**Franklin Delano Roosevelt First Fireside Chat**

My friends: I want to talk for a few minutes with the people of the United States about banking -- to talk with the comparatively few who understand the mechanics of banking, but more particularly with the overwhelming majority of you who use banks for the making of deposits and the drawing of checks. I want to tell you what has been done in the last few days, and why it was done, and what the next steps are going to be.

First of all, let me state the simple fact that when you deposit money in a bank, the bank does not put the money into a safe deposit vault. It invests your money in many different forms of credit -- in bonds, in commercial paper, in mortgages and in many other kinds of loans. In other words, the bank puts your money to work to keep the wheels of industry and of agriculture turning around. A comparatively small part of the money that you put into the bank is kept in currency -- an amount which in normal times is wholly sufficient to cover the cash needs of the average citizen. In other words, the total amount of all the currency in the country is only a comparatively small proportion of the total deposits in all the banks of the country.

What, then, happened during the last few days of February and the first few days of March? Because of undermined confidence on the part of the public, there was a general rush by a large portion of our population to turn bank deposits into currency or gold -- a rush so great that the soundest banks couldn't get enough currency to meet the demand. By the afternoon of March third, a week ago last Friday, scarcely a bank in the country was open to do business. It was then that I issued the proclamation providing for the national bank holiday, and this was the first step in the Government’s reconstruction of our financial and economic fabric.

This bank holiday, while resulting in many cases in great inconvenience, is affording us the opportunity to supply the currency necessary to meet the situation. Why are all the banks not to be reopened at the same time? The answer is simple and I know you will understand it: Your Government does not intend that the history of the past few years shall be repeated. We do not want and will not have another epidemic of bank failures.

As a result, we start tomorrow, Monday, with the opening of banks in the twelve Federal Reserve Bank cities -- those banks, which on first examination by the Treasury, have already been found to be all right. That will be followed on Tuesday by the resumption of all other functions by banks already found to be sound in cities where there are recognized clearing houses. That means about two hundred and fifty cities of the United States. In other words, we are moving as fast as the mechanics of the situation will allow us.

On Wednesday and succeeding days, banks in smaller places all through the country will resume business, subject, of course, to the Government's physical ability to complete its survey It is necessary that the reopening of banks be extended over a period in order to permit the banks to make applications for the necessary loans, to obtain currency needed to meet their requirements, and to enable the Government to make common sense checkups.

Please let me make it clear to you that if your bank does not open the first day you are by no means justified in believing that it will not open. A bank that opens on one of the subsequent days is in exactly the same status as the bank that opens tomorrow.

It is possible that when the banks resume a very few people who have not recovered from their fear may again begin withdrawals. Let me make it clear to you that the banks will take care of all needs, except, of course, the hysterical demands of hoarders, and it is my belief that hoarding during the past week has become an exceedingly unfashionable pastime in every part of our nation. I can assure you, my friends, that it is safer to keep your money in a reopened bank than it is to keep it under the mattress.

The success of our whole national program depends, of course, on the cooperation of the public -- on its intelligent support and its use of a reliable system. I hope you can see, my friends, from this essential recital of what your Government is doing that there is nothing complex, nothing radical in the process.

We have had a bad banking situation. Some of our bankers had shown themselves either incompetent or dishonest in their handling of the people’s funds. They had used the money entrusted to them in speculations and unwise loans. This was, of course, not true in the vast majority of our banks, but it was true in enough of them to shock the people of the United States, for a time, into a sense of insecurity and to put them into a frame of mind where they did not differentiate, but seemed to assume that the acts of a comparative few had tainted them all. And so it became the Government’s job to straighten out this situation and do it as quickly as possible. We shall be engaged not merely in reopening sound banks but in the creation of more sound banks through reorganization.

It has been wonderful to me to catch the note of confidence from all over the country. Confidence and courage are the essentials of success in carrying out our plan. You people must have faith; you must not be stampeded by rumors or guesses. Let us unite in banishing fear. We have provided the machinery to restore our financial system, and it is up to you to support and make it work.

It is your problem, my friends, your problem no less than it is mine. Together we cannot fail.