

L.T. - SUNOCO. THURSDAY, APRIL 14, 1938.

GOOD EVENING EVERYBODY:

Any news broadcast on the air tonight is more of an interlude than anything else - an interlude between special message and fireside chat. (The predominant story of the day is the presidential message to Congress, proposing - four and a half billion dollars of spending and lending, forty-five hundred millions for priming the pump.) Tonight President Roosevelt will complete the day's job with a radio declaration and explanation to the nation.

It seems to rhyme, and you might add - expostulation. At <sup>thirty</sup> ten P.M.

there'll be a fireside chat about those four and a half billions.

So any pump-priming discussion at <sup>midway</sup> this hour is an interlude

between the special message and the fireside chat.

Now, what can we have for an interlude? Well, we can look back on the act that has already been played - this in anticipation of the act that's to come. That's good theatrical practice - between the acts. So let's scan the text of the special

message the President delivered to Congress today, Act One.

It begins this way:- "The prosperity of the United States is of necessity a primary concern of the government. <sup>he said to Congress.</sup> "Current events, if allowed to run undisturbed, will continue to threaten the security of our people and the stability of our economic life."

*Those are his words.*

Now, <sup>let's</sup> look at the implications - the government is assumed to be responsible for the prosperity of the nation. Current events cannot be allowed to run undisturbed - the government must interfere. Some approve of that political philosophy, and some do not. The dispute between them could fill volumes.

The President emphasized his own point of view with phrases like these: "The course of our economics has run adversely for half a year. We owe it to ourselves to turn it in the other direction."

And right there the argument might flare the hottest. Can the government turn the direction of economics? Can federal authority keep the trend of business running favorably? Can these things be done with a Democratic government? - political philosophers will ponder.

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The President points to the depression depths, followed by the activities of the New Deal, - the government spending, the pump-priming. Referring to this he said: "Thus the downward spiral was stopped, and not merely stopped - but started upward, a trend lasting for four years and a half." <sup>His words. And</sup> He declares that by the end of Nineteen Thirty-Six, recovery was so well on its way, that federal spending was decreased. - "materially reduced," were the President's words.

That gives the ~~cu~~<sup>e</sup> for today's four and a half billion dollar proposal. If pump-priming pulled us out of the previous depression, why not prime the pump to pull us out of this one?

The presidential theory of depressions, their cause and cure, is this:- they're caused by too much production and too little purchasing power, and they can be cured by handing out vast sums of money to increase the purchasing power of the public. ~~Some might suggest that cutting down production might be an important curative element, but~~ The New Deal limelight focuses on purchasing power and its increase. All of which is illustrated by presidential phrases like these: "Production outran the ability to buy" - "the buying

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power of the nation lagged behind."

Such is the idealogical background, as they say nowadays - the reasons given for the proposal to prime the pump with four and a half billion dollars. How would all of that endless cash be distributed? The special message gives an itemized list, which boils down to a series of ideas we've been hearing about for weeks - giant new sums for more work relief projects, W.P.A., a great wad of R.F.C. money to be lent to business concerns in need of capital, a tall stack of coin to be lent without interest to states and towns for local public works that will create employment. And - the desterilization of one billion ~~and~~ four hundred million dollars of sterilized gold.

Now we all know what it is to sterilize baby's milk bottle,

*as to sterilize*

✗ a needle to puncture a boil. But what about sterilized gold?

A lot of us householders may be puzzled about that. I certainly was,

so I called my friend, Casey Hogate, publisher of the "Wall Street

Journal," and asked about the sterility and fertility of the yellow

metal. And Casey put it something like this:- "Gold can be used

for various purposes, rings on your fingers, teeth in your mouth.

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It can also be held by the government as a basis for currency, gold backing for paper money. But - it can <sup>also</sup> be used for nothing at all, just lying there. So, you might say that gold held as a basis for currency is fertile, money has grown out of it. While - government gold which does no such thing, <sup>just buried away,</sup> nothing at all, <sup>may</sup> be called sterile. No money grows out of it.

Now, the Treasury of the United States has a huge hoard of sterilized gold. How come? Where did it get all that unused treasure lying there? It all goes back to the gold purchase policy of the New Deal. The government bought large quantities of gold from abroad, and sterilized it. So it has been lying there all the time, available for money to be issued against it. That is - money or credit, which are all interwoven in this modern world. That's what the President meant when he said - ~~de~~sterilize, put the one billion ~~and~~ four hundred million dollars' worth of gold into circulation as cash or credits.

