by Secretary Root that we approached our task of reviving private enterprise in March, 1933. Our first problem was, of course, the banking situation because, as you know, the banks had collapsed. Some banks could not be saved but the great majority of them, either through their own resources or with government aid, have been restored to complete public confidence. This has given safety to millions of deposits in these banks. Closely following this great constructive effort we have, through various Federal agencies, saved debtors and creditors alike in many other fields of enterprise, such as loans on farm mortgages and home mortgages; loans to the railroads and insurance companies and, finally, help for home owners and industry itself.

In all of these efforts the government has come to the assistance of business and with the full expectation that the money used to assist these enterprises will eventually be repaid. I believe it will be.

The second step we have taken in the restoration of normal business enterprise has been to clean up thoroughly unwholesome conditions in the field of investment. In this we have had assistance from many bankers and business men, most of whom recognize the past evils in the banking system, in the sale of securities, in the deliberate encouragement of stock gambling, in the sale of unsecured mortgages and in many other ways in which the public lost billions of dollars. They say that without changes in the policies and methods of investment there could be no recovery of public confidence in the security of savings. The country now enjoys the safety of bank savings under the new banking laws, the careful checking of new securities under the Securities Act and the curtailment of rank stock speculation through the Securities Exchange Act. I sincerely hope that as a result people will be disencouraged in unhappy efforts to get rich quick by speculating in securities. The average person almost always loses. Only a very small minority of the people of this country believe in gambling as a substitute for the old philosophy of Benjamin Franklin that the way to wealth is through work.

In meeting the problems of industrial recovery the chief agency of the government has been the National Recovery Administration. Under its guidance, trades and industries covering over ninety per cent of all industrial employees have adopted codes of fair competition, which have been approved by the President. Under these codes, in the industries covered, child labor has been eliminated. The work day and the work week have been shortened. Minimum wages have been established and other wages adjusted toward a rising standard of living. The emergency purpose of the N. R. A. was to put men to work and since its creation more than four million persons have been re-employed, in great part through the cooperation of American business brought about under the codes.

Benefits of the Industrial Recovery Program have come, not only to labor in the form of new jobs, in relief from over-work and in relief from under-pay, but also to the owners and managers of industry because, together with a great increase in the payrolls, there has come a substantial rise in the total of industrial profits — a rise from a deficit figure in the first quarter of 1933 to a level of sustained profits within one year from the inauguration of N. R. A.
Now it should not be expected that even employed labor and capital would be completely satisfied with present conditions. Employed workers have not by any means all enjoyed a return to the earnings of prosperous times; although millions of hitherto under-privileged workers are today far better paid than ever before. Also, billions of dollars of invested capital have today a greater security of present and future earning power than before. This is because of the abandonment of fair, competitive standards and because of relief from unfair competition in wage cutting which depresses markets and destroys purchasing power. But it is an undeniable fact that the restoration of other billions of sound investments to a reasonable earning power could not be brought about in one year. There is no magic formula, no economic panacea, which could simply revive overnight the heavy industries and the trades dependent upon them.

Nevertheless the gains of trade and industry, as a whole, have been substantial. In these gains and in the policies of the Administration there are assurances that hearten all forward-looking men and women with the confidence that we are definitely rebuilding our political and economic system on the lines laid down by the New Deal—lines which as I have so often made clear, are in complete accord with the underlying principles of orderly popular government which Americans have demanded since the white man first came to these shores. We count, in the future as in the past, on the driving power of individual initiative and the incentive of fair private profit, strengthened with the acceptance of those obligations to the public interest which rest upon us all. We have the right to expect that this driving power will be given patriotically and whole-heartedly to our nation.

We have passed through the formative period of code making in the National Recovery Administration and have effected a reorganization of the N.R.A. suited to the needs of the next phase, which is, in turn, a period of preparation for legislation which will determine its permanent form.

In this recent reorganization we have recognized three distinct functions. First, the legislative or policy making function. Second, the administrative function of code making and revision and, third, the judicial function, which includes enforcement, consumer complaints and the settlement of disputes between employers and employees and between one employer and another.

We are now prepared to move into this second phase, on the basis of our experience in the first phase under the able and energetic leadership of General Johnson.

We shall match carefully the working of this new machinery for the second phase of N.R.A., modifying it where it needs modification and finally making recommendations to the Congress, in order that the functions of N.R.A. which have proved their worth may be made a part of the permanent machinery of government.

Let me call your attention to the fact that the National Industrial Recovery Act gave business men the opportunity they had sought for years to improve business conditions through what has been called self-government in industry. If the codes which have been written have been too complicated, if they have gone too far in such matters as price fixing and limitation of production, let it be remembered that so far as possible, consistent with the immediate public interest of this past year and the vital necessity of improving labor conditions, the representatives of trade and industry were permitted to write their ideas into the codes. It is now time to review these actions as a whole to determine through deliberative means in the light of experience, from the standpoint of the good of the industries themselves, as well as the general public interest, whether the methods and policies adopted in the emergency have been best calculated to promote industrial recovery and a permanent improvement of business and labor conditions.
There may be a serious question as to the wisdom of many of those devices to control production, or to prevent destructive price cutting which many business organizations have insisted were necessary, or whether their effect may have been to prevent that volume of production which would make possible lower prices and increased employment. Another question arises as to whether in fixing minimum wages on the basis of an hourly or weekly wage we have reached into the heart of the problem which is to provide such annual earnings for the lowest paid worker as will meet his minimum needs. We also question the wisdom of extending code requirements suited to the great industrial centers and to large employers, to the great number of small employers in the smaller communities.

