What is a bank and what are its relations with the people? Why through their government supervise banks? The people put their money into trusts. They do that in order to provide for their children and in some cases to earn a small income. Providing this service costs money and to provide this service and to the banks are permitted to invest their deposits at a profit.
D pay their expenses
and to provide a
reasonable profit
to their stockholders,
the public has no
means of knowing
whether the bank is
making a
profit or a
loss.

Government has
accepted this responsibility
from the beginning.
It is a sacred
trust.

No one can
fulfill
it. It is a part of
the good things of life.
Wealth grows when men cooperate; but it stagnates.
the good things of life. Wealth grows when men cooperate; but it stagnates
In March, 1933, I asked the people of this country to renew their confidence in banks. They took me at my word. Today I ask the bankers of this country to renew their confidence in the people of this country. I hope you will take me at my word.

The good things of life. Wealth grows when men cooperate; but it stagnates...
responsibility exercises. We seek to strengthen and assist the efforts of bankers to carry this load effectively. We have not only our own observation, but the testimony of public-spirited bankers as to the strengthening effects of these efforts. We look forward to greater and greater achievement along this line by the bankers of the nation. This Association, under its constitution, was established sixty years ago to promote the general welfare and usefulness of banks. Nothing could serve this great objective more effectively than the promotion of efforts to develop leadership and self-discipline within the ranks of bankers themselves. I am told by your President that manifestations of this spirit, despite the quite understandable loss of morale during the years that we have passed through, are noticeable everywhere. The banker, he tells me, is now sure of his bank and of himself.

I rejoice in the part that government has played, through the RFC, the FDIC and other agencies, to bring this about. Nothing can destroy private banking in this country except the failure of the courage and initiative and imagination of the bankers themselves, and I am convinced that as Americans, the bankers are recapturing these great qualities every day and every hour.

I need not tell you that true wealth is not a static thing. It is a living thing made out of the disposition of men to create and distribute the good things of life. Wealth grows when men cooperate; but it stagnates
in an atmosphere of misunderstanding and misrepresentation. Here, in America, the material means are at hand for the growth of true wealth. It is in the spirit of American institutions that wealth should come as the reward of hard labor of mind and hand. That is what we call a profit system. We are all aware of the fact that a profit—or a profit and loss system, as someone has said—cannot be used as an excuse for exploitation of the few by the many, or the many by the few. Its real fulfillment comes in the general recognition of the rights of each factor of the community. It is not in the spirit of partisans, but partners, that America has progressed. The time is ripe for an alliance of all forces intent upon the business of recovery. In such an alliance will be found business and banking, agriculture and industry, and labor and capital. What an all-American team that is! The possibilities of such a team kindle the imagination and awaken the spirit and hope of those of us who have been called to its leadership.

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I am glad to be here tonight at your invitation to 
speak to you informally about some of our common problems. As 
many of you know by personal experience, it is not a new thing 
for me to talk with bankers. I have been seeing many of your 
number almost daily during the past year and a half, and let me 
make it quite clear that in these meetings I have not done all 
the talking. I have been a good listener and I have asked many 
questions. I have found there is the striking lack of unanimity 
of opinion among bankers that characterizes many other groups in 
the country. It has been my purpose to seek out underlying agree-
ment in the opinions that bankers have expressed.

A true function of the head of the government of the 
United States is to find among many discordant elements that unity 
of purpose that is best for the nation as a whole. This is neces-
sary because government is not merely one of many coordinate

In its relation with bankers, the purpose of

government should be twofold. First, to promote the confidence
of the people in banks and banking in view of the important
groups in the community or the nation, but government is essentially the outward expression of the unity and the leadership of all groups. Consequently the old fallacious notion of the bankers on the one side and the government on the other as more or less equal and independent units has passed away. Government by the necessity of things must be the leader, must be the judge of the conflicting interests of all groups in the community, including bankers. The government is the outward expression of the common life of all citizens.

What is a bank and what are its relations with the people? Why do the people through their government supervise banks? The people put their money into banks. They do this in order to protect it and in some cases to have it earn a small income. It costs money to provide this service and, therefore, the banks are permitted to invest these deposits in order to pay their expenses and to provide a reasonable profit to their

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In its relation with bankers, the purpose of government should be threefold. First, to promote the confidence of the people in banks and banking in view of the important service that banks and banking may perform for the people as a whole. Second, to make this confidence a real and living thing by assisting banks to render themselves useful and worthy of this confidence through wise supervision. A third purpose now offers itself, and I wish with all earnestness to press this point tonight. Government should assert its leadership in encouraging not only the confidence of the people in banks, but the confidence of the banks in the people. In March, 1933, I asked the people of this country to renew their confidence in banks. They took
me at my word. Tonight I ask the bankers of this country to renew their confidence in the people of this country. I hope you will take me at my word.

I need not recount the situation of the banks in the spring of 1933. I found that the restoration of banking activity itself was my first responsibility on assuming office. It was necessary that the government throw itself squarely into the task of bringing back to the banks the deposits of the citizens of the country. As a result of my appeal the people responded by restoring their confidence in the banks of the United States.

