Franklin D. Roosevelt — "The Great Communicator" The Master Speech Files, 1898, 1910-1945

Series 2: "You have nothing to fear but fear itself:" FDR and the New Deal

File No. 627

1933 May 7

Fireside Chat #2 – "Outlining the New Deal Program"

P.P.F! For the Press The privite 15 May 7, 1933 Caution: The radio address of the President summet be hold for released is released for publication in all editions of newspapers not appearing on the Streets before 945 PM, for Eastern Standard Zime, tonight x

(2) Canteon must be exercised to prevent premeture publication assistant Secretary to the President (Begen Speech

40627

RADIO SPEECH mary SUNDAY - MARCH 7, 1933

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 D provided a means of understanding which did much to restore confidence.

Tonight, seven 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, money to go into hiding, thus forcing liquidation and bankruptcy of banks, railroads and insurance companies and a recapitalizing of all business

-2-

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

-3-

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.

-4-

The function of Congress is to decide what has to be done and to select the appropriate agency to carry out its will. This policy it has strictly adhered to. 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

-5-

two birds with one stone. We are clearly enhancing the value of our natural resources and, at the same time, we are relieving an appreciable amount of actual distress. This great group of men have 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.

-6-

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.

-7-

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 which so often in the past has kept farm commodity prices far below a reasonable return. This measure provides wide powers for emergencies. The extent of its use will depend entirely upon what the future has in store.

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.

-8-

0

Our Railroad Bill falls into the same class because it seeks to provide and make certain definite planning by the railroads themselves, with the assistance of the Government to eliminate the duplication and waste that is now resulting in railroad receiverships and continuing operating deficits.

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 surpluses which other nations did not have the cash to buy from us except at prices ruinously low. We have 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

-9-

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 out-put of farm and factory indefinitely and that some magician would find ways and means for that increased out-put 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 bally-ho 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

-10-

20

that because of unjustified optimism we can resume the ruinous practice of increasing our crop out-put and our factory out-put 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 bou. that we have taken Government control of farming, control of industry and control of transportation. It is rather a partnership between Government and farming, and industry and transportation; not partnership in profits, for the profits would still go to the citizens, but rather a

partnership in planning and partnership to see that the plans are carried out.

Let me illustrate with an example. Take the cotton goods industry. It is probably true that ninety per cent of the cotton manufacturers would agree

-11-

to eliminate starvation wages, would agree to stop long hours of employment, would agree to stop child labor, would agree to prevent an over-production that would result in unsalable surpluses. But, what good is such an agreement if the other ten per cent of cotton manufacturers pay starvation wages, require long hours, employ children in their mills and turn out burdensome surpluses? The unfair ten per cent could produce goods so cheaply that the fair ninety per cent would be compelled to meet the unfair conditions. Here is where Government comes in. Government ought to have the right, and will have the right, after surveying and planning for an industry, to prevent, with the assistance of the overwhelming majority of that industry, unfair practice, and to enforce this agreement by the authority of government. The so-called anti-trust laws were intended to prevent the creation of monopolies and to forbid unreasonable profits to those monopolies.

-12-

That purpose of the anti-trust laws must be continued, but these laws were never intended to encourage the kind of unfair competition that results in long hours, starvation wages and over-production.

The same principle applies to farm products and to transportation and every other field of organized private industry.

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 purposes cannot be attained in a day. Our policies are wholly within purposes for which our American Constitutional government was established one hundred and fifty 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

-13-

÷0.

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 seventy-five per cent of the time, I shall come up to the fullest measure of my hopes."

Much has been said of late about Federal finances frances, founds and inflation, the gold standard, etc. Let me make the facts very simple and my policy very clear.

In the first place, government credit and government currency are really one and the same thing. Behind government bonds there is only a promise to pay. Behind government currency we have, in addition to the promise to pay, a reserve of gold and a small reserve of silver. In this connection it is worth while remembering that in the past the government has agreed to redeem nearly thirty

-14-

billions of its debts and its currency in gold, and private *And initials* corporations in this country have agreed to redeem another sixty or seventy billions of securities and mortgages in gold. The government and private corporations were making these agreements when they knew full well that all of the gold in the United States amounted to only between three and four billions and that all of the gold in all of the world amounted to only about eleven billions.

If the holders of these promises to pay started in to demand gold the first comers would get gold or a few days and they would amount to about one twentyfifth of the holders of the securities and the currency. The other twenty-four people out of twenty-five, who did not happen to be at the top of the line, would be told politely that there was no more gold left. We have decided to treat all twenty-five in the same way in the interest of justice and the exercise of the constitutional powers of this government. We have placed everyone on the same basis

-15-

100

in order that the general good may be preserved.

Nevertheless, gold, and to a partial extent silver, are perfectly good basis for currency and that is why I decided not to let any of the gold now in the country go out of it.

A series of conditions arose three weeks ago which very readily might have meant, first, a drain on our gold by foreign countries, and, secondly, as a result of that, a flight of American capital, in the form of gold, out of our country. It is not exaggerating the possibility to tell you that such an occurrence might well have taken from us the major part of our gold reserve and resulted in such a further weakening of our government and private credit as to bring on actual panic conditions and the complete stoppage of the wheels of industry.

The Administration has the definite objective of raising commodity prices to such an extent that those

-1.6-

who have borrowed money will, on the average, be able to repay that money in the same kind of dollar which they borrowed. We do not seek to let them get such a cheap $\lim_{t \to 0} e_{t} \int_{-\infty}^{\infty} e_{t} d_{t}$ dollar that they will be able to pay back a great deal less than they borrowed. In other words, we seek to correct a wrong and not to create another wrong in the opposite direction. That is why powers are being given to the Administration to provide, if necessary, for an enlargement of credit, in order to correct the existing wrong. These powers will be used when, as, and if it may be necessary to accomplish the purpose.

Hand in hand with the domestic situation which, of course, is our first concern, is the world situation, and I want to emphasize to you that the domestic situation is inevitably and deeply tied in with the conditions in all of the other nations of the world. In other words, we can get, in all probability, a fair measure of prosperity

-17-

return in the United States but it will not be permanent unless we get a return to prosperity all over the world.

推

In the conferences which we have held and are holding with the leaders of other nations, we are seeking four great objectives. First, a general reduction of armaments and through this the removal of the fear of invasion and armed attack, and, at the same time, a reduction in armament costs, in order to help in the balancing of government budgets and the reduction of taxation. Secondly, a cutting down of the trade barriers, in order to re-start the flow of exchange of crops and goods between nations. Third, the setting up of a stabilization of currencies. in order that trade can make contracts ahead. Fourth, the re-establishment of friendly relations and greater confidence between all nations.