During the last twelve months our industrial recovery has been to some extent retarded by strikes, including a few of major importance. I would not minimize the inevitable losses to employers and employees and to the general public through such conflicts. But I would point out that the extent and severity of labor disputes during this period has been far less than in any previous, comparable period.

When the business men of the country were demanding the right to organize themselves adequately to promote their legitimate interests when the farmers were demanding legislation which would give them opportunities and incentives to organize themselves for a common advance, it was natural that the workers should seek and obtain a statutory declaration of their constitutional right to organize themselves for collective bargaining as embodied in Section 7 (a) of the National Industrial Recovery Act.

Machinery set up by the Federal government has provided some new methods of adjustment. Both employers and employees must share the blame of not using them as fully as they should. The employer who turns away from impartial agencies of peace, who denies freedom of organization to his employees, or fails to make every reasonable effort at a peaceful solution of their differences, is not fully supporting the recovery effort of his government. The workers who turn away from those same impartial agencies and decline to use their good offices to gain their ends are likewise not fully cooperating with their government.

It is time that we made a clean-cut effort to bring about that united action of management and labor, which is one of the high purposes of the Recovery Act. To have passed through more than a year of education. Step by step we have created all the government agencies necessary to insure, as a general rule, industrial peace, with justice for all those willing to use these agencies whenever their voluntary bargaining fails to produce a necessary agreement.

There should be at least a full and fair trial given to these means of ending industrial warfare; and in such an effort we should be able to secure for employers and employees and consumers the benefits that all derive from the continuous, peaceful operation of our essential enterprises.

Accordingly, I propose to confer within the coming month with small groups of those truly representative of large employers of labor and of large groups of organized labor, in order to seek their cooperation in establishing what I may describe as a specific trial period of industrial peace.

From those willing to join in establishing this hoped for period of peace, I shall seek assurances of the making and maintenance of agreements, which can be mutually relied upon, under which wages, hours and working conditions may be determined and any later adjustments shall be made either by agreement or, in case of disagreement, through the mediation or arbitration of state or Federal agencies. I shall not ask either employers or employees permanently to lay aside the weapons common to industrial war. But I shall ask both groups to give a fair trial to peaceful methods of adjusting their conflicts of opinion and interest, and to experiment for a reasonable time with measures suitable to civilize our industrial civilization.
Closely allied to the N.R.A. is the program of Public Works provided for in the same Act and designed to return workers back to work, both directly on the public works themselves, and indirectly in the industries supplying the materials for those public works. To those who say that our expenditures for public works and other means for recovery are a waste that we cannot afford, I answer that no country, however rich, can afford the waste of its human resources.

Demoralization caused by vast unemployment is our greatest evil. Morally, it is the greatest menace to our social order. Some people try to tell me that we must make up our minds that for the future we shall permanently have millions of unemployed just as other countries have had them for over a decade. That may be necessary for those countries is not my responsibility to determine. But as for this country, I stand or fall by my refusal to accept as a necessary condition of our future a permanent army of unemployed. On the contrary, we must make it a national principle that we will not tolerate a large army of unemployed and that we will arrange our national economy so that our present unemployment as soon as we can and then to take wise measures against its return. I do not want to think that it is the destiny of any American to remain permanently on relief rolls.

Those, fortunately few in number, who are frightened by boldness and coerced by the necessity for making decisions, complain that all we have done is unnecessary and subject to great risks. Now that these people are coming out of their storm cellars, they forget that there ever was a storm. They point to England. They would have you believe that England has made progress out of her depression by a do-nothing policy, by letting nature take her course. England has her peculiarities and we have ours but I do not believe any intelligent observer can accuse England of undue orthodoxy in the present emergency.

Did England let nature take her course? No. Did England hold to the gold standard when her reserves were threatened? No. Has England gone back to the gold standard today? No. Did England hesitate to call in ten billion dollars of her war bonds bearing 5% interest, to issue new bonds therefor bearing only 3½% interest, thereby saving the British Treasury one hundred and fifty million dollars a year in interest alone? No. And let it be recorded that the British bankers helped. Is it not a fact that ever since the year 1909, Great Britain in many ways has advanced further along lines of social security than the United States? Is it not a fact that relations between capital and labor on the basis of collective bargaining are much further advanced in Great Britain than in the United States? Is it perhaps not strange that the conservative British press has told us with pardonable irony that much of our New Deal program is only an attempt to catch up with English reforms that go back ten years or more.

Nearly all Americans are sensible and calm people. We do not get greatly excited nor is our peace of mind disturbed, whether we be business men or workers or farmers, by awesome pronouncements concerning the unconstitutionality of some of our measures of recovery and relief and reform. We are not frightened by reactionary lawyers or political editors. All of these cries have been heard before. More than twenty years ago, when Theodore Roosevelt and Woodrow Wilson were attempting to correct abuses in our national life, the great Chief Justice White said:

"There is great danger it seems to me to arise from the constant habit which prevails where anything is opposed or objected to, of referring everything to rhyme or reason to the Constitution as a means of preventing its accomplishment, thus creating the general impression that the Constitution is but a barrier to progress instead of being the broad highway through which alone true progress may be enjoyed."
In our efforts for recovery we have avoided on the one hand the theory that business should and must be taken over into an all-embracing Government. On the other hand the equally untenable theory that it is an interference with liberty to offer reasonable help when private enterprise is in need of help. The course we have followed fits the American practice of Government - a practice of taking action step by step, of regulating only to meet concrete needs - a practice of courageous recognition of change. I believe with Abraham Lincoln, that "The legitimate object of Government is to do for a community of people whatever they need to have done but cannot do at all or cannot do so well for themselves in their separate and individual capacities."

