

DECLASSIFIED

Authority 5010501

470-1

(CONFIDENTIAL -- Revised draft of April 2, 1933.)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion
and Gold Certificates.

By virtue of the authority vested in me by Section 5(b) of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", in which amendatory Act Congress declared that a serious emergency exists, I, Franklin D. Roosevelt, President of the United States of America, do declare that said national emergency still continues to exist and pursuant to said section do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before May 1, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates now owned by them or coming into their ownership on or before April 28, 1933, except the following:

(a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

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(b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.

(d) Gold coin and bullion licensed for other proper transactions (not involving hoarding) including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

Section 3. Until otherwise ordered any person becoming the owner of any gold coin, gold bullion, or gold certificates after April 28, 1933, shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2; unless such gold coin, gold bullion or gold certificates are held for any of the purposes specified in paragraphs (a), (b) or (c) of Section 2; or unless such gold coin or gold bullion is held for purposes specified in paragraph (d) of Section 2 and the person holding it is, with respect to such gold coin or bullion, a licensee or applicant for license pending action thereon.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

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Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

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Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue licenses thereunder, through such officers or agencies as he may designate, including licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency or credit, to deliver, earmark or hold in trust gold coin and bullion to or for persons showing the need for the same for any of the purposes specified in paragraphs (a), (c) and (d) of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be modified or revoked at any time.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE

April , 1933.

See minutes
AT EXECUTIVE COMMITTEE
MEETING

APR 3 1933

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470.-1

April 4, 1933.

Memorandum for Mr. McClelland:

Attached hereto is a carbon copy of the proposed executive order forbidding the hoarding of gold coin, gold bullion and gold certificates. Mr. Harlan brought the proposed order to Mr. Wyatt and myself at 11:00 o'clock this morning and we compared it with the amended draft which was approved at Board meeting yesterday afternoon. At Mr. Harlan's request we initialled a carbon copy of the order.

CW

Attachment.

CM-w

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470.-1

EXECUTIVE ORDER

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and Gold Certificates.**

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Section 2. All persons are hereby required to deliver on or before May 1, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates now owned by them or coming into their ownership on or before April 28, 1933, except the following:

(a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

(b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.

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(d) Gold coin and bullion licensed for other proper transactions (not involving hoarding) including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

Section 3. Until otherwise ordered any person becoming the owner of any gold coin, gold bullion, or gold certificates after April 28, 1933, shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2; unless such gold coin, gold bullion or gold certificates are held for any of the purposes specified in paragraphs (a), (b) or (c) of Section 2; or unless such gold coin or gold bullion is held for purposes specified in paragraph (d) of Section 2 and the person holding it is, with respect to such gold coin or bullion, a licensee or applicant for license pending action thereon.

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Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

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Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue licenses thereunder, through such officers or agencies as he may designate, including licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency or credit, to deliver, earmark or hold in trust gold coin and bullion to or for persons showing the need for the same for any of the purposes specified in paragraphs (a), (c) and (d) of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be modified or revoked at any time.

THE WHITE HOUSE

April , 1933.

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Authority 5010501X
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(CONFIDENTIAL -- Revised draft of April 3, 1933.)

EXECUTIVE ORDER

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By virtue of the authority vested in me by Section 5(b) of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", in which amendatory Act Congress declared that a serious emergency exists, I, Franklin D. Roosevelt, President of the United States of America, do declare that said national emergency still continues to exist and pursuant to said section do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

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FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE

April , 1933.

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Authority EO 10501

Form No. 181

Office Correspondence

FEDERAL RESERVE
BOARD

470.1

Date March 31, 1933

To For files

Subject: _____

From Mr. Carpenter.



GPO 2-8495

The attached transcript of notes taken at the meeting of the Executive Committee of the Board on March 30, 1933, was prepared at the request of Mr. James. The notes were taken during the discussions of the executive order prohibiting the hoarding of gold, now under consideration by the Board.

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(NOTES TAKEN BY MR. CARPENTER AT MEETING OF EXECUTIVE COMMITTEE

ON MARCH 30, 1933)
(Not a verbatim record)

At the afternoon meeting of the Executive Committee of the Federal Reserve Board on March 30, 1933, Mr. James moved "that at the proper time the information conveyed orally by Mr. Morrill regarding the conversation between Mr. Goldenweiser and Mr. Burgess be reduced to writing and made a part of the record of this meeting."

Later Mr. Goldenweiser joined the meeting and Mr. James requested that "the matter which Mr. Morrill reported separately to the members of the Board be reported by Mr. Goldenweiser as a part of the record of this meeting."

Mr. Goldenweiser stated "I assume that you refer to the conversation about the fact that Dr. Burgess said that they thought that no export licenses should be granted for gold until after some arrangement had been made with the Bank of England as to how they were going to act in connection with stabilizing the pound; until some arrangement had been arrived at with England as to what course of action they would pursue as to stabilizing the pound. He said that it would probably be some time this week when an arrangement might be reached. He and Governor Harrison feel strongly that way." Mr. Goldenweiser also stated that the matter came up twice and that Assistant Secretary Douglas was present at one time and Under Secretary of the Treasury Ballantine at another.

Mr. Goldenweiser also stated "I believe it would be very desirable to make a recommendation to the Secretary of the Treasury that licenses for the export of gold in legitimate transactions should be granted very freely. I would like the Board to consider the advisability of such a recommendation."

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Mr. James then stated that "to inject an international question in a matter that is purely an endeavor to stop hoarding in the United States and release all restrictions at the earliest possible moment, and to do it in the way it was done behind the back of this Board, is certainly reprehensible and entitles the Board to an explanation from the Federal Reserve Bank of New York. I think the Federal Reserve Board is entitled to an explanation from the officers of the Federal Reserve Bank of New York as to why they should assume responsibility of handling these matters without reference to the Board."

Mr. Goldenweiser stated "Mr. Burgess' statement did not refer to gold already earmarked but to future exports. I feel strongly that this is an emergency matter and it hasn't anything to do with the international gold standard, that we want to go back on that standard as soon as possible and that that situation cannot properly be used as a leverage in an international situation."

The members of the Board present appeared to agree with Mr. Goldenweiser's statement.

Mr. James then said "the point I want to make is the propriety of negotiations of that kind on the part of the officers of the Federal Reserve Bank of New York without taking the Federal Reserve Board into consideration. It is going to make a great difference some time if we are going to inject this international situation into this hoarding order."

Mr. Goldenweiser stated that the attitude of the New York bank in the matter of the granting of licenses could have an effect on the Executive Order notwithstanding that they have no authority themselves to

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grant such licenses.

Mr. Hamlin said "could we ask New York what negotiations the New York bank has had with the Bank of England?"

Mr. James stated that "the information conveyed privately lays someone open to an embarrassing situation. The New York bank conveyed information that is not in any place in our record."

Governor Meyer stated that "the question is whether Mr. Burgess merely expressed an opinion or what he would advise. I do not know that such a remark could be interpreted as a negotiation."

Mr. James stated "Mr. Ballantine referred to the confidentially communicated idea that there would be no difficulty about getting earmarked gold. Where do our records show that authority was given the New York bank to make that communication?"

Governor Meyer stated that "it went from the Treasury Department on March 6 or 7. Everybody knew about it."

Mr. James stated that "the point I am making is what is the Board's relation to the Government and the public?"

Governor Meyer referred to the fiscal agency relationship between the Federal reserve bank and the Treasury Department which brings the two into rather close relationship.

Mr. James stated that "that relationship if exercised can nullify any policy that may be developed in the Federal Reserve Board."

Governor Meyer stated that he had felt for some time that both the Treasury and the Federal reserve bank had gone beyond the necessity arising out of the fiscal agency relationship, leading to discussion of policy in which the Board should have been more fully advised, but unless you take

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the position that the banks cannot call on the telephone for information and reports, you to some extent have to rely on their sense of propriety.

Mr. James stated that in considering Federal reserve bank policies all writers put the responsibility on the Board.

The Governor stated that "this is not an action but a remark of Mr. Burgess'."

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470-1

(CONFIDENTIAL -- Revised draft of March 31, 1933.)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion
and Gold Certificates.

By virtue of the authority vested in me by ~~subsection (b)~~
of Section 5^(b) of the Act of October 6, 1917, as amended by Section 2
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See minutes
AT EXECUTIVE COMMITTEE
MEETING

APR 3 1933

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This order and these regulations may be modified or revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

March , 1933.

DECLASSIFIED

Authority £010501

470.-1

(CONFIDENTIAL - Revised Draft of March 31, 1933.)

STATEMENT

In the past weeks the country has given a remarkable demonstration of confidence. With the reopening of a majority of the banks of the country, currency in excess of \$1,000,000,000, of which \$600,000,000 was in the form of gold and gold certificates, has been returned to the Federal reserve banks.

Many persons throughout the United States have hastened to turn in gold in their possession as an expression of their faith in the Government and as a result of their desire to be helpful in the emergency. There are others, however, who have waited for the Government to issue a formal order for the return of gold in their possession. Such an order is being issued by the President today.

The order authorizes the Secretary of the Treasury to issue licenses for obtaining gold for industrial requirements, exportation of gold for trade purposes, and other legitimate needs not involving hoarding. With these exceptions, the order requires all persons to deliver to one of the Federal reserve banks, branches or agencies, or to a member bank, in exchange for other currency, their gold coin, gold bullion and gold certificates other than gold coin and gold certificates not exceeding \$100 and gold coin having a recognized special value to collectors of rare and unusual coins. While the order is in effect persons who come into possession of gold not covered by

Summit
AT EXECUTIVE COMMITTEE MEETING
MAR 31 1933

Applied
AT EXECUTIVE COMMITTEE MEETING
APR 3 1933

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the exceptions set forth in the order, will also be required to exchange it for other currency. The order is limited to the period of the emergency.

The chief purpose of the order is to restore to the country's reserves gold held for hoarding and the withholding of which under existing conditions does not promote the public interest.

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Summary
afternoon session
AT EXECUTIVE COMMITTEE
MEETING

MAR 31 1933

SM

*(Amendment to third paragraph
of statement, suggested at
afternoon session.)*

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*See minutes
afternoon session*
**AT EXECUTIVE COMMITTEE
MEETING****MAR 31 1933**

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*(Revised draft presented
at afternoon session)*

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STATEMENT

In the past ~~two~~ weeks the country has given a remarkable demonstration of confidence. With the reopening of a majority of the banks of the country, currency in excess of \$1,000,000,000, of which \$600,000,000 was in the form of gold and gold certificates, has been returned to the Federal reserve banks.

