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R. Mead

**DOCUMENTS
AND STATEMENTS PERTAINING TO THE
BANKING EMERGENCY**

**Presidential Proclamations, Federal Legislation, Executive
Orders, Regulations, and other Documents
and Official Statements**

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PART I

FEBRUARY 25-MARCH 31, 1933



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For convenient use, Presidential proclamations, Federal legislation, Executive orders, regulations, and other documents pertaining to the banking emergency are here reproduced. Material pertaining primarily to gold, currency, and foreign exchange is presented as Part II of this publication.

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During February and the first days of March, 1933, banking difficulties became acute in many parts of the country. By Saturday, March 4, banks in practically all States were either closed or were operating under restrictions, on the authority of State officials and of the Comptroller of the Currency. Authority for the Comptroller of the Currency to exercise with respect to national banks such powers as State officials have with respect to State banks was given by the following joint resolution:

Joint resolution of February 25, 1933

[PUBLIC RESOLUTION—No. 58—72D CONGRESS]

[S. J. Res. 256]

JOINT RESOLUTION

Authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, with the approval of the Secretary of the Treasury, the Comptroller of the Currency shall have and may exercise to such extent as he deems advisable with respect to any national banking association any powers which the State officials having supervision of State banks, savings banks and/or trust companies in the State in which such national banking associations are located may have with respect to such State institutions under State laws now in force or hereafter enacted: *Provided*, That nothing herein shall be construed to permit the establishment of branches of either national or State member banks or allow consolidation of either national or State member banks not allowed by existing laws.

Expenses incurred by the Comptroller of the Currency in the exercise of such powers may be assessed by him against the banks concerned and, when so assessed, shall be paid by such banks.

Nothing herein shall be construed to impair any power otherwise possessed by the Comptroller of the Currency, the Secretary of the Treasury or the Federal Reserve Board.

The powers herein conferred shall terminate six months from its approval by the President; but the President of the United States may extend its force by proclamation for an additional six months.

Approved, February 25, 1933.

By joint resolution, the Comptroller of the Currency was given, for a period of 6 months (subject to extension by the President for an additional 6 months), special regulatory authority in regard to banks in the District of Columbia. This resolution authorized the

Joint resolution of March 3, 1933

Comptroller, when necessary for the protection of the interests of depositors and other creditors of any incorporated bank and/or trust company doing business in the District of Columbia ". . . to prescribe such rules and regulations as he deems advisable governing the receipt and withdrawal of deposits by and from any such bank and trust company . . ."

In order to place all banks on a uniform basis of restricted operations and to permit the development of adequate means for dealing with the national emergency, the President of the United States issued the following proclamation on the morning of March 6, declaring a national bank holiday:

Proclamation of bank holiday

"BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

"A PROCLAMATION

"Whereas there have been heavy and unwarranted withdrawals of gold and currency from our banking institutions for the purpose of hoarding; and

"Whereas continuous and increasingly extensive speculative activity abroad in foreign exchange has resulted in severe drains on the Nation's stocks of gold; and

"Whereas these conditions have created a national emergency; and

"Whereas it is in the best interests 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 to protect the interests of our people; and

"Whereas it is provided in section 5 (b) of the Act of October 6, 1917 (40 Stat. L. 411) 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

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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; * * *;

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, in view of such national emergency and by virtue of the authority vested in me by said Act and in order to prevent the export, hoarding, or earmarking of gold or silver coin or bullion or currency, do hereby proclaim, order, direct and declare that from Monday, the sixth day of March, to Thursday, the ninth day of March, Nineteen Hundred and Thirty Three, both dates inclusive, there shall be maintained and observed by all banking institutions and all branches thereof located in the United States of America, including the territories and insular possessions, a bank holiday, and that during said period all banking transactions shall be suspended. During such holiday, excepting as hereinafter provided, no such banking institution or branch 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 or branch pay out deposits, make loans or discounts, deal in foreign exchange, transfer credits from the United States to any place abroad, or transact any other banking business whatsoever.

"During such holiday, the Secretary of the Treasury, with the approval of the President and under such regulations as he may prescribe, is authorized and empowered (a) to permit any or all of such banking institutions to perform any or all of the usual banking functions, (b) to direct, require or permit the issuance of clearing house certificates or other evidences of claims against assets of banking institutions, and (c) to authorize and direct the creation in such banking institutions of special trust accounts for the receipt of new deposits which shall be subject to withdrawal on demand without any restriction or limitation and shall be kept separately in cash or on deposit in Federal reserve banks or invested in obligations the United States.

"As used in this order the term 'banking institutions' shall include all Federal reserve banks, national banking associations, banks, trust companies, savings banks, building and loan associations, credit unions, or other corporations,¹ partnerships, associations or persons,

¹ See interpretations No. 3 (Mar. 7) and No. 10 (Mar. 14), p. 15.

engaged in the business of receiving deposits, making loans, discounting business paper, or transacting any other form of banking business.

"In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

"Done in the City of Washington this 6th day of March—1 a. m. in the year of our Lord One Thousand Nine Hundred and Thirty-three, and of the Independence of the United States the One Hundred and Fifty-seventh.

[SEAL] "FRANKLIN D. ROOSEVELT

"By the President:

"CORDELL HULL
"Secretary of State"

On March 9, 1933, the President sent the following message to Congress:

Message to Congress

"On March 3 banking operations in the United States ceased. To review at this time the causes of this failure of our banking system is unnecessary. Suffice it to say that the Government has been compelled to step in for the protection of depositors and the business of the nation.

"Our first task is to reopen all sound banks. This is an essential preliminary to subsequent legislation directed against speculation with the funds of depositors and other violations of positions of trust.

"In order that the first objective—the opening of banks for the resumption of business—may be accomplished, I ask of the Congress the immediate enactment of legislation giving to the executive branch of the Government control over banks for the protection of depositors; authority forthwith to open such banks as have already been ascertained to be in sound condition and other such banks as rapidly as possible; and authority to reorganize and reopen such banks as may be found to require reorganization to put them on a sound basis.

