DOCUMENTS
AND STATEMENTS PERTAINING TO THE BANKING EMERGENCY

Federal Legislation, Executive Orders, Regulations, and Official Statements pertaining primarily to gold, currency, and foreign exchange

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PART II

APRIL 5–JUNE 5, 1933

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Documents and statements pertaining primarily to the emergency banking restrictions and regulations are presented as Part I of this publication, and material pertaining primarily to gold, currency, and foreign exchange is herein presented as Part II.

On April 5 the President issued the following order forbidding the hoarding of gold:

"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.

"SEC. 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 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.

"SEC. 3. Until otherwise ordered any person becoming the owner of any gold coin, gold bullion, or gold certificates after April 28, 1933, shall, within 3 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.

"SEC. 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.

"SEC. 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 sec. 2) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

"SEC. 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.

"SEC. 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.

"SEC. 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.

"SEC. 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 10 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 5, 1933."

"STATEMENT BY THE SECRETARY OF THE TREASURY, APRIL 5

"The President's order of to-day requiring the turning in of hoarded gold, and at the same time providing that gold shall be available for all proper purposes, is an expected step in the process of regularizing our monetary position and furnishing adequate banking and currency facilities for all customary needs.

"Such an order was in contemplation from the time of the passage of the emergency banking act. As the President indicated to-day, while many of our citizens voluntarily and helpfully turned in their gold, there were others who did not so respond. In fairness, the conduct of all citizens with reference to gold should be the same in this emergency, and this is assured by the order. Those surrendering gold, of course, receive an equivalent amount of other forms of currency, and other forms of currency may be used for obtaining gold in an equivalent amount where authorized for proper purposes.

"Gold held in private hoards serves no useful purpose under present circumstances. When added to the stock of the Federal reserve banks it serves as a basis for currency and credit. This further strengthening of the banking structure adds to its power of service toward recovery.

"A vital provision of the order is that authorizing the Secretary of the Treasury to issue licenses for gold for proper business needs not involving hoarding. Applications will be passed upon as the facts in each case warrant.

"Regulations governing the procedure of the Treasury under the new order are in course of preparation."

On April 20, 1933, the following Executive order was issued by the President:

"EXECUTIVE ORDER RELATING TO FOREIGN EXCHANGE AND THE EARMARKING AND EXPORT OF GOLD COIN OR BULLION OR CURRENCY

"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 and by virtue of all other authority vested in me, do hereby issue the following Executive order:

"1. Until further order, the earmarking for foreign account and the export of gold coin, gold bullion, or gold certificates from the United States or any place subject to the jurisdiction thereof are hereby prohibited, except that the Secretary of the Treasury, in his discretion and subject to such regulations as he may prescribe, may issue licenses authorizing the export of gold coin and bullion (*a*) earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements, (*b*) imported for reexport or gold in reasonable amounts for usual trade requirements of refiners importing gold bearing materials under agreement to export gold, (*c*) actually required for the fulfillment of any contract entered into prior to the date of this order, by an applicant who in obedience to the Executive order of April 5, 1933, has delivered gold coin, gold bullion, or gold certificates, and (*d*) with the approval of the President, for transactions which he may deem necessary to promote the public interest.

"2. Until further order, the Secretary of the Treasury is authorized, through any agency that he may designate, to investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit from any banking institution within the United States or any place subject to the jurisdiction thereof to any foreign branch or office of such banking institution or to any foreign bank or banker, and the export or withdrawal of currency from the United States or any place subject to the jurisdiction of the United States, by any individual, partnership, association, or corporation within the United States or any place subject to the jurisdiction thereof; and the Secretary of the Treasury may require any individual, partnership, association, or corporation engaged in any transaction referred to herein to furnish under oath, complete information relative thereto, including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such individual, partnership, association, or corporation either before or after such transaction is completed.

"3. The provisions relating to foreign exchange transactions contained in the Executive order of March 10, 1933, shall remain in full force and effect except as amended or supplemented by this order and by regulations issued hereunder.

