# Franklin D. Roosevelt - "The Great Communicator" The Master Speech Files, 1898, 1910-1945 <br> 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

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

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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 column 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 $a l l$ 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 thoutif 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 or 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 on its farm
United States about to lose its home or about to lose its

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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. find the Wher 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 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 n Knurlrige
in the farmer and his problems.
9.

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 reel ve $33 \%$ 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 thing sums oceturs show a higher qum yest
$n^{\text {same sections are not any better off than they were a year }}$ 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
10.
many products of the farm have gone up and al though many farm families are better of $f$ 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 swetshop. It has ended sixty cents a week paid in
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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 $\infty$ dis 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 ap ly 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 Nh mir hacking bout on wa cure metall the nesehenemy.

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 thess
that was due to the cotton processing tax. Actually in that shirt there was about one pound of $\infty$ ton 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 snail processing taxes, though they

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know full well that the proportion of the processing taxes on 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.
15.

Secondly, the Goverment 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 Goverminent 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.

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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 comodity 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.

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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 sary 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 ovm 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

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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 cormon policies of raising prices by direct means. What actually happened stood out in sharp contrast with those predictions. Goverment 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.

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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 th, 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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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 wellbeing 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.

Franklin D. Roosevelt Library
This is a transcript made by the White House stenographer from his shorthand. notes taken at the tipe the speech was made. Underlining indicates vords extemporaneously added to the previously prepared reading copy text. Noris in parentheses are words that were omitted when the speech vias colivored, though they appear in the previously prepared reading cony text.

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 1t, 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 rellef 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 unt1l 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.

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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 satispied 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.

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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
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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 1t 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 pald 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.

F1rst, the Federal Government is about to spend one billion dollars as an immediate loan on the frozen or nonliquid assets of all banks closed since January I, 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.

Finaliy, 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 attalnment 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.

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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 1ts 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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The program of public works in three months hés advanoed to this point: Out of a total appropriated for public works of three billion three hundred million, one billion eight humared million has already been allocated to Federal projects of all kinds and literally in every part of the United States and mork on these is starting fortard. 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 publin trorks 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 tho proper projects to whiwh to allot it.

Another pillar in the making is the Acricultural Adjustment Administration. I have been amazed by tho extraordinary degree of com operation given to the Government by the cotton famers in the South, the wheat farmess of the West, the to bacco farmers of the southeast, and I am confident that the corn hog farmers of the midale west will come through in the same magnificent fashion. The problem we seek to solve had been steadily getting morse 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 eonmodity 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 tho had never seen cotton growing, by people who did not lnow that hogs were fed on corn -... people who have no real interast. in the farmer and his problease........

In spite, hovever, of the speculative renction from the speculative advance, it seens to be well established that during the course of the yoar $1 c 33$ the farsiers of the United States will recoive 33, more dollars for what they have produced thin they received in the year 1832. Iut in another way, thoy vill recelve $\$ \leqslant 00$ in 1933, were they received 300 the year before. That, renember, is for the avarage of the country, for I have reports that some sections are not any better off than they vere a year ago. This applies anong the major products, espocially to caitle raising and the dairy industry. Nie are going after those prosleas as fast as ve can.

I de not hesitate to say 1 the simplest, clearest lancuage of which I am cajable, that althoush the prices of nany products of the farm have gone up ard although many farm fanilies are better off than they were last year, I an not satisfied either with the anount or the extent of the rise, and that it is difinitely a part of our policy to increase the rise and to extond it to those products which have as yet felt no senefit. If we can ot co this one way we wll do it another. Do it, we will.

Standing beaide the pillar of the farm - tiee A. A. A. - is the pillar of industry - the , R. A. Its object is to put industry and business workers into employaient and to inerease their purchasing power through increased wages.

It has abolished child labor. It has eliminated the ata.t shop. It hes ended sixity cents a week paid in sowe mills and eichty cents a week paid in some sines. The measure of the growth of this pillar lies in the total ficures of reergloynent which I have already given you and in the fact that reemployment is continuing and not stopping. The secret of IT. R. A. is cooperation. That cooperation has been voluntarily eiven 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 botton of every case of criticisn and obstruction wo have found some selfish interest, some private axe to grind.