"I ask amendments to the Federal Reserve Act to provide for such additional currency, adequately secured, as it may become necessary to issue to meet all demands for currency and at the same time to achieve this end without increasing the unsecured indebtedness of the Government of the United States.

"I can not too strongly urge upon the Congress the clear necessity for immediate action. A continuation of the strangulation of banking facilities is unthinkable. The passage of the

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proposed legislation will end this condition, and I trust within a short space of time will result in a resumption of business activities.

"In addition, it is my belief that this legislation will not only lift immediately all unwarranted doubts and suspicions in regards to banks which are 100 per cent sound, but will also mark the beginning of a new relationship between the banks and the people of this country.

"The members of the new Congress will realize, I am confident, the grave responsibility which lies upon me and upon them.

"In the short space of five days it is impossible for us to formulate completed measures to prevent the recurrence of the evils of the past. This does not and should not, however, justify any delay in accomplishing this first step.

"At an early moment I shall request of the Congress two other measures which I regard as of immediate urgency. With action taken thereon we can proceed to the consideration of a rounded program of national restoration."

On March 9, 1933, following receipt of the President's message, Congress passed an act "to provide relief in the existing national emergency in banking, and for other purposes." The text of the act is as follows:

**Emergency
banking act**

[PUBLIC—No. 1—73D CONGRESS]

[H.R. 1491]

AN ACT

To provide relief in the existing national emergency in banking, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that a serious emergency exists and that it is imperatively necessary speedily to put into effect remedies of uniform national application.

TITLE I

SECTION 1. The actions, regulations, rules, licenses, orders and proclamations heretofore or hereafter taken, promulgated, made, or issued by the President of the United States or the Secretary of the Treasury since March 4, 1933, pursuant to the authority conferred by subdivision (b) of section 5 of the act of October 6, 1917, as amended, are hereby approved and confirmed.

SEC. 2. Subdivision (b) of section 5 of the act of October 6, 1917 (40 Stat. L. 411), as amended, is hereby amended to read as follows:

"(b) During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, 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 between or payments by banking institutions as defined by the

President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person engaged in any transaction referred to in this subdivision 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 person, either before or after such transaction is completed. Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule or regulation issued thereunder, shall, upon conviction, 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 such violation may be punished by a like fine, imprisonment, or both. As used in this subdivision the term 'person' means an individual, partnership, association, or corporation."

SEC. 3. Section 11 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(n) Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may require any or all individuals, partnerships, associations and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates owned by such individuals, partnerships, associations and corporations. Upon receipt of such gold coin, gold bullion or gold certificates, the Secretary of the Treasury shall pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States. The Secretary of the Treasury shall pay all costs of the transportation of such gold bullion, gold certificates, coin, or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any individual, partnership, association, or corporation failing to comply with any requirement of the Secretary of the Treasury made under this subsection shall be subject to a penalty equal to twice the value of the gold or gold certificates in respect of which such failure occurred, and such penalty may be collected by the Secretary of the Treasury by suit or otherwise."

SEC. 4. In order to provide for the safer and more effective operation of the National Banking System and the Federal Reserve System, to preserve for the people the full benefits of the currency provided for by the Congress through the National Banking System and the Federal Reserve System, and to relieve interstate commerce of the burdens and obstructions resulting from the receipt on an unsound or unsafe basis of deposits subject to withdrawal by check, during such emergency period as the President of the United States by proclamation may prescribe, no member bank of the Federal Reserve System shall transact any banking business except to such extent and subject to such regulations, limitations and restrictions as may be prescribed by the Secretary of the Treasury, with the approval of the President. Any individual, partnership, corporation, or association, or any director, officer or employee thereof, violating any of the provisions of this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$10,000 or, if a natural person, may, in addition to such fine, be imprisoned for a term not exceeding ten years. Each day that any such violation continues shall be deemed a separate offense.

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TITLE II

SEC. 201. This title may be cited as the "Bank Conservation Act."

SEC. 202. As used in this title, the term "bank" means (1) any national banking association, and (2) any bank or trust company located in the District of Columbia and operating under the supervision of the Comptroller of the Currency; and the term "State" means any State, Territory, or possession of the United States, and the Canal Zone.

SEC. 203. Whenever he shall deem it necessary in order to conserve the assets of any bank for the benefit of the depositors and other creditors thereof, the Comptroller of the Currency may appoint a conservator for such bank and require of him such bond and security as the Comptroller of the Currency deems proper. The conservator, under the direction of the Comptroller, shall take possession of the books, records, and assets of every description of such bank, and take such action as may be necessary to conserve the assets of such bank pending further disposition of its business as provided by law. Such conservator shall have all the rights, powers, and privileges now possessed by or hereafter given receivers of insolvent national banks and shall be subject to the obligations and penalties, not inconsistent with the provisions of this title, to which receivers are now or may hereafter become subject. During the time that such conservator remains in possession of such bank, the rights of all parties with respect thereto shall, subject to the other provisions of this title, be the same as if a receiver had been appointed therefor. All expenses of any such conservatorship shall be paid out of the assets of such bank and shall be a lien thereon which shall be prior to any other lien provided by this Act or otherwise. The conservator shall receive as salary an amount no greater than that paid to employees of the Federal Government for similar services.

SEC. 204. The Comptroller of the Currency shall cause to be made such examinations of the affairs of such bank as shall be necessary to inform him as to the financial condition of such bank, and the examiner shall make a report thereon to the Comptroller of the Currency at the earliest practicable date.

SEC. 205. If the Comptroller of the Currency becomes satisfied that it may safely be done and that it would be in the public interest, he may, in his discretion, terminate the conservatorship and permit such bank to resume the transaction of its business subject to such terms, conditions, restrictions and limitations as he may prescribe.

