
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. 658

1933 October 22

Fireside Chat #4 - The Currency Situation

Oct 22, 1933

It is three months since I have talked with the people of this country about our national problems; but during this period many things have happened, and I am glad to say that the major part of them have greatly helped the well-being of the average citizen.

Because, in every step which your government is taking we are thinking in terms of the average of you -- in the old words "the greatest good to the greatest number" -- we, as responsible people cannot expect to bring definite benefits to every person or to every occupation or business, or industry or agriculture. In the same way no reasonable person can expect that in this short space of time, during which new machinery had to be not only put to work, but first set up, that every locality in every one of the 48 states of the country, could share equally and

simultaneously in the trend to better times.

The whole picture, however --- the average of the whole territory from coast to coast --- the average of the whole population of 120,000,000 people -- shows to any person willing to look -- facts and action of which you and I can be proud.

In the early spring of this year there were actually and proportionately more people out of work in this country than in any other nation in the world. Fair estimates showed 12 or 13 millions unemployed last March. Among those there were, of course, several millions who could be classed as normally unemployed -- people who worked occasionally when they felt like it, and others who preferred not to work at all. It seems, therefore, fair to say that there were about 10 millions

of our citizens who earnestly, and in many cases hungrily, were seeking work and could not get it. Of these, in the short space of a few months, I am convinced that at least 4 millions have been given employment -- or, saying it another way, 40% of those seeking work have found it.

That does not mean, my friends, that I am satisfied, or that you are satisfied that our work is ended. We have a long way to go but we are on the way.

How are we constructing the edifice of recovery?-- the temple which, when completed, will no longer be a temple of money changers or of beggars, but rather a temple dedicated to and maintained for a greater social justice, a greater welfare for America -- the habitation of a sound economic life. We are building, stone by stone, the columns which will support that habitation.

Those columns are many in number and though, for a moment the progress of one column may disturb the progress on the pillar next to it, the work on all of them must proceed without let or hindrance.

We all know that immediate relief for the unemployed was the first essential of such a structure and that is why I speak first of the fact that three hundred thousand young men have been given employment and are being given employment all through this winter in the Civilian Conservation Corps camps in almost every part of the Nation.

So, too, we have, as you know, expended greater sums, in cooperation with states and localities, for work relief and home relief than ever before -- sums which during the coming Winter cannot be lessened for the very simple reason that though several million people have gone back

to work, the necessities of those who have not yet obtained work is more severe than at this time last year.

Then we come to the relief that is being given to those who are in danger of losing their farms or their homes. New machinery had to be set up for farm credit and for home credit in every one of the thirty-one hundred counties of the United States and every day that passes is saving homes and farms to hundreds of families. I have publicly asked that foreclosures on farms and ^{on} chattels _^ and on homes be delayed until every mortgagor in the country shall have had full opportunity to take advantage of Federal credit. I make the further request, which many of you know has already been made through the great federal credit organizations, that if there is any family in the United States about to lose its home, ^{or its farm} or about to lose its

chattels, that family should telegraph at once either to the Farm Credit Administration or the Home Owners Loan Corporation in Washington requesting their help.

Two other great agencies are in full swing.

The Reconstruction Finance Corporation continues to lend large sums to industry and finance with the definite objective of making easy the extending of credit to industry, commerce and finance.

And the other The program of public works in three months has advanced to this point: Out of a total appropriated for public works of three billion three hundred million, one billion eight hundred million has already been allocated to Federal projects of all kinds and literally in every part of the United States, and work on these is starting forward.

In addition, three hundred millions have been allocated to public works to be carried out by states, municipalities and private organizations, such as those undertaking slum clearance. The balance of the public works money, nearly all of it intended for state or local projects, waits only on the presentation of proper projects by the states and localities themselves. Washington has the money and is waiting for the proper ^{local} projects to which to allot it.

Another pillar in the making is the Agricultural Adjustment Administration. I have been amazed by the extraordinary degree of cooperation given to the Government by the cotton farmers in the South, the wheat farmers of the West, the tobacco farmers of the Southeast and I am confident that the corn hog farmers of the middle West will come through in the same magnificent fashion.

The problem we seek to solve had been steadily getting worse for twenty years but during the last six months we have made more rapid progress than any nation has ever made in a like period of time. It is true that in July farm commodity prices had been pushed up higher than they are today, but that push came in part from pure speculation by people who could not tell you the difference between wheat and rye, by people who had never seen cotton growing, by people who did not know that hogs were fed on corn --- people who have no real interest ^{in knowledge of} in the farmer and his problems.

In spite, however, of the speculative reaction from the speculative advance, it seems to be well established that during the course of the year 1933 the farmers of the United States will receive 33% more dollars for what they have produced than they received in the year 1932. *But* ~~in~~ in another way, they will receive \$400. in 1933, where they received \$300. the year before. That, remember, is for the average of the country, for I have reports that *though some sections show a higher gain yet* some sections are not any better off than they were a year ago. This applies, among the major products, especially to cattle raising and the dairy industry. *To some extent* We are going after those problems as fast as we can.

I do not hesitate to say in the simplest, clearest language of which I am capable, that although the prices of

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many products of the farm have gone up and although many farm families are better off than they were last year, I am not satisfied either with the amount or the extent of the rise, and that it is definitely a part of our policy to increase the rise and to extend it to those products which have as yet felt no benefit. If we cannot do this one way we will do it another. Do it, we will.

Standing beside the pillar of the farm - the A. A. A. - is the pillar of industry - the N. R. A. Its object is to put industry and business workers into employment and to increase their purchasing power through increased wages.

