

FEDERAL RESERVE BANK  
OF NEW YORK

[Circular No. 1409]  
[August 10, 1934]

PROCLAMATION BY THE PRESIDENT  
Directing United States Mints to Receive Silver

and

EXECUTIVE ORDER  
Requiring the Delivery of Silver to the United States Mints

---

*To each Banking Institution in the  
Second Federal Reserve District:*

For your information we transmit to you herewith, printed on the following pages, a copy of a Proclamation by the President of the United States directing the United States Mints to receive silver situated in the United States on August 9, 1934; a copy of an Executive Order requiring that silver situated in the United States on August 9, 1934 be delivered to the United States Mints within ninety days; and copies of three statements issued to the press by the Secretary of the Treasury on August 8, 9 and 10, 1934.

GEORGE L. HARRISON,  
*Governor.*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, by Paragraph (2) of Section 43, Title III, of the Act of Congress, approved May 12, 1933 (Public No. 10), as amended by the Gold Reserve Act of 1934, the President is authorized "By proclamation to fix the weight of the gold dollar in grains nine tenths fine and also to fix the weight of the silver dollar in grains nine tenths fine at a definite fixed ratio in relation to the gold dollar at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies, and to provide for the unlimited coinage of such gold and silver at the ratio so fixed, \* \* \*"; and "The President, in addition to the authority to provide for the unlimited coinage of silver at the ratio so fixed, under such terms and conditions as he may prescribe, is further authorized to cause to be issued and delivered to the tenderer of silver for coinage, silver certificates in lieu of the standard silver dollars to which the tenderer would be entitled and in an amount in dollars equal to the number of coined standard silver dollars that the tenderer of such silver for coinage would receive in standard silver dollars"; and "The President is further authorized to issue silver certificates in such denominations as he may prescribe against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates, and to coin standard silver dollars or subsidiary currency for the redemption of such silver certificates"; and

WHEREAS, the Silver Purchase Act of 1934, approved June 19, 1934, provides in Sections 2, 5, and 7, in part, as follows:

"SEC. 2. It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining, one fourth of the monetary value of such stocks in silver."

"SEC. 5. The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3, and such certificates shall be placed in actual circulation. There shall be maintained in the Treasury as security for all silver certificates heretofore or hereafter issued and at the time outstanding an amount of silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates. All silver certificates heretofore or hereafter issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, and shall be redeemable on demand at the Treasury of the United States in standard silver dollars; and the Secretary of the Treasury is authorized to coin standard silver dollars for such redemption."

"SEC. 7. Whenever in the judgment of the President such action is necessary to effectuate the policy of this Act, he may by Executive order require the delivery to the United States mints of any or all silver by whomever owned or possessed. The silver so delivered shall be coined into standard silver dollars or otherwise added to the monetary stocks of the United States as the President may determine; and there shall be returned therefor in standard silver dollars, or any other coin or currency of the United States, the monetary value of the silver so delivered less such deductions for seigniorage, brassage, coinage, and other mint charges as the Secretary of the Treasury with the approval of the President shall have determined: *Provided*, That in no case shall the value of the amount returned therefor be less than the fair value at the time of such order of the silver required to be delivered as such value is determined by the market price over a reasonable period terminating at the time of such order. \* \* \* "

Now, THEREFORE, finding it necessary, in my judgment, to effectuate the policy of the Silver Purchase Act of 1934, to assist in increasing and stabilizing domestic prices, to protect our foreign commerce against the adverse effect of depreciated foreign currencies, and to promote the objectives of the Proclamation of the 21st day of December, nineteen hundred and thirty-three, relating to the coinage of silver; by virtue of the power in me vested by the Acts of Congress above cited, and other legislation designated for national recovery, and by virtue of all other authority in me vested;

I, FRANKLIN D. ROOSEVELT, PRESIDENT of the UNITED STATES OF AMERICA, do proclaim and direct that each United States mint shall receive for coinage or for addition to the monetary stocks of the United States, as hereinafter determined, any silver which such mint, subject to regulations prescribed hereunder by the Secretary of the Treasury, is satisfied was situated on the effective date hereof in the continental United States, including the Territory of Alaska.

The silver so delivered shall be added to the monetary stocks of the United States and shall be coined from time to time into standard silver dollars in such amounts as are required to carry out the provisions of this Proclamation and to provide for the redemption of silver certificates; and there shall be returned therefor in standard silver dollars, silver certificates, or any other coin or currency of the United States, the monetary value of the silver so delivered (that is, \$1.2929+ a fine troy ounce), less a deduction of 61 8/25 per cent thereof for seigniorage, brassage, coinage, and other mint charges, such deduction having been determined by the Secretary of the Treasury with my approval.