Our foreign visitors these past three weeks have responded to these purposes in a very helpful way.

-18-

All of the Nations have suffered alike in this great depression. They have all reached the conclusion that each can best be helped by the common action of all. It is in this spirit that our visitors have met with us and **discussed** our common problems. The international conference that lies before us must succeed. The future of the world demands it and we have each of us pledged ourselves to the best joint efforts to this end.

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 wide spread 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

-19-

6

present spirit of mutual confidence and mutual encouragement we go forward.

And, In conclusion, may I express to the National Broadcasting Company and to the Columbia Broadcasting System, my thanks for the facilities they have made available to me, mndmthamming making it possible for me to speak to you tonight.

Original reading lippy

-20-

On a Sunday night just a week and one day after my Inauguration on March 4th, I used the radio to tell you about the banking crisis and the measures we were Taking using to meet it. I food that in that way I made perflectly clear to the country various facts that might otherwise have been misunderstood and in general provided which Wid much the a real means of understanding between you and those of Theore the fidure. The we who have been selected by you to administer your

Part!

government.

db.

Tonight, **just** seven 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 wery serious problems, indeed. 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, peilroads 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 an entirely different value from the level of March, 1933. in that arises # situation did not call for any complicated consideration of economic threader or fancy plans. We were faced by a condition and not a theory.

Part 1

-2-

There were just two alternatives: The first

The same principle applies to farm products and to transportation and every other field of organized private industry.

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 purposes cannot be attained in a day. Our policies are wholly within purposes for which our American Constitutional Covernment was established 150 years ago. The set of the set of

Part 1.

-3-

PART 2

It is easy to say that the result of this course would have not only economic effects of a very serious nature but social and mount 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. Because involved not only a further loss of homes, farms, savings and wages but also a loss of spiritual values loss of the sense of security for the present and the future so necessary to the peace and contenment 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 shakey institutions could not this downward course. A prompt program applied as quickly as possible seems 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 been done and to select the appropriate agency to darry out its will. This policy it has strictly adhered to. The only thing that has been happening has been to **provide for the purposes** of Congress. This was constitutional and in keeping with the past American tradition. The legislation which has been passed or 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 mmillion 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, nearly clothing and caring for/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. With eare clearly enhancing the value of our mattim natural resources and second, we are relieving an appreciable amount of actual distress. This great group of men have entered upon their work on a purely * 0

voluntary basis, no accentification military training is involved, and the effective of providing wholesome and profitable work and but at the same time our natural resources are already under way. A 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. It employee millions of human boings and thus at a minimum cost to the Government.

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 mean not only the use of a great natural percurson but 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. Mext, the Congress is about to pass legislation that will greatly ease the mortgage distress among the farmers and home owners of the Mation, the former is on heavily upon millions of our people. Our next step in seeking immediate relief is is a grant of half billion dollars to help the states, counties and municipalities in their duty to care for those who need direct and immediate relief. legislation authorizing the sale of beer in such states as desired. This legislation has already resulted in considerable reemployment and incidently has provided much needed tax revenue.

12.1

Congress

We are planning to submit at a very early date for the consideration Congress legislation when the enable the Government to undertake public works, thus stimulating directly and indirectly the employment of many officers the stimulating directly and indirectly the employment of many officers

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 which so often in the past has kept farm commodity prices far below a reasonable return. The second entropy based upon the sound principal of limiting production in the necessities and possibilities that are before us in order that wherever the hatural course of business improvement renders it unnecessary to entline the provisions of this and there will be no extensive attempt to engage the Government is the task of administration for which it provides. This measure provides wide powers for emergencies. The extent of its use will depend entirely upon what the future has in store.

Well considered and conservative measures will likewise be proposed



which will attempt to give to the industrial workers of the country a fair wage return, prevent cut-throat competition and undue long hours for labor, and at the same time to encourage each industry to prevent over-production .

more

Our Bailroad Bill falls into the same class because it seeks to provide and make certain definite planning by the railroads themselves, with the assistance of the Government is to eliminate, duplication and waste that is now resulting in railroad receiverships and continuing operating definite.

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 surpluses which other nations did not have the cash to buy from us except at prices ruinously low. We have 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 of 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 x part by a complete y 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 outmacician put of farm and factory indefinitely and that some winter 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, is farm prices are better, but I am not going to indulge in issuing proclamations of over enthusiastic assurance. WE cannot bally-ho 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 the firmere another speculative in I I do not want the people to believe that because of unjustified optism 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 and it will be the kind of prosperity that will lead us into another tailspin. . Thave asked and have received. powers that will go a long way to lift us dut of the erroneous conditions of two months ago, but I want to assure the people of this country that I shall use this power to check unsound expansion as firmly as I shall use it to lift the burden of the depression. The powers are at hand and the objective is clearly in sight, and with courage and restraint and forbearance we shall I believe, enter upon a period of genuine sound and ordered wellbeing.

+10]

Lit is wholly wrong to call the measures that we have taken Government Limit and the limit of transportation. It is rather a partmership between Government and industry and of transportation; It is rather a partpartnership in profits, for the profits would still go to the citizens, but rather a partnership in planning and partnership to see that the plans are carried out.

Ó

Let me illustrate with an example, ter the cotton goods industry. It is probably true that ninety per cent of the cotton manufacturers would agree to eliminate starvation wages, would agree to stop long hours of employment, would agree to stop child labor, would agree to prevent the overproduction that would result in unsalable surpluses. But, what good is such an agreement if the other ten per cent of cotton manufacturers pay starvation wages, require continently long hours, employ children hundracome in their mills and turn out surplus es? The unfair ten per cent could produce goods so cheaply that the fair ninety per cent would be compelled to meet the unfair conditions. Here is where government comes in. Government ought to surveying and planning have the right and will have the right after for an industry to prevent, with the assistance of the overwhelming majority of that industry, unfair practice and to enforce this agreement by the authority of government. The so-called anti-trust laws were intended to prevent the ma beal creation of monopolies and to w unreasonable profits to those monopolies. That purpose of the anti-trust laws must be continued, but these laws were never intended to encourage the kind of unfair competition that results in long hours, starvation wages and overproduction.