SEC. 206. While such bank is in the hands of the conservator appointed by the Comptroller of the Currency, the Comptroller may require the conservator to set aside and make available for withdrawal by depositors and payment to other creditors, on a ratable basis, such amounts as in the opinion of the Comptroller may safely be used for this purpose; and the Comptroller may, in his discretion, permit the conservator to receive deposits, but deposits received while the bank is in the hands of the conservator shall not be subject to any limitation as to payment or withdrawal, and such deposits shall be segregated and shall not be used to liquidate any indebtedness of such bank existing at the time that a conservator was appointed for it, or any subsequent indebtedness incurred for the purpose of liquidating any indebtedness of such bank existing at the time such conservator was appointed. Such deposits received while the bank is in the hands of the conservator shall be kept on hand in cash, invested in the direct obligations of the United States, or deposited with a Federal

reserve bank. The Federal reserve banks are hereby authorized to open and maintain separate deposit accounts for such purpose, or for the purpose of receiving deposits from State officials in charge of State banks under similar circumstances.

SEC. 207. In any reorganization of any national banking association under a plan of a kind which, under existing law, requires the consent, as the case may be, (a) of depositors and other creditors or (b) of stockholders or (c) of both depositors and other creditors and stockholders, such reorganization shall become effective only (1) when the Comptroller of the Currency shall be satisfied that the plan of reorganization is fair and equitable as to all depositors, other creditors and stockholders and is in the public interest and shall have approved the plan subject to such conditions, restrictions and limitations as he may prescribe and (2) when, after reasonable notice of such reorganization, as the case may require, (A) depositors and other creditors of such bank representing at least 75 per cent in amount of its total deposits and other liabilities as shown by the books of the national banking association or (B) stockholders owning at least two-thirds of its outstanding capital stock as shown by the books of the national banking association or (C) both depositors and other creditors representing at least 75 per cent in amount of the total deposits and other liabilities and stockholders owning at least two-thirds of its outstanding capital stock as shown by the books of the national banking association, shall have consented in writing to the plan of reorganization: *Provided, however,* That claims of depositors or other creditors which will be satisfied in full under the provisions of the plan of reorganization shall not be included among the total deposits and other liabilities of the national banking association in determining the 75 per cent thereof as above provided. When such reorganization becomes effective, all books, records, and assets of the national banking association shall be disposed of in accordance with the provisions of the plan and the affairs of the national banking association shall be conducted by its board of directors in the manner provided by the plan and under the conditions, restrictions and limitations which may have been prescribed by the Comptroller of the Currency. In any reorganization which shall have been approved and shall have become effective as provided herein, all depositors and other creditors and stockholders of such national banking association, whether or not they shall have consented to such plan of reorganization, shall be fully and in all respects subject to and bound by its provisions, and claims of all depositors and other creditors shall be treated as if they had consented to such plan of reorganization.

SEC. 208. After fifteen days after the affairs of a bank shall have been turned back to its board of directors by the conservator, either with or without a reorganization as provided in section 207 hereof, the provisions of section 206 of this title with respect to the segregation of deposits received while it is in the hands of the conservator and with respect to the use of such deposits to liquidate the indebtedness of such bank shall no longer be effective: *Provided,* That before the conservator shall turn back the affairs of the bank to its board of directors he shall cause to be published in a newspaper published in the city, town or county in which such bank is located, and if no newspaper is published in such city, town or county, in a newspaper to be selected by the Comptroller of the Currency published in the State in which the bank is located, a notice in form approved by the Comptroller, stating the date on which the affairs of the bank will be returned to its board of directors and that the said provisions of sec-

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tion 206 will not be effective after fifteen days after such date; and on the date of the publication of such notice the conservator shall immediately send to every person who is a depositor in such bank under section 206 a copy of such notice by registered mail addressed to the last known address of such person as shown by the records of the bank, and the conservator shall send similar notice in like manner to every person making deposit in such bank under section 206 after the date of such newspaper publication and before the time when the affairs of the bank are returned to its directors.

SEC. 209. Conservators appointed pursuant to the provisions of this title shall be subject to the provisions of and to the penalties prescribed by section 5209 of the Revised Statutes (U. S. C., Title 12, sec. 592); and sections 112, 113, 114, 115, 116 and 117 of the Criminal Code of the United States (U. S. C., Title 18, secs. 202, 203, 204, 205, 206 and 207), in so far as applicable, are extended to apply to contracts, agreements, proceedings, dealings, claims and controversies by or with any such conservator or the Comptroller of the Currency under the provisions of this title.

SEC. 210. Nothing in this title shall be construed to impair in any manner any powers of the President, the Secretary of the Treasury, the Comptroller of the Currency, or the Federal Reserve Board.

SEC. 211. The Comptroller of the Currency is hereby authorized and empowered, with the approval of the Secretary of the Treasury, to prescribe such rules and regulations as he may deem necessary in order to carry out the provisions of this title. Whoever violates any rule or regulation made pursuant to this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

TITLE III

SEC. 301. Notwithstanding any other provision of law, any national banking association may, with the approval of the Comptroller of the Currency and by vote of shareholders owning a majority of the stock of such association, upon not less than five days' notice, given by registered mail pursuant to action taken by its board of directors, issue preferred stock in such amount and with such par value as shall be approved by said Comptroller, and make such amendments to its articles of association as may be necessary for this purpose; but, in the case of any newly organized national banking association which has not yet issued common stock, the requirement of notice to and vote of shareholders shall not apply. No issue of preferred stock shall be valid until the par value of all stock so issued shall be paid in.

SEC. 302. (a) The holders of such preferred stock shall be entitled to cumulative dividends at a rate not exceeding 6 per centum per annum, but shall not be held individually responsible as such holders for any debts, contracts, or engagements of such association and shall not be liable for assessments to restore impairments in the capital of such association as now provided by law with reference to holders of common stock. Notwithstanding any other provision of law, the holders of such preferred stock shall have such voting rights, and such stock shall be subject to retirement in such manner and on such terms and conditions, as may be provided in the articles of association with the approval of the Comptroller of the Currency.

(b) No dividends shall be declared or paid on common stock until the cumulative dividends on the preferred stock shall have been paid in full; and, if the association is placed in voluntary liquidation or a conservator

or a receiver is appointed therefor, no payments shall be made to the holders of the common stock until the holders of the preferred stock shall have been paid in full the par value of such stock plus all accumulated dividends.