"4. Applicants who have gold coin, gold bullion, or gold certificates in their possession, or who in obedience to the Executive order of April 5, 1933, have delivered gold coin, gold bullion, or gold certificates shall be entitled to licenses as provided in section 8 of said Executive order for amounts not exceeding the equivalent of such coin, bullion, or certificates held or delivered. The Secretary may in his discretion issue or decline to issue any other licenses under said Executive order, which shall in all other respects remain in full force and effect.

"5. Whoever willfully violates any provision of this Executive order 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 10 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 may be modified or revoked at any time.

"Franklin D. Roosevelt.

"The White House,
"*April 20, 1933.*"

"STATEMENT BY THE SECRETARY OF THE TREASURY, APRIL 25

"Secretary Woodin to-day called attention to the fact that under the provisions of the President's order of April 5, 1933, forbidding the hoarding of gold coin, gold bullion, and gold certificates, persons who own gold coin, gold bullion, or gold certificates are required to deliver their holdings to a Federal Reserve Bank, branch or agency, or to any member bank of the Federal Reserve System, on or before next Monday, May 1, 1933, except as provided in certain cases specified in the order. A fine of $10,000 or 10 years imprisonment, or both, may be imposed as the penalty for failure to comply with the terms of the order.

"Gold in reasonable amount, actually required for use in industry, profession or art, is excepted from the order to deliver on or before May 1. An exception is also allowed in the case of gold coin and gold certificates in an amount not exceeding $100 belonging to any one person, and in the case of gold coins having a recognized special value to collectors of rare and unusual coins.

"In a final effort to acquaint the public with the requirements of the President's order, and the criminal penalties provided for violations of the order, the Treasury Department is forwarding to every post office and banking institution a printed notice, in the form of a poster and intended for public display, setting forth the Executive order in full. Persons having gold coin, gold bullion, or gold certificates should acquaint themselves with the exact terms of the Executive order.

"To facilitate the identification of gold certificates, as distinguished from other currency, the Treasury points out that gold certificates may be identified by the words 'Gold certificate' appearing thereon. In the case of gold certificates of the small-size currency, which were first issued in 1929, the title 'Gold certificate' appears on the face of the certificate, and in the case of gold certificates of the large-size currency (the issue of which was discontinued in 1929), the title 'Gold certificate' appears on the back. The serial number and the Treasury seal on the face of a gold certificate are printed in yellow. While Federal reserve notes and United States notes are redeemable in gold and bear a provision to that effect, they are not 'gold certificates,' and are not, therefore, required to be surrendered."

The Secretary of the Treasury issued the following regulations relating to licensing the purchase and export of gold:

REGULATIONS RELATING TO LICENSING THE PURCHASE AND EXPORT OF GOLD

"TREASURY DEPARTMENT,
"OFFICE OF THE SECRETARY,
"*April 29, 1933.*

"ARTICLE I

"MISCELLANEOUS PROVISIONS

"SECTION 1. *Authority for regulations.*—In pursuance of the provisions of section 5 (b) of the act of October 6, 1917, as amended by section 2 of the act of March 9, 1933, and the Executive orders of the President dated March 10, 1933, April 5, 1933, and April 20, 1933, these regulations are prescribed.

"SEC. 2. *Definitions.*—For the purposes of these regulations, the term 'person' means an individual, partnership, association or corporation; and the term 'United States' means the continental United States, including Alaska.

"SEC. 3. *Licenses nontransferable.*—Licenses or permits issued or granted under these regulations shall not be transferred.

"SEC. 4. *Scope.*—These regulations shall be operative within the United States as defined, unless otherwise indicated.

"SEC. 5. *Penalties.*—Whoever willfully violates any provision of these regulations or of any license issued hereunder may be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than 10 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.

"ARTICLE II

"PURCHASE OF GOLD FOR USE IN INDUSTRY PROFESSION OR ART

"SECTION 1. *Eligible applicants.*—Any person having a legitimate and customary use for gold in industry, profession, or art (including research and scientific work), or any person customarily supplying gold to others for such use (hereinafter called a 'dealer'), may file with a Federal reserve bank an application to purchase such quantity of gold as may be required for legitimate and customary use within a reasonable time.