Would that be inflation? Well, it has a decidedly inflationary tendency. That point is all wound up with the psychology of business, the extent to which cash and credit are

put into use. Today in Wall Street the Stock Market went up, because of the assumption - inflation.

Here's the latest - a flash from Washington. The Treasury has just desterilized the gold. This needed no action by Congress. So the Treasury Department acted immediately. The gold was desterilized, and gold certificates were sent to the Federal Reserve banks - money to be issued against them, or credit. So one important article of today's presidential message <sup>was late today</sup> ~~has been~~ put into effect - right away.

Now - a couple of final figures. Today's presidential proposal would increase the government outlay for the year to a figure approaching nine billion dollars. ~~is~~ The biggest ever. The largest previous spending budget was in Nineteen Thirty-Six, when the figure was nearly eight billion ~~and~~ five hundred million.

How did Congress take the special message? New Deal legislators responded with cheers. "The program will start moving the wheels of business," said Senator Byrnes of South Carolina. On the Republican side, the comment was scathing. Said minority leader Bertram Snell of New York:- "I do ~~not~~ see much use in

priming the pump, unless we are sure there is some water in the well."

Conservative Democrats <sup>also</sup> declared in opposition. "I am unalterably opposed to any further pump-priming," declared Senator Byrd of Virginia.

Some middle-of-the-road legislators took a rather mournful middle-of-the-road attitude. "I don't like the spending program," remarked Senator Russell of Georgia. "I'm looking for a man who has some alternative. If I can't find him, <sup>then</sup> I'll have to vote for the new spending."

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It looks as if the new pump-priming project will run into some heavy congressional opposition - another one of those rip-roaring battles in the Senate and the House. And that points to the reason for the F.D.R. fireside chat tonight - the President taking to the air in a nationwide appeal for support.

I began by calling this an interlude. I'm afraid it has been a rather excessively political and financial interlude. But mighty important to the nation and its money, was today's special message, Act One, and so will be the fireside chat, Act Two, of this two-act play.

STRIKE

Labor trouble threatens on the Great Lakes. <sup>Canadian</sup> Workers on ships have received a strike order from the Union. This involves a hundred and sixty vessels which are to ply the waters of Lake<sup>s</sup> Erie, Ontario, Michigan, Huron and Superior. Winter ~~having~~ closed down shipping on the lakes. <sup>Now the Spring</sup> ~~the~~ maritime season begins at eleven o'clock Friday night. The strike is called for midnight, one hour later.



HELIUM

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The argument about helium still continues. Will or will not Germany be allowed to buy the non-inflammable gas from its only producer -- the United States. Secretary Ickes said today that the transaction was being held up, for the reason we heard about before -- German dirigibles inflated with American helium might be used for war purposes. "There seems to be some indication," <sup>today</sup> declared the Secretary, "that there's some military importance to the sale."

<sup>tonight</sup>  
From Germany <sup>^</sup> comes the announcement that ~~xxxxxxx~~ trans-Atlantic zeppelin service will not be renewed this year. After the explosion of the Hindenburg and its hydrogen, word was that Germany would start in again with helium in 1938. But now Germany says that's ~~xxxx~~ off, because there's so much delay in the purchase of American helium.

FRANCE

Hurry up and straighten things out with Italy, said Great Britain to France today. Sir Eric Phipps, His Majesty's Ambassador to Paris, called on French Foreign Minister Bonnet and gave him a message from London. His Majesty's government would like to have the French Republic open speedy negotiations with Mussolini, for the purpose of patching Franco-Italian diplomatic relations.

The French answer was - "<sup>oui, oui,</sup> Wee, wee, we'll talk business with the Duce if he will show the proper amount of good will." The French want their negotiations with Italy to be as extensive and thorough as the British-Italian talks have been - no unseemly hurry and haste. Paris, however, was eager to get negotiations going before Hitler's much ballyhooed visit to Rome next month.

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Premier Daladier, in the might of his new dictatorial powers, took energetic action today to curb the wave of strikes. The epidemic of walk-out and sit-down has just about crippled the French munitions industries. Now Daladier has decreed compulsory arbitration, and the last word is he is making moves to put recalcitrant strikers in prison. Jail - if they don't accept the compulsory arbitration.