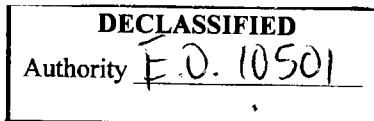
SEC. 303. The term "common stock" as used in this title means stock of national banking associations other than preferred stock issued under the provisions of this title. The term "capital" as used in provisions of law relating to the capital of national banking associations shall mean the amount of unimpaired common stock plus the amount of preferred stock outstanding and unimpaired; and the term "capital stock", as used in section 12 of the Act of March 14, 1900, shall mean only the amount of common stock outstanding.

SEC. 304. If in the opinion of the Secretary of the Treasury any national banking association or any State bank or trust company is in need of funds for capital purposes either in connection with the organization or reorganization of such association, State bank or trust company or otherwise, he may, with the approval of the President, request the Reconstruction Finance Corporation to subscribe for preferred stock in such association, State bank or trust company, or to make loans secured by such stock as collateral, and the Reconstruction Finance Corporation may comply with such request. The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market or otherwise the whole or any part of the preferred stock of any national banking association, State bank or trust company acquired by the Corporation pursuant to this section. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section.

TITLE IV

SEC. 401. The sixth paragraph of Section 18 of the Federal Reserve Act is amended to read as follows:

"Upon the deposit with the Treasurer of the United States, (a) of any direct obligations of the United States or (b) of any notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of this Act, any Federal reserve bank making such deposit in the manner prescribed by the Secretary of the Treasury shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, duly registered and countersigned. When such circulating notes are issued against the security of obligations of the United States, the amount of such circulating notes shall be equal to the face value of the direct obligations of the United States so deposited as security; and, when issued against the security of notes, drafts, bills of exchange and bankers' acceptances acquired under the provisions of this Act, the amount thereof shall be equal to not more than 90 per cent of the estimated value of such notes, drafts, bills of exchange and bankers' acceptances so deposited as security. Such notes shall be the obligations of the Federal reserve bank procuring the same, shall be in form prescribed by the Secretary of the Treasury, shall be receivable at par in all parts of the United States for the same purposes as are national bank notes, and shall be redeemable in lawful money of the United States on presentation at the United States Treasury or at the bank of issue. The Secretary of the Treasury is authorized and empowered to prescribe regulations governing the issuance, redemption, replacement, retirement and destruction of



such circulating notes and the release and substitution of security therefor. Such circulating notes shall be subject to the same tax as is provided by law for the circulating notes of national banks secured by 2 per cent bonds of the United States. No such circulating notes shall be issued under this paragraph after the President has declared by proclamation that the emergency recognized by the President by proclamation of March 6, 1933, has terminated, unless such circulating notes are secured by deposits of bonds of the United States bearing the circulation privilege. When required to do so by the Secretary of the Treasury, each Federal reserve agent shall act as agent of the Treasurer of the United States or of the Comptroller of the Currency, or both, for the performance of any of the functions which the Treasurer or the Comptroller may be called upon to perform in carrying out the provisions of this paragraph. Appropriations available for distinctive paper and printing United States currency or national bank currency are hereby made available for the production of the circulating notes of Federal reserve banks herein provided; but the United States shall be reimbursed by the Federal reserve bank to which such notes are issued for all expenses necessarily incurred in connection with the procuring of such notes and all other expenses incidental to their issue, redemption, replacement, retirement and destruction."

SEC. 402. Section 10 (b) of the Federal Reserve Act, as amended, is further amended to read as follows:

"SEC. 10(b). In exceptional and exigent circumstances, and when any member bank has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal reserve bank or any other method provided by this Act other than that provided by section 10 (a), any Federal reserve bank, under rules and regulations prescribed by the Federal Reserve Board, may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal reserve bank. Each such note shall bear interest at a rate not less than 1 per centum per annum higher than the highest discount rate in effect at such Federal reserve bank on the date of such note. No advance shall be made under this section after March 3, 1934, or after the expiration of such additional period not exceeding one year as the President may prescribe."

SEC. 403. Section 13 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Subject to such limitations, restrictions and regulations as the Federal Reserve Board may prescribe, any Federal reserve bank may make advances to any individual, partnership or corporation on the promissory notes of such individual, partnership or corporation secured by direct obligations of the United States. Such advances shall be made for periods not exceeding 90 days and shall bear interest at rates fixed from time to time by the Federal reserve bank, subject to the review and determination of the Federal Reserve Board.

TITLE V

SEC. 501. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$2,000,000, which shall be available for expenditure, under the direction of the President and in his discretion, for any purpose in connection with the carrying out of this Act.

SEC. 502. The right to alter, amend, or repeal this Act is hereby expressly reserved. If any provision of

this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Approved March 9th 1933 8.30 p. m.

On March 24, 1933, the President approved the following amendment to the emergency banking act providing for direct loans by Federal reserve banks to State banks and trust companies in certain cases:

[PUBLIC—No. 4—73D CONGRESS]

[H. R. 3757]

AN ACT

To provide for direct loans by Federal reserve banks to State banks and trust companies in certain cases, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Title IV of the Act entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, is amended by adding at the end thereof the following new section:

"SEC. 404. During the existing emergency in banking, or until this section shall be declared no longer operative by proclamation of the President, but in no event beyond the period of one year from the date this section takes effect, any State bank or trust company not a member of the Federal reserve system may apply to the Federal reserve bank in the district in which it is located and said Federal reserve bank, in its discretion and after inspection and approval of the collateral and a thorough examination of the applying bank or trust company, may make direct loans to such State bank or trust company under the terms provided in section 10 (b) of the Federal Reserve Act, as amended by section 402 of this Act: *Provided*, That loans may be made to any applying nonmember State bank or trust company upon eligible security. All applications for such loans shall be accompanied by the written approval of the State banking department or commission of the State from which the State bank or trust company has received its charter and a statement from the said State banking department or commission that in its judgment said State bank or trust company is in a sound condition. The notes representing such loans shall be eligible as security for circulating notes issued under the provisions of the sixth paragraph of section 18 of the Federal Reserve Act, as amended by section 401 of this Act, to the same extent as notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of the Federal Reserve Act. During the time that such bank or trust company is indebted in any way to a Federal reserve bank it shall be required to comply in all respects to the provisions of the Federal Reserve Act applicable to member State banks and the regulations of the Federal Reserve Board issued thereunder: *Provided*, That in lieu of subscribing to stock in the Federal reserve bank it shall maintain the reserve balance required by section 19 of the Federal Reserve Act during the existence of such indebtedness. As used in this section and in section 304, the term 'State bank or trust company' shall

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include a bank or trust company organized under the laws of any State, Territory, or possession of the United States, or the Canal Zone."