The primary purpose accomplished it became necessary that the Congress and the Administration enact measures to build up the banking structure so that it could once more provide support for the economic life of the country. Moreover, it had to be built and we built it strong enough so that it

In its relation with bankers, the purpose of government should be twofold. First, to promote the confidence of the people in banks and banking in view of the important
could resist future stresses and strains. Government found it necessary to create and get under way new emergency credit agencies and to use to the fullest extent the already existing Reconstruction Finance Corporation. These credit agencies moved with heroic energy, and it was a source of the utmost satisfaction to find that when the Federal Deposit Insurance Corporation went into operation the banking structure had regained a very considerable amount of its strength and its vitality. I think it is only fair to say that never since the formation of our government has such a task been achieved in so short a time. Happily, the present security of our banks bears witness to the wise course that we pursued.

I find almost general agreement among bankers that these agencies must continue until such time as the banks and other private credit agencies are themselves able and ready

In its relation with bankers, the purpose of government should be twofold. First, to promote the confidence of the people in banks and banking in view of the important
to take over these lending functions; and when that time comes, I shall be only too glad to curtail the activities of these public agencies in proportion to the taking up of the slack by privately owned agencies. I venture to suggest to you that when the history of these years comes to be written, while the closing and the reopening of the banks will occupy a prominent place, even greater interest will be centered in the fact that within a few months not only was the banking structure strengthened but the great governmental lending agencies went into action and also saved from disastrous deflation, liquidation and loss a vast portion of the farms, homes, railroads and corporations of the nation. This definitely rescued the security and happiness of all of us.

Just as it is to be expected that the banks will resume their responsibility and take up the burden that the all citizens.

In its relation with bankers, the purpose of government should be twofold. First, to promote the confidence of the people in banks and banking in view of the important
government has assumed through its credit agencies, so I
assume and expect that private business generally will be
financed by the great credit resources which the present
liquidity of banks makes possible. Our traditional system
has been built upon this principle and the recovery of our
economic life should be accomplished through the assumption of
this responsibility. The present steady and unmistakable re-
vival of public demand for goods and services should provide
the assurance necessary to the financing of industrial life.
The government is bending every effort through the Treasury,
the Federal Reserve system, the Reconstruction Finance Corpora-
tion, the Securities and Exchange Commission and the Federal
Housing Administration to facilitate and encourage the revival
of private investment. I commend the objectives of the Housing
Administration to your immediate consideration, but at the same

all citizens.

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government should be twofold. First, to promote the confidence
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time I ask you to note that all of these new agencies are seeking consultation and cooperation with you bankers.

While there lies before us still the necessity for large expenditures for the relief of unemployment, I think we should all proceed in the expectation that the revival of business activity will steadily reduce this burden.

I am gratified to know of the expressions of belief, public and private, of your members that the speed that we shall make toward this objective is something that no one has the wisdom or the hardihood to estimate. This recognition reflects a growing appreciation of the problems resting upon a responsible Chief Executive.

With respect to international relationships, I have been glad to note the growing appreciation in other nations of the desirability of arriving, as quickly as possible, at a

all citizens.

In its relation with bankers, the purpose of government should be twofold. First, to promote the confidence of the people in banks and banking in view of the important
point of steadiness of prices and values. This objective of greater steadiness we have constantly kept before us as our national policy.

The fact that American business men and bankers are devoting more and more individual study and attention to the wider problems of our nation and of international affairs is manifesting itself in many ways. It seems to me that this is a very important development. Let me make it clear to you that the government of the United States has daily and even hourly contact with sources of information which cover not only every State and section of our own country, but also every other portion of the habitable globe. This information is more complete, informative and accurate than that possessed by any private agency.

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thing. It is a living thing made out of the disposition of men to create and to distribute the good things of life with rising standards of living. Wealth grows when men cooperate; but it stagnates in an atmosphere of misunderstanding and mis-
representation. Here, in America, the material means are at hand for the growth of true wealth. It is in the spirit of American institutions that wealth should come as the reward of hard labor of mind and hand. That is what we call a profit system. Its real fulfillment comes in the general recognition of the rights of each factor of the community. It is not in the spirit of partisans, but partners, that America has progressed.
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team kindle the imagination — they encourage our determination —
they make easier the tasks of those in your government who are
leading it.

The Nation does not merely trust or hope that we
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That it seems to me is the true function of the head of the government of the United States to find unity among many discordant elements that unity of purpose that is best for the nation as a whole. This is particularly necessary because modern government is only one of many coordinate groups in the community or the nation. It is essentially the outward expression of the unity and the leadership of all groups. Consequently the old notion of the bankers on the one side and the government on the other as more or less equal and independent units has passed away. Government by the necessity of things must be the leader and the judge of the conflicting interests of all groups in the community, including bankers. The government is the outward expression of the common life of all citizens.

