FOR THE PRESS

July 3, 1933

The Secretary of State, Mr. Cordell Hull, at London, in his capacity as Secretary of State, today made public the following message to him from the President of the United States, dated July 2, 1933:

"I would regard it as a catastrophe amounting to a world tragedy if the great Conference of Nations, called to bring about a more real and permanent financial stability and a greater prosperity to the masses of all nations, should, in advance of any serious effort to consider these broader problems, allow itself to be diverted by the proposal of a purely artificial and temporary experiment affecting the monetary exchange of a few nations only. Such action, such diversion, shows a singular lack of proportion and a failure to remember the larger purposes for which the Economic Conference originally was called together.

"I do not relish the thought that insistence on such action should be made an excuse for the continuance of the basic economic errors that underlie so much of the present world wide depression.

"The world will not long be lulled by the specious fallacy of achieving a temporary and probably an artificial stability in foreign exchange on the part of a few large countries only.

"The sound internal economic system of a nation is a greater factor in its well being than the price of its currency in changing terms of the currencies of other nations.

"It is for this reason that reduced cost of government, adequate government income, and ability to service government debts are all so important to ultimate stability. So too, old fetishes of so-called international bankers are being replaced by efforts to plan national currencies with the objective of giving to those currencies a continuing purchasing power which does not greatly vary in terms of the commodities and need of modern civilization. Let me be frank in saying that the United States seeks the kind of a dollar which a generation hence will have the same purchasing and debt paying power as the dollar value we hope to attain in the near future. That objective means more to the good of other nations than a fixed ratio for a month or two in terms of the pound or franc.

"Our broad purpose is the permanent stabilization of every nation's currency. Gold or gold and silver can well continue to be a metallic reserve behind currencies but this is not the time to dissipate gold reserves. When the world works out concerted policies in the majority of nations to produce balanced budgets and living within their means, then we can properly discuss a better distribution of the world's gold and silver supply to act as a reserve base of national currencies. Restoration of world trade is an important partner, both in the means and in the result. More also temporary exchange fixing is not the true answer. We must rather mitigate existing embarrasses to make easier the exchange of products which one nation has and the other nation has not.

"The Conference was called to better and perhaps to cure fundamental economic ills. It must not be diverted from that effort."
FOR THE PRESS

July 3, 1933

The Secretary of State, Mr. Cordell Hull, at London, in his capacity as Secretary of State, today made public the following message to him from the President of the United States, dated July 2, 1933:

"I would regard it as a catastrophe amounting to a world tragedy if the great Conference of Nations, called to bring about a more real and permanent financial stability and a greater prosperity to the masses of all nations, should, in advance of any serious effort to consider these broader problems, allow itself to be diverted by the proposal of a purely artificial and temporary experiment affecting the monetary exchange of a few nations only. Such action, such diversion, shows a singular lack of proportion and a failure to remember the larger purposes for which the Economic Conference originally was called together.

"I do not relish the thought that insistence on such action should be made an excuse for the continuance of the basic economic errors that underlie so much of the present world-wide depression.

"The world will not be lulled by the specious fallacy of achieving a temporary and probably an artificial stability in foreign exchange on the part of a few large countries only.

"The sound internal economic system of a nation is a greater factor in its well being than the price of its currency in changing terms of the currencies of other nations.

"It is for this reason that reduced cost of government, adequate government income, and ability to service government debts are all so important to ultimate stability. So too, old fetishes of so-called international bankers are being replaced by efforts to plan national currencies with the objective of giving to those currencies a continuing purchasing power which does not greatly vary in terms of the commodities and needs of modern civilization. Let me be frank in saying that the United States seeks the kind of a dollar which a generation hence will have the same purchasing and debt paying power as the dollar value we hope to attain in the near future. That objective means more to the good of other nations than a fixed ratio for a month or two in terms of the pound or franc.

"Our broad purpose is the permanent stabilization of every nation's currency. Gold or gold and silver can well continue to be a metallic reserve behind currencies but this is not the time to dissipate gold reserves. When the world works out concerted policies in the majority of nations to produce balanced budgets and living within their means, then we can properly discuss a better distribution of the world's gold and silver supply to act as a reserve base of national currencies. Restoration of world trade is an important partner, both in the means and in the result. Here also temporary exchange fixing is not the true answer. We must rather mitigate existing embargoes to make easier the exchange of products which one nation has and the other nation has not.

"The Conference was called to better and perhaps to cure fundamental economic ills. It must not be diverted from that effort."
THE WHITE HOUSE
WASHINGTON

Phillips
Acting Secretary of State
Washington

Please send following to Hull as soon as possible.