It has abolished child labor. It has eliminated the sweatshop. It has ended ^{the} sixty cents a week paid in

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some mills and ^{the} eighty cents a week paid in some mines.

The measure of the growth of this pillar lies in the total figures of reemployment which I have already given you and in the fact that reemployment is continuing and not stopping. The secret of N. R. A. is cooperation. That cooperation has been voluntarily given through the signing of the blanket codes and through the signing of specific codes which already include all of the greater industries of the nation.

In the vast majority of cases, in the vast majority of localities - the N. R. A. has been given support in unstinted measure. We know that there are chisellers. At the bottom of every case of criticism and obstruction we have found some selfish interest, some private axe to grind.

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Ninety per cent of complaints come from misconception. For example, it has been said that N. R. A. has failed to raise the price of wheat and corn and hogs; that N. R. A. has not loaned enough money for local public works. Of course, N. R. A. has nothing whatsoever to do with the price of farm products, nor with public works. It has to do only with industrial organization, for economic planning to wipe out unfair practices and to create reemployment. Even in the field of business and industry, N. R. A. does not apply to the rural communities or to towns of under twenty-five hundred population, except in so far as those towns contain factories or chain stores which come under a specific code.

It is also true that among the chisellers to whom I have referred, there are not only the big chisellers but

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also petty chisellers who seek to make undue profit on

untrue statements, and we are checking up on them as
fast as we can install the machinery.

Let me cite to you the example of the salesman in
a store in a large eastern city who tried to justify the
increase in the price of a cotton shirt from one dollar and
a half to two dollars and a half by saying to the customer
that ~~it~~ ^{this} was due to the cotton processing tax. Actually
in that shirt there was about one pound of cotton and the
processing tax amounted to four and a quarter cents on that
pound of cotton.

At this point it is only fair that I should give
credit to the sixty or seventy million people who live in
the cities and larger towns of the nation for their
understanding and their willingness to go along with the
payment of even these small processing taxes, though they

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know full well that the proportion of the processing taxes
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on cotton goods and food products paid for by city dwellers
goes one hundred per cent towards increasing the
agricultural income of the farm dwellers of the land.

The last pillar of which I speak is that of the
money of the country in the banks of the country. There
are two simple facts.

First, the Federal Government is about to spend one
billion dollars as an immediate loan on the frozen or
non-liquid assets of all banks closed since January 1,
1933, giving a liberal appraisal to those assets. This
money will be in the hands of the depositors as quickly
as it is humanly possible to get it out.

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Secondly, the Government Bank Deposit Insurance on all accounts up to \$2500 goes into effect on January first. We are now engaged in seeing to it that on or before that date the banking capital structure will be built up by the Government to the point that the banks will be in sound condition when the insurance goes into effect.

Finally, I repeat what I have said on many occasions, that ever since last March the definite policy of the Government has been to restore commodity price levels. The object has been the attainment of such a level as will enable agriculture and industry once more to give work to the unemployed. It has been to make possible the payment of public and private debts more nearly at the price level at which they were incurred. It has been gradually to restore a balance in the price structure so that farmers may exchange their products for the products of industry on a fairer exchange basis. It has been and is also the purpose to prevent prices from rising beyond the point necessary to attain these ends. The permanent welfare and security of every class of our people ultimately depends on our attainment of these purposes.

Obviously, and because hundreds of different kinds of crops and industrial occupations in the huge territory that makes up this Nation are involved, we cannot reach the goal in only a few months. We may take one year or two years or three years.

No one who considers the plain facts of our situation believes that commodity prices, especially agricultural prices, are high enough yet.

Some people are putting the cart before the horse. They want a permanent revaluation of the dollar first. It is the Government's policy to restore the price level first. I would not know, and no one else could tell, just what the permanent valuation of the dollar will be. To guess at a permanent gold valuation now would certainly require later changes caused by later facts.

When we have restored the price level, we shall and maintain seek to establish a dollar which will not change its purchasing and debt paying power during the succeeding generation. I said that in my message to the American delegation in London last July. And I say it now once more.

Because of conditions in this country and because of events beyond our control in other parts of the world, it becomes increasingly important to develop and apply the further measures which may be necessary from time to time to control the gold value of our own dollar at home.

Our dollar is now altogether too greatly influenced by the accidents of international trade, by the internal policies of other nations and by political disturbance in other continents. Therefore the United States must take

firmly in its own hands the control of the gold value of our dollar. This is necessary in order to prevent dollar disturbances from swinging us away from our ultimate goal, namely, the continued recovery of our commodity prices.

As a further effective means to this end, I am going to establish a government market for gold in the United States. Therefore, under the clearly defined authority of existing law, I am authorizing the Reconstruction Finance Corporation to buy gold newly mined in the United States at prices to be determined from time to time after consultation with the Secretary of the Treasury and the President. Whenever necessary to the end in view, we shall also buy or sell gold in the world market.

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My aim in taking this step is to establish and maintain continuous control.

This is a policy and not an expedient.

It is not to be used merely to offset a temporary fall in prices. We are thus continuing to move towards a managed currency.

You will recall the dire predictions made last Spring by those who did not agree with our common policies of raising prices by direct means. What actually happened stood out in sharp contrast with those predictions. Government credit is high, prices have risen in part. Doubtless prophets of evil still exist in our midst. But government credit will be maintained and a sound currency will accompany a rise in the American commodity price level.

I have told you tonight the story of our steady but sure work in building our common recovery. In my promises to you both before and after March 4th, I made two things plain: First, that I pledged no miracles and, second, that I would do my best.

I thank you for your patience and your faith. Our troubles will not be over tomorrow, but we are on our way and we are headed in the right direction.