SEC. 2 (a). Section 304 of such Act of March 9, 1933, is amended by adding after the first sentence thereof the following new sentences: "Nothing in this section shall be construed to authorize the Reconstruction Finance Corporation to subscribe for preferred stock in any State bank or trust company if under the laws of the State in which said State bank or trust company is located the holders of such preferred stock are not exempt from double liability. In any case in which under the laws of the State in which it is located a State bank or trust company is not permitted to issue preferred stock exempt from double liability, or if such laws permit such issue of preferred stock only by unanimous consent of stockholders, the Reconstruction Finance Corporation is authorized, for the purposes of this section, to purchase the legally issued capital notes or debentures of such State bank or trust company."

(b) The second sentence of said section 304 is amended to read as follows: "The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market the whole or any part of the preferred stock, capital notes, or debentures of any national banking association, State bank or trust company acquired by the corporation pursuant to this section."

Such section 304 is further amended by adding at the end thereof the following new sentence: (c) "As used in this section, the term 'State bank or trust company' shall include other banking corporations engaged in the business of industrial banking and under the supervision of State banking departments or of the Comptroller of the Currency."

Approved, March 24th, 1933.

On March 9, 1933, after the passage of the emergency banking act, the President issued the following proclamation continuing the bank holiday:

"BY THE PRESIDENT OF THE UNITED STATES
OF AMERICA

"A PROCLAMATION

"Whereas, on March 6, 1933, I, Franklin D. Roosevelt, President of the United States of America, by Proclamation declared the existence of a national emergency and proclaimed a bank holiday extending from Monday the 6th day of March to Thursday the 9th of March, 1933, both dates inclusive, in order to prevent the export, hoarding or earmarking of gold or silver coin, or bullion or currency, or speculation in foreign exchange; and

"Whereas, under the Act of March 9, 1933, all Proclamations heretofore or hereafter issued

by the President pursuant to the authority conferred by Section 5 (b) of the Act of October 6, 1917, as amended, are approved and confirmed; and

"Whereas, said national emergency still continues, and it is necessary to take further measures extending beyond March 9, 1933, in order to accomplish such purposes:

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, in view of such continuing national emergency and by virtue of the authority vested in me by Section 5 (b) of the Act of October 6, 1917 (40 Stat. L., 411) as amended by the Act of March 9, 1933, do hereby proclaim, order, direct and declare that all the terms and provisions of said Proclamation of March 6, 1933, and the regulations and orders issued thereunder are hereby continued in full force and effect until further proclamation by the President.

"In witness whereof I have hereunto set my hand and have caused the seal of the United States to be affixed.

"Done in the District of Columbia, this 9th day of March, in the Year of Our Lord One Thousand Nine Hundred and Thirty-three, and of the Independence of the United States the One Hundredth and Fifty-seventh.

[SEAL.] "FRANKLIN D. ROOSEVELT

"By the President:

"CORDELL HULL

"Secretary of State"

On March 10, 1933, the President issued the following Executive order:

"EXECUTIVE ORDER

"By virtue of the authority vested in me by section 5 (b) of the Act of October 6, 1917 (40 Stat. L., 411) as amended by the Act of March 9, 1933, and by section 4 of the said Act of March 9, 1933, and by virtue of all other authority vested in me, I hereby issue the following Executive order.

"The Secretary of the Treasury is authorized and empowered under such regulations as he may prescribe to permit any member bank of the Federal Reserve System and any other banking institution organized under the laws of the United States, to perform any or all of their usual banking functions, except as otherwise prohibited.

"The appropriate authority having immediate supervision of banking institutions in

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each State or any place subject to the jurisdiction of the United States is authorized and empowered under such regulations as such authority may prescribe to permit any banking institution in such State or place, other than banking institutions covered by the foregoing paragraph, to perform any or all of their usual banking functions, except as otherwise prohibited.

"All banks which are members of the Federal Reserve System, desiring to reopen for the performance of all usual and normal banking functions, except as otherwise prohibited, shall apply for a license therefor to the Secretary of the Treasury. Such application shall be filed immediately through the Federal reserve banks. The Federal reserve bank shall then transmit such applications to the Secretary of the Treasury. Licenses will be issued by the Federal reserve bank upon approval of the Secretary of the Treasury. The Federal reserve banks are hereby designated as agents of the Secretary of the Treasury for the receiving of application and the issuance of licenses in his behalf and upon his instructions.

"Until further order, no individual, partnership, association, or corporation, including any banking institution, shall export or otherwise remove or permit to be withdrawn from the United States or any place subject to the jurisdiction thereof any gold coin, gold bullion, or gold certificates, except in accordance with regulations prescribed by or under license issued by the Secretary of the Treasury.

"No permission to any banking institution to perform any banking functions shall authorize such institution to pay out any gold coin, gold bullion or gold certificates except as authorized by the Secretary of the Treasury, nor to allow withdrawal of any currency for hoarding, nor to engage in any transaction in foreign exchange except such as may be undertaken for legitimate and normal business requirements, for reasonable traveling and other personal requirements, and for the fulfillment of contracts entered into prior to March 6, 1933

"Every Federal reserve bank is authorized and instructed to keep itself currently informed as to transactions in foreign exchange entered into or consummated within its district and shall report to the Secretary of the Treasury all transactions in foreign exchange which are prohibited.

"FRANKLIN D. ROOSEVELT.

"The WHITE HOUSE,
 "March 10, 1933."