I am not for a return to that definition of Liberty under which for many years a free people were being gradually regimented into the service of the privileged few. I prefer and I am sure you prefer that broader definition of Liberty under which we are moving forward to greater freedom, to greater security for the average man than he has ever known before in the history of America.
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Assistant Secretary to the President

September 30, 1934.

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Recently the most notable public questions that have concerned us all have had to do with industry and labor and with respect to these, certain developments have taken place which I consider of importance. I am happy to report that after years of uncertainty, culminating in the collapse of the spring of 1933, we are bringing order out of the old chaos with a greater certainty of the employment of labor at a reasonable wage and of more business at a fair profit. These governmental and industrial developments hold promise of new achievements for the nation.

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"Instead of the give and take of free individual contract, the tremendous power of organization has combined great aggregations of capital in enormous industrial establishments working through vast agencies of commerce and employing great masses of men in movements of production and transportation and trade, so great in the mass that each individual concerned in them is quite helpless by himself. The relations between the employer and the employed, between the owners of aggregated capital and the units of organized labor, between the small producer, the small trader, the consumer, and the great transporting and manufacturing and distributing agencies, all present new questions for the solution of which the old reliance upon the free action of individual wills appear quite inadequate. And in many directions, the intervention of that organized control which we call government seems necessary to produce the same result of justice and right conduct which obtained through the attrition of individuals before the new conditions arose."

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In all of these efforts the government has come to the assistance of business with the full expectation that the money used to assist these enterprises will eventually be repaid. I believe it will be.

The second step we have taken in the restoration of normal business enterprise has been to clean up thoroughly unhealthy conditions in the field of investment. In this we have had assistance from many bankers and business men, most of whom recognize the past evils in the banking system, in the sale of securities, in the deliberate encouragement of stock gambling, in the sale of unsound mortgages and in many other ways in which the public lost billions of dollars. They say that without changes in the policies and methods of investment there could be no recovery of public confidence in the security of savings. The country now enjoys the safety of bank savings under the new banking laws, the careful checking of new securities under the Securities Act and the curtailment of junk stock speculation through the Securities Exchange Act. I sincerely hope that as a result people will be discouraged in unhappy efforts to get rich quick by speculating in securities. The average person almost always loses. Only a very small minority of the people of this country believe in gambling as a substitute for the old philosophy of Benjamin Franklin that the way to wealth is through work.

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Benefits of the Industrial Recovery Program have come, not only to labor in the form of new jobs, in relief from over-work and in relief from under-pay, but also to the owners and managers of industry because, together with a great increase in the payrolls, there has been a substantial rise in the total of industrial profits — a rise from a deficit figure in the first quarter of 1933 to a level of sustained profits within one year from the inauguration of N. R. A.
Now it should not be expected that even employed labor and capital would be completely satisfied with present conditions. Employed workers have not by any means all enjoyed a return to the earnings of prosperous times; although millions of hitherto under-privileged workers are today far better paid than ever before. Also, billions of dollars of invested capital have today a greater security of present and future earning power than before. This is because of the establishment of fair, competitive standards and because of relief from unfair competition in wage cutting which depresses markets and destroys purchasing power. But it is an undeniable fact that the restoration of other billions of sound investments to a reasonable earning power could not be brought about in one year. There is no magic formula, an economic panacea, which could simply revive over-night the heavy industries and the trades dependent upon them.

Nevertheless the gains of trade and industry, as a whole, have been substantial. In these gains and in the policies of the Administration there are assurances that hearten all forward-looking men and women with the confidence that we are definitely rebuilding our political and economic system on the lines laid down by the New Deal - lines which as I have so often made clear, are in complete accord with the underlying principles of orderly popular government which Americans have demanded since the white man first came to these shores. We count, in the future as in the past, on the driving power of individual initiative and the incentive of fair private profit, strengthened with the acceptance of those obligations to the public interest which rest upon us all. We have the right to expect that this driving power will be given patriotically and whole-heartedly to our nation.

We have passed through the formative period of code making in the National Recovery Administration and have effected a reorganization of the N. R. A. suited to the needs of the next phase, which is, in turn, a period of preparation for legislation which will determine its permanent form.

In this recent reorganization we have recognized three distinct functions. First, the legislative or policy making function. Second, the administrative function of code making and revision and, third, the judicial function, which includes enforcement, consumer complaints and the settlement of disputes between employers and employees and between one employer and another.

We are now prepared to move into this second phase, on the basis of our experience in the first phase under the able and energetic leadership of General Johnson.

We shall watch carefully the working of this new machinery for the second phase of N. R. A., modifying it where it needs modification and finally making recommendations to the Congress, in order that the functions of N. R. A., which have proved their worth may be made a part of the permanent machinery of government.