VATICAN

The report that Hitler has been invited to visit the Pope <sup>during his Italian trip</sup> was denied today by Vatican officials. They put it on grounds of custom and propriety at the Vatican. They explained <sup>that</sup> according <sup>to age</sup> ~~old~~ <sup>to the</sup> formalities the Pontiff never invites anyone to come to the Vatican to pay a call. The procedure is the other way around. You must request a Papal audience, which thereupon is or is not granted. So there's <sup>no</sup> Vatican invitation to the German Fuehrer -- although it <sup>is</sup> possible that he may request <sup>and</sup> ~~that he~~ be granted an audience. — *anything is possible.*

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At the Vatican today, ancient and solemn ceremonies were held - Holy Week, Holy ~~Thursday~~ Thursday. But Pope Pius did not preside, as Popes have done for so many centuries. In his great age, he is so feeble he passed the day in his apartment -- praying there, conserving his strength for next Sunday, Easter. Then he will call upon his last reserve of energy to preside over the traditional Easter ceremony.

SPAIN

Seventh birthday of the Spanish Republic. And what's the news?

~~The news from Spain is~~ The same - Franco's Rebels pushing on in their march to the sea. Day after day we've been hearing that same thing, which means the insurgents have been <sup>driving</sup> ~~pushing on~~ a mile <sup>or so</sup> at a time - the Left Wing resistance that bitter.

Tonight's report places the Franco battalions within five miles of the Mediterranean, <sup>crashing</sup> ~~driving~~ through olive groves that overlook the sea.

CHINA

It looks bad for China. It's true the Chinese have been winning military successes against their foe from Japan. But that's the very reason why it looks bad. In their campaign of defense, the Chinese armies have been following the policy that bears the sinister name of - "scorched earth." They destroy and burn everything so the enemy ~~could have~~ <sup>has</sup> nothing to live on - just scorched earth. Today we hear ~~that~~ <sup>that</sup> Chinese guerilla bands have been harrassing the Japanese military units with such effect that now the Mikado's generals have decided to use against the guerilla bands that same policy - scorched earth. They'll burn and destroy so the raiding Chinese will find themselves in a barren belt of havoc. <sup>R</sup> And the echo sighs - unhappy China!

The latest from China tells of - flame throwers. The Japanese claim the Chinese are using poison gas. The Chinese say no, nothing but liquid fire.

The Chinese commanders report their troops are on the offensive in Shantung Province. They're advancing behind those ultra-modern weapons, sheets of flame. More scorched earth.

NINE OLD MEN -- HOLDOUTS

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And how about the hold-outs in my team -- the  
Nine Old Men? Well, the players held a meeting at the  
Advertising Club of New York, <sup>today,</sup> and nearly all of them signed  
up. Colonel Stoopnagle was holding out for less money.

I paid him a salary of sixty cents last year, and he was  
demanding fifty cents this year. Although it broke my heart  
to see him take a smaller salary, I finally agreed.

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Paul Webb, the hillbilly cartoonist, tore his  
contract up for the benefit of a battery of newspaper cameras  
from the New York Times, the Bridgeport Post, and other famous  
papers. So, there are only two hold-outs now, Paul Webb and  
Captain Frank Hawks.

The others, Lew Lehr, Eddie Eagan, Homer Croy,  
Publisher Charley Payson, <sup>H. T. Webster</sup> ~~and Casey Hogate,~~ will be in our  
Quaker Hill-Dutchess County lineup as usual, all set to play  
the annual game with the President's Summer White House team, <sup>and</sup>  
~~and the team~~ <sup>against the teams</sup> led by George Bye, Gene Tunney, and Colonel  
Ted Roosevelt.

Yes, they nearly all signed up - because I confronted

them with a <sup>gathering</sup>~~convention~~ of prison wardens led by Warden Lawes of

Sing Sing and ~~former~~ Commissioner Mulrooney <sup>head of all</sup> ~~of the~~ New York <sup>prisons,</sup> ~~Police~~  
and the Wardens of New Jersey and Federal  
Department. ~~It seemed like sign up or go to jail. So they signed~~

Prisons also. I guess it looked to  
the boys as though it was a case  
of sign up or go to prison. So  
they signed.

59/4 And now Hugh what from you?