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The primary purpose accomplished it became necessary that Congress and the Administration enact measures to build up the banking structure so that it could once more receive the support of the economic life of the country. Moreover, it had to be built strong enough so that it could meet future stresses and strains. Government found it necessary to create and get under way new emergency credit agencies and to use to the fullest extent the already existing Reconstruction Finance Corporation. These credit agencies served with unbelievable energy and it was a source of the utmost
service that banks and banking may perform for the people as a whole. Second, to make this confidence a real and living thing by assisting banks to render themselves useful and worthy of this confidence through wise supervision. A third purpose now offers itself, and I wish with all earnestness to press this point tonight. Government should assert its leadership in encouraging not only the confidence of the people in banks, but the confidence of the banks in the people. In March, 1933, I asked the people of this country to renew their confidence in banks. They took me at my word. Tonight I ask the bankers of this country to renew their confidence in the people of this country. I hope you will take me at my word.

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satisfaction to find that when the Federal Deposit Insurance Corporation went into operation the banking structure had regained a very considerable amount of its strength and vitality. I think it is only fair to say that never since the formation of our government has such a task been achieved in so short a time. Happily, the present security and liquidity of our banks bears witness to the course that we pursued.

I find quite general agreement among bankers that these agencies must continue until such time as the banks and other private credit agencies are themselves able and ready to take over these lending functions; and when that time comes, I shall be only too glad to curtail the activities of these public agencies in proportion to the taking up of the slack by private credit agencies. I venture to suggest that when history comes to be written, the closing and the reopening of the banks will occupy a prominent place, but even greater interest will be centered in the fact that within a few months the strengthening of the banking structure saved from disastrous deflation and loss a vast portion of the farms, homes, railroads and corporations of the nation. This was the gain for the security and happiness of all the people.

Just as it is to be expected that the banks will resume their responsibility and take up the burden that the government has assumed through its credit agencies, so I assume and expect that the financing of private business generally will be financed by the great credit resources which the present liquidity of banks makes possible. Our traditional system should be built upon this principle and the recovery of our economic life can be accomplished only through the assumption of this responsibility. A steady and unmistakable revival of public demand for goods and services should provide the assurance
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of foreign exchange alone, but of prices and values. This objective of a true basis of stability in international exchange we have constantly kept before us. The fact that
necessary to the financing of industrial life. The government is bending every effort through the Treasury, the Federal Reserve system, the Reconstruction Finance Corporation, and the new Securities Exchange Commission to facilitate and encourage the revival of private investment. It gives me pleasure to note that in this respect the signs are good.

I am not willing to go along with the idea that is so often expressed that bankers are still shell-shocked and that their morale must be built up. I do not for a minute consider that you have lost your morale. I believe that you are wholly capable of proceeding with the normal exercises of your public responsibility.

While there lies before us still the necessity for large expenditures for the relief of unemployment, I proceed in the expectation that the revival of business activity will steadily reduce this burden. These private enterprise and governmental leadership are moving toward the end that we all desire - the balancing of government expenditures with income.

I am gratified to know of the expressions of belief, public and private, of your members. The speed that we shall make toward this objective is something that no one has the wisdom or the hardihood to estimate. This recognition reflects a growing appreciation of the problems resting upon a responsible Chief Executive.

With respect to international finance, I have been pleased to note in recent weeks the growing appreciation in other nations of the desirability of arriving, with our nation, as quickly as possible, at a point of stability, not of foreign exchange alone, but of prices and values. This objective of a true basis of stability in international exchange we have constantly kept before us. The fact that
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American business men and bankers are devoting more and more individual study and attention to the wider problems of our nation and of international affairs is manifesting itself in many ways. It seems to me that this is a very important development. Intensifying the government of the United States is developing its daily contact with sources of information covering not only every State and section of our own country, but also every other portion of the habitable globe. I am not exaggerating when I tell you that this information is more complete, informative and accurate than that possessed by any other agency. It will be readily seen is of inestimable value, not only to the operations of government, but to private enterprise as well.

With respect to banking as in all other businesses and professions, the efforts of government can only supplement, they cannot replace the fundamental corrective forces of self-discipline and self-government. This Association, under its Constitution, can grow in its effective promotion of efforts to develop leadership and self-discipline within the ranks of bankers themselves. Nothing can destroy private banking in this country except the failure of the courage and initiative and imagination of the bankers themselves, and I am convinced that as Americans the bankers are recapturing these qualities every day and every hour.

I need not tell you that true wealth is not a static thing. It is a living thing made out of the disposition of men to create and distribute the good things of life with increasing standards of living. Wealth grows when men cooperate; but it stagnates in an atmosphere of misunderstanding and misrepresentation. Here, in America, the material means are at hand for the growth of true wealth. It is in the spirit of American institutions that wealth should come as the reward of hard labor of mind and hand. That is what we call a profit system. Its
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They encourage the determination - they make easier the tasks and responsibilities of those in your government who know they ask you to go in and are leading it. Under the right of