"SEC. 2. *Applications.*—Such application shall be filed in duplicate, executed under oath and verified before an officer duly authorized to administer oaths, and shall contain (*a*) the name and address of the applicant, (*b*) the industry, profession or art or business in which the applicant is engaged, (*c*) the amount of gold usually required for use in the applicant's business for a period of 90 days, (*d*) the amount of gold used or sold during the preceding calendar year, (*e*) the amount and a description of all gold on hand at the date of the application, (*f*) the amount of gold applied for, (*g*) a statement that the applicant will use such gold as he may be permitted to purchase only for the legitimate and customary requirements of industry, profession, or art, or for sale exclusively in industry, profession, or art, and (*h*) a statement that no other application is pending.

"SEC. 3. *Purchase of gold.*—Upon receipt of the application and after making such investigation of the case as it may deem advisable, the Federal reserve bank, if satisfied that the gold is necessary for the legitimate and customary requirements of the applicant's business, industry, profession or art, within a reasonable time, may permit the applicant to purchase such quantity of gold (not in excess of the amount applied for) as may be necessary for such use upon payment therefor of an equivalent amount of coin or currency coined or issued under the laws of the United States. The applicant shall keep an exact record of the disposition of such gold, and, in the case of a dealer furnishing gold for use in industry, profession or art, such dealer shall keep a record which shall show the amounts and dates of sales and the names and addresses of the purchasers. Such records shall be available for examination by a representative of the Treasury Department for at least one year after the date of the disposition of the gold. The gold so purchased shall be used or disposed of only in accordance with this article and the Executive order of April 5, 1933. Dealers withdrawing gold under this article shall require of the persons who purchase gold from them an affidavit that the gold so purchased will be used exclusively in the industry, profession, or art in which such purchasers are engaged.

"SEC. 4. *Prior regulation revoked.*—Emergency Banking Regulation No. 25, issued March 13, 1933, is hereby revoked.

"ARTICLE III

"EXPORT OF GOLD COIN OR GOLD BULLION

"SECTION 1. *License required.*—No gold coin, gold bullion, or gold certificates shall be exported from the United States or any place subject to the jurisdiction thereof, or earmarked for foreign account unless a license therefor shall first have been obtained from the Secretary of the Treasury in accordance with this article or Article IV of these regulations. Licenses may be issued, in the discretion of the Secretary, authorizing the export of gold coin and gold bullion:

(*a*) Earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements;

(*b*) Imported for reexport; [1]

(*c*) Actually required for the fulfillment of any contract calling for payment or delivery of gold coin or bullion, entered into prior to April 20, 1933, by an applicant who in obedience to the Executive order of April 5, 1933, has delivered gold coin, gold bullion, or gold certificates in accordance with such order; or

(*d*) With the approval of the President, for transactions which he may deem necessary to promote the public interest.

"SEC. 2. *Application for license.*—Application for license under section 1 to export from the United States or any place subject to the jurisdiction thereof any gold coin or gold bullion shall be made to the Secretary of the Treasury. Each such application shall be executed in duplicate under oath and verified before an officer duly authorized to administer oaths, and shall state in detail (*a*) the name and address of the applicant, (*b*) the name and address of the owner of the gold to be exported, (*c*) the amount and a description of gold coin or gold bullion and the location thereof, (*d*) the port from which export will be made, (*e*) the name and address of the consignee, and (*f*) the nature of the transaction and the facts making necessary the export. In the case of an application for a license under section 1 (*c*) of this article, the application, in addition to the above, shall state in detail, (1) the amount, respectively, of the gold coin, gold bullion, or gold certificates delivered in obedience to the Executive order of April 5, 1933, and the date and place of such delivery, and (2) the amount of gold coin or gold bullion actually required for the fulfilment of the contract. A certified copy of the contract or obligation shall accompany the application.

"SEC. 3. *Filing of application.*—The application shall be filed with a Federal reserve bank, and such bank, after making such investigation of the case as it may deem necessary, shall transmit the original of such application to the Secretary of the Treasury, together with (*a*) such supplemental information as it may deem appropriate and (*b*) a recommendation as to whether the license should be granted or denied. A copy of the application shall be retained by the Federal reserve bank for its records.

