

July 3, 1933

[Message to London Economic Conference]

FDR Speech File

## DEPARTMENT OF STATE

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. 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."

DEPARTMENT OF STATE

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 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.

~~Star~~: Herewith is statement ~~of~~  
~~in~~ which I think you can use  
Monday morning as a message from  
me to you. If you think it  
best not to ~~use~~ it give it out ~~Wm~~  
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 <sup>a more</sup> ~~the~~ real and permanent financial stability and <sup>a greater</sup> ~~material~~ prosperity <sup>to the</sup>

<sup>masses</sup> ~~of all nations, and their people,~~ should <sup>in</sup> ~~the~~ advance of any serious effort to consider <sup>their broader</sup> ~~this tremendous~~ problem, ~~on the early solution~~ ~~of which modern civilization depends,~~

allow itself to be diverted by the <sup>proposal</sup> ~~adoption~~ of a purely artificial and temporary experiment affecting the monetary exchange of a few nations only. Such action, such diversion <sup>shows a (deserted)</sup> ~~of purpose at this time can have but one result. A~~

~~feeling that the major work of the conference has been accomplished.~~

~~Further excuse for a continuance of the basic economic failure that underlies so much of the present world-wide depression. Incidentally,~~

<sup>no foundation</sup> ~~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 ~~of~~ 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. <sup>It</sup> ~~The~~ conference was called to achieve a particular

\* not be diverted from such an achievement. Until that

\* settled \*

\* her business before

1

Insert A.

THE WHITE HOUSE  
WASHINGTON

singular lack of proportion and a failure to remember the larger purposes for which the Economic Conference ~~was~~ originally was called together.

It I do not wish the thought that <sup>insistence on</sup> 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

THE WHITE HOUSE  
WASHINGTON

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,  
<sup>and</sup> ability to service ~~inter~~ government debts, ~~and~~  
~~ability to reduce external debt~~ are all  
 so important to ultimate stability. So too  
 old fetishes of so called international bankers  
 are being replaced by efforts to plan  
 national incomes with the objective of  
 giving a those currencies a continuing  
 purchasing power which does not greatly  
 vary in terms of the commodities and  
 services of modern civilization. Let

3

THE WHITE HOUSE  
WASHINGTON

we be frank in saying that the United States needs <sup>the kind of</sup> a dollar which a generation hence will ~~pay debts and buy goods on the~~ ~~same~~ have the same purchasing and debt paying power as the dollar which we hope to attain in the near future. That objective seems more to the <sup>good of</sup> other nations than ~~that of~~ a fixed ratio for a month or two in terms of the pound or the franc.

Our broad purpose is the permanent stabilization of every nation's currency. Gold, or gold and silver, can well continue to be a installive means behind currencies,



4

THE WHITE HOUSE  
WASHINGTON

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.

Restoration of world trade is an important factor both in the means and in the result. ~~Here also~~ <sup>Here also</sup> temporary exchange fixing is not the true answer. We must rather ~~mitigate existing embargoes~~ <sup>mitigate existing embargoes</sup> ~~to make easier the~~ <sup>to make easier the</sup> exchange of products which one nation has and the other nation has not.

To

THE WHITE HOUSE  
WASHINGTON

The conference was called to ~~meet~~ <sup>better</sup> and  
 perhaps to cure fundamental economic  
 ills. It must not be diverted from  
 that effort. ~~The latter~~

End quote

Franklin D. Roosevelt

~~Franklin D. Roosevelt~~

This is the property of and  
to be filed with other documents.

Franklin D. Roosevelt, Jr.

Franklin D. Roosevelt, Jr.

455. Dickinson  
July 2  
5:30 p.m.

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. *C Conf. 2*

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

/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. <sup>Here also</sup> Temporary exchange fixing is not the true answer. We must rather <sup>mitigate existing imbalances</sup> ~~accommodate~~ to make easier the exchange of products which one nation has and the other nation has not.

Paragraph The Conference was called to <sup>6/17/25</sup> ~~discuss~~ and perhaps to cure fundamental economic ills. It must not be diverted from that effort. Unquote

Franklin D. Roosevelt.