I know that the people of this country will understand this and will also the art model at my the follow, I do not deny the frage of fracted at the follow, I do not deny that follow, I do not den

2.

Much has been said of late about Federal finances and inflation, the gold standard, etc. Let me make the facts very simple and my policy very clear.

In the first place, government credit and government currency are really one and the same thing. First check, government bonds there is only a promise to pay. Behind government currency we have, in addition to the promise to pay, a reserve of gold and a small reserve of silver. In this connection it is worth while remembering that in the past the government has agreed to redeem nearly thirty billions of its debts and its currency in gold and private corporations in this country have agreed to redeem another sixty or seventy billions of securities and mortgages in gold. The government and private corporations were making these agreements when they knew full well that all of the gold in the United States amounted to only between three and four billions and that all of the gold in all of the world amounted to only about eleven billions.

If the holders of these promises to pay started in to demand gold the first comers would get gold for a few days and they would amount to about one twenty-fifth of the holders of the securities and the currency. The other twenty-four people out of twenty-five, who did not happen to be at the top of the line, would be told politely that there was no more gold left.

(Susent) We have decided & Treat All 25 in The 2 mar way in The interset of automatic Instrice and The openie of the Invalitational provers of This presserverent x

THE WHITE HOUSE

THE WHITE HOUSE

Nevertheless, gold, and to a partial extent silver, are perfectly good bas{s for currency and that is why I decided not to let any of the gold now in the country go out of it.

With the nes

Because we are not allowing private individuals or borporations to hoard gold we have decided during these times to pay government obligations in currency and not in gold. These obligations were offerred to and tought by Americans in the first instance. The were not offerred in foreign markets. We are, therefore, applying the same rule to foreigners who have subsequently bought these obligations as we are applying to dur own citizens. It would have been a very different thing if the United States Government or any private corporation had deliberately gone to a foreign country and borrowed money on a promise to repay the obligation in gold. In this case, however, we sold our bonds to Americans and the small percentage of these bonds, which subsequently were bought by foreigners must come under the same rule, which for the good of all of us we have applied to our own people.

A series of conditions arose three weeks ago which very readily might have meant, first, a drain on our gold by foreign countries, and, secondly, as a result of that, a flight of American capital, in the form of gold, out of our country. It is not exaggerating the possibility to tell you that such an occurrence might well have taken from us the major part of our gold reserve and resulted in such a further weakening of our government and private credit as to bring on actual panic conditions and the complete stoppage of the wheels of industry.

3.

of justice and fairness.

Part 5

The Administration has the definite objective of raising commodity prices to such an extent that those who have borrowed money will, on the average, be able to repay that money in the same kind of dollar which they borrowed the do not seek to let them get such a cheap dollar that they will be able to pay back a great deal less than they borrowed. In other words we seek to correct a wrong and not to create another wrong in the opposite direction. That is why powers are being given to the Administration to provide, if necessary, for an enlargement of credit, in order to correct the existing wrong. These powers will be used when, as, and **if** it may be necessary to accomplish the purpose.

Page 1.

Hand in hand with the domestic situation which, of course, is our first concern, is the world situation, and I want to emphasize to you that the domestic situation is inevitably and deeply tied in with the conditions in all of the other nations of the world. In other words, we can get, in all probability, a fair measure of prosperity return in the United States, but it will not be permanent unless we get a return to prosperity all over the world.

In the conference which we have held and are holding with the leaders of other nations, we are seeking four great objectives. First, a general reduction of armaments and through this the removal of the fear of invasion and armed attack, and, at the same time, a reduction in armament costs, in order to help in the balancing of government budgets and the reduction of taxation. Secondly, a cutting down of the trade barriers, in order to re-start the flow of exchange of crops and goods between nations. Third, the setting up of a stabilization of currencies, in order that trade can make contracts ahead. Fourth, the reestablishment of friendly relations and greater confidence between all nations.

Our foreign visitors these past three weeks have responded to these purposes in a very helpful way. Add of the Nationshave suffered alike in this great depression. They have all reached the conclusion that each can best be helped by the common action of all. It is in this spirit that **the** our visitors have met with us and discussed our common problems. The international conference that lies before us must succeed. The future of the world demands it and we have each of us pledged ourselves to the best joint efforts to this end. To the people of this country and all of us, the members of Congress and the members of this Administration over a profound debt of gratitude. Throughout the depression to your have been patient, by have granted us wide powers, be have encouraged us with a wide spread approval of our purposes. Every ounce of strength and every resource at our command we have devoted to the end of justifying 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. We confidence and mutual encouragement we go forward.

6 . · ·

RADIO ADDRESS OF THE PRESIDENT May 7, 1933

0621

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

Franklin D. Roossvelt Liorary

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 MIT WO BEERGIA OIGAR parentheses are words that were omitted when the speech was delivered, though ESCI .7 year they appear in the previously prepared reading copy text.

On a Sunday night a woek 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, sight weeks istor, I come for the second time to give you my report -- in the same spirit and by the same means to fell you about what we have been doing and what we are planning to do.

Two months ago we were finding serious problems. The country was dying by inches. It was dying because trade and commerce had declined to dengerously low levels; prices for basic commodities were such as to destroy the value of the assets of national institutions such as hanks, savings banks, insurance companies, and others. These institutions, because of their great needs, were foreclosing mortgages, celling loans, refusing credit. Thus there was actually in process of destruction the property of millions of people who had borrowed money on that property is 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, 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

- 2 -

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. This policy it has strictly adhered to. 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 in the process of enactment can properly be considered as part of a well-grounded plan.

First, we are giving opportunity of employment

- 3 -

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 have 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

- 4 -

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 which so often in the past has kept farm commodity prices far below a reasonable return. This measure provides wide powers for emergencies. The extent of its use will depend entirely upon what the future has in store.

Well-considered and conservative measures will likewise be proposed which will attempt to give to the

- 5 -

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.

Our Railroad Bill falls into the same class because it seeks to provide and make certain definite planning by the railroads themselves, with the assistance of the Government, to eliminate the duplication and waste that is now resulting in railroad receiverships and continuing operating deficits.

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 surpluses which other nations did not have the cash to buy from us except at prices ruinously low. We have 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

- 6 -

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 bally-ho 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 measure that we have taken Government control of farming, control of industry, and control of transportation. It is rather a partnership between Government and farming and industry

- 7 -

and transportation, not partnership in profits, for the profits would still go to the citizens, but rather a partnership in planning and partnership to see that the plans are carried out.

