

Hoover's Radio Address on the Hoarding of Currency

President Herbert Hoover

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IT HAS BEEN the spirit of its people that has made America great. Other regions and other people have enjoyed as great national resources as those that we possess, but it was the spirit of America that made this the richest and most powerful nation on Earth. For more than 2 years our people have paid the penalty of over-speculation, but far greater than that, they have suffered from economic forces from abroad that fundamentally are the reflexes of the Great War, a situation for which our people had no blame. They have stood their ground with grim courage and resolution.

But this is no occasion to discuss the origins or the character of the economic forces that have developed over the past 2 years. Fighting a great depression is a war with destructive forces in 100 battles on 100 fronts. We must needs fight as in a great war; we must meet these destructive forces by mobilizing our resources and our people against them.

A thoroughly nonpartisan patriotic program of reconstruction is in progress. The Government has exerted itself to the utmost to give a sound, stable basis to the Treasury, to banking, to industry, and to agriculture. The Government alone cannot produce prosperity, but it can liberate the inherent resources and strength of the American people. The people themselves must apply those resources and exert that strength.

The time has now arrived for a new offensive rally in the spirit that has made America great. The battlefield today is against the hoarding of currency, which began about 10 months ago, and with its growing intensity became a national danger during the last 4 months. It has sprung from fears and apprehensions largely the reflex of foreign and domestic causes which now no longer maintain. But it had grown to enormous dimensions and had contributed greatly to restrict the credit facilities of our country, and thus directly to increase unemployment and depreciate prices to our farmers.

I believe that the individual American has not realized the harm he has done when he hoards even a single dollar away from circulation. He has not realized that his dollar compels the bank to withdraw many times that amount of credit from the use of borrowers. These borrowers are the local merchants, the local manufacturers, the local



farmers, and their borrowings are the money they use to buy goods, to pay wages and the cost of keeping their business going. One hoarded dollar deprives some wage earner of at least some part of his pay. Multiply this simple example by nearly 1 1/2 billion of idle money now hidden in the country, and you may get somewhere near a true picture of the enemy of our national security that we vaguely call "hoarding." It strangles our daily life, increases unemployment, and sorely afflicts our farmers. No one will deny that if the vast sums of money hoarded in the country today could be brought into active circulation there would be a great lift to the whole of our economic progress.

The Citizens Reconstruction Organization, which has been formed at my request under the leadership of Colonel Knox, is seeking the support of every voluntary organization and every individual in the country to bring out of hoarding these great sums of money which have been withdrawn from the active channels of trade during this past 10 months. They have summoned the leadership of thousands of public spirited men and women.

Already we have evidences of the progress of these efforts and that the hoarding of money has stopped. The tide has turned and some of these idle dollars are finding their way back into the channels of trade. But we must continue until we have won all along the line. This movement affords an opportunity for all our people to participate, to do so within the traditions of our country which are traditions of individual effort, of courage, of energy, idealism, and public spirit.

Colonel Knox is this evening sounding a call to the mighty power of the American people, a call to service for the common good of our country, a call to protect the individual home by means of assuring the safety of the Nation as a whole. I gladly add my voice to this call to voluntary duty. I do it with more confidence because I have witnessed the most heartening exhibition of its patriotic power here in the National Capital. I am proud to bear witness to the capacity of the peoples' representatives in the presence of emergency, to their cooperation, to their loyalty, to their single-minded and effective action in this joint effort to restore economic stability and prosperity.

To join in this effort and to respond to this appeal becomes a measure of your faith in our country; it will be the touchstone of your loyalty and of your sense of individual responsibility for the welfare of the whole community; it is your opportunity to prove again that the private citizen of the United States in the exercise of his own independent judgment and his own free will, coerced by no authority save his conscience and moved only by his own patriotic pride, can be counted upon to meet every emergency in the Nation's economy and to rout every foe of the Nation's security.

The word "depression" is an accurate but an obnoxious one. It is intensified by fear and apprehension, and by the loss of faith and courage. The true basis of wealth and the creator of prosperity are the industry and resourcefulness of the people when inspired by vision and sustained by faith. The summons tonight is a call to the faith of a people--not to faith in some rosy panacea or pretentious theory, but to their intelligent faith in themselves and in their individual resourcefulness and enterprise, and to the sense of responsibility of every man to his neighbor. The safest risk in the world is a share in the future of the American people. The American people have at this moment one of the greatest opportunities in their history to show an assured confidence and an active faith in their own destiny which is the destiny of the United States--and by that faith we shall win this battle.