(End)

Franklin D. Roosevelt
original reading copy

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ADDRESS OF THE PRESIDENT
DELIVERED BY RADIO FROM THE WHITE HOUSE
October 22, 1933

It is three months since I have talked with the people of this country about our national problems; but during this period many things have happened, and I am glad to say that the major part of them have greatly helped the well-being of the average citizens.

Because, in every step which your Government is taking we are thinking in terms of the average of you -- in the old words, "the greatest good to the greatest number" -- we, as reasonable people, cannot expect to bring definite benefits to every person or to every occupation or business, or industry or agriculture. In the same way, no reasonable person can expect that in this short space of time, during which new machinery had to be not only put to work, but first set up, that every locality in every one of the 48 states of the country could share equally and simultaneously in the trend to better times.

The whole picture, however -- the average of the whole territory from coast to coast -- the average of the whole population of 120,000,000 people -- shows to any person willing to look, facts and action of which you and I can be proud.

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

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That does not mean, my friends, that I am satisfied, or that you are satisfied that our work is ended. We have a long way to go but we are on the way.

How are we constructing the edifice of recovery -- the temple which, when completed, will no longer be a temple of money-changers or of beggars, but rather a temple dedicated to and maintained for a greater social justice, a greater welfare for America -- the habitation of a sound economic life? We are building, stone by stone, the columns

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We all know that immediate relief for the unemployed was the first essential of such a structure and that is why I speak first of the fact that three hundred thousand young men have been given employment and are being given employment all through this winter in the Civilian Conservation Corps Camps in almost every part of the Nation.

So, too, we have, as you know, expended greater sums in cooperation with states and localities for work relief and home relief than ever before -- sums which during the coming winter cannot be lessened for the very simple reason that though several million people have gone back to work, the necessities of those who have not yet obtained work is more severe than at this time last year.

Then we come to the relief that is being given to those who are in danger of losing their farms or their homes. New machinery had to be set up for farm credit and for home credit in every one of the thirty-one hundred counties of the United States, and every day that passes is saving homes and farms to hundreds of families. I have publicly asked that

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of even these small processing taxes, though they know full well that the proportion of the processing taxes on cotton goods and on food products paid for by city dwellers goes one hundred per cent towards increasing the agricultural income of the farm dwellers of the land.

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First, the Federal Government is about to spend one billion dollars as an immediate loan on the frozen or non-liquid assets of all banks closed since January 1, 1933, giving a liberal appraisal to those assets. This money will be in the hands of the depositors as quickly as it is humanly possible to get it out.

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object has been the attainment of such a level as will enable agriculture and industry once more to give work to the unemployed. It has been to make possible the payment of public and private debts more nearly at the price level at which they were incurred. It has been gradually to restore a balance in the price structure so that farmers may exchange their products for the products of industry on a fairer exchange basis. It has been and is also the purpose to prevent prices from rising beyond the point necessary to attain these ends. The permanent welfare and security of every class of our people ultimately depends on our attainment of these purposes.

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Two other great agencies are in full swing. The Reconstruction Finance Corporation continues to lend large sums to industry and finance with the definite objective of making easy the extending of credit to industry, commerce and finance.

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Another pillar in the making is the Agricultural Adjustment Administration. I have been amazed by the extraordinary degree of cooperation given to the Government by the cotton farmers in the South, the wheat farmers of the West, the tobacco farmers of the southeast, and I am confident that the corn hog farmers of the middle west will come through in the same magnificent fashion. The problem we seek to solve had been steadily getting worse for twenty years but during the last six months we have made more rapid progress than any nation has ever made in a like period of time. It is true that in July farm commodity prices had been pushed up higher than they are today, but that push came in part from pure speculation by people who could not tell you the difference between wheat and rye, by people who had never seen cotton growing, by people who did not know that hogs were fed on corn --- people who have no real interest in the farmer and his problems. ---

In spite, however, of the speculative reaction from the speculative advance, it seems to be well established that during the course of the year 1933 the farmers of the United States will receive 33% more dollars for what they have produced than they received in the year 1932. But in another way, they will receive \$400 in 1933, where they received \$300 the year before. That, remember, is for the average of the country, for I have reports that some sections are not any better off than they were a year ago. This applies among the major products, especially to cattle raising and the dairy industry. We are going after those problems as fast as we can.

I do not hesitate to say in the simplest, clearest language of which I am capable, that although the prices of many products of the farm have gone up and although many farm families are better off than they were last year, I am not satisfied either with the amount or the extent of the rise, and that it is definitely a part of our policy to increase the rise and to extend it to those products which have as yet felt no benefit. If we cannot do this one way we will do it another. Do it, we will.

Standing beside the pillar of the farm - the A. A. A. - is the pillar of industry - the N. R. A. Its object is to put industry and business workers into employment and to increase their purchasing power through increased wages.

It has abolished child labor. It has eliminated the sweat shop. It has ended sixty cents a week paid in some mills and eighty cents a week paid in some mines. The measure of the growth of this pillar lies in the total figures of reemployment which I have already given you and in the fact that reemployment is continuing and not stopping. The secret of N. R. A. is cooperation. That cooperation has been voluntarily given through the signing of the blanket codes and through the signing of specific codes which already include all of the greater industries of the nation.

In the vast majority of cases, in the vast majority of localities - the N. R. A. has been given support in unstinted measure. We know that there are chisellers. At the bottom of every case of criticism and obstruction we have found some selfish interest, some private axe to grind.

