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THE AMERICAN CONGRESS

MR. ROOSEVELT'S SPEECH

A FULL REPORT

In his message to Congress yesterday President Roosevelt said (according to Reuter):—

In reporting on the state of the nation I have felt it necessary on previous occasions to advise the Congress of disturbance abroad and of the need of putting our own house in order in the face of storm signals from across the seas. As this seventy-sixth Congress opens there is need for further warning. A war which threatened to envelop the world in flames has been averted, but it has become increasingly clear that world peace is not assured.

All about us rage undeclared wars, military and economic. All about us grow more deadly armaments, military and economic. All about us are threats of new aggression, military and economic. Storms from abroad directly challenge the three institutions indispensable to Americans, now and always. The first is religion. Religion is the source of the other two: democracy and international good faith.

An order which relegates religion, democracy, and good faith among nations to the background can find no place within it for the ideals of the Prince of Peace. The United States rejects such an order and retains its ancient faith. (Loud cheers.) There comes a time in the affairs of men when they must prepare to defend not only their homes but the tenets of faith and humanity whereon their Churches, their Government, and their very civilizations are founded. The defence of religion, democracy, and good faith among nations is all the same fight. We must make up our minds to save all.

We know what might happen to us of the United States if the new philosophies of force were to encompass the other continents and invade our own. We no more than other nations can afford to be surrounded by the enemies of our faith and of our humanity. Fortunate it is, therefore, that in this Western Hemisphere we have under the common ideal of democratic government a rich diversity of resources and peoples functioning together in mutual respect for peace. That hemisphere, that peace, and that ideal we propose to do our share in protecting against storms from any quarter. Our people and our resources are pledged to secure that protection. From that determination no American flinches.

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

WEAPONS OF ATTACK

But the world has grown so small and the weapons of attack so swift that no nation can be safe in its will to peace so long as any other single powerful nation refuses to settle its grievances at the council table. For if any Government bristling with implements of war insists on policies of force, weapons of defence give the only safety. In our foreign relations we have learned from the past what not to do; from new wars we have learnt what we must do. We have learned of the distant points from which attacks may be launched, and that they are different from 20 years ago. We have learned that survival cannot be guaranteed by arms, for there is a new range and a new speed to offence. We have learned that long before any military act of aggression begins there will be preliminaries of propaganda, the loosening of ties of good will, the stirring up of prejudice, and the incitement of disunion. We have learned that the God-fearing democracies of the world who observe the sanctity of treaties and good faith in dealings with other nations cannot safely be indifferent to international lawlessness anywhere.

They cannot for ever let pass without effective protest acts of aggression against sister nations, acts which automatically undermine all of us. Obviously they must proceed along practical and peaceful lines. But the mere fact that we rightly decline to intervene with arms does not mean that we must act as if there were no aggression at all. (Cheers.) Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind.

on freedom of speech, freedom of the Press, or the rest of the Bill of Rights. (Cheers.) I think we see things now that we could not see so well along the way. The tools of government which we had in 1933 are outmoded. We have had to forge new tools, and new ways of government operating in a democracy.

Many who fought bitterly against the forging of these new tools welcome their use to-day. The American people as a whole have accepted them. The nation looks to Congress to improve the new machinery which we have permanently installed, provided that in the process the social usefulness of the machinery is not destroyed or impaired. (Cheers.) All of us want better provision for our own people under our social security legislation. For the medically needy we must provide better care. Most of us agree that for employer and employed we must find ways to end labour strife and disputes. Most of us recognize that none of these things can be put to maximum effectiveness except the executive processes of Government are reorganized into more effective combinations. (Cheers.)

We have now passed the period of international conflict in the launching of our programme of social reform. Our full energies may now be released to the invigoration of the processes of recovery in order to preserve our reforms and to giving every man and woman who wants to work a real job at a living wage. (Cheers.) But time is of far more importance. The decline of danger from within and without is not within our control. The hour-glass may be in the hands of other nations. Our own hour-glass tells us that we are off on a race to make democracy work; so that we may be efficient in peace and therefore secure in self-defence. (Cheers.)

This time element forces us to still greater effort to obtain further and effective employment of our labour and capital. The first duty of our statesmanship is to bring capital and man-power together. The dictatorships do this by main force. By using main force they apparently succeed at it for the moment. However we abhor their methods, we are compelled to admit that they have obtained substantial utilization of all their material and human resources. Like it or not, they have solved for a time at least the problem of idle man and idle capital. Can we compete with them by boldly seeking methods of putting idle men and idle capital together and at the same time remain within our American way of life, within the Bill of Rights, and within the bounds of what is, from our point of view, civilization itself?

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

CAPITAL AND LABOUR

The object is to put capital, private as well as public, to work. We want to get enough capital and labour at work to give us a total turnover of business to produce a total national income of \$80,000,000,000 a year. At that figure we shall have a substantial reduction of unemployment, and Federal revenues will be sufficient to balance on the basis of the existing tax structure. That figure can be attained, working within the framework of our traditional profit system.

Continuing, Mr. Roosevelt said that a new technique was required in private, State, and Federal finance to protect the public interest and to develop wider markets for electrical power. Adjustments were also required between Federal, State, and local units of Government, and a consideration of relatively small tax increases to adjust inequality without interfering with the aggregate income of the American people. He went on:—

Among other things needed is a universally encouraging attitude by the employers towards the Labour Movement until there is a minimum of interruption of employment because of disputes, and an acceptance by Labour of the truth that the welfare of Labour itself depends upon an increased balanced output of goods. Time is the deciding factor in our choice of remedies, and therefore it does not seem logical to me that at the moment we seek to increase production and consumption the Federal Government should consider a drastic curtailment in its investments.