Many persons throughout the United States have hastened to turn in gold in their possession as an expression of their faith in the Government and as a result of their desire to be helpful in ^{the} emergency. There are others, however, who have waited for the Government to issue a formal order for the return of gold in their possession. Such an order is being issued by the President today.

The order authorizes the Secretary of the Treasury to issue licenses for obtaining gold for all legitimate needs not involving hoarding, industrial requirements, and the exportation of gold for trade purposes. With these exceptions, the order requires all persons who have in their possession gold coin, gold certificates, or gold bullion, in excess of \$100, and not having special value to collectors, to return this

(Draft presented by
Mr Ballantine at
morning session)

*See minutes
of morning session
AT EXECUTIVE COMMITTEE
MEETING*

MAR 3 1933

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Authority EO 10501

- 2 -

gold to one of the Federal reserve banks, or a member bank. While the order is in effect persons who come into possession of gold not exempted by the exceptions ^{noted} in the order, will also be required to exchange it for other currency. The order is limited to the period of the emergency.

The chief purpose of the order is to restore to the country's reserves gold ~~which has been withdrawn~~ ^{held} for hoarding and the withholding of which under existing conditions ^{does not promote} ~~is against~~ the public interest.

~~The principal function of gold in modern banking and credit systems is to serve as basic bank reserves and as a means of settlement between countries. Under present conditions its use for hand to hand currency or as a store of value in hoarding is not consistent with building up the nation's financial structure to its maximum strength for the furtherance of economic recovery.~~

(The present order relates only to gold coin and bullion and gold certificates, and does not include other forms of currency. It is believed that a continuation of the voluntary return of currency will make a more inclusive order unnecessary.)

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Authority EO 10501

470.-1

(CONFIDENTIAL -- Revised draft of March 31, 1933.)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion
and Gold Certificates.

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", in which amendatory Act Congress declared that a serious emergency exists, I, Franklin D. Roosevelt, President of the United States of America, do declare that said national emergency still continues to exist and pursuant to said section do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

(a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

See minutes of afternoon session
AT THE JOINT CONFERENCE MEETING
MAR 31 1933
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(b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.

(d) Gold coin and bullion licensed for other legitimate transactions (not involving hoarding) including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

Section 3. Until otherwise ordered any person becoming the owner of any gold coin, gold bullion, or gold certificates after April 12, 1933, shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2; unless such gold coin, gold bullion or gold certificates are held for purposes specified in paragraphs (a), (b) and (c) of Section 2; or unless such gold coin or gold bullion is held for purposes specified in paragraph (d) of Section 2 and the person holding it is, with respect to such gold coin or bullion, a licensee or applicant for an export license pending action thereon.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

DECLASSIFIED

Authority EO 10501

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Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

DECLASSIFIED

Authority EO 10501

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Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue licenses thereunder, through such officers or agencies as he may designate, including licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency or credit, to deliver gold coin and bullion to ^{or} (yearmark or hold in trust gold coin and bullion for) persons showing the need for the same for any of the purposes specified in paragraphs (a), (c) and (d) of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be modified or revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

March , 1933.

DECLASSIFIED

Authority £010501

470-1

(CONFIDENTIAL -- Revised draft of March 29, 1933.)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion
and Gold Certificates.

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", in which amendatory Act Congress declared that a serious emergency exists, I, Franklin D. Roosevelt, President of the United States of America, do declare that said national emergency still continues to exist and pursuant to said section do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

(a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

See morning session
AT EXECUTIVE COMMISSION
MEETING
MAR 3 1933
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- 2 -

(b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.

(d) Gold coin and bullion licensed for other legitimate transactions (not involving hoarding) including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion, or gold certificates after April 12, 1933 (except for purposes specified in paragraphs (a), (b) and (c) of section 2, or except for purposes specified in paragraph (d) of section 2 ~~if~~ with respect to the gold coin or bullion involved ^{by} such person is a licensee, or applicant for an export license pending action thereon) shall, within three days after receipt thereof, deliver the same in the manner prescribed in section 2.

Section 4. Federal reserve banks shall deliver all gold coin, gold certificates, and gold bullion (other than as exempted under the provisions of Section 2) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

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Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

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Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue ^{licenses} thereunder, through such officers or agencies as he may designate, ^{including} licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency or credit, to deliver gold coin and bullion to ^(earnmark or hold in trust gold coin and bullion for) persons showing the need for the same for any of the purposes specified in paragraphs (a), ~~and~~ ^{and (d)} (c) of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be modified or revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

March , 1933.

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Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion, or gold certificates after April 12, 1933 (except for purposes specified in paragraphs (a), (b) and (c) of section 2, or except for purposes specified in paragraph (d) of section 2 if with respect to the gold coin or bullion involved such person is a licensee or applicant for an export license pending action thereon) shall, within three days after receipt thereof, deliver the same in the manner prescribed in section 2.

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470.-1

(CONFIDENTIAL -- Revised draft of March 29, 1933.)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion
and Gold Certificates.

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", in which amendatory Act Congress declared that a serious emergency exists, I, Franklin D. Roosevelt, President of the United States of America, do declare that said national emergency still continues to exist and pursuant to said section do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

(a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

See minutes
AT EXECUTIVE COMMISSION
MEETING

MAR 29 1933
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(b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion licensed for legitimate transactions (not involving hoarding), including gold coin and bullion imported for reexport or held pending action on applications for export licenses or held in trust or earmarked for a recognized foreign government or foreign central bank or the Bank for International Settlements.

*substitute
suggested at
meeting on
Mar 29, 1933*

Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion or gold certificates after April 12, 1933, (except as exempted by the provisions of Section 2) shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

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- 3 -

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

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Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue thereunder, through such officers or agencies as he may designate, licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency or credit, to deliver gold coin and bullion to persons showing the need for the same for any of the purposes specified in paragraphs (a) and (c) of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be modified or revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

March , 1933.

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Authority 5010501

470.-1

M. Carpenter

March 29, 1933.

Mr. George L. Harrison, Governor,
Federal Reserve Bank of New York,
New York, New York.

Dear Governor Harrison:

The Board appreciates very much receiving your letters of March 24, and 27, 1933, to Governor Meyer, inclosing copies of the letters addressed by you to Under Secretary of the Treasury Ballantine with regard to the proposed executive order by the President of the United States prohibiting the hoarding of gold.

It is noted from your second letter to Mr. Ballantine that you have received a copy of the order as approved by the Board on March 25, 1933 and it is understood that Mr. Burgess has acquainted you with the points raised during the discussion of the order at the meetings which he attended on Friday and Saturday of last week and other discussions of the matter in which he participated.

Very truly yours,

Chester Morrill
Chester Morrill,
Secretary.

[Signature]
SRC/vmt

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470-1

**FEDERAL RESERVE BANK
OF NEW YORK**

March 27, 1933.

Dear Governor Meyer:

This morning Mr. Ballantine telephoned me to talk about the proposed gold order as I understand it now to be drafted. I gave him my reactions on the telephone, and told him I would write him. For your information I am enclosing a copy of my letter.

Faithfully yours,



George L. Harrison,
Governor.

Hon. Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Enc.

RECEIVED

MAR 28 1933

OFFICE OF THE GOVERNOR
FEDERAL RESERVE BOARD

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Authority £010501

COPY

FEDERAL RESERVE BANK
OF NEW YORK

March 27, 1933.

Dear Mr. Ballantine:

Mr. Burgess has just returned from Washington with the latest revision of the proposed order relative to gold. I think it is a great improvement over the tentative draft which you sent me on March 22.

In view of the large return flow of gold which has already taken place, an order against hoarding may seem much less necessary than a few weeks ago, but assuming that it is advisable or necessary because of various other factors, I think the proposal in its present form is a consistent and workable one. As now written, I think that it overcomes many of the practical difficulties which concerned me before, and there is no doubt that by permitting obligors on gold contracts to obtain gold for payment when demanded, the order as now drawn has the important advantage of unequivocally preserving the integrity of gold contracts in form, even though section 3 provides for the immediate recapture of gold paid out for purposes not specifically excepted by the order itself. On the whole, this procedure has the merit of dealing with the matter of hoarding as contemplated by the law, and while legally protecting gold contracts in the interim, it leaves for future and more mature determination the broader and

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Authority EO 10501

more substantial problems involved in unrestricted gold payments.

I think this, of course, is most important.

Faithfully yours,

George L. Harrison

Governor.

Hon. A. A. Ballantine,
Undersecretary of the Treasury,
Treasury Department,
Washington, D. C.

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Authority 2010501

470. -1

(CONFIDENTIAL -- Revised draft of March 25, 1933.)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion
and Gold Certificates.

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", I, Franklin D. Roosevelt, President of the United States of America, do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

(a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

Submitted
AT EXECUTIVE CONFERENCE
MEETING

MAR 30 1933

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- 2 -

(b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(d) Gold coin and bullion licensed for ^{other} legitimate ~~export~~ transactions (not involving hoarding ~~or speculation~~) including gold coin and bullion imported for reexport or held pending action on applications for export licenses."

(d) Gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.

out (e) Gold coin and bullion actually needed to meet maturing obligations payable in gold coin or bullion in any case where payment in gold coin or bullion actually has been demanded by the obligee; provided that, in order to facilitate the enforcement of Section 3 hereof, the obligor shall furnish to the Federal reserve bank of the district in which such payment is made a written statement showing the name and address of each person to whom or for whose account such a payment is made and the amount paid to each such person.

Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion or gold certificates after April 12, 1933, (except as exempted by the provisions of Section 2) shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve

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Authority 5010501

- 3 -

banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

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Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue thereunder, through such officers or agencies as he may designate, licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency or credit, to deliver gold coin and bullion to persons showing the need for the same for any of the purposes specified in paragraphs (a), (c), (d), and [REDACTED] of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

March _____, 1933.

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Authority EO 10501

470.-1

*Enclosure to be
opined for Ballantine*

**FEDERAL RESERVE BANK
OF NEW YORK**

March 24, 1933.

Dear Governor Meyer:

Yesterday I received from Undersecretary Ballantine a letter with which he enclosed a copy of the proposed draft of executive order relating to the recapture of gold. He asked certain questions of policy and invited my suggestions. Some of our reactions I have attempted to give him over the telephone; but it was only this morning that I realized, after talking with Mr. Burgess, that many of the questions of policy and much of the detail have already been agreed upon. That being so, I have today written to Mr. Ballantine in response to his inquiry on the basis of those decisions as to policy. I do not want to cross wires nor do I want unnecessarily to inject our views; but in case my letter and its comments on certain points that have occurred to us might be helpful to the Board in its consideration of the problem, I am sending it to you for your information.