Ninety per cent of complaints come from misconception. For example, it has been said that N. R. A. has failed to raise the price of wheat and corn and hogs; that N. R. A. has not loaned enough money for local public works. Of course, N. R. A. has nothing whatsoever to do with the price of farm products, nor with public works. It has to do only with industrial organization for economic planning to wipe out unfair practices and to create reemployment. Even in the field of business and industry, N. R. A. does not apply to the rural communities or to towns of under twenty-five hundred population, except insofar as those towns contain factories or chain stores which come under a specific code.

It is also true that among the chisellers to whom I have referred, there are not only the big chisellers but also petty chisellers who seek to make undue profit on untrue statements.

Let me cite to you the example of the salesman in a store in a large eastern city who tried to justify the increase in the price of a cotton shirt from one dollar and a half to two dollars and a half by saying to the customer that it was due to the cotton processing tax. Actually in that shirt there was about one pound of cotton and the processing tax amounted to four and a quarter cents on that pound of cotton.

At this point it is only fair that I should give credit to the sixty or seventy million people who live in the cities and larger towns of the nation for their understanding and their willingness to go along

with the payment of even these small processing taxes, though they know full well that the proportion of the processing taxes on cotton goods and on food products paid for by city dwellers goes one hundred per cent towards increasing the agricultural income of the farm dwellers of the land.

The last pillar of which I speak is that of the money of the country in the banks of the country. There are two simple facts.

First, the Federal Government is about to spend one billion dollars as an immediate loan on the frozen or non-liquid assets of all banks closed since January 1, 1933, giving a liberal appraisal to those assets. This money will be in the hands of the depositors as quickly as it is humanly possible to get it out.

Secondly, the Government Bank Deposit Insurance on all accounts up to \$2500 goes into effect on January first. We are now engaged in seeing to it that on or before that date the banking capital structure will be built up by the Government to the point that the banks will be in sound condition when the insurance goes into effect.

Finally, I repeat what I have said on many occasions, that ever since last March the definite policy of the Government has been to restore commodity price levels. The object has been the attainment of such a level as will enable agriculture and industry once more to give work to the unemployed. It has been to make possible the payment of public and private debts more nearly at the price level at which they were incurred. It has been gradually to restore a balance in the price structure so that farmers may exchange their products for the products of industry on a fairer exchange basis. It has been and is also the purpose to prevent prices from rising beyond the point necessary to attain these ends. The permanent welfare and security of every class of our people ultimately depends on our attainment of these purposes.

Obviously, and because hundreds of different kinds of crops and industrial occupations in the huge territory that makes up this Nation are involved, we cannot reach the goal in only a few months. We may take one year or two years or three years.

No one who considers the plain facts of our situation believes that commodity prices, especially agricultural prices, are high enough yet.

Some people are putting the cart before the horse. They want a permanent revaluation of the dollar first. It is the Government's policy to restore the price level first. I would not know, and no one else could tell, just what the permanent valuation of the dollar will be. To guess at a permanent gold valuation now would certainly require later changes caused by later facts.

When we have restored the price level, we shall seek to establish and maintain a dollar which will not change its purchasing and debt paying power during the succeeding generation. I said that in my message to the American delegation in London last July. And I say it now once more.

Because of conditions in this country and because of events beyond our control in other parts of the world, it becomes increasingly important to develop and apply the further measures which may be necessary from time to time to control the gold value of our own dollar at home.

Our dollar is now altogether too greatly influenced by the accidents of international trade, by the internal policies of other nations and by political disturbance in other continents. Therefore the United States must take firmly in its own hands the control of the gold value of our dollar. This is necessary in order to prevent dollar disturbances from swinging us away from our ultimate goal, namely, the continued recovery of our commodity prices.

As a further effective means to this end, I am going to establish a government market for gold in the United States. Therefore, under the clearly defined authority of existing law, I am authorizing the Reconstruction Finance Corporation to buy gold newly mined in the United States at prices to be determined from time to time after consultation with the Secretary of the Treasury and the President. Whenever necessary to the end in view, we shall also buy or sell gold in the world market.

My aim in taking this step is to establish and maintain continuous control.

This is a policy and not an expedient.

It is not to be used merely to offset a temporary fall in prices. We are thus continuing to move towards a managed currency.

You will recall the dire predictions made last Spring by those who did not agree with our common policies of raising prices by direct means. What actually happened stood out in sharp contrast with those predictions. Government credit is high, prices have risen in part. Doubtless prophets of evil still exist in our midst. But government credit will be maintained and a sound currency will accompany a rise in the American commodity price level.

I have told you tonight the story of our steady but sure work in building our common recovery. In my promises to you both before and after March 4th, I made two things plain: First, that I pledged no miracles and, second, that I would do my best.

I thank you for your patience and your faith. Our troubles will not be over tomorrow, but we are on our way and we are headed in the right direction.

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October 22, 1933.

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Address of the President delivered by radio from the White House

It is three months since I have talked with the people of this country about our national problems; but during this period many things have happened, and I am glad to say that the major part of them have greatly helped the well-being of the average citizen.

Because, in every step which your government is taking we are thinking in terms of the average of you - in the old words "the greatest good to the greatest number" - we, as reasonable people cannot expect to bring definite benefits to every person or to every occupation or business, or industry or agriculture. In the same way no reasonable person can expect that in this short space of time, during which new machinery had to be not only put to work, but first set up, that every locality in every one of the 48 states of the country, could share equally and simultaneously in the trend to better times.

The whole picture, however - the average of the whole territory from coast to coast - the average of the whole population of 120,000,000 people - shows to any person willing to look - facts and action of which you and I can be proud.