On March 11, 1933, the President issued the following statement to the press:

Statement by the President "I am glad to be able to announce that technical difficulties which operated to delay the opening of banks, both State and national, have finally substantially been overcome by tireless work on the part of the officials of the Treasury and the Federal Reserve System, and that a definite program has been arranged consisting of successive steps by which banks throughout the country will be opened progressively on Monday, Tuesday, and Wednesday mornings.

"The Secretary of the Treasury will issue licenses to banks which are members of the Federal Reserve System, whether national bank or State, located in each of the twelve Federal reserve bank cities, to open Monday morning.

"So also the State authorities having supervision over State banks which are not members of the Federal Reserve System will be asked to permit any such State institutions located in any one of the twelve Federal reserve bank cities to open for business on Monday morning if in their judgment they deem it wise to do so.

"Under this progressive plan, banks located in any city having an active, recognized clearing house association, of which there are 250 cities, will receive licenses for reopening on Tuesday morning, and banks located elsewhere will receive their licenses permitting reopening for Wednesday.

"Time is thus afforded for the necessary shipments of currency provided under the Emergency Bank Act from reserve bank centers to clearing-house cities and banks in the smaller communities.

"There were enormous technical problems to be solved before these mechanics could be worked out and before the actual currency could be in the bank when the doors opened.

"The Constitution has laid upon me the duty of conveying the condition of the country to the Congress assembled at Washington. I believe I have a like duty to convey to the people themselves a clear picture of the situation at Washington itself whenever there is danger of any confusion as to what the Government is undertaking.

"That there may be a clear understanding as to just what has taken place during the last two days since the passage of this Act it is my intention, over the national radio networks, at ten o'clock Sunday evening, to explain clearly and in simple language to all of you just what

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has been achieved and the sound reasons which underlie this declaration to you.

"The fact that banks will be opened under this plan does not mean that anyone should draw the inference that the banks opening Monday are in any different condition as to soundness from the banks licensed to open on Tuesday or Wednesday or any subsequent day."

On March 12, 1933, the President delivered **Address by the President** over the radio, at 10 p. m., the following address relative to the banking situation:

"I want to talk for a few minutes with the people of the United States about banking—with the comparatively few who understand the mechanics of banking, but more particularly with the overwhelming majority who use banks for the making of deposits and the drawing of checks. I want to tell you what has been done in the last few days, why it was done, and what the next steps are going to be. I recognize that the many proclamations from State capitals and from Washington, the legislation, the Treasury regulations, etc., couched for the most part in banking and legal terms, should be explained for the benefit of the average citizen. I owe this in particular because of the fortitude and good temper with which everybody has accepted the inconvenience and hardships of the banking holiday. I know that when you understand what we in Washington have been about I shall continue to have your cooperation as fully as I have had your sympathy and help during the past week.

"First of all, let me state the simple fact that when you deposit money in a bank the bank does not put the money into a safe deposit vault. It invests your money in many different forms of credit—bonds, commercial paper, mortgages and many other kinds of loans. In other words, the bank puts your money to work to keep the wheels of industry and of agriculture turning around. A comparatively small part of the money you put into the bank is kept in currency—an amount which in normal times is wholly sufficient to cover the cash needs of the average citizen. In other words, the total amount of all the currency in the country is only a small fraction of the total deposits in all of the banks.

"What, then, happened during the last few days of February and the first few days of March? Because of undermined confidence on the part of the public, there was a general

rush by a large portion of our population to turn bank deposits into currency or gold—a rush so great that the soundest banks could not get enough currency to meet the demand. The reason for this was that on the spur of the moment it was, of course, impossible to sell perfectly sound assets of a bank and convert them into cash except at panic prices far below their real value.

"By the afternoon of March 3 scarcely a bank in the country was open to do business. Proclamations temporarily closing them in whole or in part had been issued by the Governors in almost all the States.

"It was then that I issued the proclamation providing for the nation-wide bank holiday, and this was the first step in the Government's reconstruction of our financial and economic fabric.

"The second step was the legislation promptly and patriotically passed by the Congress confirming my proclamation and broadening my powers so that it became possible in view of the requirement of time to extend the holiday and lift the ban of that holiday gradually. This law also gave authority to develop a program of rehabilitation of our banking facilities. I want to tell our citizens in every part of the Nation that the National Congress—Republicans and Democrats alike—showed by this action a devotion to public welfare and a realization of the emergency and the necessity for speed that it is difficult to match in our history.

"The third stage has been the series of regulations permitting the banks to continue their functions to take care of the distribution of food and household necessities and the payment of pay rolls.

"This bank holiday, while resulting in many cases in great inconvenience, is affording us the opportunity to supply the currency necessary to meet the situation. No sound bank is a dollar worse off than it was when it closed its doors last Monday. Neither is any bank which may turn out not to be in a position for immediate opening. The new law allows the twelve Federal reserve banks to issue additional currency on good assets and thus the banks which reopen will be able to meet every legitimate call. The new currency is being sent out by the Bureau of Engraving and Printing in large volume to every part of the country. It is sound currency because it is backed by actual, good assets.

"A question you will ask is this: Why are all the banks not to be reopened at the same time? The answer is simple. Your Government does

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not intend that the history of the past few years shall be repeated. We do not want and will not have another epidemic of bank failures.

"As a result we start to-morrow, Monday, with the opening of banks in the twelve Federal reserve bank cities—those banks which on first examination by the Treasury have already been found to be all right. This will be followed on Tuesday by the resumption of all their functions by banks already found to be sound in cities where there are recognized clearing houses. That means about 250 cities of the United States.

"On Wednesday and succeeding days banks in smaller places all through the country will resume business, subject, of course, to the Government's physical ability to complete its survey. It is necessary that the reopening of banks be extended over a period in order to permit the banks to make applications for necessary loans; to obtain currency needed to meet their requirements and to enable the Government to make common-sense check-ups.

"Let me make it clear to you that if your bank does not open the first day you are by no means justified in believing that it will not open. A bank that opens on one of the subsequent days is in exactly the same status as the bank that opens to-morrow.

"I know that many people are worrying about State banks not members of the Federal reserve system. These banks can and will receive assistance from member banks and from the Reconstruction Finance Corporation.