"SEC. 4. *Issuance of license.*—If the Secretary of the Treasury, in his discretion, determines to grant a license upon an application filed under section 3, he will authorize the Federal reserve bank through which the application was transmitted to issue on his behalf a license to export a specified amount of gold coin or gold bullion, and such bank shall thereupon issue such license to the applicant. If the license applied for is not granted, the bank through which the application was transmitted will be advised and such bank shall thereupon so notify the applicant.

"SEC. 5. *License.*—Each license for the export of gold coin or bullion shall be numbered serially and shall bear (*a*) the date of issue, (*b*) the name and address of the licensee, (*c*) the name and address of the consignee, (*d*) the amount and description of the gold licensed, (*e*) the port of export, and (*f*) a statement, 'This license shall expire 15 days from date of issue.'

"SEC. 6. *Notification of issuance of license.*—At the time the license is issued, the issuing Federal reserve bank shall transmit a copy thereof to the collector of customs at the port of export designated thereon. No collector of customs shall permit the export of any gold coin or bullion under this article except upon surrender of a license to export, a copy of which has been received by him from the Federal reserve bank issuing such license.

"SEC. 7. *Expiration of license.*—All licenses to export gold coin or bullion issued under this article shall expire 15 days after date of issue, and any person holding a license who fails to export gold coin or bullion in accordance with

[1] Export of gold by refiners importing gold-bearing materials is covered by Article IV of these regulations

the terms of the license shall forthwith deliver such gold coin or bullion to a Federal reserve bank.

"Article IV

"IMPORT FOR SMELTING AND/OR REFINING AND EXPORT

"Section 1. *Notation upon entry.*—Upon the formal entry into the United States of gold-bearing ores, or any other gold-bearing materials imported into the United States for smelting and/or refining under an agreement providing for the export of gold bullion, the importer shall notify the collector of customs at the port where the gold-bearing ore or material is formally entered that the importation is made under such agreement. The collector shall make a notation on the entry to this effect and forward a copy of the entry to the United States Assay Office at New York, N. Y., or to the United States Mint at San Francisco, Calif., whichever is designated by the importer.

"Sec. 2. *Sampling and assaying.*—Promptly upon the receipt of each importation of gold-bearing ore or material at the plant where it is first to be treated, it shall be weighed, sampled, and assayed for gold content. A reserve commercial sample shall be retained at such plant for at least one year from the date the importation was received by the plant unless the assay is sooner verified by the Treasury Department.

"Sec. 3. *Plant records.*—The importer shall cause an exact record, covering each importation, to be kept at the plant of first treatment. The record shall show the gross wet weight of the importation, the weight of containers (if any), the net wet weight, the percentage and weight of moisture, the net dry weight, the gold content shown by the settlement assay, and the amount of gold bullion required to be exported under the agreement. An attested copy of such record shall be filed promptly with the assay office or the mint, whichever has been designated to receive a copy of the entry.

"Sec. 4. *Application for export license.*—Not later than 15 days from the date of entry, the importer shall file an application with the assay office or the mint, whichever has been designated to receive a copy of the entry, for a license to export gold bullion not in excess of the amount shown by the settlement sheet covering the importation. Such application shall be filed in duplicate, executed under oath and verified before an officer duly authorized to administer oaths, and shall show (*a*) the name and address of the applicant, (*b*) the port at which the importation was formally entered, (*c*) the entry number, (*d*) the date of entry, (*e*) the plant at which the importation was first treated, (*f*) the gross wet weight, (*g*) the weight of the containers (if any), (*h*) the net wet weight, (*i*) the percentage and weight of moisture, (*j*) the net dry weight, (*k*) the gold content, (*l*) the amount of gold bullion required to be exported under the agreement, and (*m*) the name and address of the proposed consignee of the exportation. The application shall be accompanied by two duly attested copies of the settlement sheet.

"Sec. 5. *Issuance of serial numbered certificate.*—If the superintendent of the assay office or of the mint is satisfied as to the accuracy of the data shown on such application, he shall issue to the importer a dated serial numbered certificate which shall show the amount of gold specified by the application and the amount specified by the settlement sheet. The Director of the Mint shall prescribe the form of such certificate.