In the early spring of this year there were actually and proportionately more people out of work in this country than in any other nation in the world. Fair estimates showed 12 or 13 millions unemployed last March. Among those there were, of course, several millions who could be classed as normally unemployed - people who worked occasionally when they felt like it, and others who preferred not to work at all. It seems, therefore, fair to say that there were about 10 millions of our citizens who earnestly, and in many cases hungrily, were seeking work and could not get it. Of these, in the short space of a few months, I am convinced that at least 4 millions have been given employment - or, saying it another way, 40% of those seeking work have found it.

That does not mean, my friends that I am satisfied, or that you are satisfied that our work is ended. We have a long way to go but we are on the way.

How are we constructing the edifice of recovery --- the temple which, when completed, will no longer be a temple of money changers or of beggars. but rather a temple dedicated to and maintained for a greater social justice, a greater welfare for America --- the habitation of a sound economic life. We are building, stone by stone, the columns which will support that habitation. Those columns are many in number and though, for a moment the progress of one column may disturb the progress on the pillar next to it, the work on all of them must proceed without let or hindrance.

We all know that immediate relief for the unemployed was the first essential of such a structure and that is why I speak first of the fact that three hundred thousand young men have been given employment and are being given employment all through this winter in the Civilian Conservation Corps camps in almost every part of the Nation.

So, too, we have, as you know, expended greater sums in cooperation with states and localities for work relief and home relief than ever before --- sums which during the coming Winter cannot be lessened for the very simple reason that though several million people have gone back to work, the necessities of those who have not yet obtained work is more severe than at this time last year.

Then we come to the relief that is being given to those who are in danger of losing their farms or their homes. New machinery had to be set up for farm credit and for home credit in every one of the thirty-one hundred counties of the United States and every day that passes is saving homes and farms to hundreds of families. I have publicly asked that foreclosures on farms and chattels and on homes be delayed until every mortgagor in the country shall have had full opportunity to take advantage of Federal credit. I make the further request which many of you know has already been made through the great federal credit organizations that if there is any family in the United States about to lose its home or about to lose its chattels, that family should telegraph at once either to the Farm Credit Administration or the Home Owners Loan Corporation in Washington requesting their help.

Two other great agencies are in full swing. The Reconstruction Finance Corporation continues to lend large sums to industry and finance with the definite objective of making easy the extending of credit to industry, commerce and finance.

The program of public works in three months has advanced to this point: Out of a total appropriated for public works of three billion three hundred million, one billion eight hundred million has already been allocated to Federal projects of all kinds and literally in every part of the United States and work on these is starting forward. In addition three hundred millions have been allocated to public works to be carried out by states, municipalities and private organizations, such as those undertaking slum clearances. The balance of the public works money, nearly all of it intended for state or local projects, waits only on the presentation of proper projects by the states and localities themselves. Washington has the money and is waiting for the proper projects to which to allot it.

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In spite, however, of the speculative reaction from the speculative advance, it seems to be well established that during the course of the year 1933 the farmers of the United States will receive 33% more dollars for what they have produced than they received in the year 1932. Put in another way, they will receive \$400 in 1933, where they received \$300 the year before. That, remember, is for the average of the country, for I have reports that some sections are not any better off than they were a year ago. This applies among the major products, especially to cattle raising and the dairy industry. We are going after those problems as fast as we can.

I do not hesitate to say in the simplest, clearest language of which I am capable, that although the prices of many products of the farm have gone up and although many farm families are better off than they were last year, I am not satisfied either with the amount or the extent of the rise, and that it is definitely a part of our policy to increase the rise and to extend it to those products which have as yet felt no benefit. If we cannot do this one way we will do it another. Do it, we will.

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In the vast majority of cases, in the vast majority of localities - the N. R. A. has been given support in unstinted measure. We know that there are chisellers. At the bottom of every case of criticism and obstruction we have found some selfish interest, some private axe to grind.

Ninety per cent of complaints come from misconception. For example, it has been said that N. R. A. has failed to raise the price of wheat and corn and hogs; that N. R. A. has not loaned enough money for local public works. Of course, N. R. A. has nothing whatsoever to do with the price of farm products, nor with public works. It has to do only with industrial organization for economic planning to wipe out unfair practices and to create reemployment. Even in the field of business and industry, N. R. A. does not apply to the rural communities or to towns of under twenty-five hundred population, except insofar as those towns contain factories or chain stores which come under a specific code.

It is also true that among the chisellers to whom I have referred, there are not only the big chisellers but also petty chisellers who seek to make undue profit on untrue statements.

Let me cite to you the example of the salesman in a store in a large eastern city who tried to justify the increase in the price of a cotton shirt from one dollar and a half to two dollars and a half by saying to the customer that it was due to the cotton processing tax. Actually in that shirt there was about one pound of cotton and the processing tax amounted to four and a quarter cents on that pound of cotton.

At this point it is only fair that I should give credit to the sixty or seventy million people who live in the cities and larger towns of the nation for their understanding and their willingness to go along

with the payment of even these small processing taxes, though they know full well that the proportion of the processing taxes on cotton goods and on food products paid for by city dwellers goes one hundred per cent towards increasing the agricultural income of the farm dwellers of the land.

The last pillar of which I speak is that of the money of the country in the banks of the country. There are two simple facts.

First, the Federal Government is about to spend one billion dollars as an immediate loan on the frozen or non-liquid assets of all banks closed since January 1, 1933, giving a liberal appraisal to those assets. This money will be in the hands of the depositors as quickly as it is humanly possible to get it out.

