President Roosevelt Explains Banking Situation of Nation

Last Sunday evening President Franklin D. Roosevelt made a 15-minute talk to the people of the nation on the banking problem. During this talk he expressed confidence and sought the cooperation of the people of this country in bringing back normal conditions.

The text of President's Roosevelt's address was as follows:

"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., crouched for the most part in banking and legal terms should be explained for the benefit of the average citizen.

Show Good Temper

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 the banks.

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 could not get enough currency to meet the demand. The reason for this was that on the spur of the moment it was, of course, impossible to sell perfectly sound assets of a bank and convert them into cash except at panic prices far below their real value.

By the afternoon of March 3 scarcely a bank in the country was open to do business. Proclamations temporarily closing them in whole or in part had been issued by the governors in almost all the states.

Issues Proclamation

It was then that I issued 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.

The second step was the legislation promptly and patriotically passed by the Congress confirming my proclamation and broadening my powers so that it became possible in view of the requirement of time to extend the holiday and lift the ban of that holiday gradually. This law also gave authority to develop a program of rehabilitation of our banking facilities. I want to tell our citizens in every part of the nation that the national Congress—Republican and Democrat alike—showed by this action a devotion to public welfare and a realization of the emergency and the necessity for speed that it is difficult to match in our history.

The third stage has been the series of regulations permitting the banks to continue their functions to take care of the distribution of food and household necessities and the payment of bank drafts.

This bank holiday while resulting in many cases in great inconvenience & affording us the opportunity to supply the currency necessary to meet the situation. No sound bank is a dollar worse off than it was when it closed its doors last Monday. Neither is any bank which may turn out not to be in a position for immediate opening. The new law allows the 12 Federal Reserve banks to issue additional currency on good assets and thus the banks which reopen will be able to meet every legitimate call. The new currency is being sent out by the bureau of engraving and printing in large volume to every part of the country. It is sound currency because it is backed by actual, good assets.

A question you will ask is this—why are all the banks not to be reopened at the same time? The answer is simple. Your government does not intended that the history of the past few years shall be repeated. We do not want and will not have another epidemic of bank failures.

Start Monday

As a result we start tomorrow, Monday, with the opening of banks in the 12 Federal Reserve bank cities—those banks which on first examination by the treasury have already been found to be all right. This will be followed on Tuesday by the resumption of all their functions of banks already found to be sound in cities where there are recognized clearing houses. That means about 250 cities of the United States.

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 necessary loans, to obtain currency needed to meet their requirements and to enable the government to make common sense checkups.

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.

I know that many people are worrying about state banks not members of the Federal Reserve System. These banks can and will receive assistance from member banks and from the Reconstruction Finance Corporation. These state banks are following the same course as the national banks except that they get their license to resume business from the state authorities, and these authorities have been asked by the secretary of the treasury to permit their good banks to open up on the same schedule as the national banks. I am confident that the state banking departments will be as careful as the national government in the policy relating to the opening of banks and will follow the same broad policy.

May Begin Withdrawals

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 that the banks will take care of all needs—and it is my belief that hoarding during the past week has become an exceedingly unfashionable pastime. It needs no prophet to tell you that when the people find that they can get their money—that they can get it when they want it for all legitimate purposes—the phantom of fear will soon be laid. People will again be glad to have their money where it will be safely taken care of and where they can use it conveniently at any time. I can assure you that it is safer to keep your money in a reopened bank than under the mattress.

The success of our whole great national program depends, of course, upon the cooperation of the public—on its intelligent support and use of a reliable system.

Remember that the essential accomplishment of the new legislation is that it makes it possible for banks more readily to convert their assets into cash than was the case before. More liberal provision had been made for banks to borrow on these assets at the reserve banks and more liberal provision has also been made for issuing currency on the security of these good assets. This currency is not fiat currency. It is issued only on adequate security—and every good bank has an abundance of such security.

One more point before I close. There will be, of course, some banks unable to reopen without being reorganized. The new law allows the government to assist in making these reorganizations quickly and effectively and even allows the government to subscribe to at least a part of new capital which may be required.

I hope you can see from this elemental recital of what your government is doing that there is nothing complex, or radical in the process.

Bad Banking Situation

We 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 for a time into a sense of insecurity and to put them into a frame of minde where they did not differentiate, but seemed to assume that the acts of a comparative few had tainted them all. It was the government's job to straighten out this situation and do it as quickly as possible—and the job is being performed.

I do not promise you that every bank will be reopened or that individual losses will not be suffered, but there will be no losses that possibly could be avoided; and there would have been more and greater losses had we continued to drift. I can even promise you salvation for some at least of the sorely pressed banks. We shall be encouraged not merely in reopening sound banks but in the creation of sound banks through reorganization.

It has been wonderful to me to catch the note of confidence from all over the country. I can never be sufficiently grateful to the people for the loyal support they have given me in their acceptance of the judgment that has dictated our course, even though all our processes may not have seemed clear to them.

After all there is an element in the readjustment of our financial system more important than gold, and that is the confidence of the people. 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 privided the machinery to restore our financial system; it is up to you to support and make it work.

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

North Carolina

The following tribute was paid to North Carolina, by Bruce Barton, in "The Parade of the States:"

To North Carolina, the Old North State, the "Tar Heel State," the state whose greatness has been achieved by her own native sons and daughters, North Carolina we pay tribute.