Let me illustrate with an example. Take the cotton goods industry. It is probably true that ninety per cent of the cotton manufacturers would agree to eliminate starvation wages, would agree to stop long hours of employment, would agree to stop child labor, would agree to prevent an overproduction that would result in unsalable surpluses. But, what good is such an agreement if the other ten per cent of cotton manufacturers pay starvation wages, require long hours, employ children in their mills and turn out burdensome surpluses? The unfair ten per cent could produce goods so cheaply that the fair ninety per cent would be compelled to meet the unfair conditions. Here is where government comes in. Government ought to have the right and will have the right, after surveying and planning for an industry to prevent, with the assistance of the overwhelming majority of that industry, unfair practice and to enforce this agreement by the authority of government. The so-called anti-trust laws were intended to prevent the creation of monopolies and to forbid unreasonable profits to those monopolies. That purpose of the anti-trust laws must be continued, but these

- 8 -

laws were never intended to encourage the kind of unfair competition that results in long hours, starvation wages and overproduction.

The same principle applies to farm products and to transportation and every other field of organized private industry.

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 per cent of the time I shall come up to the fullest measure of my hopes."

Much has been said of late about Federal finances and inflation, the gold standard, etc. Let me make the facts very simple and my policy very clear. In the first

- 9 -

place, government credit and government currency are really one and the same thing. Behind government bonds there is only a promise to pay. Behind government currency we have, in addition to the promise to pay, a reserve of gold and a small reserve of silver. In this connection it is worth while remembering that in the past the government has agreed to redeem nearly thirty billions of its debts and its currency in gold, and private corporations in this country have agreed to redeem another sixty or seventy billions of securities and mortgages in gold. The government and private corporations were making these agreements when they knew full well that all of the gold in the United States amounted to only between three and four billions and that all of the gold in all of the world amounted to only about eleven billions.

If the holders of these promises to pay started in to demand gold the first comers would get gold for a few days and they would amount to about one twenty-fifth of the holders of the securities and the currency. The other twenty-four people out of twenty-five, who did not happen to be at the top of the line, would be told politely that there was no more gold left. We have decided to treat all twenty-five in the same way in the interest of justice and the exercise of the constitutional powers of this government. We have placed every one on the same basis in order that the general good may be preserved.

- 10 -

Nevertheless, gold, and to a partial extent silver, are perfectly good bases for currency and that is why I decided not to let any of the gold now in the country go out of it.

A series of conditions arose three weeks ago which very readily might have meant, first, a drain on our gold by foreign countries, and secondly, as a result of that, a flight of American capital, in the form of gold, out of our country. It is not exaggerating the possibility to tell you that such an occurrence might well have taken from us the major part of our gold reserve and resulted in such a further weakening of our government and private credit as to bring on actual panic conditions and the complete stoppage of the wheels of industry.

The Administration has the definite objective of raising commodity prices to such an extent that those who have borrowed money will, on the average, be able to repay that money in the same kind of dollar which they borrowed. We do not seek to let them get such a cheap dollar that they will be able to pay back a great deal less than they borrowed. In other words, we seek to correct a wrong and not to create another wrong in the opposite direction. That is why powers are being given to the Administration to provide, if necessary, for an enlargement of credit, in order to correct the existing wrong. These powers will be used when, as, and if it may be necessary to accomplish the purpose.

Hand in hand with the domestic situation which, of course, is our first concern, is the world situation, and I want to emphasize to you that the domestic situation is inevitably and deeply tied in with the conditions in all of the other nations of the world. In other words, we can get, in all probability, a fair measure of prosperity return in the United States, but it will not be permanent unless we get a return to prosperity all over the world.

In the conferences which we have held and are holding with the leaders of other nations, we are seeking four great objectives. First, a general reduction of armaments and through this the removal of the fear of invasion and armed attack, and, at the same time, a reduction in armament costs, in order to help in the balancing of government budgets and the reduction of taxation. Secondly, a cutting down of the trade barriers, in order to re-start the flow of exchange of crops and goods between nations. Third, the setting up of a stabilization of currencies, in order that trade can make contracts ahead. Fourth, the reestablishment of friendly relations and greater confidence between all nations.

Our foreign visitors these past three weeks have responded to these purposes in a very helpful way. All of the Nations have suffered alike in this great depression. They have all reached the conclusion that each can best be helped by the common action of all. It is in this spirit that our visitors have met with us and discussed our common problems. The international conference that lies before us

- 12 -

must succeed. The future of the world demands it and we have each of us pledged ourselves to the best joint efforts to this end.

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 wide-spread 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.

- 13 -

May 7, 1933.

GAUTION: The radio address of the Prosident is released for publication in all editions of newspapers not appearing on the streats before 9:45 P.N., Kestern Standard Time, tonight.

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 bt. I think that in the way I made elser 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, $\vec{E}_i \neq i t$ 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 shout what we have been doing and what we are planning to do.

Two months ago we were facing serious problems. The country wes dying by inches. It was dying because trade and commerce had declined to denorrously low lavels; prices for basic commodifies wore such as to destroy the value of the sasets of national institutions such as barks, savings banks, insurance companies, and others. These institutions, because of their great needs, were forcolosing mortgages, calling lona, refusing credit. Thus there was actually in precess of destruction the property of millions of people who had borrowed money on that property in torms 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 conditions and not a theory.

There were just two eltorpatives: The first was to allow the foreclosures to continue, sredit to be withheld and menoy to 60 into hiding, and thus fereing liquidation and bankruptey of banks, reilreads and insurance companies and a recepitelizing of all business and all property on s lower level. This alternative meants continuation of what is locsely called "deflation", the net result of which would have been extreordinary hardwhip on all property owners and, incidentally, extreordinary hardwhips and h persons working for weges through an increase in unemployment and & further reduction of the wege scale.

It is easy to S.S.C 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 insugurated 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 Weshington for confidence and the more 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 understoad 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 press-In the emergency by measures which were suited to the serious and pres-ing requirements of the moment. There was no solutal surmeder of power, Congress still retained its constitutional authority and no one has the alightest deside to change the balance of these powers. The function of Congress is to decide what has beeg done and to select the appropriate agency to carry out its will. This policy it has strictly adhered to. The only thing that has been happening has been to designite the President as the agency to carry out serial of the purposes of the Congress. This was constitutional and in keeping with the past American tradition.

The legislation which has been passed or in the process of electment can preparly be considered as part of a well grounded plan.