Ninety per cent of complaits cone from misconception. For example, it has been said that $\mathrm{H} . \mathrm{R}$. A. has failed to raise the price of wheat and com and hogs; that N. R. A. has not loaned onough money for local. public vorks. Of course, h. R. A. has nothing whatsoever to do with the price of farm proaucts, nor with public works. It has to do only with industrial organization for oconomic planning to wipe out unfair practices and to create reemployment. Even in the field of business and industry, I. R. A. does not apply to the rural commmities or to toms 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 tho live in the cities and larger towns of the nation for their undergtanding and their willingness to go along

With the payment of even these srall processing taxes, though they know full vell that the proportion of the processing taxes on cotton goods and on food products paid for by city drellers goes one hundred per cent towards increasing tie acricultwal income of the farm divellers of the land.

The last pillar of which I spjeak is that of the money of the country in the banke. of the country. There are troo simple facts.

First, the Federal Government is about to spend one billion dollars as an irnediate loan on the frozen or non-lieuid assets of all banks closed since January 1, 1933, Giving a liberal appraisal to those assets. This money will be in the iands of the diepositors as quickly as it is humanly possible to set it out.

Secondly, the Covernient Dank Deposit Tnsurance on all accounts up to 3500 goes into effect on Jenuary first. "e are nove engaged in seeing to it that on or before that cate the banking capital structure will be built up by the coverncent to tise point that the banks will be in sound condition visen the insurance goes into effect.

Tinally, I repeat whet I ipve said on rany occasions, that ever since last Narch the dafinite policy of the Government has been to restore couriodity price levels, the object has been the attainent of such a level as will enable asriculture and industry once nore to give work to the unemployed. It has been to waike possible the payment of public and urivate debts more noarly at the price level at which they were incurreh. It has been gradually to restore a balance in the price structure so that famers 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 jermanent velfare and security of every class of our people ultinately depends on our attainent of the se purposes.

Obviously, and because huncreds of different kincis of crops and industrial occupetions in tine Euge territory that nakes up this Nation are involved, wa cannot reach the goal in only a fer months. Fe may take one year or two yeara or three years.

No one tho considers the plain facts of our situation believes that comodity pfices, especially argicultural 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 Goverment's policy to restore the price level first. I would not know, and no-one else could tell, just phat the permanent valuation of the dollar will be. To guess at a permanent cold valuation nor: vould certainly require later changes caused by later facts.

Then tre have restored the price level, we shall seak to establish and maintain a dollar which will not change ite purchasing and debt paying pover during the succeeding eenaration. I saic that in my message to the Anerican delegation in London last July. And I say it now once more.

Because of conditions in this country and because of events beyoad our control in other parts of the morld, it becones increasingly juportant to develop and apply the further measures minich may be necessary frora time to time to control the gold value of our orm dollar at homo.

Our dollar is nor altogether too greatly influenced by the accicents of international trade, by the intemal policies of other nations ond by political disturbance in other continents. Therefore the United States must take firmly in its orn hands the control of the gold value of our dollar. This is necessary in order wo prevent dollar disturbances frem stinging us away from our ultinate goal, namely, the continued recovery of our cormodity prices.

As a further effective means to this end, I am going to establish a government marlet for gold in the Unitod States. Therefore, under the clearly defined authority of existing law, I am authorizing the Reconstruction Finence Corporation to buy gold newly mined in the United Statos at prices to be deterained from time to time after consultation with the Secretary of the Treasury and the Presicent. Thenever necessary to the end in viev, 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 expecient.
It is not to be used merely to orfset a temporary fall in prices. Fe are thus continuing to move tomards a managed currency.

You fill recall the dire predictions made last Soring by those who did not agree with our camon policies of raising prices by direct means. lihat actually happened stood out in shary contrast with those predictions. Coverment credit is high, prices have risen in part. Doubtless propiets of evil still exist in our micist. But govemment oredit will be meintaingd and a sound currency will accompany a rise in the kierican comodity price level.

I have told you tonight the story of our steady but sure work In building our common recovery. In my promiscs to you both before and after Narch 4th, I made trio things plain: First, that I pledged no iniracles end, second, that I vould do my best.
. I thank you for your patisnce and your faith. Our troubles will not be over tomorrov, but tee ere on our wey and we are headed in the right direction.

Address of tho President delivered by radio froa the thite House

It is throe months since I have tallied with the people of this country about our naticial problevs; but during this period nany things have happened, and I an glad to say that the major part of them have greatly helpod the well-being of the average citizen.