The provisions hereof are supplemental to the provisions of the Proclamation of the 21st day of December, nineteen hundred and thirty-three, and the United States coinage mints shall continue to receive for coinage in accordance with the provisions of such Proclamation silver which such mint, subject to regulations prescribed thereunder by the Secretary of the Treasury, is satisfied has been mined subsequently to the date of such Proclamation, from natural deposits in the United States or any place subject to the jurisdiction thereof; *provided, however*, that the Director of the Mint shall, at the option of the tenderer of such silver, deliver silver certificates in lieu of the standard silver dollars to which the tenderer of such silver for coinage would be entitled and in an amount in dollars equal to the coined standard silver dollars that the tenderer of such silver for coinage would receive in standard silver dollars.

The Secretary of the Treasury is authorized to prescribe regulations to carry out the purposes of this Proclamation.

Notice is hereby given that I reserve the right by virtue of the authority vested in me to revoke or modify this Proclamation as the interest of the United States may seem to require.

This Proclamation shall bear the date of, and becomes effective on, the day on which the Secretary or Acting Secretary of State countersigns the same, affixes thereto the Seal of the United States, and deposits this Proclamation so countersigned and sealed in the Office of the Secretary of State, as a part of the archives of the Nation.

IN WITNESS WHEREOF I have hereunto set my hand.

FRANKLIN D. ROOSEVELT.

By the President; and countersigned and sealed with the Seal of the United States, by direction of the President, this 9th day of August, in the year of our Lord nineteen hundred and thirty-four and of the Independence of the United States of America the one hundred and fifty-ninth.

CORDELL HULL  
*Secretary of State.*

## EXECUTIVE ORDER

### Requiring the Delivery of Silver to the United States Mints

By virtue of the authority vested in me by the Silver Purchase Act of 1934 and of all other authority vested in me, I, FRANKLIN D. ROOSEVELT, PRESIDENT of the UNITED STATES OF AMERICA, do hereby require the delivery of all silver situated in the continental United States on the effective date hereof, by any and all persons owning, possessing, or controlling any such silver, and do hereby require any and all persons owning, possessing, or controlling any such silver to deliver the same in the manner, upon the conditions and subject to the exceptions herein contained, such action being in my judgment necessary to effectuate the policy of the Silver Purchase Act of 1934.

SECTION 2. *Silver required to be delivered.*—There shall be delivered in accordance with the terms of this Order all silver situated in the continental United States on the effective date hereof, except silver falling within any of the following categories so long as it continues to fall thereunder:

- a. Silver coins, whether foreign or domestic;
- b. Silver of a fineness of .8 or less, which has not entered into industrial, commercial, professional, artistic, or monetary use;
- c. Silver mined, after December 21, 1933, from natural deposits in the United States or any place subject to the jurisdiction thereof; provided, however, that so much of such silver so mined in the continental United States on or before the effective date of this Order which shall not have been deposited with a United States Mint under the Proclamation of December 21, 1933 shall, if processed to a fineness greater than .8 within seventy-five days from the effective date of this Order, be delivered in accordance with this Order, not later than ninety days from the effective date hereof, or if processed to a fineness greater than .8 after seventy-five days from the effective date of this Order, be delivered within 15 days thereafter in accordance with this Order;
- d. Silver held for industrial, professional, or artistic use and unmelted scrap silver and silver sweepings in an amount not exceeding in the aggregate five hundred fine troy ounces belonging to any one person;
- e. Silver owned on the effective date hereof by a recognized foreign government, foreign central bank, or the Bank for International Settlements;
- f. Silver contained in articles fabricated and held in good faith for a specific and customary use and not for their value as silver bullion; or
- g. Silver held under a license issued in accordance with Section 6 hereof.

SECTION 3. *Time and place of delivery.*—The silver required to be delivered hereunder shall be delivered not later than ninety days from the effective date hereof to the United States Mint nearest to the place where the silver is situated immediately prior to delivery; provided that such silver temporarily falling within the exempt categories enumerated in Section 2, shall be delivered at the end of ninety days from the effective date hereof, or 15 days after the time when it ceases to fall within such categories, whichever date is later. Any person acquiring ownership, possession, or control of silver required to be delivered under this Order after seventy-five days from the effective date hereof, shall deliver such silver within 15 days of such acquisition.

SECTION 4. *Amount returnable for silver.*—The silver herein required to be delivered shall be coined into standard silver dollars, or otherwise added to the monetary stocks of the United States in accordance with the Proclamation, bearing the same date as this Order, relating to the coinage of silver, and there shall be returned therefor in standard silver dollars, silver certificates, or any other coin or currency of the United States, the monetary value of the silver so delivered (that is, \$1.2929+ a fine troy ounce), less a deduction of 61 8/25 per cent thereof for seigniorage, brassage, coinage and other mint charges, as provided in such Proclamation; that is, the amount returnable for the silver delivered in accordance herewith shall be an amount equal to 50+¢ a fine troy ounce, which amount is not less than the fair value, at the time of this Order, of the silver required to be delivered hereunder as determined by the market price over a reasonable period terminating at the time of this Order.