-2-

First, we are giving opportunity of employment to one-querter of a million of the unemployed, especially the young mon who have dependents, to go into the forestry and flood prevention work. This is a big task because it means feeding, elothing and caring for nearly twice as many men as we have in the regular army itself. In creating this civilisn conservation earps we are killing two birds with one stone. 75 are clearly onhancing the value of our natural resources and second, we are relieving an appreciable amount of actual distress. This great group of men have entered upon their work on a purely voluntary hasis, na military training is involved and we are conserving not only our natural resources but our humme resources. One of the great values to this work is the fact that it is direct and requires the intervention of very litch mencinery.

Second, I have requested the Congress and have secured action upon a proposal to put the great properties owned by our Covernment at Mascle Shcals to work after long years of westerful inaction, and with this a broad plan for the improvement of a vest area in the Tennessee Valley. It will add to the confort and happiness of hundreds of thousands ef people and the incident benefits will reach the entire Nation.

Next, the Congress is about to pess legislation that will greatly ease the mortgage distress smoot the farmers and the home owners of the nation, by providing for the easing of the $b u^{\Gamma_1 \cap \Omega_1}$ 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 sele of beer in such states as desired. This has already resulted in considerable reemployment and incidently has provided much needed tax revenue.

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

Further legislation has been taken up which cove much more fundamentally into our sconomic problems. The Farm Holtef Sill seeks by the use of several methods, slone or together, to bring shout an increased return to farmers for their mejor farm products, seeking at the same time to prevent in the days to come disastrous over-production which so often in the past has kept farm commodity prices far below a reasonable roturn. This measure provides wide powers for emergencies. The extent of its use will depend entirely upon what the future has in staro.

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 roturn, prevent cut-throat competition and unduly long hours for labor, and at the same time to encourage each industry to prevent over-production.

Our Relired Bill falls into the same class because it seeks to provide and make certain dofinite planning by the railroads themselves, with the assistance of the Government, to climinate the duplication and maste that is now resulting in reilroad receiverships and continuing aperating deficits.

I am cortain that the people of this country understend and approve the broad purposes behind those new government policies relating to scriculture and industry and transportstion. We found ourselves faced with more agriculturel product sthem we could possibly consume ourselves and surpluses which other nations did not have the each to buy from us except at prices ruinously low. We have found our factories able to turn out more goeds than we could possibly consume, and at the same time we were faced with a folling export domand. 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 of this country have been erroneously encouraged to believe that they could face for newly in the same and means for that increased output to be consumed with reasonable profit to the profuser. Today us have roason to believe that things are a little better than they were two months ago. Inductry has picked up, railroads are carrying more freight, farm prices are better, but I am not going to indulge in issuing proclamations of over enthusinatic assuremes. We cannot belly-ho ourselves back to prosperity. I am going to be honset 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 cous back on another speculative wave. I do not want the people to believe that because of unjustified optian we can resume the runnous predice of increasing our crop output and our factory output in the hope that a kind providence will find hyers at high prices. Such a course may bring us immediate and false prosperity but it will be the kind of prosperity that will be due into enother talipin.

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

Let so illustrate with an example. Take the option goods industry. It is probably true that innery per cent of the cotton samufacturers would agree to eliminate starvation ways, muld agree to stop long hours of exployment, would agree to shop which above, would agree to prevent an overproduction that would result in nuralshic surpluses. But, what good is such an agreement if the other ten per cent of cotton meanfacturers pay starvation wages, require long hours, amploy children in their mills and turn our burdences surpluses? The unfair ten per cent could produce goods so checkly that the fair minstry per cent would be compelled to next the unfair conditions. Here is where government comes aurveying and planning for an industry to prevent, with the assistance of the overholdning asjority of that industry, unfair yractice and to enforce this agreement by the authority of government. The so-called anti-trust laws must be continued, but these heavs ere nerver intended to encourage the lind of unfair compotition that results in long hours, starvation wages and overproduction.

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

I know that the people of this country will understand this and will also understand the spirit in which we are understanding 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 the I comes to bat. That I godk is the hijchest possible hitting average, not only for nyself but for the team. Theodore Rocsevalt once said to me: "If I can be right by for the team. Theodore Rocsevalt once said to me: "If I can be right

Inch has been said of late about Federal finances and inflation, the gold standard, etc. Let me make the fact very simple and my policy very clear. In the first place, covernment credit and government ourready are really one and the same thing. Behind government bounds there is only a promise to pay. Behind government aurrency we have, in addition to the promise to pay, a reserve of gold and a small reserve of silver. In this connection it is worth while examethering that in the past the government has agreed to redeen merry billions of its debts and its currency in gold, and private corporations in this country hav agreed to redeen another sixty or averably billions of securities and mortganges in gold. The government and private corporations were taking these agreements when they knew full that all of the gold in all of the world securit only show there is only both one.

If the holders of those promises to pay started in to demand gold the first comers would get gold for a few days and they would arount to about one twenty-fifth of the holders of the securities and the currency. The other twenty-four people out of twenty-fire, who did not haupen to be at the top of the line, would be told politely that there was no more Gold left. We have dedided to treat all twenty-five in the same way in the interest of justice and the exercise of the constitutional powers of this Covernment. We have placed every one un the came basis in order that the general good may be preserved.

Nevertheless, Gold, and to a partial extent silver, are perfectly good bases for currency and blat is shy I decided not to let any of the gold now in the country go out of it.

A series of conditions arcse three weeks ago which wary readily might have meant, first, a drain on our cold by foreign countries, and, secondly, as a result of that, a flight of American capital, in the form of gold, out of our country. It is not exaggraving the possibility to tell you that such an occurrence might well have taken from us the rajor part of our cold reas ree and resulted in such a further weakening of our government and myirate credit as to bring on actual panic conditions and the complete stoppage of the wheels of industry. The Administration has the definite objective of relaing commodity prices to such an extent that those who have borrowed money will, on the average, be able to repay that money in the same kind of dollar which they borrowed. We do not seek to let them get such a cheap dollar that they will be able to pay back a great deal less than they borrowed. In other words we seek to correct a arone and not to create another wrong in the opposite direction. That is why powers are boing given to the Administration to provide, if necessary, for an enlargement of credit, in order to correct the existing groups. These powers will be used when, as, and if it may be necessary to accomplish the purpose.