One of the thirteen original states, she has played in many fields the heroic role of the pioneer.

On her soil was planted the first English colony in what is now the United States, and the first Anglo-American child in the New World was born. Virginia Dare was the child, and her name linger as the our memories, though her fate forever veiled in the mystery of the Lost Colony of Roanoke Island.

In North Carolina, in the windswept sand hills of Kitty Hawk, the Wright Brothers flew the first airplane.

The Old North State gave the nation Presidents Polk and Johnson, and from the same sturdy pioneer stock sprang Andrew Jackson. Her rugged mountains bred ruggedness in the character of Daniel Boone.

Those mountains have lost neither their ruggedness or their charm. Dreamily beautiful they are. . . . The Blue Ridge and the Great Smokies, "the Land of the Sky," . . . covered with virgin forests, cut through with foaming rivers, peopled by hardy mountain folk who still preserve in their speech and customs the traditions of Elizabethan England.

Mount Mitchell, the highest peak east of the Mississippi, an empire of fertile valleys and plains slopes down to the Atlantic, an empire boasting climate of splendid variety and an almost bewildering wealth of products.

Down from the mountains come the rivers and streams to be transformed into the magic of electric energy, and so to drive the wheels of hundreds of textile mills and the vast tobacco factories of Durham, Winston-Salem, and Reidsville.

Up to the mountains and to the pine forests go tourists from all over our land to find health and refreshment and delight at Asheville and Pinehurst and many another beauty spots.

You too, must go. You must ride along the famous modern roads of North Carolina, penetrating every corner of the state. You must visit the high the charming capital. You must visit Greensboro, where Dolly Madison and O. Henry were born; and the Governor's House; the state university at Chapel Hill and Duke University at Durham, so munificently endowed by the generosity of one of the state's devoted sons; historic Wilmington, and the great bays along the coast where fishermen and hunters find the sportsman's dream of wishes fulfilled. Nowhere is the past more instructive or the present more inspiring than in the Old North State.

IF YOU GET UP NIGHTS

Physic the Bladder With Juniper Oil

Drive out the impurities and excess acid that cause irritation, burning and frequent desire. Juniper oil is pleasing to take in the form of BUKETS, the bladder physic, also containing buchu leaves, etc. Works on the bladder similar to castor oil on the bowels. Get a 25c box from any drug store. After four days if not relieved of "getting up nights" go back and get your money. If you are bothered with backache or leg pains caused from bladder disorders you are bound to feel better after this cleansing and you get your regular sleep.

"The Waynesville Pharmacy, says BUKETS is a best seller." adv.

WAKE UP YOUR LIVER BILE—WITHOUT CALOMEL

And You'll Jump Out of Bed in the Morning Rarin' to Go

If you feel sour and sunk and the world looks punk, don't swallow a lot of salts, mineral water, oil, laxative candy or chewing gum and expect them to make you suddenly feel good and buoyant and full of sunshine.

No, they can't do it. They only move the bile and a bile movement doesn't get at the cause. The cause is a liver sluggish and not doing its job. It should pour out two pints of liquid bile into your bowels daily.

If this bile does not flow freely, your food doesn't digest. It just rots in the bowels. Poisons form and stay in the bowels. You have a bad taste, bad breath and your tongue is coated. Your head aches and you feel down and out. Your whole system is poisoned.

A few doses of CARTER'S LITTLE LIVER PILLS will get these two pints of bile moving freely and make you feel like a new person. They contain wonderful, gentle, yet sure acting vegetable ingredients, famous for their ability to make the bile flow freely.

Ask for Carter's Little Liver Pills by name. Look for the name Carter's on the package. Refuse substitutes. 25c at all stores. © 1933, C.M.Co.

ILLUSION:

A large packing case is exhibited on a raised platform. A young woman climbs into the box. Head, hands and feet protrude, and are held by spectators while the magician takes a crosscut saw and, with the help of an assistant, saws through the center of the box and apparently through the woman.

EXPLANATION:

There are many explanations for this illusion. One method of performing this illusion requires the presence of *two* girls in the box. One girl curls up in the left half of the box with her head and hands protruding, giving the effect you see illustrated above. The other girl is doubled up in the right half of the box, with only her feet showing. Nobody is sawed in half.

It's fun to be fooled — ...it's more fun to KNOW

Cigarette advertising, too, has its tricks. Consider the illusion that "Flavor" can be achieved by some kind of magical hocus-pocus in manufacturing.

EXPLANATION: Just three factors control the flavor of a cigarette. The addition of artificial flavoring. The blending of various tobaccos. And the *quality* of the tobaccos themselves. Quality is by far the most important. Domestic cigarette tobaccos vary in price from 5¢ a pound up to 40¢ a pound. Imported tobaccos vary from 50¢ a pound to $1.15.

No wonder, then, that cigarettes differ in taste—since distinctive, *pleasing* flavor depends so largely upon the blending of the *costlier* tobaccos.

It is a fact, well known by leaf tobacco experts, that Camels are made from finer, MORE EXPENSIVE tobaccos than any other popular brand.

Try Camels. Give your taste a chance to sense the subtle difference that lies in costlier tobaccos . . . a difference that means all the world in smoking pleasure . . . in pure, unalloyed satisfaction.

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NO TRICKS ..JUST COSTLIER TOBACCOS

IN A MATCHLESS BLEND

CAMELS