Very truly yours,

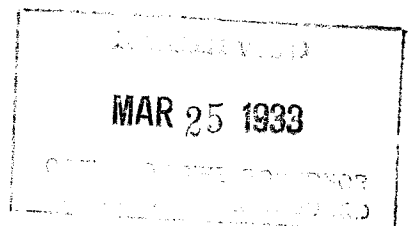
See minutes
AT EXECUTIVE COMMITTEE
MEETINGS

MAR 25 1933

See minutes
George L. Harrison
George L. Harrison,
Governor.

Hon. Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Enc.



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Authority 5010501

FEDERAL RESERVE BANK
COPY
OF NEW YORK

March 24, 1933.

Dear Mr. Ballantine:

I have received your letter of March 22, with which you sent me two copies of a tentative statement and draft of executive order which have been prepared relative to the hoarding of gold. You ask certain specific questions relative to these documents and invite discussion of other questions that might be involved.

Mr. Burgess, who has been in Washington yesterday and today, is entirely familiar with our point of view regarding this prospective gold order and we have kept him currently informed of our suggestions as they have occurred to us in studying the drafts which you sent me.

However, there are certain comments I would like to make concerning the three specific questions contained in your letter:

1. We have felt that it would have been preferable to except gold bullion from the proposed order, partly because there is an insignificant amount of gold bullion now hoarded, and partly because we have felt that the fewer the restrictions that may be made now the easier it will be later to determine the country's gold policy. I understand, however, that it is pretty well settled that the regulation is to include bullion (and we appreciate that there are good reasons for doing so), so that our

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Authority EO 10501

#2.

Hon. A.A. Balentine, 3/24/38

comments regarding the proposed order are predicated upon the assumption that it will relate to bullion as well as to gold coin and certificates.

2. You ask whether the order should except gold owned before a particular date. We feel very definitely that as long as the order is to be issued on the theory that it is to prevent hoarding, there should be no exception based upon the date of acquisition.

3. You ask how gold contracts are to be handled. Our theory has been that the simplest and most certain method of protecting existing gold contracts would be to continue the present executive order against the payment of gold, and by a new order to require the surrender of gold outstanding in exchange for other money. These two orders will, we think, afford the best protection to obligors against suits either for specific performances or for damages, and we have felt that it would be preferable to handle gold contracts in this fashion than to permit obligors to get gold with which to make payment to creditors, who would be required immediately to return it to the Treasury or the Federal reserve banks. Furthermore, there are certain practical difficulties that might well arise if the proposed order is to permit of payments in cases where the gold is demanded by creditors, and then to require the creditors to surrender the gold. But even if, as I understand, it has been determined as a matter of policy to permit of gold payments by obligors and then to recapture the gold from the payees, it would seem necessary to make some amendments to the proposed order, which we have taken the liberty of suggesting on the draft which I am returning herewith for your consideration.

I think that each of these suggestions will speak for itself, but in considering them it is important to point out that section 2 of the proposed order clearly relates to gold now outstanding and actually

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Authority 5010501

#3. Hon. A.A. Ballantine, 3/24/33

held outside the Federal reserve banks and the Treasury. It purports to be an order to those now holding gold to return it before April 15 unless it can be shown that it falls within any one of the five categories listed as exceptions in paragraphs (a) to (e) inclusive. That being so, paragraphs (a) to (e) should be clearly drafted to relate themselves solely to gold now outstanding and should not be designed to cover cases of licenses for the payment of gold in the future, such as indicated in paragraph (c), for instance. We have, therefore, suggested certain modifications in paragraphs (a) and (e), having in mind that they relate to gold now outstanding, and have proposed the elimination of paragraph (c) from section 2.

But if section 2 and its exceptions are redrafted so as to cover only cases of gold now outstanding, section 8 should be revised so as unequivocally to cover the question of licensing the payment and ownership of gold in future transactions. Accordingly, we have suggested a revision of section 8 on this theory, setting forth in that section the three different classes of cases for which licenses might be granted, that is, cases of future transactions of the kinds described in paragraphs (a), (c), and (e) of section 2.

But since this executive order will have the same force and effect as a criminal statute, it is our opinion that it requires the most careful and expert draftsmanship quite apart from the questions of policy. Consequently, I hope that you will accept our suggestions not as final suggestions as to draftsmanship but rather as indications of points which we think are important to be considered in preparing the order.

Very truly yours,

George L. Harrison,
Governor.Hon. A.A. Ballantine,
Undersecretary of the Treasury,
Washington, D.C.

DECLASSIFIED

Authority 5010501

(CONFIDENTIAL -- Tentative draft of March 22, 1933.)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion and
Gold Certificates.

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, I, Franklin D. Roosevelt, President of the United States of America, do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates by individuals, partnerships, associations and corporations within the continental United States, and I hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means ^{retaining possession or control} ~~the withdrawal and withholding~~ of gold coin, gold bullion or gold certificates ^{contrary to the provisions of this Executive Order.} ~~from the recognized and customary channels of trade; but this order and these regulations shall not apply to gold coin or gold bullion shown by the owner thereof to have been actually held by him on or before June 30, 1933.~~ The term "person" means any individual, partnership, association or corporation within the continental United States.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

DECLASSIFIED

Authority 5010501

- 2 -

(a) Such amount of gold as may be required for legitimate and customary use in ^{manufacture,} ~~trade,~~ profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

(b) Gold coins and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

~~(c) Gold coin and bullion licensed for legitimate export transactions not involving hoarding or speculation, including gold coin and bullion imported for reexport or held pending action on applications for export licenses.~~

(d) Gold coin, gold bullion and gold certificates which were owned by a recognized foreign government or foreign central bank or the Bank for International Settlements on March 6, 1933.

(e) Gold coin or bullion actually needed to meet ^{maturing before April 15, 1933} ~~maturing~~ obligations, payable in gold coin or bullion, when payment in gold coin or bullion has actually been demanded, regardless of whether the obligee is at home or abroad.

Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion or gold certificates on or after April 12, 1933, ~~(except as exempted by the provisions of Sections 1 and 2 hereof)~~ shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2.

Section 4. Upon receipt of such gold coin, gold bullion or gold certificates, the Federal reserve bank or member bank

insert Y attached

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Authority EO 10501

INSERT Y

Provided, however, that this shall not apply to any person becoming the owner of gold coins and gold certificates in an amount not exceeding in the aggregate \$100 belonging to any one person, and gold coins having a recognized special value to collectors of rare and unusual coins, and provided further that it shall not apply to any person who has received gold for any of the purposes specifically set forth in Section 8 hereof.

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Authority EO 10501

- 3 -

will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than than exempted under the provisions of Sections ~~1 and 2~~) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will pay all reasonable costs of ^{transporting} ~~transportation~~ of such gold coin, gold bullion or gold certificates, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary, upon production of satisfactory evidence of such costs, *in making delivery of such gold coin, gold bullion or gold certificates*. Forms of voucher for this purpose may be procured from Federal reserve *to a F.R. bank, or a branch or agency thereof, or to any member bank under the provisions of sections 2 and 3.*

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank within the time set forth above. Such applications must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

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Authority EO 10501

INSERT X

- (a) Such amount of gold as may be required for a reasonable period for legitimate and customary use in manufacture, profession or art, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.
- (b) Gold bullion required for legitimate export or earmarking transactions not involving hoarding or speculation, including gold bullion imported for reexport or held pending action on applications for export licenses.
- (c) Gold coin or bullion actually needed to meet maturing obligations payable in gold coin or bullion, when payment in gold coin or bullion has actually been demanded, regardless of whether the obligee is at home or abroad.

DECLASSIFIED

Authority EO 10501

COPY

Federal Reserve Bank
of New York

March 24, 1933.

Dear Mr. Ballantine:

I have received your letter of March 22, with which you sent me two copies of a tentative statement and draft of executive order which have been prepared relative to the hoarding of gold. You ask certain specific questions relative to these documents and invite discussion of other questions that might be involved.

Mr. Burgess, who has been in Washington yesterday and today, is entirely familiar with our point of view regarding this prospective gold order and we have kept him currently informed of our suggestions as they have occurred to us in studying the drafts which you sent me.

However, there are certain comments I would like to make concerning the three specific questions contained in your letter:

1. We have felt that it would have been preferable to except gold bullion from the proposed order, partly because there is an insignificant amount of gold bullion now hoarded, and partly because we have felt that the fewer the restrictions that may be made now the easier it will be later to determine the country's gold policy. I understand, however, that it is pretty well settled that the regulation is to include bullion (and we appreciate that there are good reasons for doing so), so that our

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Authority EO 10501

#2.

Hon. A.A. Ballantine,

7/24/33

comments regarding the proposed order are predicated upon the assumption that it will relate to bullion as well as to gold coin and certificates.

2. You ask whether the order should except gold owned before a particular date. We feel very definitely that as long as the order is to be issued on the theory that it is to prevent hoarding, there should be no exception based upon the date of acquisition.

3. You ask how gold contracts are to be handled. Our theory has been that the simplest and most certain method of protecting existing gold contracts would be to continue the present executive order against the payment of gold, and by a new order to require the surrender of gold outstanding in exchange for other money. These two orders will, we think, afford the best protection to obligors against suits either for specific performances or for damages, and we have felt that it would be preferable to handle gold contracts in this fashion than to permit obligors to get gold with which to make payment to creditors, who would be required immediately to return it to the Treasury or the Federal reserve banks. Furthermore, there are certain practical difficulties that might well arise if the proposed order is to permit of payments in cases where the gold is demanded by creditors, and then to require the creditors to surrender the gold. But even, if, as I understand, it has been determined as a matter of policy to permit of gold payments by obligors and then to recapture the gold from the payees, it would seem necessary to make some amendments to the proposed order, which we have taken the liberty of suggesting on the draft which I am returning herewith for your consideration.

I think that each of these suggestions will speak for itself, but in considering them it is important to point out that section 2 of the proposed order clearly relates to gold now outstanding and actually

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Authority 5010501

#3.

Hon. A.A. Ballantine, 3/24/33

held outside the Federal reserve banks and the Treasury. It purports to be an order to those now holding gold to return it before April 15 unless it can be shown that it falls within any one of the five categories listed as exceptions in paragraphs (a) to (e) inclusive. That being so, paragraphs (a) to (e) should be clearly drafted to relate themselves solely to gold now outstanding and should not be designed to cover cases of licenses for the payment of gold in the future, such as indicated in paragraph (c), for instance. We have, therefore, suggested certain modifications in paragraphs (a) to (e), having in mind that they relate to gold now outstanding, and have proposed the elimination of paragraph (c) from section 2.

But if section 2 and its exceptions are redrafted so as to cover only cases of gold now outstanding, section 8 should be revised so as unequivocally to cover the question of licensing the payment and ownership of gold in future transactions. Accordingly, we have suggested a revision of section 8 on this theory, setting forth in that section the three different classes of cases for which licenses might be granted, that is, cases of future transactions of the kinds described in paragraphs (a), (c), and (e) of section 2.