Let me call your attention to the fact that the National Industrial Recovery Act gave business men the opportunity they had sought for years to improve business conditions through what has been called self-government in industry. If the codes which have been written have been too complicated, if they have gone too far in such matters as price fixing and limitation of production, let it be remembered that they were as far as possible, consistent with the material interest of this past year and the vital necessity of improving labor conditions, the representation of trade and industry were permitted to write their ideas into the codes. It is now time to review these actions as a whole to determine through deliberative means in the light of experience, from the standpoint of the good of the industries themselves, as well as the general public interest, whether the methods and policies adopted in the emergency have been best calculated to promote industrial recovery and a permanent improvement of business and labor conditions.
There may be a serious question as to the wisdom of many of those devices to control production, or to prevent destructive price cutting which many business organizations have insisted were necessary, or whether their effect may have been to prevent that volume of production which would make possible lower prices and increased employment. Another question arises as to whether in fixing minimum wages on the basis of an hourly or weekly wage we have reached into the heart of the problem which is to provide such annual earnings for the lowest paid worker as will meet his minimum needs. We also question the wisdom of extending code requirements suited to the great industrial centers and to large employers, to the great number of small employers in the smaller communities.

During the last twelve months our industrial recovery has been to some extent retarded by strikes, including a few of major importance. I would not minimize the inevitable losses to employers and employees and to the general public through such conflicts. But I would point out that the extent and severity of labor disputes during this period has been far less than in any previous, comparable period.

When the business men of the country were demanding the right to organize themselves adequately to promote their legitimate interests; when the farmers were demanding legislation which would give them opportunities and incentives to organize themselves for a common advance, it was natural that the workers should seek and obtain a statutory declaration of their constitutional right to organize themselves for collective bargaining as embodied in Section 7 (a) of the National Industrial Recovery Act.

Machinery set up by the Federal government has provided some new methods of adjustment. Both employers and employees must share the blame of not using them as fully as they should. The employer who turns away from impartial agencies of peace, who denies freedom of organization to his employees, or fails to make every reasonable effort at a peaceful solution of their differences, is not fully supporting the recovery effort of his government. The workers who turn away from impartial agencies and decline to use their good offices to gain their ends are likewise not fully cooperating with their government.

It is time that we made a clean-cut effort to bring about that united action of management and labor, which is one of the high purposes of the Recovery Act. We have passed through more than a year of education. Step by step we have created all the government agencies necessary to insure, as a general rule, industrial peace, with justice for all those willing to use these agencies whenever their voluntary bargaining fails to produce a necessary agreement.

There should be at least a full and fair trial given to these means of ending industrial warfare and in such an effort we should be able to secure for employers and employees and consumers the benefits that all derive from the continuous, peaceful operation of our essential enterprises.

Accordingly, I propose to confer within the coming month with small groups of those truly representative of large employers of labor and of large groups of organized labor, in order to seek their cooperation in establishing what I may describe as a specific trial period of industrial peace.

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organization has combined great aggregations of
capital in enormous industrial establishments
working through vast agencies of commerce and
employing great masses of men in movements of
production and transportation and trade, so
great in the mass that each individual concerned
in them is quite helpless by himself. The
relations between the employer and the employed,
between the owners of aggregated capital and the
units of organized labor, between the small
producer, the small trader, the consumer, and
the great transporting and manufacturing and
distributing agencies, all present new questions
for the solution of which the old reliance upon
the free action of individual wills appear quite
inadequate. And in many directions, the inter-
vention of that organized control which we call
government seems necessary to produce the same
result of justice and right conduct which obtained
through the attrition of individuals before the
new conditions arose."
It was in this spirit that Secretary Root described our work of reviving private enterprise in March, 1933. Our first problem was, of course, the banking situation because, as you know, the banks had collapsed. Most banks could not be saved but the great majority of the, either through their own resources or with government aid, have been restored to complete public confidence. This has given safety to millions of depositors in these banks. Closely following this great constructive effort we have, through various Federal agencies, saved debtors and creditors alike in many other fields of enterprise, such as loans on farm mortgages and home mortgages; loans to the railroads and insurance companies and, finally, help for home owners and industry itself.

In all of these efforts: the government has come to the assistance of business and with the full expectation that the money used to assist these enterprises will eventually be recouped. I believe it will be.

The second step we have taken in the restoration of normal business enterprise has been to clean up thoroughly unwholesome conditions in the field of investment. In this we have had assistance from many bankers and business men, most of whom recognize the past evils in the banking system, in the sale of securities, in the deliberate encouragement of stock gambling, in the sale of unsound mortgages and in many other ways in which the public lost billions of dollars. They saw that without changes in the policies and methods of investment there could be no recovery of public confidence in the security of savings. The country now enjoys the safety of bank savings under the new banking laws, the careful checking of new securities under the Securities Act and the curtailment of bank stock speculation through the Securities Exchange Act. I sincerely hope that as a result people will be discouraged in unhappy efforts to get rich quick by speculating in securities. The average person almost always loses. Only a very small minority of the people of this country believe in gambling as a substitute for the old philosophy of Benjamin Franklin that the way to wealth is through work.

In meeting the problems of industrial recovery, the chief agency of the government has been the National Recovery Administration. Under its guidance, trades and industries covering over ninety per cent of all industrial employees have adopted codes of fair competition, which have been approved by the President. Under these codes, in the industries covered, child labor has been eliminated. The working day and the working week have been shortened. Minimum wages have been established and other wages adjusted toward a rising standard of living. The emergency purpose of the N. R. A. was to put men to work and since its creation more than four million persons have been re-employed, in great part through the cooperation of American business brought about under the codes.