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Finally, I repeat what I have said on many occasions, that ever since last March the definite policy of the Government has been to restore commodity price levels. The object has been the attainment of such a level as will enable agriculture and industry once more to give work to the unemployed. It has been to make possible the payment of public and private debts more nearly at the price level at which they were incurred. It has been gradually to restore a balance in the price structure so that farmers may exchange their products for the products of industry on a fairer exchange basis. It has been and is also the purpose to prevent prices from rising beyond the point necessary to attain these ends. The permanent welfare and security of every class of our people ultimately depends on our attainment of these purposes.

Obviously, and because hundreds of different kinds of crops and industrial occupations in the huge territory that makes up this Nation are involved, we cannot reach the goal in only a few months. We may take one year or two years or three years.

No one who considers the plain facts of our situation believes that commodity prices, especially agricultural prices, are high enough yet.

Some people are putting the cart before the horse. They want a permanent revaluation of the dollar first. It is the Government's policy to restore the price level first. I would not know, and no one else could tell, just what the permanent valuation of the dollar will be. To guess at a permanent gold valuation now would certainly require later changes caused by later facts.

When we have restored the price level, we shall seek to establish and maintain a dollar which will not change its purchasing and debt paying power during the succeeding generation. I said that in my message to the American delegation in London last July. And I say it now once more.

Because of conditions in this country and because of events beyond our control in other parts of the world, it becomes increasingly important to develop and apply the further measures which may be necessary from time to time to control the gold value of our own dollar at home.

Our dollar is now altogether too greatly influenced by the accidents of international trade, by the internal policies of other nations and by political disturbance in other continents. Therefore the United States must take firmly in its own hands the control of the gold value of our dollar. This is necessary in order to prevent dollar disturbances from swinging us away from our ultimate goal, namely, the continued recovery of our commodity prices.

As a further effective means to this end, I am going to establish a government market for gold in the United States. Therefore, under the clearly defined authority of existing law, I am authorizing the Reconstruction Finance Corporation to buy gold newly mined in the United States at prices to be determined from time to time after consultation with the Secretary of the Treasury and the President. Whenever necessary to the end in view, we shall also buy or sell gold in the world market.

My aim in taking this step is to establish and maintain continuous control.

This is a policy and not an expedient.

It is not to be used merely to offset a temporary fall in prices. We are thus continuing to move towards a managed currency.

You will recall the dire predictions made last Spring by those who did not agree with our common policies of raising prices by direct means. What actually happened stood out in sharp contrast with those predictions. Government credit is high, prices have risen in part. Doubtless prophets of evil still exist in our midst. But government credit will be maintained and a sound currency will accompany a rise in the American commodity price level.

I have told you tonight the story of our steady but sure work in building our common recovery. In my promises to you both before and after March 4th, I made two things plain: First, that I pledged no miracles and, second, that I would do my best.

I thank you for your patience and your faith. Our troubles will not be over tomorrow, but we are on our way and we are headed in the right direction.

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3-6

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I thank you for your patience and your faith. Our
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(End)

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Finally repeat what I have said on many occasions,
that

Ever since last March, the definite policy of the Government has been to restore commodity price levels. The object has been the attainment of such a level as will enable agriculture and industry once more to give work to the unemployed. It has been to make possible the payment of public and private debts more nearly at the price level at which they were incurred. It has been gradually to restore a balance in the price structure so that farmers may exchange their products for the products of industry on a fairer exchange basis. It has been and is ~~also~~ ^{also} the purpose to prevent prices ^{from} rising beyond the point necessary to attain these ends. The permanent welfare and security of every class of our people ultimately depends on our attainment of these purposes.

Obviously, and because hundreds of different kinds of crops and industrial occupations in ^{the} huge territory are involved, ~~even~~ ^{that makes up the nation} ~~a complete national picture~~, we cannot reach the goal in ~~the~~ ^{we may take one year or two years or} ~~space~~ ^{three} of only a few months. ~~But the important fact stands out that~~ ^{years} ~~since March, between two and three million of those seeking employ-~~ ~~ment have found it.~~ ~~At the same time, the value of farm products has increased more than thirty-three per cent, and the cost of living has gone up less than one half that amount.~~

No one who considers the plain facts of our situation believes that commodity prices, especially agricultural prices, are high

enough yet. ~~But no one who really stops to think will insist that we can attain the ultimate level overnight or by a short cut.~~

There are two outstanding facts. More people are going back to work and commodity prices are going to continue to rise. We are, as we have been, on the up grade and headed in the right direction.

Some people are putting the cart before the horse. They want a permanent revaluation of the dollar first. It is the Government's policy to restore the price level first. I would not know, and no one else could tell, just what the permanent valuation of the dollar ~~will~~^{will} be. To guess at ^a permanent gold valuation now might well require later changes caused by later facts.

When we have restored the price level, we shall seek to establish a dollar which ~~a generation later will have the same purchasing and debt paying power as the dollar value which we hope to attain in the near future.~~^{will not change its}
~~generation.~~^{During the next generation,}
I said that in my message to the American delegation in London ~~July.~~^{that} ~~we are on our way~~^{And I say it now once more}

Because of conditions in this country ^{because of} and events beyond our control in other parts of the world, it becomes increasingly important to develop and apply the further measures which may be necessary from time to time to control the gold value of our ~~own~~^{own} dollar at home.

It is today too subject to the accidents of international trade, to the internal policies of other nations and to political

disturbances beyond our borders. Therefore, and in order to begin to exercise a greater control over the gold value of the dollar in this country, it is time for the Government to establish a Government market for newly mined gold within our own borders and possibly for the purchase of gold from other nations or the sale of gold to them.

The Government is, therefore, undertaking to purchase through the Reconstruction Finance Corporation newly mined gold at prices to be announced from time to time.