"Sec. 6. *Issuance of export license.*—Upon delivery to the assay office or the mint, within 120 days from the date it was issued, of the serial numbered certificate the superintendent of the assay office or mint shall issue to the importer a license to export gold bullion in the amount applied for, but not in excess of the amount specified by the settlement sheet as shown on such certificate.

"Sec. 7. *Licenses.*—Each license for the export of gold bullion under this article shall be numbered serially and shall bear (*a*) the date of issue, (*b*) the name and address of the licensee, (*c*) the name and address of the consignee, (*d*) the amount and description of the gold licensed, (*e*) the port of export, and (*f*) a statement, 'This license shall expire 15 days from date of issue.'

"Sec. 8. *Notification of issuance of license.*—At the time the license is issued, the issuing assay office or mint shall transmit a copy thereof to the collector of customs at the port of export designated thereon. No collector of customs shall permit the export of any gold bullion under this article except upon surrender of a license to export, a copy of which has been received by him from the assay office or mint issuing the license.

"Sec. 9. *Expiration of license.*—All licenses to export gold bullion issued under this article shall expire 15 days after date of issue and any person holding a license who fails to export the gold bullion in accordance with the terms of the license shall forthwith deliver such bullion to a Federal reserve bank.

"ARTICLE V

"ACQUISITION OR RETENTION OF GOLD COIN, GOLD BULLION, OR GOLD CERTIFICATES FOR PROPER TRANSACTIONS NOT INVOLVING HOARDING

"SECTION 1. *Licenses for proper transactions and for purposes not covered in preceding articles.*—Any person showing the need for gold coin or gold bullion for a proper transaction not involving hoarding or for gold coin or gold bullion for a purpose specified in the Executive order of April 5, 1933, and not covered by the foregoing articles of these regulations, may make application to the Secretary of the Treasury for a license to purchase, or if such coin or bullion is already in his possession, to retain such coin or bullion, in amounts as may be reasonably necessary for such proper transaction or purpose. Applications shall be filed with any Federal reserve bank. The application shall be filed in duplicate, executed under oath and verified before an officer duly authorized to administer oaths and shall contain (*a*) the name and address of the applicant, (*b*) the amount of gold coin or gold bullion desired to be purchased or retained, (*c*) the amount and description of the gold coin or bullion on hand (if any) at the date of the application, (*d*) the proper transaction or purpose to which the gold coin or gold bullion will be devoted and the facts making necessary its purchase or retention, (*e*) such other facts as will enable the Secretary of the Treasury to determine whether the transaction is proper, and (*f*) a statement that the applicant will use such gold coin or gold bullion as he may be permitted to purchase or retain only for the transaction or purpose set forth in the application. In the case of an applicant for a license who has delivered in obedience to the Executive order of April 5, 1933, gold coin, gold bullion, or gold certificates, the application, in addition to the above, shall state in detail (1) the amount of gold coin, gold bullion, or gold certificates delivered in obedience to the Executive order of April 5, 1933; (2) the date of such delivery; and (3) the bank at which delivered.

"SEC. 2. *Disposition of applications.*—On the receipt of any such application, the Federal reserve bank shall make such investigation of the case as it may deem advisable and shall transmit to the Secretary of the Treasury the original of such application, together with (*a*) any supplemental information it may deem appropriate and (*b*) a recommendation whether a license should be granted or denied. The Federal reserve bank shall retain a copy of the application for its records.

"SEC. 3. *Granting or denial of the license.*—Upon receipt of the original application and the recommendation of the Federal reserve bank transmitting it, the Secretary of the Treasury will grant or deny the license. A license will be granted on application for the retention or acquisition of gold coin or bullion made by any person showing the need for such gold coin or bullion in accordance with the provisions of section 8 of the Executive order of April 5, 1933, in cases where such person has gold coin, gold bullion, or gold certificates in his possession, or in obedience to said Executive order, has delivered such coin, bullion or certificates. A license so granted shall be for an amount of gold coin or bullion not exceeding the amount of such coin, bullion, or certificates held or delivered. When the issuance of a license is approved by the Secretary of the Treasury the Federal reserve bank, through which application was made, will issue a license to the applicant. If denied, the Federal reserve bank will be so advised and shall immediately notify the applicant. The decision of the Secretary of the Treasury shall be final. The Federal reserve bank shall note upon the retained copy of the application whether or not a license has been granted, and, if granted, the date of the license and the amount of the gold coin or gold bullion covered thereby.