Benefits of the Industrial Recovery Program have come, not only to labor in the form of new jobs, in relief from over-work and in relief from under-pay, but also to the owners and managers of industry because, together with a great increase in the payrolls, there has come a substantial rise in the total of industrial profits - a rise from a deficit figure in the first quarter of 1933 to a level of sustained profits within one year from the inauguration of N. R. A.
Now it should not be expected that even employed labor and capital would be completely satisfied with present conditions. Employed workers have not by any means all enjoyed a return to the earnings of prosperous times; although millions of hitherto under-privileged workers are today far better paid than ever before. Also, billions of dollars of invested capital have today a greater security of present and future earning power than before. This is because of the establishment of fair, competitive standards and because of relief from unfair competition in wage cutting which depresses markets and destroys purchasing power. But it is an undeniable fact that the restoration of other billions of sound investments to a reasonable earning power could not be brought about in one year. There is no magic formula, no economic panacea, which could simply revive over-night the heavy industries and the trades dependent upon them.

Nevertheless the gains of trade and industry, as a whole, have been substantial. In these gains and in the policies of the Administration there are assurances that haunten all forward-looking men and women with the confidence that we are definitely rebuilding our political and economic system on the lines laid down by the New Deal — lines which as I have so often made clear, are in complete accord with the underlying principles of orderly popular government which Americans have demanded since the white man first came to these shores. We count, in the future as in the past, on the driving power of individual initiative and the incentive of fair private profit, strengthened with the acceptance of those obligations to the public interest which rested upon us all. We have the right to expect that this driving power will be given patriotically and whole-heartedly to our nation.

We have passed through the formative period of code making in the National Recovery Administration and have effected a reorganization of the N.R.A. suited to the needs of the next phase, which is, in turn, a period of preparation for legislation which will determine its permanent form.

In this recent reorganization we have recognized three distinct functions. First, the legislative or policy making function. Second, the administrative function of code making and revision and, third, the judicial function, which includes enforcement, consumer complaints and the settlement of disputes between employers and employees and between one employer and another.

We are now prepared to move into this second phase, on the basis of our experience in the first phase under the able and energetic leadership of General Johnson.

We shall watch carefully the working of this new machinery for the second phase of N.R.A., modifying it where it needs modification and finally making recommendations to the Congress, in order that the functions of N.R.A. which have proved their worth may be made a part of the permanent machinery of government.

Let me call your attention to the fact that the National Industrial Recovery Act gave business men the opportunity they had sought for years to improve business conditions through what has been called self-government in industry. If the codes which have been written have been too complicated, if they have gone too far in such matters as price fixing and limitation of production, let it be remembered that so far as possible, consistent with the immediate public interest of this past year and the vital necessity of improving labor conditions, the representatives of trade and industry were permitted to write their ideas into the codes. It is now time to review these actions as a whole to determine through deliberative means in the light of experience, from the standpoint of the good of the industries themselves, as well as the general public interest, whether the methods and policies adopted in the emergency have been best calculated to promote industrial recovery and a permanent improvement of business and labor conditions.
There may be a serious question as to the wisdom of many of those devices to control production, or to prevent destructive price cutting which many business organizations have insisted were necessary, or whether their effect may have been to prevent the volume of production which would make possible lower prices and increased employment. Another question arises as to whether in fixing minimum wages on the basis of an hourly or weekly wage we have reached into the heart of the problem which is to provide such annual earnings for the lowest paid worker as will meet his minimum needs. We also question the wisdom of extending code requirements suited to the great industrial concerns and to large employers, to the great number of small employers in the smaller communities.

During the last twelve months our industrial recovery has been to some extent retarded by strikes, including a few of major importance. I would not minimize the inevitable losses to employers and employees and to the general public through such conflicts. But I would point out that the extent and severity of labor disputes during this period has been far less than in any previous, comparable period.

Then the business men of the country were demanding the right to organize themselves adequately to promote their legitimate interests; when the farmers were demanding legislation which would give them opportunities and incentives to organize themselves for a common advance, it was natural that the workers should seek and obtain a statutory declaration of their constitutional right to organize themselves for collective bargaining, as embodied in Section 7 (a) of the National Industrial Recovery Act.

Machinery set up by the Federal government has provided some new methods of adjustment. Both employers and employees must share the blame of not using them as fully as they should. The employer who turns away from impartial agencies of peace, who denies freedom of organization to his employees, or fails to make every reasonable effort at a peaceful solution of their differences, is not fully supporting the recovery effort of his government. The workers who turn away from those same impartial agencies and decline to use their good offices to gain their ends are likewise not fully cooperating with their government.

It is time that we made a clean-cut effort to bring about that united action of management and labor, which is one of the high purposes of the Recovery Act. We have passed through more than a year of education. Step by step we have created all the government agencies necessary to insure, as a general rule, industrial peace, with justice for all those willing to use these agencies whenever their voluntary bargaining fails to produce a necessary agreement.

There should be at least a full and fair trial given to these means of ending industrial warfare; and in such an effort we should be able to secure for employers and employees and consumers the benefits that all derive from the continuous, peaceful operation of our essential enterprises.

