

Franklin Delano Roosevelt - Fireside Chat 7: On the Works Relief Program and Social Security Act (April 28, 1935)

[SECTION #1]

Since my annual message to the Congress on January fourth, last, I have not addressed the general public over the air. In the many weeks since that time the Congress has devoted itself to the arduous task of formulating legislation necessary to the country's welfare. It has made and is making distinct progress.

Before I come to any of the specific measures, however, I want to leave in your minds one clear fact. The Administration and the Congress are not proceeding in any haphazard fashion in this task of government. Each of our steps has a definite relationship to every other step. The job of creating a program for the Nation's welfare is, in some respects, like the building of a ship. At different points on the coast where I often visit they build great seagoing ships. When one of these ships is under construction and the steel frames have been set in the keel, it is difficult for a person who does not know ships to tell how it will finally look when it is sailing the high seas.

It may seem confused to some, but out of the multitude of detailed parts that go into the making of the structure the creation of a useful instrument for man ultimately comes. It is that way with the making of a national policy. The objective of the Nation has greatly changed in three years. Before that time individual self-interest and group selfishness were paramount in public thinking. The general good was at a discount.

Three years of hard thinking have changed the picture. More and more people, because of clearer thinking and a better understanding, are considering the whole rather than a mere part relating to one section or to one crop, or to one industry, or to an individual private occupation. That is a tremendous gain for the principles of democracy. The overwhelming majority of people in this country know how to sift the wheat from the chaff in what they hear and what they read. They know that the process of the constructive rebuilding of America cannot be done in a day or a year, but that it is being done in spite of the few who seek to confuse them and to profit by their confusion. Americans as a whole are feeling a lot better -- a lot more cheerful than for many, many years.

The most difficult place in the world to get a clear open perspective of the country as a whole is Washington. I am reminded sometimes of what President Wilson once said: "So many people come to Washington who know things that are not so, and so few people who know anything about what the people of the United States are thinking about." That is why I occasionally leave this scene of action for a few days to go fishing or back home to Hyde Park, so that I can have a chance to think quietly about the country as a whole. "To get away from the trees", as they say, "and to look at the whole forest." This duty of seeing the country in a long-range perspective is one which, in a very special manner, attaches to this office to which you have chosen me. Did you ever stop to think that there are, after all, only two positions in the Nation that are filled by the vote of all of the voters -- the President and the Vice-President? That makes it particularly necessary for the Vice-President and for me to conceive of our duty toward the entire country. I speak, therefore, tonight, to and of the American people as a whole.

[SECTION #2]

My most immediate concern is in carrying out the purposes of the great work program just enacted by the Congress. Its first objective is to put men and women now on the relief rolls to work and, incidentally, to assist materially in our already unmistakable march toward recovery. I shall not confuse my discussion by a multitude of figures. So many figures are quoted to prove so many things. Sometimes it depends upon what paper you read and what broadcast you hear. Therefore, let us keep our minds on two or three simple, essential facts in connection with this problem of unemployment. It is true that while business and industry are definitely better our relief rolls are still too large. However, for the first time in five years the relief rolls have declined instead of increased during the winter months. They are still declining. The simple fact is that many million more people have private work today than two years ago today or one year ago today, and every day that passes offers more chances to work for those who want to work. In spite of the fact that unemployment remains a serious problem here as in every other nation, we have come to recognize the possibility and the necessity of certain helpful remedial measures. These measures are of two kinds. The first is to make provisions intended to relieve, to minimize, and to prevent future unemployment; the second is to

establish the practical means to help those who are unemployed in this present emergency. Our social security legislation is an attempt to answer the first of these questions. Our work relief program the second.

The program for social security now pending before the Congress is a necessary part of the future unemployment policy of the government. While our present and projected expenditures for work relief are wholly within the reasonable limits of our national credit resources, it is obvious that we cannot continue to create governmental deficits for that purpose year after year. We must begin now to make provision for the future. That is why our social security program is an important part of the complete picture. It proposes, by means of old age pensions, to help those who have reached the age of retirement to give up their jobs and thus give to the younger generation greater opportunities for work and to give to all a feeling of security as they look toward old age.

The unemployment insurance part of the legislation will not only help to guard the individual in future periods of lay-off against dependence upon relief, but it will, by sustaining purchasing power, cushion the shock of economic distress. Another helpful feature of unemployment insurance is the incentive it will give to employers to plan more carefully in order that unemployment may be prevented by the stabilizing of employment itself.