*Step to manage the currency - not an act of
- use of discretion or sound judgment -*

J.A.A.

N.R.A. —

✓ Farm Credit —

✓ Home Credit —

✓ Relief —

R.F.C. —

Public Works —

✓ C.C.C. —

Bank

10/22/33
(4th Finance)

Part 3, p. 3
Our dollar
is now altogether too greatly *influenced* ~~controlled~~ by the accidents of international trade, by the internal policies of other nations and by political disturbance in other continents. Therefore the United States must take firmly *the power* in *hand* ~~the~~ control of the gold value of *the* ~~the~~ dollar. This is necessary in order to prevent dollar disturbances from ~~swamping~~ swinging us from our ultimate goal, namely the further recovery of our commodity prices.

As a further effective means to this end, I am going to establish a market for gold *government* ~~newly mined gold~~ in the United States. Therefore, under the clearly defined authority of existing law, I am authorizing the *GOV* ~~R.F.C.~~ to buy gold newly mined in the United States at prices to be determined from time to time after consultation with the Secretary of the Treasury and the President. Whenever necessary to the end in view, we shall also buy or sell gold in the world market.

Part 3 of 4

My aim in taking this step is to establish and maintain continuous control. ^{It is not} This is a policy and not an expedient, to be used merely to offset a temporary fall in prices. We are thus ^{intending to move} ~~taking a first step~~ towards a managed currency. In taking this step, I want to make it perfectly clear that in ~~exercising this power~~ ^{I shall} ~~carrying out its purposes~~ ^{I shall move with discretion} - avoid insofar as possible wild fluctuations at any ~~and~~ avoiding the dangers involved in a precipitate ~~given time.~~ reduction in the gold value of our currency.

You will recall the dire predictions made last Spring by those who did not agree with ^{our common} ~~the~~ policies of raising prices

by direct means. What actually happened stood out in sharp contrast with those predictions. ^{Government credit is} ~~The care and discretion~~ ^{high, prices have risen in part to} ~~manifested by the Administration in the use of those instru-~~ ^{ment} ~~ments is the best promise of the care and discretion with~~ ^{which I expect to use this new instrument.} ~~which I expect to use this new instrument.~~ ^{will continue to accompany a rise in the}

? In taking this step I want to make it perfectly clear that I am exercising power not only to increase but to cut down the value of gold.

American commodity price level.

part 1 pg 1.

Draft.

It is three months since I have talked with the people of this country about our national problems; but during this period many

things have happened, and I am glad to say that the major part of them have greatly helped the well-being of the average citizen.

Because, in every step which your government is taking we are thinking in terms of the average of you - in the old words "the greatest good to the greatest number" - we, as reasonable people cannot expect to bring definite benefits to every person or to every occupation or business, or industry or agriculture. In the same way no reasonable person can expect that in this short space of time, during which new machinery had to be not only ~~renewed~~ put to work, but first set up, that every locality in every one of the 48 states of the country, could share ^{and simultaneously} equally in the trend to better times. The whole picture, however - the average of the whole territory from coast to coast - the average of the whole population of 120,000,000 people - shows to any person willing to look - facts and action of which you and I can be proud. In the early spring ^{of this year} there were actually and proportionately more people out of work in this country than in any other nation in the world. Fair estimates showed 12 or 13 millions unemployed last March. Among those there were, of course, several millions who ~~it~~ could be classed as normally unemployed - people who worked occasionally when they felt like it, and others who preferred not to work at all. It seems, therefore, fair to say that there were about 10 millions of our citizens who ^{earnestly} ~~definitely~~, and in many cases hungry, were seeking work and could not get it. Of these, in the short space of a few months, I am convinced that at least 4 millions have been given employment - or, saying it another way, 40% of those seeking work have found it. That does not mean, my friends that I am satisfied, or that you are satisfied that our work is ended. We have a long way to go but we are on the way.

~~WPA - AAA - Federal Farm - Home mortgage - WPA - C.~~

Part 1

How are we constructing the edifice of recovery --- the temple which, when completed, will no longer be a temple of money changers or of beggars, but rather a temple dedicated to and maintained for a greater social justice, a greater welfare for America --- the habitation of a sound economic life. We are building, stone by stone, the columns which will support that habitation. Those columns are many in number and though, for a moment the progress of one column may disturb the progress on the pillar next to it, the work on all of them must proceed without let or hindrance.

We all know that immediate relief for the unemployed was the first essential of such a structure and that is why I speak first of the fact that three hundred thousand young men have been given employment and are being given employment in the Civilian Conservation Corps camps in almost every part of the Nation..

All through this winter

part 1

-3-

So, too, we have, as you know, expended greater sums in cooperation with states and localities for work relief and home relief than ever before --- sums which during the coming Winter cannot be lessened for the very simple reason that though several million people have gone back to work, the necessities of those who have not yet obtained work is more severe than at this time last year.

Then we come to the relief that is being given to those who are in danger of losing their farms or their homes. New machinery had to be set up for farm credit and for home credit in every ~~part~~ one of the thirty-one hundred counties of the United States and every day that passes is saving homes and farms to hundreds of families. I have publicly asked that foreclosures on farms and chattels and on homes be delayed until every mortgagor in the country shall have had full opportunity to take advantage of Federal credit. I make the

part 1

-4-

further request which many of you know has already been made through the great federal credit organizations that if there is any family in the United States about to lose its home or about to lose its chattels, that family should telegraph at once either to the Farm Credit Administration or the Home Owners Loan Corporation in Washington requesting their help.