Accordingly, I propose to confer within the coming month with small groups of those truly representative of large employers of labor and of large groups of organized labor, in order to seek their cooperation in establishing what I may describe as a specific trial period of industrial peace.

From those willing to join in establishing this hoped for period of peace, I shall seek assurances of the making and maintenance of agreements, which can be mutually relied upon, under which wages, hours and working conditions may be determined and any labor adjustments shall be made either by agreement or, in case of disagreement, through the mediation or arbitration of state or Federal agencies, and not by strikes. I shall not ask either employers or employees to permanent control of the weapons common to industrial war. But I shall ask both groups to give a fair trial to peaceful methods of adjusting their conflicts of opinion and interest, and to experiment for a reasonable time with measures suitable to civilize our industrial civilization.
Closely allied to the N. R. A. is the program of Public Works provided for in the same act and designed to put more men back to work, both directly on the public works themselves, and indirectly in the industries supplying the materials for those public works. To those who say that our expenditures for public works and other means for recovery are a waste that we cannot afford, I answer that no country, however rich, can afford the waste of its human resources. Demoralization caused by vast unemployment is our greatest extravagance. Morally, it is the greatest menace to our social order. Some people try to tell me that we must make up our minds that for the future we shall permanently have millions of unemployed just as other countries have had them for over a decade. That may be necessary for those countries, but as for this country, I stand or fall by my refusal to accept as a necessary condition of our future a permanent army of unemployed. On the contrary, we must make it a national principle that we will not tolerate a large army of unemployed and that we will arrange our national economy to end our present unemployment as soon as we can and then to take wise measures against its return. I do not want to think that it is the destiny of any American to remain permanently on relief rolls.

Those, fortunately few in number, who are frightened by boldness and cowed by the necessity for making decisions, complain that all we have done is unnecessary and subject to great risks. Now that these people are coming out of their storm cellars, they forget that there ever was a storm. They point to England. They would have you believe that England has made progress out of her depression by a do-nothing policy, by letting nature take her course. England has her peculiarities and we have ours but I do not believe any intelligent observer can accuse England of undue orthodoxy in the present emergency.

Did England let nature take her course? No. Did England hold to the gold standard when her reserves were threatened? No. Has England gone back to the gold standard today? No. Did England hesitate to call in ten billion dollars of her war bonds bearing 5% interest, to issue new bonds therefor bearing only 3½% interest, thereby saving the British Treasury one hundred and fifty million dollars a year in interest alone? No. And let it be recorded that the British bankers helped. Is it not a fact that ever since the year 1909, Great Britain in many ways has advanced further along lines of social security than the United States? Is it not a fact that relations between capital and labor on the basis of collective bargaining are much further advanced in Great Britain than in the United States? It is perhaps not strange that the conservative British press has told us with pardonable irony that much of our New Deal program is only an attempt to catch up with English reforms that go back ten years or more.

Nearly all Americans are sensible and calm people. We do not get greatly excited nor is our peace of mind disturbed, whether we be business men or workers or farmers, by awesome pronouncements concerning the unconstitutionality of some of our measures of recovery and relief and reform. We are not frightened by reactionary lawyers or political editors. All of these cries have been heard before. More than forty years ago, when Theodore Roosevelt and Woodrow Wilson were attempting to correct abuses in our national life, the great Chief Justice White said:

"There is great danger it seems to me to arise from the constant habit which prevails where anything is opposed or objected to, of referring without research or reason to the Constitution as a means of preventing its accomplishment, thus creating the general impression that the Constitution is but a barrier to progress instead of being the broad highway through which alone true progress may be enjoyed."
In our efforts for recovery we have avoided on the one hand the theory that business should and must be taken over into an all-embracing Government. We have avoided on the other hand the equally untenable theory that it is an interference with liberty to offer reasonable help when private enterprise is in need of help. The course we have followed fits the American practice of Government - a practice of taking action step by step, of regulating only to meet concrete needs - a practice of courageous recognition of change. I believe with Abraham Lincoln, that "The legitimate object of Government is to do for a community of people whatever they need to have done but cannot do at all or cannot do so well for themselves in their separate and individual capacities."

I am not for a return to that definition of Liberty under which for many years a free people were being gradually regimented into the service of the privileged few. I prefer and I am sure you prefer that broader definition of Liberty under which we are moving forward to greater freedom, to greater security for the average man than he has ever known before in the history of America.
January 17, 1935

The President, at 8:45 tonight, E. S. T., will address the Holland Society of New York, meeting at the Waldorf Astoria Hotel in celebration of its fiftieth anniversary. The address will be telephoned by the President, speaking from his Oval Room study in the White House a few minutes before he and Mrs. Roosevelt receive the guests attending the White House reception in honor of the Judiciary.

RELEASE is automatic at 8:45 P. M., Eastern Standard Time.

Please safeguard against premature release.

STEPHEN EARLY
Assistant Secretary to the President

My friends and associates of the Holland Society of New York:

Presidential plans for future engagements are, I find to my sorrow, more susceptible to change than the plans of any private citizen. I had counted for many months on being with all of you tonight on the occasion of the Fiftieth Anniversary of the Holland Society.

At least I take some comfort in the fact that it required a reception in the White House to the Judiciary of the United States to keep me away from your dinner.

I need not tell you of my long interest in and association with the Holland Society. I feel a just pride in what the Society has stood for as the exponent and recorder of the great contribution made, through three hundred years, by men and women of Netherland descent in the building of the United States.