Provisions for social security, however, are protections for the future. Our responsibility for the immediate necessities of the unemployed has been met by the Congress through the most comprehensive work plan in the history of the Nation. Our problem is to put to work three and one-half million employable persons now on the relief rolls. It is a problem quite as much for private industry as for the government.

[SECTION #3]

We are losing no time getting the government's vast work relief program underway, and we have every reason to believe that it should be in full swing by autumn. In directing it, I shall recognize six fundamental principles:

- (1) The projects should be useful.
- (2) Projects shall be of a nature that a considerable proportion of the money spent will go into wages for labor.
- (3) Projects which promise ultimate return to the Federal Treasury of a considerable proportion of the costs will be sought.
- (4) Funds allotted for each project should be actually and promptly spent and not held over until later years.
- (5) In all cases projects must be of a character to give employment to those on the relief rolls.
- (6) Projects will be allocated to localities or relief areas in relation to the number of workers on relief rolls in those areas.

I next want to make it clear exactly how we shall direct the work.

- (1) I have set up a Division of Applications and Information to which all proposals for the expenditure of money must go for preliminary study and consideration.
- (2) After the Division of Applications and Information has sifted those projects, they will be sent to an Allotment Division composed of representatives of the more important governmental agencies charged with carrying on work relief projects. The group will also include representatives of cities, and of labor, farming, banking and industry. This Allotment Division will consider all of the recommendations submitted to it and such projects as they approve will be next submitted to the President who under the Act is required to make final allocations.
- (3) The next step will be to notify the proper government agency in whose field the project falls, and also to notify another agency which I am creating -- a Progress Division. This Division will have the duty of coordinating the purchases of materials and supplies and of making certain that people who are employed will be taken from the relief rolls. It will also have the responsibility of determining work payments in various localities, of making full use of existing employment services and to assist people engaged in relief work to move as rapidly as possible back into private employment when such employment is available. Moreover, this Division will be charged with keeping projects moving on schedule.

(4) I have felt it to be essentially wise and prudent to avoid, so far as possible, the creation of new governmental machinery for supervising this work. The National Government now has at least sixty different agencies with the staff and the experience and the competence necessary to carry on the two hundred and fifty or three hundred kinds of work that will be undertaken. These agencies, therefore, will simply be doing on a somewhat enlarged scale the same sort of things that they have been doing. This will make certain that the largest possible portion of the funds allotted will be spent for actually creating new work and not for building up expensive overhead organizations here in Washington.

For many months preparations have been under way. The allotment of funds for desirable projects has already begun. The key men for the major responsibilities of this great task already have been selected. I well realize that the country is expecting before this year is out to see the "dirt fly", as they say, in carrying on the work, and I assure my fellow citizens that no energy will be spared in using these funds effectively to make a major attack upon the problem of unemployment.

Our responsibility is to all of the people in this country. This is a great national crusade to destroy enforced idleness which is an enemy of the human spirit generated by this depression. Our attack upon these enemies must be without stint and without discrimination. No sectional, no political distinctions can be permitted. It must, however, be recognized that when an enterprise of this character is extended over more than three thousand counties throughout the Nation, there may be occasional instances of inefficiency, bad management, or misuse of funds. When cases of this kind occur, there will be those, of course, who will try to tell you that the exceptional failure is characteristic of the entire endeavor. It should be remembered that in every big job there are some imperfections. There are chisellers in every walk of life; there are those in every industry who are guilty of unfair practices, every profession has its black sheep, but long experience in government has taught me that the exceptional instances of wrong-doing in government are probably less numerous than in almost every other line of endeavor. The most effective means of preventing such evils in this work relief program will be the eternal vigilance of the American people themselves. I call upon my fellow citizens everywhere to cooperate with me in making this the most efficient and the cleanest example of public enterprise the world has ever seen. It is time to provide a smashing answer for those cynical men who say that a democracy cannot be honest and efficient. If you will help, this can be done. I, therefore, hope you will watch the work in every corner of this Nation. Feel free to criticize. Tell me of instances where work can be done better, or where improper practices prevail. Neither you nor I want criticism conceived in a purely fault-finding or partisan spirit, but I am jealous of the right of every citizen to call to the attention of his or her government examples of how the public money can be more effectively spent for the benefit of the American people.

