

## Info Sheet 2 Excerpts from President Roosevelt's Fireside Chat (April 14, 1938)

Theme 2: Taxes in U.S. History

Lesson 5: The Wealth Tax of 1935 and the Victory Tax of 1942

The goal of the President's talk was to inform and inspire listeners. The word taxes does not appear in the speech, but they are implied in Roosevelt's discussion of how the government will meet its expenditures. The President also chides groups who may not be contributing their fair share of revenue.

My Friends:

. . . We are a rich Nation. We can afford to pay for security and prosperity without having to sacrifice our liberties into the bargain. . . . In the first century of our republic we were short of capital, short of workers and short of industrial production, but we were rich, very rich in free land, and free timber and free mineral wealth. The Federal Government of those days rightly assumed the duty of promoting business and relieving depression by giving subsidies of land and other resources. . . . Thus, from our earliest days we have had a tradition of substantial government help to our system of private enterprise . . . It is going to cost something to get out of this recession this way but the profit of getting out of it will pay for the cost several times over. . . .

The President describes a new law and a problem in funding it.

. . . Last autumn in a sincere effort to bring Government expenditures and Government income into a closer balance, the Budget I worked out called for sharp decreases in Government spending during the coming year. But, in light of present conditions, conditions of today, those estimates turned out to have been far too low. This new program adds two billion and sixty-two million dollars to direct Treasury expenditures and another nine hundred and fifty million dollars to Government loans. . . . The net effect on the debt of the Government is this—between now and July 1, 1939 . . . the Treasury will have to raise less than a billion and a half dollars of new money.

The President quotes from a speech he gave earlier to Congress.

“We need to recognize nationally that the demands of no group, however just, can be satisfied unless that group is prepared to share in finding a way to produce the income from which they and all other groups can be paid. . . . You, as the Congress, I, as the President, must by virtue of our offices, seek the national good by preserving the balance between all groups and all sections. . . . We have at our disposal the national resources, the money, the skill of hand and head to raise our economic level—our citizens' income. Our capacity is limited only by our ability to work together. What is needed is the will. . . . Use of power by any group, however situated, to force its interest or to use its strategic position in order to receive more from the common fund than its contribution to the common fund justifies is an attack against and not an aid to our national life.”

The President addresses his radio listeners again.

. . . I always try to remember that reconciling differences cannot satisfy everyone completely. . . .  
I believe that we have been right in the course we have charted. To abandon our purpose of building a greater, a more stable and a more tolerant America would be to miss the tide and perhaps to miss the port.