Hand in hand with the domestic situation which, of course; is our first domean, is the world situation, and I want to emphasize to you that the domestic situation is inevitably and deeply tied in with the conditions in all of the other nations of the world. In other words, we can get, in all probability, a fair measure of prosperity return in the United States, but it will not be perminent unless we get a return to prosperity all over the world.

In the conferences which we have held and are holding with the leaders of other nations, we are seeking four (rest objectives. First, a general reduction of arkaments and through this the removal of the fear of invasion and arms datack, and, at the same time, a reduction in armanent costs, in order to help in the balancing of (overnment budgets and the reduction of traction. Secondly, a cutting down of the trade barriers, in order to re-start the flow of exchange of crops and goods between nations. Third, the setting up of a stabilization of ourrenoises, in order that trade can inde controcts shead. Fourth, the restabilishment of friendly relations and _rester confidence between all nations.

Our forsign victors these part three reeks have responded to these purposes in a very helpful way. All of the Nations have suffered alike in this great depression. They have all reached the conclusion that each can best be helped by the common action of all. It is in this spirit that our visitors have net with us and discussed our common problems. The international conference that lies have our substances of the world demands it and we have each of us pladed ourselves to the best joint efforts to this end.

To you, the people of this country, all of us, the Members of of gratitude. Throughout the depression you have been patient. You have granted us wide powers, you have encouraged us with a wide spread approval of our purposes. Freey ownee of strength and every resource at our courand we have devoted to the end of justifyin; your confidence. We are encouraged to believe that a wise and sensible beginning has been made. In the present spirit of mutual confidence and matual encouragement we go forward.

HADIO ADDRESS OF THE PRESIDENT

DELIVERED FROM THE PRESIDENT'S STUDY

IN THE WHITE HOUSE

May 7, 1933

.

On a Sunday night a week after my inauguration I used the radio to bell 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 we dying by inches. It was dying because trade and commerce had declined to dangerously low levels; prices for basic comsolities were such as to destroy the value of the assets of mational 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 bourweed money on that property in terms of dollars which had had an entirely different value from the level of March, 1935. 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 alteratives: The first was to allow the foreclosures to continue, credit to be withheld and money to go into hiding, and thus forcing liquidation and bankrupter of banks, railroads and insurance companies and a recepticalizing of all business and all property on a lower level. This alternative meant a continuation of what is loosely called "diclation", in net result of which would have been extraordinary hardwhip on all property owners and, incidentally, extraordinary hardwhip on all presens 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 more appeals from Washington for confidence and the more lending of more money to shaky institutions could not stop this downward course. A prompt program applied as quickly as possible scemed 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 sppropriate agency to carry out its will. This policy it has strictly addred to. The only thing that has been happening has been to designate the Fresident as the agency to carry out cortain of the purposes of the Congress. This was constitutional and in keeping with the past American tradition.

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

First, we are giving opportunity of employment to onequartor 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 trice as many man as we have in the regular army itself. In creating this civilian consurvation corps we are killing two birds with one stones. We are clearly ennancing the value of our intural resources and second, we are relieving an approdable amount of actual distress. This great group of mon have 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. Can 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 masteful inaction, and with this a broad plan for the improvement of a vast area in the Tennessee Welley. It will add to the comfort and happinese of hundreds of thousands of people and the incident benefits will reach the entire Hatlon.

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 insediate 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 reamployment and incidently 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 firmors for their major farm products, seeking at the same time to prevent in the days to come disastrous over-production which so often in the past has kept farm commodity prices for below a reasonable return. This measure provides wide powers for emergencies. The extent of its use will depend entirely upon what the future has in store.

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

The same principle applies to farm products and to transportation and every other field of organized private industry.

We are working toward a definite goal, which is to prevent the roturn of conditions which came very close to destrying 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 eqco-

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 an it every time i come to bat. What I seek is the highest possible batting avernee, not only for ayself but for the team. Theadore Housevoil once said to me: "If I can be right 75 per cent of the time I shall come up to the fullest measure of my hopes."

Much has been said of late about Federal finances and inflation, the gold standard, etc. Let me make the facts very simple and my policy very clear. In the first place, government credit and government currency are really one and the same thing. Behind government bonds there is only a promise to pay. Behind government currency we have, in addition to the promise to pay, a reserve of gold and a small resorve of silver. In this connection it is worku while remembering that in the past the government has agreed to redeem nearly thirty billions of its dobts and its currency in gold, and private corporations in this country have agreed to redeem another wixty or seventy billions of securities and morkgages in gold. The government and private corporations were making these agreements when they knew full well that all of the gold in the United States amounted to only between three and foru billions.

If the holders of these promises to pay started in to domand gold the first comers would get gold for a few days and they would amount to about one twenty-fifth of the holders of the securities and the currency. The other twenty-four people out of twenty-five, who did not happen to be at the top of the line, would be told politely that there was no more gold left. We have decided to treat all twenty-five in the same way in the interest of justice and the exercise of the constitutional powers of this government. We have placed every one on the same basis in order that the general good may be preserved.

Nevertheless, gold, and to a partial extent silver, are perfectly good bases for currency and that is why I decided not to let any of the gold now in the country go out of it.

A series of conditions arcse three weeks ago which very really significant have meant, first, a drain on our gold by foreign countries, and, secondly, as a result of that, a flight of American capital, in the form of gold, out of our country. It is not exagerating the possibility to tell you that such an ocurrence might well have taken from us the major part of our gold reserve and resulted in such a further weakoning of our government and private crudit as to bring on actual panic conditions and the complete stoppage of the wheels of invistry.

The Administration has the definite objective of raising consolity prices to such an extent that those who have borrowed money will, on the average, be able to repay that money in the same kind of dollar mikich they borrowed. We do not seek to let them get such a cheap dollar that they will be able to pay back a great deal less than they borrowed. In other words we seek to correct a wrong Our mailroad Bill falls into the same class because it seeks to provide and make certain definite planning by the railroads themselves, with the assistance of the Government, to eliminate the duplication and maste tant is now resulting in railroad receiverships and continuing operating deficits.

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 surpluses which other nations did not have the cash to buy from us except at prices ruinously low. We have 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 taings are a little better than they were trow months eqo. Industry has picked up, railroads are carrying more freight, farm prices are better, but I as not going to indulge in fisuing proclamations of over estimatisation assurance. We cannot hally-ho curselves back to prosperity. I as 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 cose back on another speculative wave. I do not want the people to believe that because of unputified optims we can resume the rainous 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 stallard.