Accompany is statement which I think you can use
Blending morning as a message from me to you. If you think it
best not to give it out right
in London, let me know at once
and in that event I will release it
here upon White House statement.
I would regard it as a catastrophe amounting to a world
tragedy if the great conference of nations, called to bring about
time real and permanent financial stability and material prosperity
of all nations, and their people, should be advance of any serious
effort to consider this tremendous problem on the basis of any solution
of which modern civilization deems, allow itself to be diverted
by the adoption of a purely artificial and temporary experiment
affecting the monetary exchange of a few nations only. Such action,
such diversion of purpose at this time can have but one result. A
feeling that the major work of the conference has been accomplished.
A further excuse for a continuance of the basic economic failure that
underlies so much of the present world-wide depression. Incidentally,
those nations which have lacked the ability of the courage to face
boldly their present peril by reducing government expenditures;
increasing government income, and by joining other nations in
restoring international trade, will continue to postpone balancing
their national budgets, lulled by the specious fallacy that the
achieving a false and temporary stability in international exchange
on the part of a few large countries only, will prove a cure-all of
the world-depression. The conference was called to achieve a particular
not be diverted from such an achievement. Until that
singular lack of perspiration and a failure to
remember the larger purposes for which the
Economic Conference, originally was called
together.

If I do not reject the thought that such
action should be made an excuse for the
continuance of the basic economic errors
that underlie so much of the current
mental and physical suffering.

The world will not long be lulled by
the optimistic delusion of achieving a temporary
and probably artificial stability in
foreign exchange on the part of a few
large countries only.

The sound internal economic system of a
country is a greater factor in its well-being
THE WHITE HOUSE
WASHINGTON

The price of its currency in changing terms of the currencies of other nations.

It is for this reason that reduced cost of government, adequate government income, and ability to service government debts are all so important to ultimate stability. So too old fashions of so-called international bankers are being replaced by efforts to plan national currencies with the objective of giving to these currencies a continuing purchasing power which does not greatly vary in terms of the commodities and services of modern civilization. Let
I must frankly say that the United States stands to a dollar which a generation
does will play duties and long bonds in the
does the same furnishing and debt
saying power as the dollar under our
before to attain in the near future. That
objective means more to the other nations
than the fixing of a fixed ratio for a
month or two in terms of the pound
on the franc.

Our broad purpose is the permanent
stabilization of every nation's currency.
Gold is gold and silver, and will continue
to be a stable measure.
But this is not the time to disregard gold reserves. When the world works out concerted policies in the majority of nations to produce balanced budgets and a living within their means than we can properly discuss a better distribution of the world's gold and silver supply to act as a reserve base of national currencies.

Restoration of world trade is an important factor both in the present and in the event. Temporary exchange fixing is not the true answer. We must rather mitigate existing embargoes on exchange of products which our nation has and the other nation has not.
THE WHITE HOUSE
WASHINGTON

To

The conference was called to meet and persuade to cure fundamental economic ills. It must not be diverted from that effort.

End quote

Franklin Roosevelt

E. F. (Handwritten)
This is the property of and to be filed with other documents.

Franklin D. Roosevelt, Jr.
Phillips,
Acting Secretary of State,
Washington.

Please send following to Hull as soon as possible:

Herewith is statement which I think you can use Monday morning as a message from me to you. If you think it best not to give it out in London let me know at once and in that event I will release it here as a White House statement.

Quote I would regard it as a catastrophe amounting to a world tragedy if the great conference of nations, called to bring about a more real and permanent financial stability and a greater prosperity to the masses of all nations, should, in advance of any serious effort to consider these broader problems, allow itself to be diverted by the proposal of a purely artificial and temporary experiment affecting the monetary exchange of a few nations only. Such action, such diversion, shows a singular lack of proportion and a failure to remember the larger purposes for which the Economic Conference originally was called together.

Paragraph I do not relish the thought that insistence on such action should be made an excuse for the continuance of the basic economic errors that underlie so much of the present world wide depression.

Paragraph The world will not long be lulled by the specious fallacy of achieving a temporary and probably an artificial stability in foreign exchange on the part of a few large countries only.

Paragraph The sound internal economic system of a nation is a greater factor in its well-being than the price of its currency in changing terms of the currencies of other nations.

Paragraph It is for this reason that reduced cost of government, adequate government income, and ability to service government debts are all so important to ultimate stability. So too, old fetishes of so called international bankers are being replaced
by efforts to plan national currencies with the objective of giving to those currencies a continuing purchasing power which does not greatly vary in terms of the commodities and necessities of modern civilization. Let me be frank in saying that the United States seeks the kind of a dollar which a generation hence will have the same purchasing and debt paying power as the dollar value we hope to attain in the near future. That objective means more to the good of other nations than a fixed ratio for a month or two in terms of the pound or franc.

Paragraph Our broad purpose is the permanent stabilization of every nation's currency. Gold, or gold and silver, can well continue to be a metallic reserve behind currencies, but this is not the time to dissipate gold reserves. When the world works out concerted policies in the majority of nations to produce balanced budgets and a living within their means then we can properly discuss a better distribution of the world's gold and silver supply to act as a reserve base of national currencies.

Paragraph Restoration of world trade is an important partner both in the means and in the result. Temporary exchange fixing is not the true answer. We must rather seek methods to make easier the exchange of products which one nation has and the other nation has not.

Paragraph The Conference was called to and perhaps to cure fundamental economic ills. It must not be diverted from that effort. Unquote

Franklin D. Roosevelt.