Two other great agencies are in full swing. The Reconstruction Finance Corporation continues to lend large sums to industry and finance with the definite objective of making easy the extending of credit to industry, commerce and finance.

9 The program of public works in three months has advanced to this point: Out of a total appropriated for public works of three billion three hundred million, one billion eight hundred million has already been allocated to Federal projects of all kinds and literally in every part of the United States

and work on these is starting forward.

part 1

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In addition three hundred millions ~~has~~^{have} been allocated to public works to be carried out by states, municipalities and private organizations, such as those undertaking slum clearance. The balance of the public works money, nearly all of it intended for state or local projects waits only on the presentation of proper projects by the states and localities themselves.

Washington has the money and is waiting for the proper projects to which to allot it.
~~to allot it to.~~

Another ^{pillar} ~~policy~~ in the making is the Agricultural Adjustment Administration. I have been amazed by the extraordinary degree of cooperation given ~~by~~ to the Government by the cotton farmers in the South the Wheat farmers of the West, the tobacco farmers of the southeast and I am confident that the ^{hog} ~~corn~~ farmers of the middle west will come through in the same magnificent fashion. The problem we seek to solve had been steadily getting worse for twenty years but during the

last six months we have made more rapidly progress than any nation has ever made in a like period of time. It is true that in July farm commodity prices had been pushed up higher than they are today, but that push came in part from pure speculation by people who could not tell you the difference between wheat and rye, by people who had never seen cotton growing, by people who did not know that hogs were fed on corn --- people who have no real interest in the farmer and his problems.

(Secret A)

THE WHITE HOUSE
WASHINGTON

This applies among the major
products especially to cattle
raising and the dairy industry.
We are going after those
problems as fast as we
can.

PART II

1

In spite, however, of the speculative reaction from the speculative advance, it seems to be well established that during the course of the year 1933 the farmers of the United States will receive 33% more dollars for what they have produced than they received in the year 1932. But in another way, they will receive \$400. in 1933, where they received \$300. the year before. That, remember, is for the average of the country, for I have reports that some sections, and especially the cattle farmers of the West, are not any better off than they were a year ago. Unfortunately the Congress refused to include cattle among the products of agriculture which the Agricultural Adjustment Act was authorized to regulate. We are going after that problem just as soon as I get the authority. This will be remedied. *Insect A*

I do not hesitate to say in the simplest, clearest language of which I am capable, that although the prices of many products of the farm have gone up and although many farm families are better off than they were last year, I am not satisfied either with the amount or the extent of the rise, and that it is definitely a part of our policy to increase the rise and to extend it to those products which have as yet felt no benefit. If we cannot do this one

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way we will do it another. Do it, we will.

Standing beside the pillar of the farm - the A. A. A. - is the pillar of industry - the N. R. A. Its object is to put industry and business workers into employment and to increase their purchasing power through increased wages.

It has abolished child labor. It has eliminated the sweatshop. It has ended sixty cents a week paid in some mills and eighty cents a week paid in some mines. The measure of the ^{growth} ~~size~~ of this pillar lies in the total figures of reemployment which I have already given you and in the fact that reemployment is continuing and not stopping. The secret of N. R. A. is cooperation. That cooperation has been voluntarily given through the signing of the blanket codes and through the signing of specific codes which already include all of the greater industries of the nation. ^A In the vast majority of cases, in the vast majority of localities - the N. R. A. has been given support in unstinted measure. We know that there are chisellers. At the bottom of every case of criticism and obstruction we have found some selfish interest, some private axe to grind. Ninety per cent of complaints come from misconception. (No 4)

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For example, it has been said that N. R. A. has failed to raise the price of wheat and corn and hogs; that N. R. A. has not loaned enough money for local public works. Of course, N. R. A. has nothing whatsoever to do with the price of farm products, nor with public works. It has to do only with industrial organization for economic planning to wipe out unfair practices and to create reemployment. Even in the field of business and industry, N. R. A. does not apply to the rural communities or to towns of under twenty-five hundred population, except in so far as those towns contain ~~any~~ factories or chain stores which come under a specific code.

It is also true that among the chisellers to whom I have referred, there are not only the big chisellers but also petty chisellers who seek to make undue profit on untrue statements.

Let me ^{cite} ~~give~~ you the example of the salesman in a store in a large ^{eastern} ~~western~~ city who tried to justify the increase in the price of a cotton shirt from one dollar and a half to two dollars and a half by ^{to the customer} saying that it was due to the cotton processing tax. Actually in that

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shirt there was about one pound of cotton and the processing tax amounted to four and a quarter cents on that pound of cotton.

At this point it is only fair that I should give credit to the sixty or seventy million people who live in the cities and larger towns of the nation for their understanding and their willingness to go along with the payment of even ~~the~~ ^{these} small processing taxes, though they know full well that the proportion of the processing taxes on cotton goods and on ^{food} ~~agricultural~~ products paid for by city dwellers goes one hundred per cent towards increasing the agricultural income of the farm dwellers of the land.

The last pillar of which I speak is that of the money of the country in the banks of the country. There are two simple facts.

First, the Federal Government is about to spend one billion dollars as an immediate loan on the frozen or non-liquid assets of all banks closed since January 1, 1933, giving a liberal appraisal ^{to} ~~of~~ those assets. This money will be in the hands of the depositors as quickly

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as it is humanly possible to get it out.

Secondly, the Government Bank ~~Bank~~ Deposit Insurance on all accounts up to \$2500 goes into effect on January first. We are now engaged in seeing to it that on or before that date the banking capital structure will be built up by the Government to the point that the banks will be in sound condition when the insurance goes into effect.