But since this executive order will have the same force and effect as a criminal statute, it is our opinion that it requires the most careful and expert draftsmanship quite apart from the questions of policy. Consequently, I hope that you will accept our suggestions not as final suggestions as to draftsmanship but rather as indications of points which we think are important to be considered in preparing the order.

Very truly yours,

Hon. A.A. Ballantine,
Undersecretary of the Treasury,
Washington, D.C.

George L. Harrison,
Governor.

DECLASSIFIED

Authority EC10501

COPY

(CONFIDENTIAL — Tentative draft of March 22, 1933.)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion and
Gold Certificates.

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, I, Franklin D. Roosevelt, President of the United States of America, do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates by individuals, partnerships, associations and corporations within the continental United States, and I hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term ^{retaining possession of control} "hoarding" means ~~the withholding and withholding~~ of gold coin, gold bullion or gold certificates ^{contrary to the provisions of this Executive Order.} ~~from the recognized and customary channels of trade; but this order and these regulations shall not apply to gold coin or gold bullion shown by the owner thereof to have been actually held by him on or before June 30, 1933.~~ The term "person" means any individual, partnership, association or corporation within the continental United States.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

DECLASSIFIED

Authority EO 10501

- 2 -

(a) Such amount of gold as may be required for legitimate manufacture, and customary use in trade, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

(b) Gold coins and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

~~(c) Gold coin and bullion licensed for legitimate export transactions not involving hoarding or speculation, including gold coin and bullion imported for reexport or held pending action on applications for export licenses.~~

(d) Gold coin, gold bullion and gold certificates which were owned by a recognized foreign government or foreign central bank or the Bank for International Settlements on March 6, 1933.

(e) Gold coin or bullion actually needed to meet maturing obligations / payable in gold coin or bullion, when payment in gold coin or bullion has actually been demanded, regardless of whether the obligee is at home or abroad.

Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion or gold certificates on or after April 12, 1933, ~~(except as exempted by the provisions of Sections 1 and 2 hereof)~~ shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2. /Insert Y attached.

Section 4. Upon receipt of such gold coin, gold bullion or gold certificates, the Federal reserve bank or member bank

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Authority EO 10501

- 3 -

will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than exempted under the provisions of Sections 1 and 2) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will pay all reasonable costs of ^{transporting} ~~transportation of~~ such gold coin, gold bullion or gold certificates, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary, upon production of satisfactory evidence of such costs, in making delivery of such gold coin, gold bullion or gold certificates. Forms of voucher for this purpose may be procured from Federal reserve bank under the provisions of Sections 2 and 3.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank within the time set forth above. Such applications must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

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Authority EO 10501

- 4 -

Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such regulations not inconsistent with these regulations as he may deem necessary to carry out the purposes of this order and to issue licenses thereunder permitting the Federal reserve banks and member banks of the Federal Reserve System to deliver gold coin and bullion to persons showing the need for the same following ^{Insert X attached} for any of the purposes specified in paragraphs (a) to (e), inclusive, of Section 2 of these regulations.

Section 9. Whoever violates any provision of this Executive Order or of these regulations or of any rule or regulation issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment or both.

—
This order and these regulations may be revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE
March _____ 1933.

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Authority EO 10501

INSERT I

- (a) Such amount of gold as may be required for a reasonable period for legitimate and customary use in manufacture, profession or art, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.
- (b) Gold bullion required for legitimate export or carrying transactions not involving hoarding or speculation, including gold bullion imported for reexport or held pending action on applications for export licenses.
- (c) Gold coin or bullion actually needed to meet maturing obligations payable in gold coin or bullion, when payment in gold coin or bullion has actually been demanded, regardless of whether the obligee is at home or abroad.

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Authority EO 10501

INSERT Y

Provided, however, that this shall not apply to any person becoming the owner of gold coins and gold certificates in an amount not exceeding in the aggregate \$100 belonging to any one person, and gold coins having a recognized special value to collectors of rare and unusual coins, and provided further that it shall not apply to any person who has received gold for any of the purposes specifically set forth in Section 8 hereof.

DECLASSIFIED

Authority 5010501

COPY

Federal Reserve Bank
of New York

March 21, 1933.

Dear Mr. Ballantine:

I have received your letter of March 22, with which you sent me two copies of a tentative statement and draft of executive order which have been prepared relative to the hoarding of gold. You ask certain specific questions relative to these documents and invite discussion of other questions that might be involved.

Mr. Burgess, who has been in Washington yesterday and today, is entirely familiar with our point of view regarding this prospective gold order and we have kept him currently informed of our suggestions as they have occurred to us in studying the drafts which you sent me.

However, there are certain comments I would like to make concerning the three specific questions contained in your letter:

1. We have felt that it would have been preferable to except gold bullion from the proposed order, partly because there is an insignificant amount of gold bullion now hoarded, and partly because we have felt that the fewer the restrictions that may be made now the easier it will be later to determine the country's gold policy. I understand, however, that it is pretty well settled that the regulation is to include bullion (and we appreciate that there are good reasons for doing so), so that our

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Authority 5010501

#2.

Hon. A.A. Ballantine,

1/24/33

comments regarding the proposed order are predicated upon the assumption that it will relate to bullion as well as to gold coin and certificates.

2. You ask whether the order should except gold owned before a particular date. We feel very definitely that as long as the order is to be issued on the theory that it is to prevent hoarding, there should be no exception based upon the date of acquisition.

3. You ask how gold contracts are to be handled. Our theory has been that the simplest and most certain method of protecting existing gold contracts would be to continue the present executive order against the payment of gold, and by a new order to require the surrender of gold outstanding in exchange for other money. These two orders will, we think, afford the best protection to obligors against suits either for specific performances or for damages, and we have felt that it would be preferable to handle gold contracts in this fashion than to permit obligors to get gold with which to make payment to creditors, who would be required immediately to return it to the Treasury or the Federal reserve banks. Furthermore, there are certain practical difficulties that might well arise if the proposed order is to permit of payments in cases where the gold is demanded by creditors, and then to require the creditors to surrender the gold. But even, if, as I understand, it has been determined as a matter of policy to permit of gold payments by obligors and then to recapture the gold from the payees, it would seem necessary to make some amendments to the proposed order, which we have taken the liberty of suggesting on the draft which I am returning herewith for your consideration.

I think that each of these suggestions will speak for itself, but in considering them it is important to point out that section 2 of the proposed order clearly relates to gold now outstanding and actually

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Authority EC 10501

#3.

Hon. A.A. Ballantine, 3/24/33

held outside the Federal reserve banks and the Treasury. It purports to be an order to those now holding gold to return it before April 15 unless it can be shown that it falls within any one of the five categories listed as exceptions in paragraphs (a) to (e) inclusive. That being so, paragraphs (a) to (e) should be clearly drafted to relate themselves solely to gold now outstanding and should not be designed to cover cases of licenses for the payment of gold in the future, such as indicated in paragraph (c), for instance. We have, therefore, suggested certain modifications in paragraphs (a) to (e), having in mind that they relate to gold now outstanding, and have proposed the elimination of paragraph (e) from section 2.

But if section 2 and its exceptions are redrafted so as to cover only cases of gold now outstanding, section 3 should be revised so as unequivocally to cover the question of licensing the payment and ownership of gold in future transactions. Accordingly, we have suggested a revision of section 3 on this theory, setting forth in that section the three different classes of cases for which licenses might be granted, that is, cases of future transactions of the kinds described in paragraphs (a), (c), and (e) of section 2.

But since this executive order will have the same force and effect as a criminal statute, it is our opinion that it requires the most careful and expert draftsmanship quite apart from the questions of policy. Consequently, I hope that you will accept our suggestions not as final suggestions as to draftsmanship but rather as indications of points which we think are important to be considered in preparing the order.

Very truly yours,

Hon. A.A. Ballantine,
Undersecretary of the Treasury,
Washington, D.C.

George L. Harrison,
Governor.

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Authority EO 10501

COPY

(CONFIDENTIAL -- Tentative draft of March 22, 1933.)

EXECUTIVE ORDER

**Forbidding the Hoarding of Gold Coin, Gold Bullion and
Gold Certificates.**

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, I, Franklin D. Roosevelt, President of the United States of America, do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates by individuals, partnerships, associations and corporations within the continental United States, and I hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term retaining possession or control "hoarding" means ~~the withholding and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade; but this order and these regulations shall not apply to gold coin or gold bullion shown by the owner thereof to have been actually held by him on or before June 30, 1933.~~ contrary to the provisions of this Executive Order. The term "person" means any individual, partnership, association or corporation within the continental United States.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

DECLASSIFIED

Authority 5010501

- 2 -

(a) Such amount of gold as may be required for legitimate manufacture, and customary use in trade, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

(b) Gold coins and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

~~(c) Gold coin and bullion licensed for legitimate export transactions not involving hoarding or speculation, including gold coin and bullion imported for reexport or held pending action on applications for export licenses.~~

(d) Gold coin, gold bullion and gold certificates which were owned by a recognized foreign government or foreign central bank or the Bank for International Settlements on March 6, 1933.

(e) Gold coin or bullion actually needed to meet maturing obligations / payable in gold coin or bullion, when payment in gold coin or bullion has actually been demanded, regardless of whether the obligee is at home or abroad.

Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion or gold certificates on or after April 12, 1933, ~~(except as exempted by the provisions of Sections 1 and 2 hereof)~~ shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2. /Insert Y attached.

Section 4. Upon receipt of such gold coin, gold bullion or gold certificates, the Federal reserve bank or member bank

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Authority EO 10501

- 3 -

will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than exempted under the provisions of Sections 1 and 2) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will pay all reasonable costs of ^{transporting} ~~transportation of~~ such gold coin, gold bullion or gold certificates, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary, upon production of satisfactory evidence of such costs, in making delivery of such gold coin, gold bullion or gold certificates. Forms of voucher for this purpose may be procured from Federal reserve bank under the provisions of Sections 2 and 3.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank within the time set forth above. Such applications must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

DECLASSIFIED

Authority E010501

- 4 -

Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such regulations not inconsistent with these regulations as he may deem necessary to carry out the purposes of this order and to issue licenses thereunder permitting the Federal reserve banks and member banks of the Federal Reserve System to deliver gold coin and bullion to persons showing the need for the same following ^{Insert X attached} for any of the/ purposes, specified in paragraphs (a) to (e), inclusive, of Section 2 of these regulations.

Section 9. Whoever violates any provision of this Executive Order or of these regulations or of any rule or regulation issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment or both.