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

Let me illustrate with an example. Take the cotton goods industry. It is probably true that ninety per cent of the cotton manufacturers would agree to eliminate starvation wages, would agree to stop long hours of employment, would agree to stop child labor, would agree to prevent an overproduction that would result in unsalable surpluses. But, what good is such an agreement if the other ten per cent of cotton manufacturers pay starvation wages, require long hours, employ children in their mills and turn out burdensome surpluses? The unfair ten per cent could produce goods so cheaply that the fair ninety per cent would be compelled to meet the unfair conditions. Here is where government comes in. Government ought to have the right and will have the right, after surveying and planning for an industry to prevent, with the assistance of the overwelding ma-jority of that industry, unfair practice and to enforce this agree-ment by the authority of government. The so-called anti-trust laws were intended to prevent the creation of monopolies and to forbid unreasonable profits to those monopolies. That purpose of the antitrust laws must be continued, but these laws were never intended to encourage the kind of unfair competition that results in long hours. starvation wages and overproduction.

and not to create another wrong in the opposite direction. That is may powers are being given to the Administration to provide, if necessary, for an enlargement of credit, in order to correct the existing wrong. These powers will be used when, as, and if it may one necessary to accomplish the purpose.

Hand in hand with the domestic situation which, of course, is our first concern, is the world situation, and I want to emphasize to you that the domestic situation is inevitably and deeply tied in with the conditions in all of the other mations of the world. In other works, we can get, in all probability, a fair measure of prosperity return in the United States, but it will not be permanent unless we get a return to prosperity all over the world.

In the conferences which we have hold and are holding with the leaders of other nations, we are solding four great objectives. First, a general reduction of arguments and through this the removal of the fear of invesion and armod attack, and, at the same time, a reduction in argument costs, in order to help in the balancing of government budgets and the reduction of taxation. Secondly, a cutting down of the trade barriers, in order to restart the flow of exchange of crops and goods batween nations. Third, the setting up of a stabilization of currencies, in order to that trade can make contracts anond. Fourth, the restabilishment of iriendly relations and greater confidence between all nations.

Our foreign visitors these past three weaks have responded to have purposes in a vary helpful way. All of the Eations have suffered alike in this great depression. They have all reached the conclusion that each can boot be helped by the common action of all. It is in this spirit that our visitors have mot with us and discussed our common problems. The international conference that lies before us must succeed. The future of the world domands it und we have each of us pleaged ourselves to the best joint efforts to this end.

To you, the people of this country, all of us, the Mesbers of the Congress and the members of this Administration or a s profound debt of gratitude. Throughout the depression you have been patient. You have granted us wide powers, you have encouraged us with a wide gured approval or your purposes. Every queee of strength and overy resource at our command we have devoted to the end of justifying your confidence. We are recovered to the that a wise and somable beginning has been made. In the present that a wise and somable beginning has been made. In the present

CAUTION: The radio address of the President is released for publication in all editions of newspapers not appearing on the streats before 9:45 P.M., Kestern Stundard Time, tonight.

PART I

On a Sunday night a week after my Inauguration I used the redio 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 previded a means of understanding which did much to restore confidence.

Tonight, \vec{E} is weeks later, I came 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.

The months age we were facing serious problems. The country was dying by inches. It was dying because trade and commerce had dealined to descroy the value of the assots of national institutions such as to destroy the value of the assots of national institutions such as institutions, because of their great needs, were fereolosing mortgages, celling loags, refusing credit. Thus there was actually in process of destruction the property of millions of people who had borrowed momey on that property is terms of dellars which had had an entirely different value from the level of March, 1035. That situation in that crisis did not cell for any complicated condition of economic paneoesas or fancy plans. 'We were faced by a condition and not a theory.

There were just two alternatives: The first may to allow the foreclosures to continue, stedit to be rithheld and meney to go into hiding, and thus frecing liquidation and bankcuptey of banks, railreads and insurance companies and a recepitalizing of all business and all property on a lawer level. This alternative meant a continuetion of what is locally called "deflation", the met result of which would have been extraordinary hardship on all property owners and, incidentally, extreordinary hardships en all persons werking for wages through an increase in unemployment and a further reduction of the wage cacle.

It is easy to S.B.C 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 mense 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 coufidence of any sort in the future. It was clear that mere appeals from Weshington for confidence and the more 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 meen the members of both political parties, fully understoad this and gave me generous and intelligent support. The members of Congress realized that the methods of normal times had to be replaced Generatives reserved where she methods of nonsitiations into the separate in the emergency by measures which were suited to the serious and press-ing requirements of the moment. There was as 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 has the slightest desire to decide what hasheen done and to select function of Congress is to decide what hasheen done and to select the appropriate agency to carry out its will. This policy it has strictly adhered to. The only thing that has been happening has been to designate the President as the agency to carry out eartein of the purposes of the Congress. This was constitutional and in keeping with the past American tradition.

The legislation which has been passed or 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 mon who have dependents, to go into the forestry and flood prevention work. This is a big task because it means feeding, eloting and earling for nearly twice as many mean as we have in the regular arry itsolf. In creating this is a big task clearly enhancing the value of our metural recourses and second, we are relieving an appreciable smouth of actual distress. This great group of men have entered upon their work on a purely voluntary basis, no military training is involved and we are conserving not only our matural resources but our luman 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 Covernment at Muscle Shoels to work after long years of wasteful inaction, and with this a broad plan for the improvement of a wast area in the Twnnessee Valley. It will add to the confort and happiness of hundreds of thousands of people and the incident benefits will reach the entire Nation.

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

Our next step in seeking inmediate roliof is a grant of helf a billion dollars to help the states, counties and numicipalities in their duty to care for those who need direct and immediate relief.

The Congress also passed legislution authorizing the sale of beer in such states as desired. This use already resulted in considerable reemployment and incidently has provided much needs tax revenue.

We are planning to ask the Congress for logislation to enable the Government to undertake public works thus stimulating directly and indirectly the exclosument of many others in wall-considered projects.

Further logislation has been taken up which (oes much more fundamentally into cur economic problems. The Farm Heliof Bill seeks by the use of several methods, alone or together, to bring about an increased roturn to furmers for their ms for farm products, seeking at the same time to prevent in the days to cons disactrous over-production which so often in the past has kept farm commodity prices far below a reasonable return. This measure provides vide powere for emergencies. The extent of its use will depend entirely upon what the future has

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

Our Railroad Bill falls into the same class because it seeks to provide and make contain definite planning by the railroads themselves, with the assistance of the Government, to eliminate the duplication and waste that is now reculting in railroad receiverships and continuing operating deficits.