Because, in overy step which your government is taling we are thincing in terns 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 benelits to every person or to every occupation or business, or industry or agriculture. In the same wray no reasonable person can expect that in this short space or tine, during which nev machinery had to be not only put to mork, but first set up, that every locality in every one of the 48 states of the country, could share equalily and simultaneously in the trend to better times.

The thole picture, hovever - the average of the whole territory froal coast to coast - the avera e of the whole yopulation of $120,000,000$ people - shows to ayy person wiling to look - fac sa and action of which you and I can be proud.

In the early spring of this year thero were actually and proportionately more yeople out of lork in this country than in any other nation in the vorld. Fair esti:ates shoved 12 or 13 millions unemployad last larch. mong those there rere, of course, several millions who could be classed as normally unsaployed - people who worked occasionally Fhen they felt like $t$, and others triho proferred not to rork at all. It seems, therefore, fair to sey thet there vere about 10 millions of our citizens who earnestly, and in meny csses hungrily, were seoking vork and could not get it. Of these, in the short space of a rew months, I am convinced that at least 4 millions have been given employment - or; saying it another may, 40, of those seeking work have found it.

That does not mean, ray friends that I an satisfied, or that you are satisfiad that our mork is ended. He have a long way to go but we are on the vay.

How are we constructing the edifice of recovery --- the temple which, when completed, will no longer be a temple of money changers or of begsars. but ather a temple dedicated to and maintained for a greater social f stice, a greater welfare for Anerica -..- the habitation of a sound economic life. ie are building, stone by stone, the colurns which will support that habitation. Those columns are many in number and though, for a moinent the pro ress of one colum may disturb the prosress on the pillar nexi to it, the vork on a.ll of them must proceed without let or hindrance.

We all know that ianodiate relier 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 erployment and are oine given exployment all through this wintor in the Civilion Conservation corps carps in alront every part of the Nationd

So; too, we have, as you Snov, expended erenter sums in cooperation with states and localities for work relief and home relief than ever before -- sums which during tho coring Winter cannot be lessend for the very simple reason that though several million people have gone back to mork; the nocessitios of those who heve not yot obtained work is more sovere than at this time last year.

Then we como to the rolief that is being given to those tho are in danger of losing their farns or their homes. New rachinery had to be set up for farm credit and for home credit in every one of the thintyone hundred counties of tho 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 eountry shall have had full opportunity to take advantage of Federal aredit. I make the further request which many of you knotr has already boen 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 onoe either to the F: ma Credit Administration or the Home ormers Lian Corporation in Washington requesting their help.

To 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 nesy the oxtending of sredit: to industry, comerce and financé.

The program of public worka in three months hes advanced to this point: Out of a total appropriated for public porks of three billion three hundred million, one billion oight hunared million has already been allocated to Federal projects of all kinds and literally in evexy part of the United States and mork on these is starting fortard. 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 publin works money, nearly all of it intended for state or local projects, vaits only on the presentation of proper projects by the states and localities themselves. Weshington has tho monoy and is vaiting for tho proper projects to whiah to allot it.

Another pillar in the making is the Agricultural Adjustment Administration. I have been amazed by tho oxtraordinary degree of com operation given to the Government by the cotton famers in the South, the wheat farmers of the West, the to bacco farmers of the southoast, and I am confident that the corn hog farmers of the niddule west vill come through in the same magnificent fashion. Tho problem wo seek to solve had been steadily getting rorse for tmenty years but during the last six months we have made more rapid plogress than any nation has ever made in a like period of time. It is true that in July farm eommodity prices had been pushed up highor than they are today, but thet push came in part from pure speculation by people who could not tell you the difference between wheat and rye, by people tho had never seen cotton growing, by people who did not l:nov that hogs were fed on corn -.- people who have no real interest in the famer and his probleris.

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In spite, horever, of the speculative reaction from the speculative advance, it seens to be mell established that during the course of the year 1033 the famwers of the United States will receive 33, more dollars for what they have produosd th: $n$ they roceived in the year 1932. Tut in mother way, they will receive 400 in 1933, where they received 300 the year before. That, renember, is for the average or the country, for I have reports that some sections are not any better off than they vere a year ago. This applies arong the major products, especially to cattle raising and the dairy industry, Ho are going after those proulens as fast as re cal.

I do not hesitate to say i the simplest, clearest language of which I am capable, that although the prices of many products of the farm have gone up and although meny farm fandiles are better off than they were last year, I am not satisiled eithor with the anount or the extent of the rise, and that it is definitely a part of our policy to increase the rise and to extond it to those rroducts which have as yet felt no benefit. If we can ot do this one vay ve will do it another. Do it, we will.

