

FEDERAL RESERVE BANK OF ST. LOUIS

April 6, 1933.

PRESS STATEMENT

To All Banks in District No. 8:

The Secretary of the Treasury released the following statement to the Press on the late afternoon of April 5:

“The President’s order of today 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 today, 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 serve 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.”

Respectfully,

WM. McC. MARTIN,

Governor.