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 transportstion. 's found ourselves faced with more agricultural products than we could possibly consume ourselves and surpluses which other mations did not have the each to buy from us except at prices runnously low. 'b have found our factories able to turn out more goods than we could possibly consume, and at the same time we were faced with a felling export demand. 's found ourselves with more facilities to transport goods and crops than there were goods and erops 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 of this country have been erroneously encouraged to believe that they couple of this country have been erroneously encouraged to believe that the some magician would find ways and means for that increased output to be consumed with reasonable profit to the producer. Poday we have reason to believe that things are a little better than they were two months ago. Industry has picked up, railmoads are carrying more freight, firm prices are better, but I am not going to indulge in issuing proclamations of over esthwaitstic assurance. We cannot bally-he ourselves back to presparity. I am going to be homest 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 coare back on another speculative wave. I do not want the people to believe that because of unjustified optimum coare most of letting this improvement coare back providence or ill find buyers at high prices. Such a course ray bring us immediate and false prosperity but if till be the kind of prosperity that will lead us into another tailspine.

- 5 -

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

Let me illustrate with an example. Take the cotton goods industry. It is probably true that ninety per cent of the cotton manufacturers would agree to eliminate starvation wages, would agree to stop long hours of employment, would agree to stop child labor, would agree to prevent an overproduction that would result in unsalable surpluses. But, what good is such an agreencent if the other ten per cent of cotton manufacturers pay starvation wages, require long hours, employ children in their mills and turn out burdensome surpluses? The unfair ten per cent could produce goods so cheaply that the fair ninety per cent would be compelled to meet the unfair conditions. Here is where government comes in. Government ought to have the right and will have the right, after surveying and planning for an industry to prevent, with the assistance of the overwholming majority of that industry, unfair practice and to enforce this agreement by the authority of government. The so-called anti-trust laws were intended to prevent the creation of monopolies and to forbid unreasonable profits to those monopolies. That purpose of the anti-trust laws must be continued, but these laws were never intended to encourage the kind of unfair competition that results in long hours, starvation wages and overproduction.

The same principle applies to farm products and to transportation and every other field of organized private industry.

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 accomplisiment of our purpose connot 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 understaing this policy. I do not dony 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 usek is the highest possible batting averago, not only for mysealf but for the team. Theodore footewait once easid to me: "If I can be right 75 per cent of the time I shall come up to the fullest measure of my hopes."

Much has been said of late about Pederal finances and inflation, the gold stundard, etc. Let me asks the focts vary simple and ay polloy very clear. In the first place, government credit and government currency are really one and the same thing. Bothind government bonds there is only a promise to pay. Bethind government currency. we have, in addition to the promise to pay, a reserve of gold and a small reserve of silver. In this connection it is worth while remembering that in the past the government has agreed to redeem nearly thirty billons of its debts and its currency in gold, and private corporations in this country have agreed to redeem another sixty or seventy billions of excutities and mortgages in gold. The government and private corporations were making these agreesmuts when they there full that all of the gold in the United States amounted to only be teen three and four billions and that all of the gold

If the holders of these promises to pay sturted in to demand gold the first comers yould get gold for a few days and they would amount to shout one t enty-fifth of the holder: of the scenrities and the currency. The other transf-four people out of trentp-five, who did not happen to be at the top of the line, sould be told polltaly turt there was no more gold left. We have decided to treat all thenty-five in the same way in the interest of justice and the corrected of the constitutional powers of this government. We have placed every one on the same basis in order that the general good may be preserved.

Nevertheless, gold, and to a partial extent silver, are perfectly good bases for currency and that is why I decided not to let any of the gold now in the country go out of it.

A series of conditions arose three weeks ago which very readily might have seant, first, a drain on our gold by foreign countries, and, secondly, as a result of that, a flight of American capital, in the form of gold, out of our country. It is not exaggerating the possibility to tell you that such an occurrence might well have taken from us the major part of our gold reserve and result in such a further weekening of our government and private credit as to bring on actual penic conditions and the complete stoppage of the wheels of industry. The Administration has the definite objective of relaing commodity prices to much an extent that these who have borrowed money will, on the eventse, he elle to repay that money in the same kind of dollar which they borrowed. We do not seek to let them get such a cheap dollar that they will be able to pay beach a great deril less than they borrowed. In other words we seek to correct a wron; and not to create another wrong in the opposite direction. That is why powers are being jiven to the Administration to provide, if necessary, for an enlargement of credit, in order to correct the existing wrong. These powers will be used when, as, and if it may be necessary to accomplish the gurpose.

Hand in hand with the donsetic situation which, of course; is our first doncern, is the world situation, and I want to emphasize to you that the donsetic situation is ineritably and deeply tidd in with the conditions in all of the other actions of the world. In other words, we can get, in all probability, a fair messure of prosperity return in the United States, but it will not be pormanent unless we get a return to prospority all over the world.

In the conferences which we have held and are holding with the leaders of other nations, we are seeking four prest objectives. First, a general reduction of urinnents and through this the removal of the fear of invarion and arms datack, and, at the same time, a reduction in armamont costs, in order to help in the balancing of government budgets and the reduction of tarxies. The flow of exchange of crops and goods barriers, in order to ro-start the flow of exchange of crops and goods barreners, in order to ro-start the flow of exchange of crops and goods barreners, in order to ro-start the flow of exchange of crops and spods barreners, in order to an inke controcts cheed. Fourth, the restablishment of friendly relations and greater confidence between all nations.

Our foreign visitors these part three reals have responded to these purposes in a very helpful may. All of the Mationa have suffered alike in this great depression. They have all reached the conclusion that each can best be helped by the common action of all. It is in this spirit that our visitors have next with us and discussed our common problems. The international conference that lies below us must succeed. The future of the world demands it and we have each of us pledged ourselves to the best joint efforts to this end.

To you, the people of this country, all of us, the Members of the Conjerse and the emebers of this Administration one a profound debt of gratitude. Throughout the depression you have been patient. You have granted us wide powers, you have concurraged us with a ride spread approval of our purposes. Dwery ounce of strength and every resource at our command we have devoted to the end of justifyin your confidence. We are encouraged to believe that a vise and sensible bejinning has been made. In the present spirit of mutual confidence and mutual encouragents we go forward.

END.