"SEC. 4. *Acquisition of gold.*—Upon presentation of a license for the acquisition of gold coin or bullion to a Federal reserve bank, such bank shall deliver to the licensee the amount of gold coin or gold bullion authorized in such license upon payment therefor in an equivalent amount of any form of coin or currency coined or issued under the laws of the United States.

"SEC. 5. *Reports required on the disposition of gold coin or bullion.*—Any person holding a license for the retention or acquisition of gold coin or bullion issued under this article, who shall at any time dispose of such gold coin or bullion in accordance with the terms of the license or otherwise, shall immediately file a written report in duplicate with the Federal reserve bank through which the license was issued. Such report shall be executed under oath and verified before an officer duly authorized to administer oaths and shall contain (*a*) the names and addresses of the person or persons to whom such gold coin or bullion was delivered (*b*) the amounts thereof and whether gold coin or gold bullion, and (*c*) the reason for such delivery. On the receipt of any such report, the Federal reserve bank receiving it shall immediately transmit the original to the Secretary of the Treasury in Washington and shall retain a copy for its records. Upon the transfer of any gold coin or bullion by a person licensed to retain or acquire the same, such licensee shall advise the transferee of the provisions of the Executive order of April 5, 1933, and of the penalties for its violation, and such transferee shall deliver such gold coin or bullion so received to a Federal reserve bank or branch or agent thereof or any member bank of the Federal Reserve System in accordance with the Executive order of April 5, 1933, and shall be subject to the penalties of said Executive order for any violation thereof.

"These regulations may be supplemented, modified, or revoked at any time.

"W. H. WOODIN,
"*Secretary of the Treasury.*"

On May 12, 1933, the President approved legislation which includes the following title:

TITLE III—FINANCING—AND EXERCISING POWER CONFERRED BY SECTION 8 OF ARTICLE I OF THE CONSTITUTION: TO COIN MONEY AND TO REGULATE THE VALUE THEREOF

SEC. 43. Whenever the President finds, upon investigation, that (1) the foreign commerce of the United States is adversely affected by reason of the depreciation in the value of the currency of any other government or governments in relation to the present standard value of gold, or (2) action under this section is necessary in order to regulate and maintain the parity of currency issues of the United States, or (3) an economic emergency requires an expansion of credit, or (4) an expansion of credit is necessary to secure by international agreement a stabilization at proper levels of the currencies of various governments, the President is authorized, in his discretion—

(a) To direct the Secretary of the Treasury to enter into agreements with the several Federal Reserve banks and with the Federal Reserve Board whereby the Federal Reserve Board will, and it is hereby authorized to, notwithstanding any provisions of law or rules and regulations to the contrary, permit such reserve banks to agree that they will, (1) conduct, pursuant to existing law, throughout specified periods, open market operations in obligations of the United States Government or corporations in which the United States is the majority stockholder, and (2) purchase directly and hold in portfolio for an agreed period or periods of time Treasury bills or other obligations of the United States Government in an aggregate sum of $3,000,000,000 in addition to those they may then hold, unless prior to the termination of such period or periods the Secretary shall consent to their sale. No suspension of reserve requirements of the Federal Reserve banks, under the terms of section 11(c) of the Federal Reserve Act, necessitated by reason of operations under this section, shall require the imposition of the graduated tax upon any deficiency in reserves as provided in said section 11(c). Nor shall it require any automatic increase in the rates of interest or discount charged by any Federal Reserve bank, as otherwise specified in that section. The Federal Reserve Board, with the approval of the Secretary of the Treasury, may require the Federal Reserve banks to take such action as may be necessary, in the judgment of the Board and of the Secretary of the Treasury, to prevent undue credit expansion.