—
This order and these regulations may be revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE
March _____, 1933.

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Authority E.O. 10501

INSERT X

- (a) Such amount of gold as may be required for a reasonable period for legitimate and customary use in manufacture, profession or art, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.
- (b) Gold bullion required for legitimate export or earmarking transactions not involving hoarding or speculation, including gold bullion imported for reexport or held pending action on applications for export licenses.
- (c) Gold coin or bullion actually needed to meet maturing obligations payable in gold coin or bullion, when payment in gold coin or bullion has actually been demanded, regardless of whether the obligee is at home or abroad.

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Authority E010501

INSERT Y

Provided, however, that this shall not apply to any person becoming the owner of gold coins and gold certificates in an amount not exceeding in the aggregate \$100 belonging to any one person, and gold coins having a recognized special value to collectors of rare and unusual coins, and provided further that it shall not apply to any person who has received gold for any of the purposes specifically set forth in Section 8 hereof.

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Authority EO 10501

March 28, 1933.

470-1

Continued

On the assumption that (e) Section 2 of the proposed order must be eliminated, I would suggest:

- (a) That an announcement be made that licenses during the life of the order will be issued under (c) Section 2 to provide gold for specific performance of gold contracts held by foreigners.
- (b) That a declaration be made by the Secretary of the Treasury that all Government obligations payable in gold will be so paid at maturity, whether principal or interest, when held abroad by foreigners.

Without such an announcement and ruling the United States would be off the gold standard at home and abroad, and foreign Governments might claim that they were released from any obligation to pay gold on the debts owed by them to the United States because of the repudiation by the United States Government of its gold obligations.

Summary
AT EXECUTIVE COMMITTEE
MEETING

MAR 28 1933

MR.

DECLASSIFIED

Authority £010501

470.-1

(CONFIDENTIAL -- Draft of March 25, 1933)

STATEMENT

The country has responded patriotically to the President's proclamation of March 6 and to his radio speech of March 12. Between March 4 and March 22, \$250,000,000 of gold coin and \$310,000,000 of gold certificates were returned to the Federal reserve banks, in addition to more than \$320,000,000 of other kinds of currency.

Many persons throughout the United States have hastened to turn in gold in their possession as an expression of their faith in the Government, and as a result of their desire to be helpful in an emergency. There are others, however, who have waited for the Government to issue a formal order for the return of gold in their possession. Such an order is being issued by the President today.

The order provides adequate opportunity for obtaining gold for all legitimate needs. It makes available gold for the purpose of meeting gold obligations and permits the exportation of gold for trade purposes.

With these exceptions the order requires all persons who have in their possession gold coin, gold certificates, or gold bullion, in excess of \$100 and not having a recognized special value to collectors of rare and unusual coins, to exchange this gold for other currency at one of the Federal reserve banks, branches or agencies, or at a member bank. While the order is in effect persons who come into possession of gold not exempted by the exceptions noted in the order, will also be required to exchange it for other currency.

The chief purpose of the order is to restore to the country's reserves gold which has been withdrawn for hoarding and the withholding of which under existing conditions does not promote the public interest. The order is limited to the period of this emergency.

(Final draft presented by Mr. Goldenweiser containing further suggestions made at meeting of Executive Committee on March 25, 1933.)

*Final draft
see minutes*
EXECUTIVE COMMITTEE
MEETING

MAR 25 1933

DECLASSIFIED

Authority EO 10501(CONFIDENTIAL -- Tentative draft of March 22, 1933) 25 6

The country has responded patriotically to the President's proclamation of March 6 and to his radio speech of March 12. Between March 4 and March 22, \$250,000,000 of gold coin and \$310,000,000 of gold certificates were returned to the Federal reserve banks, in addition to more than \$380,000,000 of other kinds of currency. ~~As a result, the deposits of the banks have been increased and the reserve position of the Federal Reserve banks has been greatly strengthened.~~

Many persons throughout the United States have hastened to turn in gold in their possession as an expression of their faith in the Government, and as a result of their desire to be helpful in an emergency. There are others, however, who have waited for the Government to issue a formal order for the return of gold in their possession. Such an order is being issued by the President today.

The order provides adequate opportunity for obtaining gold for all legitimate needs. It makes available gold for the purpose of meeting gold obligations and permits the exportation of gold for trade purposes.

With these exceptions ^e this order requires all persons who have in their possession gold coin, gold certificates, or gold bullion, in excess of \$100 and not having a recognized special value to collectors of rare and unusual coins, to exchange this gold for other currency at one of the Federal reserve banks, branches or agencies, or at a member bank. Persons ^{While} who after the order is issued ^{in effect, persons who} come into possession of gold not exempted by the exceptions ^{noted} in the order, will also be required to exchange it for other currency.

The chief purpose of this order is to restore to the country's reserves gold which has been withdrawn for hoarding and the holding of which ^{with} by individuals under existing conditions does not promote the public interest. The order is ~~intended to be in the interest of the country and is not intended to be a~~

EXECUTIVE COMMITTEE

MAR 25 1933

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definitely limited to the period of this emergency, ^{will} ~~and may be revealed at~~
~~any time when its progress has been ascertained.~~

(Third draft presented by Mr. Goldenweiser
containing further suggestions made at meet-
ing of Executive Committee on March 25, 1933.)

Summaries
AT EXECUTIVE COMMITTEE
MEETING

MAR 25 1933

MR.

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Authority 5010501

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(CONFIDENTIAL -- Tentative draft of March 23, 1933)

The country has responded patriotically to the President's proclamation of March 6 and to his radio speech of March 12. Between March 4 and March 22, \$250,000,000 of gold coin and \$310,000,000 of gold certificates were returned to the Federal reserve banks, in addition to more than \$320,000,000 of other kinds of currency. As a result, the deposits of the banks have been increased and the strength of the reserve position of the Federal reserve banks has been restored.

Many persons throughout the United States have hastened to turn in the gold in their possession as an expression of their faith in the Government, and as a result of their desire to be helpful in an emergency. There are others, however, who have waited for the Government to issue a formal order for the return of gold in their possession. Such an order is being issued by the President today.

This order requires all persons who have in their possession gold coin, gold certificates, or gold bullion, in excess of \$100 and not having a recognized special value to collectors of rare and unusual coins, to exchange this gold for other currency at ^{one} ~~each~~ of the Federal reserve banks, branches or agencies, or at a member bank. Persons who after the order is issued come into possession of gold not exempted by the exceptions in the order, shall also be required to exchange it for other currency.

The order provides adequate opportunity for obtaining gold for all legitimate needs. It makes available gold for the purpose of meeting gold obligations and permits the exportation of gold for trade purposes.

~~This order is intended to be a temporary measure for the period of the emergency and~~
~~should be revoked when the emergency has passed.~~ The chief purpose of this order is to restore ~~to~~
the country's reserves gold which has been withdrawn for hoarding and serves no
public purpose while it is held by individuals. The order is definitely
limited to the period of this emergency and may be revoked at any time.

Second draft presented by Mr. Goldenweiser including suggestions made at meeting of Executive Committee on March 25.)

AT EXECUTIVE COMMITTEE MEETING

MAR 25 1933

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Authority EO 10501

(CONFIDENTIAL - Tentative draft of March 23, 1933)

The country has responded patriotically to the President's proclamation of March 6 and to his radio speech of March 12. Between March 4 and March 22, \$250,000,000 of gold coin and \$310,000,000 of gold certificates were returned to the Federal reserve banks, in addition to more than \$320,000,000 of other kinds of currency. As a result, the ratio of the reserves held by the Federal reserve banks to their liabilities on deposits and on Federal reserve notes combined rose from 45 per cent on March 4 to 55.5 per cent on March 22.

Many persons throughout the United States have hastened to turn in the gold in their possession as an expression of their faith in the Government, and as a result of their desire to be helpful in an emergency. There are others, however, who have waited for the Government to issue a formal order for the return of gold in their possession. Such an order is being issued by the President today.

This order requires all persons who have in their possession gold coin, gold certificates, or gold bullion to exchange this gold for other currency at one of the Federal reserve banks, branches or agencies, or at a member bank.

The order provides adequate opportunity for obtaining gold for all legitimate needs. It makes available gold for the purpose of meeting gold obligations and permits the exportation of gold for trade purposes.

(First draft presented by Mr. Goldenweiser at meeting of Executive Committee on March 23, 1933.)

Sumner
AT EXECUTIVE COMMITTEE
MEETING

MAR 25 1933

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Authority E.O. 10501

*Change in
statement suggested
by Ballantine*

470.-1

3/27/33

The country has patriotically responded to the suggestion of the President in his radio speech of March 12th, in regard to hoarding which had so much to do with bringing on the banking crisis.

See minutes
FOR COMMENT

SR

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Authority E010501

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(CONFIDENTIAL -- Revised draft of March 25, 1933.)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion
and Gold Certificates.

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", I, Franklin D. Roosevelt, President of the United States of America, do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

(a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

Final draft
See minutes
AT EXECUTIVE COMMITTEE MEETING

MAR 25 1933

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X-7383

(b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion licensed for legitimate export transactions (not involving hoarding or speculation) including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

(d) Gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.

(e) Gold coin and bullion actually needed to meet maturing obligations payable in gold coin or bullion in any case where payment in gold coin or bullion actually has been demanded by the obligee; provided that, in order to facilitate the enforcement of Section 3 hereof, the obligor shall furnish to the Federal reserve bank of the district in which such payment is made a written statement showing the name and address of each person to whom or for whose account such a payment is made and the amount paid to each such person.

Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion or gold certificates after April 12, 1933, (except as exempted by the provisions of Section 2) shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve

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X-7383

banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

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Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue thereunder, through such officers or agencies as he may designate, licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency or credit, to deliver gold coin and bullion to persons showing the need for the same for any of the purposes specified in paragraphs (a), (c), (d), and (e) of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

March _____, 1933.

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Authority 5010501

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*(Confidential - Revised draft of March 25, 1933)**Final 3/25*

EXECUTIVE ORDER

**Forbidding the Hoarding of Gold Coin, Gold Bullion
and Gold Certificates.**

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", I, Franklin D. Roosevelt, President of the United States of America, do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purpose of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

- (a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of miners mining and refining such gold.

See minutes
AT EXECUTIVE COMMITTEE
APPROVED

MAR 25 1933

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Authority EO 10501

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(b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion licensed for legitimate export transactions (not involving hoarding or speculation) including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

(d) Gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.

(e) Gold coin and bullion actually needed to meet maturing obligations payable in gold coin or bullion in any case where payment in gold coin or bullion actually has been demanded by the obligee; provided that, in order to facilitate the enforcement of Section 3 hereof, the obligor shall furnish to the Federal reserve bank of the district in which such payment is made a written statement showing the name and address of each person to whom or for whose account such a payment is made and the amount paid to each such person.

Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion or gold certificates after April 12, 1933, (except as exempted by the provisions of Section 2) shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay thereafter an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve

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banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

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Authority EO 10501

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Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue thereunder, through such officers or agencies as he may designate, licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency or credit, to deliver gold coin and bullion to persons showing the need for the same for any of the purposes specified in paragraphs (a), (b), (d), and (e) of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

March _____, 1933.

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Authority EO 10501

Wynne

[Changes tentatively agreed upon between
Messrs. Burgess, Ballantine and Morris
March 25, 1933]

(CONFIDENTIAL -- Revised draft of March 24, 1933)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion
and Gold Certificates.

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", I, Franklin D. Roosevelt, President of the United States of America, do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

(a) Such amount of gold as may be required for legitimate and customary use in ~~trade~~ profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

industry

See minutes
AT EXECUTIVE COMMITTEE
MEETING

MAR 25 1933

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Authority EO 10501

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(b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion licensed for legitimate export transactions (not involving hoarding or speculation), including gold coin and bullion imported for reexport or held pending action on applications for export licenses. ✓

(d) Gold coin and bullion ^{seemingly or} ~~which were~~ held in trust ~~or~~ ~~under earmark~~ for a recognized foreign government or foreign central bank or the Bank for International Settlements ~~on March 6, 1933.~~ ✓

(e) Gold coin and bullion actually needed to meet maturing obligations payable in gold coin or bullion in any case where payment in gold coin or bullion actually has been demanded by the obligee; provided that, in order to facilitate the enforcement of Section 3 hereof, the obligor shall furnish to the Federal reserve bank of the district in which such payment is made a written statement showing the name and address of each person to whom such a payment is made and the amount paid to each such person. ✓

or for whose account

Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion or gold certificates after April 12, 1933, (except as exempted by the provisions of Section 2) shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve

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Authority 5010501

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banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

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Authority EO 10501

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Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such ^{further} regulations ~~(not inconsistent with these regulations)~~ as he may deem necessary to carry out the purposes of this order and to issue thereunder, through such officers or agencies as he may designate, licenses permitting the Federal reserve banks and member banks of the Federal Reserve System ^{, in return for an equivalent amount of other coin, currency or credit,} to deliver gold coin and bullion to persons showing the need for the same for any of ^{(a), (c), (d), and (e)} the purposes specified in paragraphs ^(a) ~~(a) to (e), inclusive,~~ of Section 2 of these regulations. ✓

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE
March ____, 1933.

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Authority 5010501

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(CONFIDENTIAL -- Revised draft of March 24, 1933)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion
and Gold Certificates.

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", I, Franklin D. Roosevelt, President of the United States of America, do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

(a) Such amount of gold as may be required for legitimate and customary use in trade, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

Submitted
AT EXECUTIVE COMMITTEE
MEETING
MAR 24 1933
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Authority EO 10501

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(b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion licensed for legitimate export transactions not involving hoarding or speculation, including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

(d) Gold coin and bullion which were held in trust or under earmark for a recognized foreign government or foreign central bank or the Bank for International Settlements on March 6, 1933.

(e) Gold coin and bullion actually needed to meet maturing obligations payable in gold coin or bullion in any case where payment in gold coin or bullion actually has been demanded by the obligee; provided that, in order to facilitate the enforcement of Section 3 hereof, the obligor shall furnish to the Federal reserve bank of the district in which such payment is made a written statement showing the name and address of each person to whom such a payment is made and the amount paid to each such person.

Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion or gold certificates after April 12, 1933, (except as exempted by the provisions of Section 2) shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve

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Authority 5010501

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banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

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Authority EO 10501

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Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such regulations not inconsistent with these regulations as he may deem necessary to carry out the purposes of this order and to issue thereunder, through such officers or agencies as he may designate, licenses permitting the Federal reserve banks and member banks of the Federal Reserve System to deliver gold coin and bullion to persons showing the need for the same for any of the purposes specified in paragraphs (a) to (e), inclusive, of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE
March _____, 1933.

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Authority EO 10501*Burgess*470-1
X L-26

(CONFIDENTIAL -- Revised draft of March 24, 1933)

EXECUTIVE ORDER

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Forbidding the Hoarding of Gold Coin, Gold Bullion
and Gold Certificates.

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", I, Franklin D. Roosevelt, President of the United States of America, do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means ~~the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade.~~ *retaining possession or control contrary to the purposes of the Act.* The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

- (a) Such amount of gold *manufacture* as may be required for legitimate and customary use in ~~trade~~, profession or art ~~within a reasonable time~~, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

*Copy filed
L. Letters*

DECLASSIFIED

Authority EO 10501

- 2 -

(b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

omit *or something* (c) Gold ~~coin and~~ ^{" - 278} bullion licensed for legitimate export transactions (not involving hoarding or speculation) including gold ~~coin and~~ bullion imported for reexport or held pending action on applications for export licenses.

(d) Gold coin and bullion which were held in trust or under earmark for a recognized foreign government or foreign central bank or the Bank for International Settlements on March 6, 1933.

maturing before Apr 15, 1933
(e) Gold coin and bullion actually needed to meet ~~maturing~~ obligations payable in gold coin or bullion in any case where payment in gold coin or bullion actually has been demanded by the obligee; provided that, in order to facilitate the enforcement of Section 3 hereof, the obligor shall furnish to the Federal reserve bank of the district in which such payment is made a written statement showing the name and address of each person to whom such a payment is made and the amount paid to each such person. *(1, 5X in case)*

Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion or gold certificates after April 12, 1933, (except as exempted by the provisions of Section 2) shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve

DECLASSIFIED

Authority EO 10501

- 3 -

banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation ^{ing} of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

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Authority 5010501

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Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such regulations not inconsistent with these regulations as he may deem necessary to carry out the purposes of this order and to issue thereunder, through such officers or agencies as he may designate, licenses permitting the Federal reserve banks and member banks of the Federal Reserve System to deliver gold coin and bullion to persons showing the need for the same for any of the purposes specified in paragraphs (a) to (e), inclusive, of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE
March ____, 1933.

DECLASSIFIED

Authority EO 10501

470.1

(CONFIDENTIAL - Tentative draft of March 23, 1933)

The country has responded patriotically to the President's proclamation of March 6 and to his radio speech of March 12. Between March 4 and March 18, \$230,000,000 of gold coin and \$235,000,000 of gold certificates were returned to the Federal reserve banks, in addition to more than \$100,000,000 of other kinds of currency. As a result, the ratio of the reserves held by the Federal reserve banks to their liabilities on deposits and on Federal reserve notes combined rose from a low point of 45 per cent on March 4 to 53 per cent on March 18.

Many persons throughout the United States have hastened to turn in the gold in their possession as an expression of their faith in the Government, and as a result of their desire to be helpful in an emergency. There are others, however, who have waited for the Government to issue a formal order for the return of gold in their possession. Such an order is being issued by the President today.

This order requires all persons who have in their possession gold coin, gold certificates, or gold bullion to exchange this gold for other currency at the Treasury of the United States, at one of the Federal reserve banks or branches, or at a member bank.

The order provides adequate opportunity for obtaining gold for all legitimate needs. It makes available gold for the purpose of meeting gold obligations and permits the exportation of gold for trade purposes.

See minutes
AT EXECUTIVE COMMITTEE
MEETING

MAR 24 1933
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Authority E010501

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Carded

(CONFIDENTIAL -- Tentative draft of March 22, 1933.)

EXECUTIVE ORDER

Forbidding the Hoarding of Gold Coin, Gold Bullion and
Gold Certificates.

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933, I, Franklin D. Roosevelt, President of the United States of America, do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates by individuals, partnerships, associations and corporations within the continental United States, and I hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade; but this order and these regulations shall not apply to gold coin or gold bullion shown by the owner thereof to have been actually held by him on or before June 30, 1931. The term "person" means any individual, partnership, association or corporation within the continental United States.

Section 2. All persons are hereby required to deliver on or before April 15, 1933, to a Federal reserve bank or a branch or agency

See minutes
AT EXECUTIVE COMMITTEE
MEETING

MAR 23 1933

See minutes
AT BOARD MEETING

MAR 22 1933

*copy filed
L-letters*

DECLASSIFIED

Authority 5010501

- 2 -

thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates except the following:

(a) Such amount of gold as may be required for legitimate and customary use in trade, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

(b) Gold coins and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion licensed for legitimate export transactions not involving hoarding or speculation, including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

(d) Gold coin, gold bullion and gold certificates which were owned by a recognized foreign government or foreign central bank or the Bank for International Settlements on March 6, 1933.

(e) Gold coin or bullion actually needed to meet maturing obligations payable in gold coin or bullion, when payment in gold coin or bullion has actually been demanded, regardless of whether the obligee is at home or abroad.

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Authority 5010501

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Section 3. Until otherwise ordered, any person becoming the owner of any gold coin, gold bullion or gold certificates on or after April 12, 1933, (except as exempted by the provisions of Sections 1 and 2 hereof) shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2.

Section 4. Upon receipt of such gold coin, gold bullion or gold certificates, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than that exempted under the provisions of Sections 1 and 2) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will pay all reasonable costs of transportation of such gold coin, gold bullion or gold certificates, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary, upon production of satisfactory evidence of such costs. Forms of voucher for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of

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Authority 5010501

- 4 -

the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank within the time set forth above. Such applications must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such regulations not inconsistent with these regulations as he may deem necessary to carry out the purposes of this order and to issue licenses thereunder permitting the Federal reserve banks and member banks of the Federal Reserve System to deliver gold coin and bullion to persons showing the need for the same for any of the purposes specified in paragraphs (a) to (e), inclusive, of Section 2 of these regulations.

Section 9. Whoever violates any provision of this Executive Order or of these regulations or of any rule or regulation issued thereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment or both.

This order and these regulations may be revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE
March _____, 1933.

DECLASSIFIED

Authority EO 10501

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(CONFIDENTIAL - Tentative draft of March 22, 1933)

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The country has responded patriotically to the President's proclamation of March 6 and to his radio speech of March 12. Between March 4 and March 18, \$230,000,000 of gold coin and \$235,000,000 of gold certificates were returned to the Federal reserve banks, in addition to more than \$100,000,000 of other kinds of currency. As a result, the ratio of the reserves held by the Federal reserve banks to their liabilities on deposits and on Federal reserve notes combined rose from a low point of 45 per cent on March 4 to 53 per cent on March 18.

