Name: ______________________________ Date: ______________

FDR's First Fireside Chat

On March 12, 1933, President Franklin Roosevelt delivered the following radio talk to the nation from the President's study in the White House at 10pm.

I want to talk for a few minutes with the people of the United States about banking -- with the comparatively few who understand the mechanics of banking but more particularly with the overwhelming majority 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, why it was done, and what the next steps are going to be. I recognize that the many proclamations from State Capitols and from Washington, the legislation, the Treasury regulations, etc., couched for the most part in banking and legal terms should be explained for the benefit of the average citizen. I owe this in particular because of the fortitude and good temper with which everybody has accepted the inconvenience and hardships of the banking holiday. I know that when you understand what we in Washington have been about I shall continue to have your cooperation as fully as I have had your sympathy and help during the past week.

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-bonds, commercial paper, mortgages and 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 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 small fraction of the total deposits in all of the banks.

It was then that I issue the proclamation providing for the nation-wide bank holiday, and this was the first step in the government's reconstruction of our financial and economic fabric.

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1. When was the first fireside chat given? ______________________________
2. Is this a primary or secondary source? ______________________________
3. Why did Roosevelt use the radio to talk to the public? ______________________________

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4. What was the main topic of the chat? ______________________________
5. According to Roosevelt, what happens to money when it is deposited into a bank? Explain. ______________

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6. How do you think most Americans responded to FDR's Fireside Chats?______________________________

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