Our early forebears brought from the Netherlands a quality of endurance against great odds -- a quality of quiet determination to conquer obstacles of nature and obstacles of man. That is why for many years I have been so deeply interested in the preservation of the records and monuments left in New York City and the Hudson River Valley by the Dutch pioneers. The influence of New Netherland on the whole Colonial period of our history, which culminated in the War for Independence, has not as yet been fully recognized. It was an influence which made itself felt in all of the other twelve Colonies, and it is an influence which manifests itself today in almost every part of our Union of States.

To all of you I send my greetings. We honor those men and women of early days who made so much out of such small beginnings. Let us who treasure their memories not fall short of the measure of their deeds.
HOLD FOR RELEASE

CAUTION: This address of the President is for publication in newspapers appearing on the street not EARLIER than 5:00 o'clock P.M., EASTERN STANDARD TIME, today, May 14, 1935.

NOTE: Please safeguard against premature release.

STEPHENV EARLY
Assistant Secretary to the President

ADDRESS OF THE PRESIDENT, DELIVERED FROM THE SOUTH PORTICO OF THE WHITE HOUSE, TO FARMERS WHO HAVE CONVENED IN WASHINGTON FOR THE PURPOSE OF SUPPORTING THE ADMINISTRATION'S AGRICULTURAL ADJUSTMENT PROGRAM.

I am glad to welcome you to the National Capital. We can think of this occasion as a kind of surprise birthday party for it was just two years and two days ago that the Agricultural Adjustment Act became a law. And I well remember the fine group of representatives of farmers from every part of the Union who stood around me on that occasion when I signed the Act.

In record time you and thousands of other farmers took hold and set up the machinery to control your own affairs and put the new law to work.

I remember, too, the many high and mighty people who said you could not do it -- that it was no use for you to try -- intimating clearly that their only remedy to improve your situation was to let the sheriffs' sales go on. That was the old and very familiar way the high and mighty balanced farm production with demand. Those people did not understand and many of them do not understand today that, if the farm population of the United States suffers and loses its purchasing power, the people in the cities nearly always suffer with them. One of the greatest lessons that the city dwellers have come to understand in the past two years is this: Empty pocketbooks on the farm don't turn factory wheels in the city.

Go back for a minute to the Spring of 1933 -- when there was a huge carry-over of almost thirteen million bales and a price, because of that carry-over, of six cents a pound. You and I know what six cent cotton means to the purchasing power of the Cotton Belt.

There was a huge carry-over of tobacco and the price of tobacco during the preceding six months was the lowest on record for many years. Wheat, with a carry-over of nearly four hundred million bushels, and a price of thirty-five cents on the farm; corn, with a price of fifteen cents a bushel on many farms; hogs, selling at three cents a pound.

You and I know what that meant in the way of purchasing power for forty million people.

When we came to Washington we were faced with three possible programs. The first involved price fixing by Government decree. This was discarded because the problem of over production was not solved thereby.
The second was a plan to let farmers grow as much as they wanted to and to have the Federal Government then step in, take from them that portion of their crop which represented the exportable surplus and, in their name, on their behalf, dump this surplus on the other nations of the world. That plan was discarded because the other nations of the world primarily began to stop dumping. With increasing frequency they were raising their tariffs, establishing quotas and clamoring on embargoes against just that kind of proposition.

Therefore, we came to the third plan -- a plan for the adjustment of totals in our major crops so that from year to year production and consumption would be kept in reasonable balance with each other to the end that reasonable prices would be paid to farmers for their crops and to the end that unwieldy surpluses would not depress our markets and upset the balance.

We are now at the beginning of the third year of carrying out this policy. You know the results thus far attained. You know the price of cotton, of wheat, of tobacco, of corn, of hogs and of other farm products today. Further comment on the successful partial attainment of our objective up to this time is unnecessary on my part. You know.

I want to emphasize that word "adjustment." As you know, a great many of the high and mighty -- with special axes to grind -- have been deliberately trying to mislead people who know nothing of farming by misrepresenting -- no -- why use a pussyfoot word -- by lying about the kind of a farm program under which this Nation is operating today.

A few leading citizens have gone astray from ignorance. I must admit it. For example, the prominent city banker who was driving through up-state New York with me four or five years ago in the late fall. Everything was brown. The leaves were off the trees. We passed a beautiful green field. He asked me what it was. I told him it was winter wheat. He turned to me and said, "That is very interesting. I have always wondered about winter wheat. What I don't understand is how they are able to cut it when it goes all covered up with snow."

The other was the editor of a great metropolitan paper. He visited me down in Georgia when the cotton was nearly grown but before the bolls had formed. Looking out over the cotton fields he said to me:

"What a great number of raspberries they grow down here."

Raspberries was right. At four and one-half cents a pound for cotton his mistake was, perhaps, a natural one.

I was speaking of adjustment. It is your duty and mine to continue to educate the people of this country to the fact that adjustment means not only adjustment downward but adjustment upward. If you and I agree on a correct figure for a normal carry-over it means that if we have a bumper crop one year we will, by mutual consent, reduce the next year's crop in order to even up that carry-over. At the same time, if we get a short crop in a given year, you and I agree to increase the next year's crop to make up the shortage. That is exactly what we are doing today in the case of wheat.