Carded

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Many persons throughout the United States have hastened to turn in the gold in their possession as an expression of their faith in the Government, and as a result of their desire to be helpful in an emergency. There are others, however, who have waited for the Government to issue a formal order for the return of gold in their possession. Such an order is being issued by the President today.

This order requires all persons who have in their possession gold coin, gold certificates, or gold bullion acquired subsequently to June 30, 1931, to exchange this gold for other currency at the Treasury of the United States, at one of the Federal reserve banks or branches, or at a member bank. The amount of gold in circulation had not increased for a number of years prior to the summer of 1931, and though there may have been individual cases of hoarding, in general the volume of gold in circulation was in conformity with the usual habits and requirements of the American people. Gold that is now hoarded has been withdrawn for the most part since that time as the result of lack of confidence. The President now requires that this gold, which serves no public purpose in the hands of individuals, be

See minutes
AT EXECUTIVE COMMITTEE
MEETING

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MAR 23 1933

MAR 22 1933

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- 2 -

returned to the Government or the Federal reserve banks to become once more a part of the country's gold reserve.

The order provides adequate opportunity for obtaining gold for all legitimate needs. It makes available gold for the purpose of meeting gold obligations and permits the exportation of gold for trade purposes.

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Authority 5010501

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3/21/33

EXECUTIVE ORDER**Forbidding the Hoarding of Gold Coin, Gold Bullion and
Gold Certificates.**

By virtue of the authority vested in me by subsection (b) of Section 5 of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933, I, Franklin D. Roosevelt, President of the United States of America, do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates by any individual, partnership, association or corporation within the United States or any place subject to the jurisdiction thereof, and I hereby prescribe the following regulations in relation thereto:

Section 1. In order to prevent the hoarding of gold coin, gold bullion and gold certificates, all individuals, partnerships and associations owning any gold coin, gold bullion or gold certificates held within the United States of America [including its territories and insular possessions] are hereby required to pay and deliver on or before March 31, 1933, to the Treasurer of the United States, to a Federal reserve bank as fiscal agent of the United States, or to any other agency hereinafter designated, all such gold coin, gold bullion and gold certificates except the following:

(a) Gold coin and bullion actually held prior to September 1, 1931.

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(b) Gold coin or bullion actually needed to meet maturing obligations payable in gold coin or bullion ~~and maturing within three months~~, when payment in gold coin or bullion has actually been demanded, regardless of whether the obligee is at home or abroad.

(c) Gold coin or bullion licensed for legitimate export transactions not involving hoarding or speculation.

(d) Gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

(e) Gold coins having a recognized special value to collectors of rare and unusual coins.

(f) Such amount of gold as may be ^{within a reasonable time} reasonably required for legitimate and customary use in trade, profession or art.

(g) Gold coins and gold certificates in an amount not exceeding in the aggregate \$100.00 belonging to any one person.

(h) Gold between such time as application for export thereof from the United States is filed with the Secretary of the Treasury and three days after the applicant is notified of the denial of such application.

(i) Gold imported into the United States for reexport or for the purpose of being refined, provided such gold is exported or used in trade, profession or art within a reasonable time after the refining thereof.

(j) Gold coin, gold bullion or gold certificates which were owned by a recognized foreign government or foreign central bank or the Bank for International Settlements ^{on} ~~prior to~~ March 6, 1933.

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Authority EO 10501

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Section 2. Until this Order and these regulations are revoked, any individual, partnership, association or corporation (including aliens residing in the United States) becoming the owner of any gold coin, gold bullion or gold certificates on or after March 28, 1933, (except that exempted by the provisions of Section 1 hereof) shall, within three days after receipt thereof, deliver the same to the Treasurer of the United States, to a Federal reserve bank as fiscal agent of the United States or to any other agency authorized by this Order to receive such delivery, and shall obtain reimbursement therefor in the manner provided elsewhere in this order.

Section 3. Upon receipt of such gold coin, gold bullion or gold certificates, the Secretary of the Treasury, or such Federal reserve bank, will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 4. The payment and delivery of such gold coin, gold bullion and gold certificates may be effected (other than by member banks of the Federal Reserve System) by delivery thereof to a bank which is a member of the Federal Reserve System. Such bank shall pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States, and shall thereupon deliver such gold coin, gold bullion and gold certificates to the Treasurer of the United States or to the Federal reserve bank in its district and receive credit or payment therefor.

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Authority EC 10501

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Section 5. In any case where the location of such gold coin, gold bullion or gold certificates is such that delivery thereof to the Treasurer of the United States or to a Federal reserve bank or to a bank which is a member of the Federal Reserve System cannot reasonably be made within the time specified below, delivery may be made to a Customs Office or Post Office of the United States or of any of its dependencies or insular possessions. Such Customs Office or Post Office will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States, or under the laws of the dependency or insular possession in which such customs office or post office is located, and shall deliver such gold coin, gold bullion and gold certificates to such agency as may hereafter be designated for the purpose by the Secretary of the Treasury and obtain reimbursement in an appropriate manner.

Section 6. Member banks shall deliver all gold coin, gold bullion and gold certificates owned by them (other than that exempted under the provisions of Section 1) to the Treasurer of the United States or to the Federal reserve bank in their respective districts and receive credit or payment therefor.

Section 7. The Secretary of the Treasury will pay all reasonable costs of transportation of such gold coin, gold bullion or gold certificates, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary, upon production of satisfactory evidence of such costs. Forms of voucher for this purpose may be procured

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Authority 5010501

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from Federal reserve banks.

Section 8. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank within the time set forth above. Such applications must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

Section 9. The Secretary of the Treasury is hereby authorized and empowered to issue licenses, under such regulations as he may prescribe, permitting the Treasurer of the United States, the Federal reserve banks as fiscal agents of the United States and any other agencies which he may designate, to pay and deliver gold coin and bullion to any individual, partnership, association or corporation actually needing the same for any of the purposes specified in paragraphs (b) to (j) of Section 1 of these regulations.

Section 10. Whoever violates any provision of this Executive Order or of these regulations or of any rule or regulation issued thereunder may be fined not more than \$10,000, or, if a natural

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Authority EO 10501

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person, may be imprisoned for not more than ten years, or both; and any officer, director or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment or both.

This order and these regulations are temporary and may be revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE
March _____, 1933.

See minutes
AT EXECUTIVE COMMITTEE
MEETING

MAR 21 1933
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Tentative draft prepared by Mr. Wyatt for consideration at meeting of Executive Committee on March 21, 1933.

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Authority 5010501

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3/24/33

The country has responded patriotically to the President's proclamation of March 6 and to his radio speech of March 12. Between March 4 and March 12, \$236,000,000 of gold coin and \$232,000,000 of gold certificates were returned to the Federal reserve banks, in addition to more than \$100,000,000 of other kinds of currency. As a result, the ratio of the reserves held by the Federal reserve banks to their liabilities on deposits and on Federal reserve notes combined rose from a low point of 45 per cent on March 4 to 53 per cent on March 12.

Many persons throughout the United States have hastened to turn in the gold in their possession as an expression of their faith in the Government, and as a result of their desire to be helpful in an emergency. There are others, however, who have waited for the Government to issue a formal order for the return of gold in their possession. Such an order is being issued by the President today.

This order requires all persons who have in their possession gold coin, gold certificates, or gold bullion acquired ^{Sept 1} subsequently to ~~Jan 20~~, 1931, to exchange this gold for other currency either at the Treasury of the United States or at one of the Federal reserve banks or branches. The amount of gold in circulation had not increased for a number of years prior to the summer of 1931, and though there may have been individual cases of hoarding, in general the volume of gold in circulation was in conformity with the usual habits and requirements of the American people. Gold that is now hoarded has been withdrawn for the most part since that time as the result of lack of confidence. The President now requires that this gold, which serves no public purpose in the hands of individuals, be returned to

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- 2 -

the Government or the Federal reserve banks to become once more a part of the country's gold reserve.

The order provides adequate opportunity for obtaining gold for all legitimate needs. It makes available gold for the purpose of meeting gold obligations and permits the exportation of gold for legitimate trade purposes, ~~which is necessary for the maintenance of the gold standard and for the protection of the value of the dollar at home and abroad and for safeguarding our trade from the uncertainties of an unstable currency.~~

~~It is the desire of the President to remove all emergency restrictions on gold as soon as further improvement in the situation will make it possible.~~

L. M. Nichols
BY EXECUTIVE COMMITTEE
SECRETARY

MAR 21 1933

Statement prepared by Mr. Goldenweiser and Mr. Riefler for consideration at meeting of Executive Committee on March 21, 1933.

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Authority EO 10501

470.-1

[Handwritten signature]

Submitted for consideration.
C. A. Hazlin

March 21, 1933.

1. Issue the order at once.
2. Provide in the new order:

- (a) That gold will be licensed for legitimate export transactions not involving hoarding or speculation.
- (b) Licenses will be issued to obtain gold from Federal reserve banks for meeting any gold obligation ~~maturing within three months~~, when gold is demanded, whether the obligation is at home or abroad.
- (c) Point out that any citizen or foreigner residing in the United States demanding and receiving gold, is subject to the proclamation requiring its immediate return.
- (d) Announce that this order is temporary only, and that the Treasury hopes shortly to remove all restrictions on gold.

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See minutes
AT EXECUTIVE COMMITTEE
MEETING

MAR 21 1933

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3/21/33

MONEY IN CIRCULATION AND MONETARY GOLD STOCK -- SELECTED DATES, 1933
(In millions of dollars)

			Change		
Mar. 4	Mar. 13	Mar. 18	Mar. 4 to Mar. 13	Mar. 13 to Mar. 18	Mar. 4 to Mar. 18

Money in circulation

Total	7,485	7,581*	6,859	+ 96	-722	-626
Gold coin	626p*	507	395	-119	-112	-231
Gold certificates	739p*	637p	503	-102	-134	-236
Federal reserve notes	4,142	4,405*	4,006	+263	-399	-136
All other	1,978p	2,032	1,955	+ 54	- 77	- 23

Monetary Gold Stock

Total	4,242#	4,247	4,257	+ 5	+ 10	+ 15
Foreign movements	--	--	--	--	+ 1	+ 1
Other	--	--	--	+ 5**	+ 9	+ 14

See minutes
AT EXECUTIVE COMMITTEE MEETING

MAR 21 1933

SHL

- p. Preliminary: subject to correction.
- * Peak for 1933.
- # Low for 1933.
- ** Includes \$3,300,000 bullion delivered to Federal reserve banks from domestic sources.

Statement presented by Mr. Goldenweiser at meeting of
Executive Committee on March 21, 1933.

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Authority EO 10501

470.1^x

March 18, 1933.

The Honorable,

The Secretary of State.