(b) If the Secretary, when directed by the President, is unable to secure the assent of the several Federal Reserve banks and the Federal Reserve Board to the agreements authorized in this section, or if operations under the above provisions prove to be inadequate to meet the purposes of this section, or if for any other reason additional measures are required in the judgment of the President to meet such purposes, then the President is authorized—

(1) To direct the Secretary of the Treasury to cause to be issued in such amount or amounts as he may from time to time order, United States notes, as provided in the Act entitled "An Act to authorize the issue of United States notes and for the redemption or funding thereof and for funding the floating debt of the United States", approved February 25, 1862, and Acts supplementary thereto and amendatory thereof, in the same size and of similar color to the Federal Reserve notes heretofore issued and in denominations of $1, $5, $10, $20, $50, $100, $500, $1,000, and $10,000; but notes issued under this subsection shall be issued only for the purpose of meeting maturing Federal obligations to repay sums borrowed by the United States and for purchasing United States bonds and other interest-bearing obligations of the United States: *Provided*, That when any such notes are used for such purpose the bond or other obligation so acquired or taken up shall be retired and canceled. Such notes shall be issued at such times and in such amounts as the President may approve but the aggregate amount of such notes outstanding at any time shall not exceed $3,000,000,000. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, an amount sufficient to enable the Secretary of the Treasury to retire and cancel 4 per centum annually of such outstanding notes, and the Secretary of the Treasury is hereby directed to retire and cancel annually 4 per centum of such outstanding notes. Such notes and all other coins and currencies heretofore or hereafter coined or issued by or under the authority of the United States shall be legal tender for all debts public and private.

(2) 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, or in case the Government of the United States enters into an agreement with any government or governments under the terms of which the ratio between the value of gold and other currency issued by the United States and by any such government or governments is established, the President may fix the weight of the

gold dollar in accordance with the ratio so agreed upon, and such gold dollar, the weight of which is so fixed, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity with this standard and it shall be the duty of the Secretary of the Treasury to maintain such parity, but in no event shall the weight of the gold dollar be fixed so as to reduce its present weight by more than 50 per centum.

SEC. 44. The Secretary of the Treasury, with the approval of the President, is hereby authorized to make and promulgate rules and regulations covering any action taken or to be taken by the President under subsection (a) or (b) of section 43.

SEC. 45. (a) The President is authorized, for a period of six months from the date of the passage of this Act, to accept silver in payment of the whole or any part of the principal or interest now due, or to become due within six months after such date, from any foreign government or governments on account of any indebtedness to the United States, such silver to be accepted at not to exceed the price of 50 cents an ounce in United States currency. The aggregate value of the silver accepted under this section shall not exceed $200,000,000.

(b) The silver bullion accepted and received under the provisions of this section shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of the charges or deductions, if any, to be made; but such silver bullion shall not be counted as part of the silver bullion authorized or required to be purchased and coined under the provisions of existing law.

(c) The silver accepted and received under the provisions of this section shall be deposited in the Treasury of the United States, to be held, used, and disposed of as in this section provided.

(d) The Secretary of the Treasury shall cause silver certificates to be issued in such denominations as he deems advisable to the total number of dollars for which such silver was accepted in payment of debts. Such silver certificates shall be used by the Treasurer of the United States in payment of any obligations of the United States.

(e) The silver so accepted and received under this section shall be coined into standard silver dollars and subsidiary coins sufficient, in the opinion of the Secretary of the Treasury, to meet any demands for redemption of such silver certificates issued under the provisions of this section, and such coins shall be retained in the Treasury for the payment of such certificates on demand. The silver so accepted and received under this section, except so much thereof as is coined under the provisions of this section, shall be held in the Treasury for the sole purpose of aiding in maintaining the parity of such certificates as provided in existing law. Any such certificates or reissued certificates, when presented at the Treasury, shall be redeemed in standard silver dollars, or in subsidiary silver coin, at the option of the holder of the certificates: *Provided*, That, in the redemption of such silver certificates issued under this section, not to exceed one third of the coin required for such redemption may in the judgment of the Secretary of the Treasury be made in subsidiary coins, the balance to be made in standard silver dollars.