It is high time for you and for me to carry, by education, knowledge of the fact that not a single program of the A.A.A. contemplated the destruction of an acre of food crops in the United States, in spite of what you may read or be told by people who have special axes to grind.

It is high time for you and for me to make clear that we are not plowing under cotton this year -- that we did not plow it under in 1933 and that we only plowed some of it under in 1933 because the Agricultural Adjustment Act was passed after a huge crop of cotton was already in the ground.
It is high time for us to repeat on every occasion that we have not wastefully destroyed food in any form. It is true that the Relief Administrator has purchased hundreds of thousands of tons of foodstuffs to feed the needy and hungry who are on the relief rolls in every part of the United States.

The crocodile tears shed by the professional mourners of an old and obsolete order over the slaughter of little pigs and other measures to reduce surplus agricultural inventories deceive very few thinking people and least of all the farmers themselves.

The acknowledged destiny of a pig is sausage, or ham, or bacon or pork. In these forms millions of pigs were consumed by vast numbers of needy people who otherwise would have had to do without.

Let me make one other point clear for the benefit of the millions in cities who have to buy meats. Last year the Nation suffered a drought of unparalleled intensity. If there had been no Government program—if the old order had obtained in 1933 and 1934 that drought on the cattle ranges of America and in the corn belt would have resulted in the marketing of thin cattle, immature hogs and the death of those animals on the range and on the farm, we would have had a vastly greater shortage than we face today.

Our program saved the lives of millions of head of live stock. They are still on the range. Other millions are today caused and ready for this country to eat.

I think that you and I are agreed in seeking a continuance of a national policy which on the whole is proving successful. The memory of old conditions under which the product of a whole years work often would not bring you the cost of transporting it to market is too fresh in your minds to let you be led astray by the solemn admonitions and specious lies of those who in the past profited most when your distress was greatest.

You remember that no so long ago the poor had less food to eat and less clothes to wear when you had to practically give away your products and the surpluses were greatest than they have today when you farmers are getting a reasonable although still an insufficient price.

I have not the time to talk with you about many other policies of your Government which affect the farm population of the country. I have not the time to go into the practical work of the Farm Credit Administration which in all of its ramifications has saved a million farms from foreclosure and has accomplished the first great reduction in exorbitant interest rates that this country has ever known.

Because your cause is so just no one has had the tenacity to question the motives of your "March on Washington." It is a good omen for Government, for business, for bankers and for the city dwellers that the nation's farmers are becoming articulate and that they know whereof they speak.

I hope you have enjoyed your stay in Washington. Seeing your Government at first hand, you may have a better idea why its efforts at times seem lumbering and slow and complicated. On the other hand, you may have seen that we are moving faster and accomplishing more practical results than you have been led to believe by the high and mighty gentlemen I have spoken of. I want to thank you for your patience with us, I want to pledge our wholehearted cooperation as you go forward.
May 14, 1935

CORRECTION FOR THE PRESS:

On page 3, 4th paragraph, the last sentence, make it read:

"If there had been no Government program — if the old order had obtained in 1933 and 1934, that drought on the cattle ranges of America and in the corn belt would have resulted in the marketing of thin cattle, immature hogs and in the death of those animals on the range and on the farm. Then we would have had a vastly greater shortage than we face today."

Also on page 3, kill paragraph 7 and substitute:

"You remember, and I remember, that not so long ago the poor had less food to eat and less clothes to wear and that was at a time when you had to practically give away your products. Then the surpluses were greater and yet the poor were poorer than they are today when you farmers are getting a reasonable although still an insufficient price."

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It is a pleasure to be welcomed this way to my home state of New York. It has loyally supported those progressive policies of government in the making of which so many of us have had a part. New York State has an unbroken record of almost a generation of liberal government, each succeeding Administration of State affairs building for the future upon the best which the past has given us.

I want to take this occasion to compliment the state on its good fortune in the loyal, competent and unselfish service of its present Governor, Herbert Lehman.

He has continued to strengthen the humane laws for which this state has been noted. History repeats itself. He has met the same type of opposition today which some of us as youngsters met in the state legislature twenty-five years ago. We won then and we are winning today.

As a New Yorker I am confident that a vast majority of our citizens this Autumn as in the past will invite Governor Lehman to continue his splendid work for at least two more years.

America a century ago was regarded as an economic unity. But as time went on the country was cut up bit by bit into segments. We heard about the problems of particular localities, the problems of particular groups. More and more people put on blinders; they could see only their own individual interests or the single community in which their business was located.

It is only in these comparatively recent days that we have been turning back to the broader vision of the founding fathers.

The cities of the Nation and the countrysides near them have come to realize each others existence. The same idea now is spreading on a truly national scale.

That is why while I may be breaking another precedent - and they say in Washington that my day is not complete without smashing at least one precedent - but that is why I can come here to the city of New York and talk with you about the cotton problem of Georgia, the corn and hog problem of Iowa and the wheat problem of the Dakotas, the dust storms of the West, the destructive tornadoes of the South, the floods of the Northwest. In the same way I would not hesitate to discuss the slum clearance problems or any other problems of the big cities of the East with a former audience in Georgia or Iowa or the Dakotas or anywhere else.

The strong arm of the Nation is needed not in immediate relief alone - we grant that. It is needed also in taking measures of prevention before natural disasters occur. It is equally needed in taking measures to prevent economic disasters which are not natural but man made.