

Second Fireside Chat (1933)



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Franklin Roosevelt used the medium of radio, to an extent that no previous president had, to communicate directly with Americans. In his fireside chats, he attempted to calm fears about the Great Depression and explain why his policies would solve the ongoing crisis. In this second Fireside Chat, FDR addressed many different aspects of the economy, from home mortgages to farm prices to industrial work. The New Deal was marked by a multipronged set of policies that did not seek out a single root cause for the Depression. As Roosevelt said in this chat, the country was “faced by a condition and not a theory.”

On a Sunday night a week after my Inauguration I used the radio to tell you about the banking crisis and the measures we were taking to meet it. I think that in that way I made clear to the country various facts that might otherwise have been misunderstood and in general provided a means of understanding which did much to restore confidence.

Tonight, eight weeks later, I come for the second time to give you my report; in the same spirit and by the same means to tell you about what we have been doing and what we are planning to do.

Two months ago we were facing serious problems. The country was dying by inches. It was dying because trade and commerce had declined to dangerously low levels; prices for basic commodities were such as to destroy the value of the assets of national institutions such as banks, savings banks, insurance companies, and others. These institutions, because of their great needs, were foreclosing mortgages, calling loans, refusing credit. Thus there was actually in process of destruction the property of millions of people who had borrowed money on that property in terms of dollars which had had an entirely different value from the level of March, 1933. That situation in that crisis did not call for any complicated consideration of economic panaceas or fancy plans. We were faced by a condition and not a theory.

There were just two alternatives: The first was to allow the foreclosures to continue, credit to be withheld and money to go into hiding, thus forcing liquidation and bankruptcy of banks, railroads and insurance companies and a recapitalizing of all business and all property on a lower level. This alternative meant a continuation of what is loosely called “deflation,” the net result of which would have been extraordinary hardships on all property owners and, incidentally, extraordinary hardships on all persons working for wages through an increase in unemployment and a further reduction of the wage scale.

It is easy to see that the result of this course would have not only economic effects of a very serious nature, but social results that might bring incalculable harm. Even before I was inaugurated I came to the conclusion that such a policy was too much to ask the American people to bear. It involved not only a further loss of homes, farms, savings and wages, but also a loss of spiritual values—the loss of that sense of security for the present and the future so necessary to the peace and contentment of the individual and of his family. When you destroy these things you will find it difficult to establish confidence of any sort in the future. It was clear that mere appeals from Washington for confidence and the mere lending of more money to shaky institutions could not stop this downward course. A prompt program applied as quickly as possible seemed to me not only justified but imperative to our national security. The Congress, and when I say Congress I mean the members of both political parties, fully understood this and gave me generous and intelligent support. The members of Congress realized that the methods of normal times had to be replaced in the emergency by measures which were suited to the serious and pressing requirements of the moment. There was no actual surrender of power, Congress still retained its constitutional authority, and no one has the slightest desire to change the balance of

these powers. The function of Congress is to decide what has to be done and to select the appropriate agency to carry out its will. To this policy it has strictly adhered. The only thing that has been happening has been to designate the President as the agency to carry out certain of the purposes of the Congress. This was constitutional and in keeping with the past American tradition.

The legislation which has been passed or is in the process of enactment can properly be considered as part of a well-grounded plan.

First, we are giving opportunity of employment to one-quarter of a million of the unemployed, especially the young men who have dependents, to go into the forestry and flood-prevention work. This is a big task because it means feeding, clothing and caring for nearly twice as many men as we have in the regular army itself. In creating this civilian conservation corps we are killing two birds with one stone. We are clearly enhancing the value of our natural resources, and we are relieving an appreciable amount of actual distress. This great group of men has entered upon its work on a purely voluntary basis; no military training is involved and we are conserving not only our natural resources, but our human resources. One of the great values to this work is the fact that it is direct and requires the intervention of very little machinery. [. . .]

Next, the Congress is about to pass legislation that will greatly ease the mortgage distress among the farmers and the home owners of the Nation, by providing for the easing of the burden of debt now bearing so heavily upon millions of our people.

Our next step in seeking immediate relief is a grant of half a billion dollars to help the States, counties and municipalities in their duty to care for those who need direct and immediate relief.

The Congress also passed legislation authorizing the sale of beer in such States as desired it. This has already resulted in considerable reemployment and incidentally has provided much needed tax revenue.

We are planning to ask the Congress for legislation to enable the Government to undertake public works, thus stimulating directly and indirectly the employment of many others in well-considered projects. [. . .]

I am certain that the people of this country understand and approve the broad purposes behind these new governmental policies relating to agriculture and industry and transportation. We found ourselves faced with more agricultural products than we could possibly consume ourselves and with surpluses which other Nations did not have the cash to buy from us except at prices ruinously low. We found our factories able to turn out more goods than we could possibly consume, and at the same time we were faced with a falling export demand. We found ourselves with more facilities to transport goods and crops than there were goods and crops to be transported. All of this has been caused in large part by a complete lack of planning and a complete failure to understand the danger signals that have been flying ever since the close of the World War. The people of this country have been erroneously encouraged to believe that they could keep on increasing the output of farm and factory indefinitely and that some magician would find ways and means for that increased output to be consumed with reasonable profit to the producer.

Today we have reason to believe that things are a little better than they were two months ago. Industry has picked up, railroads are carrying more freight, farm prices are better, but I am not going to indulge in issuing proclamations of over-enthusiastic assurance. We cannot ballyhoo ourselves back to prosperity. I am going to be honest at all times with the people of the country. I do not want the people of this country to take the foolish course of letting this improvement come back on another speculative wave. I do not want the people to believe that because of unjustified optimism we can resume the ruinous practice of increasing our crop output and our factory output in the hope that a kind Providence will find buyers at high prices. Such a course may bring us immediate and false prosperity but it will be the kind of prosperity that will lead us into another tailspin.

It is wholly wrong to call the measures that we have taken Government control of farming, industry, and transportation. It is rather a partnership between Government and farming and industry and transportation, not partnership in profits, for the profits still go to the citizens, but rather a partnership in planning, and a partnership to see that the plans are carried out. [. . .]

We are working toward a definite goal, which is to prevent the return of conditions which came very close to destroying what we call modern civilization. The actual accomplishment of our purpose cannot be attained in a day. Our policies are wholly within purposes for which our American Constitutional Government was established 150 years ago.

I know that the people of this country will understand this and will also understand the spirit in which we are undertaking this policy. I do not deny that we may make mistakes of procedure as we carry out the policy. I have no expectation of making a hit every time I come to bat. What I seek is the highest possible batting

average, not only for myself but for the team. Theodore Roosevelt once said to me: "If I can be right 75 percent of the time I shall come up to the fullest measure of my hopes." [. . .]

To you, the people of this country, all of us, the members of the Congress and the members of this Administration, owe a profound debt of gratitude. Throughout the depression you have been patient. You have granted us wide powers; you have encouraged us with a widespread approval of our purposes. Every ounce of strength and every resource at our command we have devoted to the end of justifying your confidence. We are encouraged to believe that a wise and sensible beginning has been made. In the present spirit of mutual confidence and mutual encouragement we go forward.

Questions

1. What would Populists of the nineteenth century thought about FDR's reforms?
2. Is there a meaningful difference between government "planning" and government "control"?
3. What areas of the economy did FDR intend to help?
4. How could these programs be interpreted as unconstitutional?