(f) When any silver certificates issued under the provisions of this section are redeemed or received into the Treasury from any source whatsoever, and belong to the United States, they shall not be retired, canceled, or destroyed, but shall be reissued and paid out again and kept in circulation; but nothing herein shall prevent the cancelation and destruction of mutilated certificates and the issue of other certificates of like denomination in their stead, as provided by law.

(g) The Secretary of the Treasury is authorized to make rules and regulations for carrying out the provisions of this section.

SEC. 46. Section 19 of the Federal Reserve Act, as amended, is amended by inserting immediately after paragraph (c) thereof the following new paragraph:

"Notwithstanding the foregoing provisions of this section, the Federal Reserve Board, upon the affirmative vote of not less than five of its members and with the approval of the President, may declare that an emergency exists by reason of credit expansion, and may by regulation during such emergency increase or decrease from time to time, in its discretion, the reserve balances required to be maintained against either demand or time deposits."

Approved May 12th 1933

On May 26, 1933, the following memorandum was issued:

"GOLD CLAUSE" OBLIGATIONS

"A joint resolution was introduced today in both Houses of Congress designed to clarify the effect of recent legislation upon the status of the 'gold clause' in public and private obligations. This resolution has the support of the administration.

"Since March 6, when the President declared a bank holiday, transactions involving payments in gold have been brought under control in order to protect and maintain the supply which constitutes a reserve for the Nation's currency. Gold is not now paid, nor is it available for payment, upon public or private debts.

"Recently the Thomas amendment to the Agricultural Relief Act has made all coins and currencies of the United States legal tender for the payment of every debt, public and private. Due, however, to the language used doubt has arisen whether obligations expressed to be payable in a particular kind of money, such as gold coin, may be satisfied by payment in other forms of legal tender.

"While the Supreme Court of New York is reported to have held in a recent case that an obligation calling for payment in gold coin could be satisfied by payment of other lawful forms of money, confusion may be created if the existing legislation is differently construed in other jurisdictions. One of the purposes of the resolution is to remove any doubt and to avoid confusion, so that debtors and creditors may have a clear definition of their legal position.

"Another purpose of the resolution is to make clear that future obligations, public and private, shall not contain the 'gold clause.' The Thomas amendment did not contain specific provision to this effect. Such a provision is contained in the resolution.

"The resolution makes it clear that all obligations past and future will be upon the same footing."

The President approved on June 6, 1933, the following joint resolution:

[PUBLIC RESOLUTION—NO. 10—73D CONGRESS]

[H.J.Res. 192]

JOINT RESOLUTION

To assure uniform value to the coins and currencies of the United States.

Whereas the holding of or dealing in gold affect the public interest, and are therefore subject to proper regulation and restriction; and

Whereas the existing emergency has disclosed that provisions of obligations which purport to give the obligee a right to require payment in gold or a particular kind of coin or currency of the United States, or in an amount in money of the United States measured thereby, obstruct the power of the Congress to regulate the value of the money of the United States, and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar, coined or issued by the United States, in the markets and in the payment of debts. Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency, or in an amount in money of the United States measured thereby, is declared to be against public policy; and no such provision shall be contained in or made with respect to any obligation hereafter incurred. Every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts. Any such provision contained in any law authorizing obligations to be issued by or under authority of the United States, is hereby repealed, but the repeal of any such provision shall not invalidate any other provision or authority contained in such law.

(b) As used in this resolution, the term "obligation" means an obligation (including every obligation of and to the United States, excepting currency) payable in money of the United States; and the term "coin or currency" means coin or currency of the United States, including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations.

SEC. 2. The last sentence of paragraph (1) of subsection (b) of section 43 of the Act entitled "An Act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint stock land banks, and for other purposes", approved May 12, 1933, is amended to read as follows:

"All coins and currencies of the United States (including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations) heretofore or hereafter coined or issued, shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, except that gold coins, when below the standard weight and limit of tolerance provided by law for the single piece, shall be legal tender only at valuation in proportion to their actual weight."

Approved, June 5, 1933, 4.40 p.m.

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