SECTION 5. *Reimbursement of costs.*—The Secretary of the Treasury shall pay all necessary costs, actually incurred, of the transportation of such silver and standard silver dollars, silver certificates, and other coin or currency of the United States, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Persons desiring reimbursement of such costs shall submit their accounts on voucher forms which may be obtained by writing to the Treasurer of the United States, Washington, D. C.

SECTION 6. *Licenses.*—The Secretary of the Treasury, subject to such regulations as he may prescribe, acting directly or through such agency or agencies as he may designate, shall issue licenses authorizing the withholding of silver which the Secretary of the Treasury, or such agency as he may designate, is satisfied

(a) is required for legitimate and customary use in industry, profession, or art by a person regularly engaged in such industry, profession, or art or in the business of processing silver or furnishing silver therefor;

(b) has been imported for reexport; or

(c) is required to fulfill an obligation to deliver silver in such amount to a third person, incurred or assumed by the applicant on or before the effective date of this Order; provided that, at the date of the application, the applicant owns such silver or holds the obligation of another to deliver to him such silver.

The Secretary of the Treasury may, with the approval of the President, issue licenses authorizing the withholding of silver for purposes deemed to be in the public interest and not inconsistent with the purposes of the Silver Purchase Act of 1934 and of this Order.

SECTION 7. *Deliveries in fulfillment of obligations or to licensees.*—No person required to deliver silver owned by him or in his possession or control shall be deemed to have failed to comply with the provisions of this Order, if such silver is delivered in fulfillment of an obligation incurred or assumed by such person on or before the effective date of this Order or is delivered to a person licensed to acquire and withhold silver in such an amount under Section 6.

SECTION 8. *Definitions.*—As used in this Order the term “person” means an individual, partnership, association, or corporation;

The term “continental United States” means the States of the United States, the District of Columbia, and the Territory of Alaska.

The term “United States Mints” means the following mints and assay offices:

United States Mint, Philadelphia, Pennsylvania  
United States Assay Office, New York, New York  
United States Mint, Denver, Colorado  
United States Mint, San Francisco, California  
United States Assay Office, Seattle, Washington  
United States Mint, New Orleans, Louisiana.

SECTION 9. *Penalties and Forfeitures.*—All persons are hereby informed of the following provisions of Section 7 of the Silver Purchase Act of 1934 with respect to penalties and forfeitures:

“ \* \* \* Any silver withheld in violation of any Executive order issued under this section or of any regulations issued pursuant thereto shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure, and condemnation of property imported into the United States contrary to law; and, in addition, any person failing to comply with the provisions of any such Executive order or regulation shall be subject to a penalty equal to twice the monetary value of the silver in respect of which such failure occurred.”

This Order shall bear the date of, and becomes effective on, the day on which the Secretary or Acting Secretary of State countersigns and deposits this Order so countersigned in the Office of the Secretary of State, as a part of the archives of the Nation.

This Order may be modified or revoked at any time.

FRANKLIN D. ROOSEVELT.

Countersigned, by direction of the President,  
this 9th day of August, 1934.

CORDELL HULL  
Secretary of State.

## STATEMENTS TO THE PRESS BY THE SECRETARY OF THE TREASURY

---

Released August 8, 1934.

Hereafter consular invoices will be required for all shipments of silver to the United States exceeding one hundred dollars in value. Exceptions are made for silver already in transit, silver imported into the United States for reexport, and crude silver.

Released August 9, 1934.

The Secretary of the Treasury announced today that regulations under the Proclamation by the President and the Executive Order of August 9, 1934 relating to the "nationalization" of silver would be issued at an early date. Such regulations will contain provisions requiring every person owning, controlling, or possessing silver situated in the United States on August 9, 1934 to file with the Secretary of the Treasury a report relative to such holdings of silver. There will be required also reports on all acquisitions of silver after August 9, 1934. Accordingly every person owning or acquiring silver should keep complete records relative thereto so that the required reports may be accurate in every respect.

Released August 10, 1934.

In answer to inquiries concerning the effects of "nationalization" of silver, the Secretary of the Treasury today stated that there seem to be available, for all legitimate industrial, professional, and artistic uses, ample supplies of silver for such uses and not falling within the class of silver which must be turned in to the Government under the Executive Order issued today. He added, however, that, should there be any shortage of silver for these uses or if it should not be available at reasonable prices, the Government would immediately see that there were made available ample supplies of silver at current prices.