Dear Mr. Secretary:

Receipt is acknowledged of your letter of March 16, 1933 with reference to the treatment to be accorded to gold held, under earmark or otherwise, in this country by foreign central banks and other foreign banking institutions.

It is my understanding that this matter has been discussed with Mr. Fels of your Department, and that he is familiar with all the developments in connection therewith. The Treasury now has under consideration the issuance of certain orders or regulations relating to gold, and I am advised that, before any action is taken thereon, they will be further discussed with representatives of your Department.

Respectfully,

(Signed) Eugene Meyer

Governor

Appd
AT EXECUTIVE COMMITTEE
MEETING

MAR 20 1933

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W⁽²⁾
W⁽³⁾
W⁽⁴⁾
W⁽⁵⁾
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W⁽⁸⁾
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Authority EO 10501

The Honorable,

The Secretary of State.

S I R :

I beg to acknowledge receipt of your letter of March 16, 1933 making inquiry with respect to the proposed regulations governing the treatment to be accorded to gold held under earmark or otherwise in this country by foreign central banks and other foreign banking institutions.

The proposed regulations, which are in the form of an order by the Secretary of the Treasury, have been discussed with Mr. Feis of your Department, and it is contemplated that before any orders and regulations are issued regarding these matters they will be further discussed with representatives of your Department.

Respectfully,

Eugene Meyer,
Governor.

NAB
PAC

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Authority E010501

FEDERAL RESERVE BOARD
OFFICE OF THE GOVERNOR

To

Nichols

Will you please
look the matters
by the Treasury
people & return
to me.

It is my understand-
ing that the Treasury
will see that the
matter is discussed

with representatives
of the State Dept
before action is
taken, as indicated

in the last paragraph
Treasury

discussed it with

Mr. Fies & will

continue to do so.

[Signature]

3/20/23

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Authority 2010501

COPY
L. RED WIRE TELEGRAM
TREASURY DEPARTMENT TELEGRAM

470-1



WHERE WRITTEN

Washington,

March 17, 1933.

Harrison,
New York.

Application for the export of seventeen million fifty three thousand nine hundred eighty nine dollars sixty five cents gold for Banco d'Italia eight million five hundred seven thousand four hundred eighty five dollars per S/S Centi Di Savoia on March eighteen eight million five hundred forty six thousand five hundred four dollars sixty five cents per S.S. Augustus on March twenty five and six hundred one thousand eight hundred seventy five dollars forty cents for Banco de Portugal, Lisbon per S. S. Vulcania from New York on March twenty four in accordance your telegram to Federal Reserve Board March fifteenth may be approved by you on behalf of Secretary of Treasury.

WOODIN

OFFICIAL BUSINESS
COMMERCIAL RATES
COLLECT

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Authority EOI 501

470.-1

file 3/17/33

Mr. Harrison

~~Mr. Floyd Harrison.~~

Attached hereto are copies^{*} of the letter of March 15, 1933, from Mr. Ballantine to Mr. Crane outlining the policy which was adopted by the Treasury Department regarding earmarked gold for foreign central banks, which was not made public, as well as a copy^{*} of telegram of March 17, 1933 to Governor Harrison regarding shipment to the central bank of Italy.

I am also returning to you herewith the draft of letter to the Secretary of State. In view of the fact that the policy disclosed in the above letter of March 15 has not been made public, and in view of the fact that Mr. Feis has been advised as to all these matters it would seem advisable not to put more in the letter, at this time, than is necessary.

G. H. C.



^{*} These will have to serve as the Board's
file copies.

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Authority EO 10501

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.

470.-1



DEPARTMENT OF STATE
WASHINGTON

In reply refer to
EA

March 16, 1933

My dear Mr. Meyer:

I am informed that the Federal Reserve Board will proceed in the near future to the formulating of decisions and the making of regulations governing the treatment to be accorded to gold that may be held, under earmark or otherwise, in this country by foreign central banks, foreign semi-official banks of different varieties, and ordinary foreign banking institutions.

Since these decisions may become matters affecting the general relations between this government and foreign governments, and since this Department is likely to be approached by foreign governments in regard to them, may I respectfully request,

if

The Honorable

Eugene Meyer,

Governor, Federal Reserve Board,

Washington, D. C.

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Authority 5010501

-2-

if it is proper, that this Department be informed
in advance of the main lines of decision to be
taken so that it may have an opportunity to con-
sider them.

Sincerely yours,

A handwritten signature in cursive script, reading "Correll Hume". The signature is written in dark ink and is positioned below the typed name "Correll Hume".

RECEIVED

MAR 16 1933

OFFICE OF THE GOVERNOR
FEDERAL RESERVE BOARD

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Authority £010501

470-1

COPY

March 15, 1933.

Federal Reserve Bank of New York,

New York, N. Y.

Attention: Mr. J. E. Crane.

Sir:

I find that apparently there has been no acknowledgment by the Treasury of your telegram of March 7th, reading as follows:

"In accordance with the authorization which you gave us last night by telephone and which we understand is to be confirmed today by wire we have sent the following cable to the bank for International Settlements and to those foreign central banks and foreign Governments which had gold under earmark with us prior to March 6:

"The Secretary of the Treasury has advised us that we may assure you privately that it will be the policy of the Secretary of the Treasury during any gold embargo to permit by license the exportation of gold earmarked with us prior to March 6 for account of foreign central banks, the Bank for International Settlements and foreign governments."

Your telegram was authorized by me in accordance with instructions from the Secretary of the Treasury, and correctly expresses the policy of the Secretary of the Treasury.

Sincerely yours,

(Signed) A. A. Ballantine

Under Secretary of the Treasury.

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Authority EO 10501REC'D IN RECORDS
MAY 14 1958

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3/1/33

JOINT RESOLUTION

Declaring a bank holiday in the United States
and for other purposes.

WHEREAS the Nation's banking institutions are being subjected
to heavy withdrawals of currency for hoarding; and *Carded*

WHEREAS there is increasing speculative activity in foreign
exchanges; and

WHEREAS these conditions have created a national emergency
in which it is in the best interest of all bank depositors that a period
of respite be provided with a view to preventing further hoarding of
coin, bullion or currency or speculation in foreign exchange, and
permitting the application of appropriate measures for dealing with
the emergency in order to protect the interests of all the people;
and

RESOLVED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE
UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED, That, from
_____, the _____ day of March, to _____, the
_____ day of March, Nineteen Hundred and Thirty Three, both
dates inclusive, there shall be maintained and observed throughout
the United States of America a bank holiday for all of the purposes
hereinafter set forth;

Sec. 2. During said holiday, no banking institution as
hereinafter defined shall pay out, export, earmark, or permit the
withdrawal or transfer in any manner or by any device whatsoever of

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L. Letters

DECLASSIFIED

Authority 2010501

-2-

L-21

any gold or silver coin or bullion or currency or take any other action which might facilitate the hoarding thereof; nor shall any such banking institution pay out deposits, make loans or discounts, deal in foreign exchange, or transact any other banking business whatsoever.

Sec. 3. Upon the expiration of said holiday and until otherwise ordered by the President of the United States, such banking institutions may pay out, export, earmark or permit the withdrawal or transfer of gold or silver coin or bullion or currency, or deal in foreign exchange to such extent as may be permitted by license or otherwise under regulations issued by the Secretary of the Treasury with the approval of the President.

Sec. 4. The Secretary of the Treasury, with the approval of the President, is authorized and empowered to prescribe such regulations as he may find necessary to carry out the purposes of this resolution.

Sec. 5. The term "banking institution" as herein used shall include all Federal reserve banks, national banking associations, banks, trust companies, savings banks, building and loan associations, credit unions, or other corporations, partnerships, associations or persons engaged in the business of receiving deposits, making loans, discounting business paper, or transacting any other form of banking business.

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Authority 5010501

-3-

L-21

Sec. 6. Whoever shall willfully violate any of the provisions of this resolution or of any license or regulation issued pursuant to its provisions shall, upon conviction, be fined not more than \$10,000 or, if a natural person, be fined not more than \$10,000 or imprisoned for not more than 10 years, or both, in the discretion of the court.

DECLASSIFIED

Authority 5010501

470-1

EXECUTIVE ORDER

WHEREAS the Nation's Banking institutions are being subjected to heavy withdrawals of currency for hoarding; and

X L-23

WHEREAS there is increasing speculative activity in foreign exchanges; and

3/1/33

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WHEREAS these conditions have created a national emergency in which it is in the best interest of all bank depositors that a period of respite be provided with a view to preventing further hoarding of coin, bullion or currency or speculation in foreign exchange, and permitting the application of appropriate measures for dealing with the emergency in order to protect the interests of all the People; and

WHEREAS it is provided in Section 5(b) of the Act of October 6, 1917, as amended, that "The President may investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange and the export, hoarding, melting, or earmarkings of gold or silver coin or bullion or currency * * *"; and

WHEREAS it is provided in Section 16 of the said Act that "Whoever shall willfully violate any of the provisions of this Act or of any license, rule, or regulation issued thereunder, and whoever shall willfully violate, neglect, or refuse to comply with any order of the President issued in compliance with the provisions of this Act shall, upon conviction, be fined not more than \$10,000, or, if a natural person, imprisoned for not more than ten years, or both * * *";

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Authority 5010501

NOW, THEREFORE, pursuant to the authority granted by said Act, I hereby order, direct and declare that:

1. From _____, the _____ day of March, to _____, the _____ day of March, Nineteen Hundred and Thirty Three, both dates inclusive, there shall be maintained and observed throughout the United States of America a bank holiday for all of the purposes hereinafter set forth;

2. During said holiday, no banking institution as herein-
after defined shall pay out, ^{export} ~~earmark~~, or permit the withdrawal or transfer in any manner or by any device whatsoever of any gold or silver coin or bullion or currency or take any other action which might facilitate the hoarding thereof; nor shall any such banking institution pay out deposits, make loans, or discounts, deal in foreign exchange, or transact any other banking business whatsoever.

3. Upon the expiration of said holiday and until otherwise ordered by the President of the United States, no such banking institution shall pay out, export, earmark, or permit the withdrawal or transfer in any manner or by any device whatsoever of any gold or silver coin or bullion or currency or take any other action which might facilitate the hoarding thereof, deal in foreign exchange, except as may be permitted by license or otherwise under regulations issued by the Federal Reserve Board with the approval of the President.

4. The Federal Reserve Board, with the approval of the President, is authorized and empowered to prescribe such regulations as it may find necessary to carry out the purposes of this order.

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Authority EO 10501

5. The term "banking institution" as herein used shall include all Federal reserve banks, national banking associations, banks, trust companies, savings banks, building and loan associations, credit unions, or other persons, partnerships, associations or corporations engaged in the business of receiving deposits, making loans, discounting business paper, or transacting any other form of banking business.