

## **FIRESIDE CHAT 2: EXERPTS ON “PROGRESS DURING THE FIRST TWO MONTHS” (MAY 7, 1933)**

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*Sixty days into the "First Hundred Days" Roosevelt updated the nation on the progress of the special session of Congress that he called on March 5th. He also uses the fireside chat as a platform to push forward proposed bills that Congress had yet to act upon.*

**Directions: Partner 1. Underline what problems Roosevelt sees with the US economy. Partner 2. Circle ideas that he proposes to correct these problems.**

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.

There were just two alternatives: The first was to allow the foreclosures to continue, credit to be withheld and money to go into hiding, and 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 hardship 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

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.

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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 second, we are relieving an appreciable amount of actual distress. This great group of men has entered upon their 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.

Second, I have requested the Congress and have secured action upon a proposal to put the great properties owned by our Government at Muscle Shoals to work after long years of wasteful inaction, and with this a broad plan for the improvement of a vast area in the Tennessee Valley. It will add to the comfort and happiness of hundreds of thousands of people and the incident benefits will reach the entire nation.

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. 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.

Further legislation has been taken up which goes much more fundamentally into our economic problems. The Farm Relief Bill seeks by the use of several methods, alone or together, to bring about an increased return to farmers for their major farm products, seeking at the same time to prevent in the days to come disastrous over-production...

Well-considered and conservative measures will likewise be proposed which will attempt to give to the industrial workers of the country a more fair wage return, prevent cut-throat competition and unduly long hours for labor, and at the same time to encourage each industry to prevent over-production.

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.

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.