Mr. Roosevelt said that if it accepted that view Congress would have to deal with certain large items such as aid to agriculture, pensions, public works and grants for social purposes and health, relief of unemployment, and national defence itself.

AN \$80,000,000,000 NATION

Congress alone (he continued) has power to do all this, as it is the appropriating branch of the Government. But this nation need not be a \$60,000,000,000 nation. At this moment it has the men and resources sufficient to make it at least an \$80,000,000,000 nation. The other school does not believe that this nation can become an \$80,000,000,000 nation, and that the Government should cut its expendi-

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There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor Governments the aggregate sentiments of our own people. At the very least we can and should avoid any action, or any lack of action, which will encourage, assist, or build up an aggressor.

NEUTRALITY LAWS

We have learned that when we deliberately try to legislate neutrality our neutrality laws may operate unevenly and unfairly—may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us that we ought not to allow that to happen any more. We have learned something else—the old, old lesson that the probability of attack is mightily decreased by the assurance of an ever-ready defence. (Cheers.) Since 1931, nearly eight years ago, world events of thunderous import have moved with lightning speed. During those eight years many of our people clung to the hope that the innate decency of mankind would protect the unprepared who show their innate trust in mankind. We are wiser and sadder to-day.

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

In the course of a few days I shall send to you a special message making recommendations of those two essentials of defence against a danger which we cannot safely assume will not come. If these first two essentials are reasonably provided for, we must be able confidently to invoke the third element, the underlying strength of citizenship, the self-confidence, ability, imagination, and devotion that give a State power to set things through. A strong and united nation may be destroyed if it is unprepared against sudden attack. But even a nation well armed and well organized from a strictly military point of view may, after a period of time, meet defeat if it is unnerved by self-distrust, and endangered by class prejudices, by dissension between capital and labour, false economy, and other unsolved social problems at home.

A UNITED FRONT

In meeting the troubles of the world we must meet them as one people. If another form of government can present a united front in its attack on democracy the attack must and will be met by a united democracy. Such a democracy can and must exist in the United States. (Cheers.) A dictatorship may command the full strength of a regimented nation, but the united strength of a democratic nation can be mustered only when its people, educated by modern standards, know what is going on and where they are going, and have the conviction that they are receiving as large a share of the material success of human dignity as they have a right to receive. Our nation's programme of social and economic reform is therefore a part of defence—a part as basic as armaments themselves.

We have our difficulties too, but we are a wiser and a fitter nation than in 1929 and 1932. (Cheers.) Never have there been six years of such far-flung preparedness in our history. And all this has been done without any dictator's power to command, without conscription of labour or confiscation of capital, without concentration camps, and without a scratch

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The whole subject of Government investment and Government economy is one which may be approached in two ways. The first is the elimination of Government activities and the bringing of the expenses of government immediately into balance with Government income.

This school of thought maintains that because our national income this year is only \$60,000,000,000 ours is only a \$60,000,000,000 country. It says that the Government must treat it as such, and that without the help of the Government it may some day, somehow, happen to become an \$80,000,000,000 country. If Congress decides to accept this view it will logically have to reduce the present functions of activities of the Government by one-third. Not only will Congress have to accept responsibility for such reduction, but it will have to determine which activities will have to be reduced.

It is my conviction that down in their hearts the American people, industry, agriculture, and finance want this Congress to do whatever needs to be done to raise our national income to \$80,000,000,000 a year. (Cheers.) Investing soundly means precluding spending wastefully. To guard against opportunist appropriation I have on several occasions addressed Congress on the importance of long-range spending. I hope, therefore, that, following my recommendation of last year, a permanent agency will be set up and authorized to report on the urgency and desirability of the various types of Government investment. Yes, investment for prosperity can be made in a democracy.

COST OF DICTATORSHIP

I hear some people say: "This is all so complicated. There are certain advantages in a dictatorship. It gets rid of labour troubles. It gets rid of unemployment, of wasted motion, and of hating to do your own thinking." My answer is yes, but it also gets rid of some other things which we Americans intend very definitely to keep, and we still intend to do our own thinking. (Cheers.) It will cost us taxes and voluntary risks of capital to attain some of the practical advantages which other forms of Government have acquired.

Dictatorship, therefore, involves costs which the American people will never pay—the cost of our spiritual value, the cost of the blessed right of being able to say what we please, the cost of freedom, the cost of our capital being confiscated, the cost of being cast into concentration camps and of being afraid to walk down the street with the wrong neighbour, the cost of having children brought up not as free human beings, but moulded and made by machines.

If the avoidance of costs means taxes on my own income or duties on my estate I would bear those taxes willingly as the price of my breathing, and my children breathing, free air in a free country, in a living and not a dead world. (Prolonged cheers.)

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

Once I prophesied that this generation of Americans had a rendezvous with destiny. That prophecy came true. To us much is given, more is expected. This generation will nobly save or meanly lose.

The way is plain, peaceful, generous, just; a way which, if followed, the world will for ever applaud, and God must bless. (Loud cheers.)