[SECTION #4]

I now come, my friends, to a part of the remaining business before the Congress. It has under consideration many measures which provide for the rounding out of the program of economic and social reconstruction with which we have been concerned for two years. I can mention only a few of them tonight, but I do not want my mention of specific measures to be interpreted as lack of interest in or disapproval of many other important proposals that are pending.

The National Industrial Recovery Act expires on the sixteenth of June. After careful consideration, I have asked the Congress to extend the life of this useful agency of government. As we have proceeded with the administration of this Act, we have found from time to time more and more useful ways of promoting its purposes. No reasonable person wants to abandon our present gains -- we must continue to protect children, to enforce minimum wages, to prevent excessive hours, to safeguard, define and enforce collective bargaining, and, while retaining fair competition, to eliminate so far as humanly possible, the kinds of unfair practices by selfish minorities which unfortunately did more than anything else to bring about the recent collapse of industries.

There is likewise pending before the Congress legislation to provide for the elimination of unnecessary holding companies in the public utility field.

I consider this legislation a positive recovery measure. Power production in this country is virtually back to the 1929

peak. The operating companies in the gas and electric utility field are by and large in good condition. But under holding company domination the utility industry has long been hopelessly at war within itself and with public sentiment. By far the greater part of the general decline in utility securities had occurred before I was inaugurated. The absentee management of unnecessary holding company control has lost touch with and has lost the sympathy of the communities it pretends to serve. Even more significantly, it has given the country as a whole an uneasy apprehension of over concentrated economic power.

A business that loses the confidence of its customers and the good will of the public cannot long continue to be a good risk for the investor. This legislation will serve the investor by ending the conditions which have caused that lack of confidence and good will. It will put the public utility operating industry on a sound basis for the future, both in its public relations and in its internal relations.

This legislation will not only in the long run result in providing lower electric and gas rates to the consumer, but it will protect the actual value and earning power of properties now owned by thousands of investors who have little protection under the old laws against what used to be called frenzied finance. It will not destroy values.

Not only business recovery, but the general economic recovery of the Nation will be greatly stimulated by the enactment of legislation designed to improve the status of our transportation agencies. There is need for legislation providing for the regulation of interstate transportation by buses and trucks, to regulate transportation by water, new provisions for strengthening our Merchant Marine and air transport, measures for the strengthening of the Interstate Commerce Commission to enable it to carry out a rounded conception of the national transportation system in which the benefits of private ownership are retained, while the public stake in these important services is protected by the public's government.

Finally, the reestablishment of public confidence in the banks of the Nation is one of the most hopeful results of our efforts as a Nation to reestablish public confidence in private banking. We all know that private banking actually exists by virtue of the permission of and regulation by the people as a whole, speaking through their government. Wise public policy, however, requires not only that banking be safe but that its resources be most fully utilized, in the economic life of the country. To this end it was decided more than twenty years ago that the government should assume the responsibility of providing a means by which the credit of the Nation might be controlled, not by a few private banking institutions, but by a body with public prestige and authority. The answer to this demand was the Federal Reserve System. Twenty years of experience with this system have justified the efforts made to create it, but these twenty years have shown by experience definite possibilities for improvement. Certain proposals made to amend the Federal Reserve Act deserve prompt and favorable action by the Congress. They are a minimum of wise readjustment of our Federal Reserve system in the light of past experience and present needs.

These measures I have mentioned are, in large part, the program which under my constitutional duty I have recommended to the Congress. They are essential factors in a rounded program for national recovery. They contemplate the enrichment of our national life by a sound and rational ordering of its various elements and wise provisions for the protection of the weak against the strong. Never since my inauguration in March, 1933, have I felt so unmistakably the atmosphere of recovery. But it is more than the recovery of the material basis of our individual lives. It is the recovery of confidence in our democratic processes and institutions. We have survived all of the arduous burdens and the threatening dangers of a great economic calamity. We have in the darkest moments of our national trials retained our faith in our own ability to master our destiny. Fear is vanishing and confidence is growing on every side, renewed faith in the vast possibilities of human beings to improve their material and spiritual status through the instrumentality of the democratic form of government. That faith is receiving its just reward. For that we can be thankful to the God who watches over America.

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