Standing beside the pillar or the fara - tie A. A. A, - is the piller of Industry - the . A. A. Its object is to put industry and business vorkers into smployalont and to inerease their purchasiag power through increased wages.

It hes abolished child labor. It has eliminated the stict shop. It has enced sizty cents a wook paid in sowe milles and eighty cents a weel paid in some nines. The measure or the growth of this pillar lies in the total firuxes of reenploynent which I havo already given you and in the fact that reemployment is continuing and not stoppine. The secret of IT. R. A. is cooperation. That cooperation has been voluntarily given through the siening 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 casas, in the vast majority of localities - the IN. R. 1. has been eiven support in unstinted measure. Ve know that there are chisellers. At the botbon of every case of criticism and obstruction me have found some selfish interest, some private axe to grind.

Ninety per cent of complaits come from misconception. For example, it has been said that $2 \%$. A. has failed to raise the price of Theat and com and hogs; that N. R. A. has not loaned enough money for local public norks. Of course, N, f. A. leas nothing thatsoever to do with the price of farm proaucts, nor with public morks. It has to do only with industrial organization for economic planning to wipe out unfair practices and to create remployment. Even in the field of business and industry, W. R. A. does not apply to the rural commonities or to torms of undor 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 whon I have referred, there are not only the big chisellers but also petty chisellers who seek to rake undue profit on untrue stateaents.

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 reas due to the cotton processing taz. 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 oredit to the sixty or seventy inillion penple tho live in the cities and larger town of the nation for their understanding and their rillingness to go along
with the payment of even these snall processing taxes, though they know full vell 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 acricultural incoms of the fam drellers of the land.

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

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

Secondly, the Coverncent Dank Deposit Insurance on all accounts up to 2500 goes into effect on January first. 'e are nor engeged in seeing to it that on or before that date the banikins capital structure will be built up by the Governaent to the point that the oenks rill be in sound oondition when the insurance goes into effect.

Finally, I reveat what I heve said on many occasions, that ever since last larch the definite policy of the Government has been to restore comiodity price levels. The object has been the attainient of such a level as will enable agriculture end industry once nore to give work to the unemployed. It has been to waike possible the paywent of public end rivate de'ts more neanly at the price level at which they were incurref. It has been gradually to restore a balance in the price structure so that famers may exciange 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 necossary to attain these ends. The permanent reliare and security of every class of our people ultimately denends on our attaiment of the se purposes.

Obviously, and because hundreds of different kinds of crops and industrial occupations in the luge territory that nakes up this Wation are involved, ve cannot reach the goal in only a fermontis. Fe may take one year or tro years on three years.

No one tho considers the plain facts of our situation believes that comodity grices, especially egricultural prices, are high enough yet.

Sone people are putting the cart before the horse. They want a permanent revaluation of the dollar first. It is the Coverment'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 gill be. To guess at a jemanant gold valuation nor: vould certainly requice later changes caused by later facts.

Then te have restored tie price level, ree shall seek to establish and raintain a dollar thich will not chance its purchasing and debt paying power during the succoeding eencration. I saic 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 noxld, it becones increasingly important to develop and apply the further measures milch may be necessary from time to time to control the gold velue of our orm dollar at home.

Our dollar is now altogether too greatly influenced by the accidents of intemational trade, by the internal policies of other nations and by political disturbance in other continents. Therefore the United States must take firmily in its orm hands the control of the gold value of our dollar. This is necessary in order to prevent dollar disturbances from singing us array from our ultinate goal, namely, the continued recovery of our comodity jrices.

As a further effective means to this end, I am going to establish a government marlet for gold in the United States. Therefore, under the clearly defined authurity of existing law, I am authorizing the Reconstruction Finance Corporation to buy gold nevily mined in the United States at prices to be detemined from time to time after consultation vith the secretary of the Treasury and the Presicent. Thenever necessary to the end in vier, we shall also buy or sell gold in the world martcet.

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

This is a policy and not an expecient.
It is not to be used merely to offiset a temporary fall in prices. Te are thus continuing to move torrards a menaged currency.

You will recall the dire predictions made last Spring by those who did not agree with our common policies of raisine prices by direct means. that actually happened stood out in sharp contrast with those predictions. Covernient credit is high, prices have risen in part. Doubtless propliès of evil still exist in our mâast. But govornment crodit will be meintained and a sound currency will accompany a rise in the Ararican camodity price level.