"These State banks are following the same course as the national banks except that they get their licenses to resume business from the State authorities, and these authorities have been asked by the Secretary of the Treasury to permit their good banks to open up on the same schedule as the national banks. I am confident that the State banking departments will be as careful as the National Government in the policy relating to the opening of banks and will follow the same broad policy.

"It is possible that when the banks resume a very few people who have not recovered from their fear may again begin withdrawals. Let me make it clear that the banks will take care of all needs and it is my belief that hoarding during the past week has become an exceedingly unfashionable pastime.

"It needs no prophet to tell you that when the people find that they can get their money—that they can get it when they want it for all legitimate purposes—the phantom of fear will soon be laid. People will again be glad to have their money where it will be safely taken care

of and where they can use it conveniently at any time. I can assure you that it is safer to keep your money in a reopened bank than under the mattress.

"The success of our whole great national program depends, of course, upon the cooperation of the public—on its intelligent support and use of a reliable system.

"Remember that the essential accomplishment of the new legislation is that it makes it possible for banks more readily to convert their assets into cash than was the case before. More liberal provision has been made for banks to borrow on these assets at the reserve banks and more liberal provision has also been made for issuing currency on the security of these good assets. This currency is not fiat currency. It is issued only on adequate security—and every good bank has an abundance of such security.

"One more point before I close. There will be, of course, some banks unable to reopen without being reorganized. The new law allows the Government to assist in making these reorganizations quickly and effectively and even allows the Government to subscribe to at least a part of new capital which may be required.

"I hope you can see from this elemental recital of what your Government is doing that there is nothing complex or radical in the process.

"We had a bad banking situation. Some of our bankers had shown themselves either incompetent or dishonest in their handling of the people's funds. They had used the money entrusted to them in speculations and unwise loans. This was, of course, not true in the vast majority of our banks, but it was true in enough of them to shock the people for a time into a sense of insecurity and to put them into a frame of mind where they did not differentiate, but seemed to assume that the acts of a comparative few had tainted them all. It was the Government's job to straighten out this situation and do it as quickly as possible—and the job is being performed.

"I do not promise you that every bank will be reopened or that individual losses will not be suffered, but there will be no losses that possibly could be avoided; and there would have been more and greater losses had we continued to drift. I can even promise you salvation for some, at least, of the sorely pressed banks. We shall be engaged not merely in reopening sound banks but in the creation of sound banks through reorganization.

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"It has been wonderful to me to catch the note of confidence from all over the country. I can never be sufficiently grateful to the people for the loyal support they have given me in their acceptance of the judgment that has dictated our course, even though all our processes may not have seemed clear to them.

"After all, there is an element in the readjustment of our financial system more important than currency, more important than gold, and that is the confidence of the people.

"Confidence and courage are the essentials of success in carrying out our plan. You people must have faith; you must not be stampeded by rumors or guesses. Let us unite in banishing fear. We have provided the machinery to restore our financial system; it is up to you to support and make it work.

"It is your problem no less than it is mine. Together we can not fail."

On March 18, 1933, the President issued the following Executive order:

"EXECUTIVE ORDER

"By virtue of the authority vested in me by section 5(b) of the Act of October 6, 1917 (40 Stat. L., 411) as amended by the Act of March 9, 1933, and by section 4 of the said Act of March 9, 1933, and by virtue of all other authority vested in me, I hereby issue the following Executive order.

"Whenever the appropriate authority having immediate supervision of any banking institution located in any State or place subject to the jurisdiction of the United States, which is a member of the Federal Reserve System and which has not been licensed by the Secretary of the Treasury to resume its usual banking functions, shall deem it necessary or advisable in order to conserve the assets of such banking institution for the benefit of the depositors or other creditors, such authority may, in accordance with the provisions of the applicable laws of such State or place, appoint such appropriate official as may be authorized under such laws to conserve the assets of such banking institution pending further disposition of its business as provided by such laws.

"This order shall not authorize any such member bank to reopen for the performance of usual and normal functions until it shall have received a license from the Secretary of the Treasury as provided in Executive Order of March 10, 1933.

"FRANKLIN D. ROOSEVELT.

**"THE WHITE HOUSE,
"March 18, 1933."**

The Secretary of the Treasury, under the authority conferred upon him by the President's proclamations declaring and continuing the bank holiday, issued the following regulations during the period March 6, 1933, to March 30, 1933:

REGULATION NO. 1 (MARCH 6)

All Federal reserve banks and all other banking institutions are authorized to make change by the exchange of currency and/or coin of various denominations for an exactly equal amount of currency and/or coin of other denominations, but no gold or gold certificates shall be paid out in making change.

REGULATION NO. 2 (MARCH 6)

All banking institutions may allow their customers free access to the safety deposit boxes and safes rented to such customers.

REGULATION NO. 3 (MARCH 6)

All banking institutions may upon request return intact and without restriction all cash, checks, and other items delivered for deposit or collection which were received after the last closing of business hours and have not been entered on the books of such banking institution.

REGULATION NO. 4 (MARCH 6)

All banking institutions may continue, in accordance with usual practice, to cash checks drawn on the Treasurer of the United States, provided that no gold or gold certificates shall be paid out.

REGULATION NO. 5 (MARCH 6)²

Any banking institution may accept payments in cash or any other form acceptable to it on account or in settlement of obligations payable at or to such institution.

REGULATION NO. 6 (MARCH 6)³

Any banking institution may handle and collect drafts or other documents in connection with the shipment, transportation or delivery of food or feed products, may pay out or permit the withdrawal of such amounts of currency as shall be necessary in the judgment of such banking institution in connection with such shipment, transportation or delivery of food or feed products, and may perform such other banking functions as may be essential to the shipment, transportation or delivery of food or feed products, provided, however, that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates.

REGULATION NO. 7 (MARCH 6)⁴

Deposits heretofore received by any banking institution pursuant to agreement or legislative authority providing for segregation and for repayment without restriction may be paid on demand. Any banking institution which was lawfully engaged in the business of

² See interpretation No. 4 (Mar. 8), p. 15.

