

March 6, 1933

[Address Before Governors Conf. - White House]

FDR Speech File

ADDRESS OF THE PRESIDENT
BEFORE THE GOVERNORS' CONFERENCE
AT THE WHITE HOUSE
March 6, 1933

I have been so occupied since noon on Saturday that I have not had any chance to prepare any formal remarks. I start off by saying to the Governors and their representatives that as a Governor myself for the past four years I am somewhat on intimate terms with the duties of Governors and also with the rights and duties of States. The country needs cooperation between the States and the Federal Government. I think this has been well demonstrated by the events of the past 48 hours.

The States acted with remarkable promptitude in preventing a panic at a time when it might well have developed. The situation, however, did get to the point yesterday where some kind of uniform action seemed necessary, and as you know resulted in two things -- the calling of a Special Session of Congress for Thursday, and secondly, a proclamation to take care of immediate emergency between now and Thursday.

In that proclamation there were four or five main objectives. The first one was to prevent the withdrawal of any further gold and currency. The old War Statute of 1917

Franklin D. Roosevelt Library

This is a transcript made by the White House stenographer from his shorthand notes taken at the time the speech was made. Underlining indicates words extemporaneously added to the previously prepared reading copy text. Words in parentheses are words that were omitted when the speech was delivered, though they appear in the previously prepared reading copy text.

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had not been repealed and we used it. It was an exceedingly useful instrument. The second objective was to provide some form of circulating medium for the country in addition to the outstanding currency, because a large part had been put into hiding. I have confidence the public will accept that circulating medium.

We should provide some method by which banking can go on with new cash coming in. It is proposed through the Treasury Department that every bank will be authorized to open new accounts, and the money so deposited in the new accounts can be withdrawn at any time. The only way in which that money can be kept absolutely safe beyond peradventure of doubt is by using methods to keep it safe -- first keeping the money in cash the way it is put in; secondly, depositing it in the Federal Reserve Bank, and third, purchasing Government bonds with it.

Recognized Government bonds are as safe as Government currency. They have the same credit back of them. And, therefore, if we can persuade people all through the country, when their salary checks come in, to deposit them in new accounts, which new accounts will be held in trust, and the money kept in one of the new forms I have mentioned, we will have made progress.

All I can say is I am very grateful for what the States have done in this emergency and we want if possible to have a general banking situation, that is to say covering National Banks and State Banks, as uniform as possible throughout the country and at the same time we want to cooperate with all of the States in bringing about that uniformity. I have no desire to have this matter centralized down here in Washington any more than we can help. I don't believe there is much more to say about banking.

The letter that I sent to you took up several matters:

Conflicting taxation between Federal and State Governments. Every one of you have been seeking methods to find new sources of taxation. It has been natural and human to expect that the Federal Government should try to find some method of raising revenue.

A second question relates to Federal aid in unemployment relief. The Federal Government, of course, does have to prevent anybody from starving but the Federal Government should not be called upon to exercise that duty until other agencies fail. The primary duty is that of the locality, the city, county, town -- if they fail and cannot raise enough to meet the needs, the next responsibility is on the States and they have to do all they can, and if it is proven

that they cannot do any more and the funds are still insufficient, it is the duty of the Federal Government to step in.

We come to the question of coordinating work. It is very difficult to know in the Federal Government what States are doing well for unemployment relief and what States are not, and it is my thought that I can create some kind of central relief agency which will be a fact-finding body, which will coordinate the work of States, and act as a clearing house for the relief of the Nation. I hope to get that set up in the next two or three weeks.

The third proposition, the reorganizing and consolidation of local government to reduce the taxation cost. That is your problem and it has been my problem for the past four years.

And there is the question of mortgage foreclosures especially on farm land and also on small homes. There again we haven't a national policy. Some of the States are doing it one way and another State is doing it another way. Some States and some localities are closing their eyes to existing laws and do not have any foreclosures. As yet we have no national policy for it, but I believe we can have one.

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ADDRESS BY PRESIDENT ROOSEVELT BEFORE THE GOVERNOR'S
CONFERENCE AT THE WHITE HOUSE MARCH 6, 1933.

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