I have told you tonight tie story of our steady but sure vorls in building our conmon recovery. In my promises to you both before and after Narch 4th, I made tro things plain: First, that I pledged no niracles and, second, that I would do my best.

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

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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 to. To guess at a permanent gold valuation ron til certainty
now require later changes caused by later facts. ,

I have told you tonight the story of our steady but sure work in building our common recovery. In my promises both to you before and after March th, 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.



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 $\rho f$ industry on a fairer exchange basis. It has been and is ats the purhum pose to prevent prices rising beyond the point necessary to attain人 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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we cennot reach the goal in the \$1 may Take ane year M, Fro yeses No only a few months. But than importpont feet a component that / MLC.C

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Some people are putting the cart before the horse. They want a permanent revaluation of the dollar first. It is the Governmont's policy to restore the price level first. I would not know, and no one elf se could tell, just what the permanent valuation of the dollar frill be. So guess et permanent gold valuation now might well require later changes caused by later facts.

When we have restored the price level, we shall seek to mill nu/ chromic its purchecing and debt paying power 1) Win the ontciflotis⿹\zh26ncratirs to the American delegation in London July. An Ah ADvance ofyond Because of conditions in this country 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 an dollarat A-urvos


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dieturbences 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.
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A.A.A.
N.R.A.
$\checkmark$ Fammencir -
$\checkmark$ Heme ludit -
$\checkmark$ Ruliaf R.F.C. -

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As a further effective means to this end, I am going to quvemment
establish a market for gold in the n

United States. Therefore, under the clearly defined authority of existing law, I am authorizing the (B) (C) to buy/gold newly mined in the United States at prices to be determined from tie 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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by those who did not agree with policies of raising prices by direct means. What actually happened stood out in sharp contrast with those predictions. The care and discretion
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 ments is the best promise of the cane and discretion with $\rightarrow$ Usifinil fa mamtaiivel mad a Dimple DCLAtuey which I expect to use this new instrument. rill Accuruphum to ifc in e Then $?$ In taking this step I whit to make it perfectly clear that I an exercising power not only too increase but to cut down the value of gold.


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 wellwbeing 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 retry put to work, but first set up, that every locality in every one And Vimattaniauidy of the 48 states of the country, could share 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 $120,000,000$ peopleshows to any person willing to look - facts and action of which you and I can be proud. An the early spring there were actually and proportionately more A people out of work's in this country than in any other nation in the world. Pair estimates showed 12 or 13 millions unemployed last March. Among those there were, of course, several millions who tie 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 samestly were about 10 millions of our citizens who defiantly, 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 an satisfied, or that you are satisfied that our work is ended. We have a long way to go but we are on the way.

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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..

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

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 wok an then is ptantmg fimennolx

In addition three hundred millions works to be carried out by states, municipalities and private organizations, such as those undertaking slum clearance. Thè 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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pillar
Another powisy in the making is the Agricultural Adjustment Administration. I have been amazed by the eatraordinary degree of cooperation given byx 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/farmers of the midde 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 find his problems.
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## PART II



In spite, however, of the speculative reaction from the speculative advance, it seams 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. 耳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, and eepecially the oattle famers of thement, are not any better off than they were a year ago. Unfartmately the congress nefused to include cattle among the produets of agricultwre which the Agricultural Adjustment Act was authorized to regulate. Wo-aze-gaing-after-that-mperient
 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 fanilies 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 camnot 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
ing
business workers into employment and to increase their purchasp power
through increased wages.

It has abolished child labor. It has eliminated the swotshop. It has ended sixty cents a week paid in some mills and eighty cents a week paid in some mines. The measure of the $A$ of this pillar lies in the total figures of reemployment which $\perp$ 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 obstruc-
 tion we have found some selfish interest, some private axe to grind. Ninety per cent of complaints come from misconception.
price of wheat and corn and hogs; that N. R. A. has not lowed 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 tows of under twenty-five hundred population, except in so far as those towns containtiactories 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 statement se

Let me cite to you the example of the salesman in a store in Pastern
a large meetrom 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 hale by NTM Custher saying 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 these with the payment of even tale small processing taxes, though they know full well that the proportion of the processing taxes on cotton goods and for
on acpionltwsel 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.
 assets. This money will be in the hands of the depositors as quickly
as it is mamanly possible to get it out.

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