³ See interpretations No. 1 (Mar. 7), No. 6 (Mar. 8), and No. 13 (Mar. 21), p. 15. Regulation No. 6 revoked by regulation No. 28 (Mar. 18), p. 14.

⁴ See regulations No. 15 (Mar. 8), p. 13; and No. 27 (Mar. 18), p. 14.

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receiving deposits prior to March 6, 1933, may create special trust accounts for the receipt of new deposits which shall be subject to withdrawal on demand without any restriction or limitation and shall be kept separately in cash or on deposit in Federal reserve banks or invested in obligations of the United States. Federal reserve banks may open special accounts on their books for their member banks and temporarily for nonmember banks and may receive in such special accounts the proceeds of new deposits received by such banking institutions. In making deposits with the Federal reserve bank pursuant to this regulation the depositing bank shall in the case of each deposit indicate to the Federal reserve bank by symbol or otherwise that the funds so deposited represent new deposits made under this regulation. Upon receipt of such deposits such Federal reserve bank shall credit the same in the special account of the depositing bank herein provided for and shall hold the same solely for repayment to such bank. Federal reserve banks shall permit the withdrawal of any part or all of such new deposits by the depositing bank without restriction provided that the depositing bank shall in such order or request for withdrawal indicate to the Federal reserve bank by symbol or otherwise that such withdrawal is to be made from such special account, provided however that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates.

REGULATION NO. 8 (MARCH 7)

Where settlement for checks charged by drawee institutions to the drawers' accounts on its books on or before March 4, 1933, is incomplete, settlement may be completed where such settlement does not involve the payment of money or currency.

REGULATION NO. 9 (MARCH 7)

Any banking institution may deliver to the person entitled thereto properly identified documents and securities held by such institution for safekeeping.

REGULATION NO. 10 (MARCH 7, AS AMENDED ON MARCH 10 BY ADDITION OF MATTER IN ITALICS)⁵

Any national or State banking institution may exercise its usual banking functions to such extent as its situation shall permit and as shall be absolutely necessary to meet the needs of its community for food, medicine, other necessities of life, for the relief of distress, for the payment of usual salaries and wages, for necessary current expenditures for the purpose of maintaining employment, and for other similar essential purposes. *Banking institutions may carry out such transactions as may be necessary to aid banking institutions in other communities to meet the necessities set forth above:* Provided, however, that (1) every precaution shall be taken to prevent hoarding or the unnecessary withdrawal of currency; (2) no State banking institution shall engage in any transaction under this regulation which is in violation of State or Federal law or of any regulation issued thereunder; (3) no national banking association shall engage in any transaction under this section which is in violation of any Federal law or of any order or regulation issued by the Comptroller of the Currency; and (4) no gold or gold certificates shall be paid out. Each banking institution and its directors and officers will be held strictly accountable for faithful compliance with the spirit and purpose as well as the letter of this regulation.

⁵ See interpretations No. 2 (Mar. 7), No. 5 (Mar. 8), No. 7 (Mar. 8), No. 9 (Mar. 14), and No. 13 (Mar. 21), p. 15. Regulation No. 10 revoked by regulation No. 28 (Mar. 18), p. 14.

Federal reserve banks may carry on such functions as may be necessary to facilitate transactions authorized by this regulation.

In order to enable member banks of the Federal Reserve System to meet the needs of their respective communities to the extent authorized by this regulation Federal reserve banks may make advances to such member banks under the conditions set forth in section 10 (b) of the Federal reserve act as amended by the act of March 9, 1933, and in accordance with authority granted by the Federal Reserve Board.

In addition, in order to enable individuals, partnerships and corporations to meet their immediate pay roll requirements, Federal reserve banks may make temporary advances to such individuals, partnerships and corporations on their promissory notes secured by direct obligations of the United States in accordance with authority granted by the Federal Reserve Board.

REGULATION NO. 11 (MARCH 7)

Any bank having a branch in a foreign country may deposit collateral in the United States to secure advances to such branch in a foreign country, provided such transaction does not involve any transfer of credit from the United States to a foreign country, and any bank having a branch in an insular possession of the United States may deposit United States Government securities or other collateral for a similar purpose when under the President's proclamation advances of local currency in the insular possession may lawfully be made.

REGULATION NO. 12 (MARCH 7)⁶

Clearing house associations and other associations organized to provide an adequately secured medium of temporary exchange are hereby permitted to issue certificates against sound assets of banking institutions, such certificates to be deliverable by each institution to its creditors and depositors on a pro rata basis, provided, however, that no such certificates shall be issued before Friday, March 10, 1933, without the consent of the Secretary of the Treasury addressed to the clearing house or other association proposing to issue such certificates, and further provided that this permission may be revoked in the event that a national plan to meet the existing emergency is proposed by the Secretary of the Treasury if in his opinion the success of such plan would be inconsistent with the operation of the certificate plan.

REGULATION NO. 13 (MARCH 7)⁷

Any banking institution lawfully engaged in the business of acting as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity may continue to transact such business in the normal and usual manner; provided that in the conduct of said business, except as may be permitted by other regulations of the Secretary of the Treasury, such banking institution shall not pay out or permit the withdrawal of coin or currency nor withdraw any trust or fiduciary funds on deposit with any other department of the bank.

REGULATION NO. 14 (MARCH 7)

Federal reserve banks are authorized to conduct their normal and usual operations as fiscal agents of the United States in transactions pertaining to the exchange of obligations of the United States, such as

⁶ See statement by the Secretary of the Treasury, (Mar. 9.) p. 16; and interpretation No. 11 (Mar. 16), p. 15.

⁷ Superseded by regulation No. 31 (Mar. 30), p. 14.

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making exchange of denominations, exchanging coupon for registered bonds, and vice versa, receiving registered bonds for transfer and effecting C. P. D. transactions.

REGULATION NO. 15 (MARCH 8)

The permission granted in regulation No. 7, that deposits heretofore received by any banking institution pursuant to agreement or legislative authority providing for segregation and repayment without restriction may be paid on demand, includes any bank in which any such deposits have been redeposited by or on behalf of the receiving bank in accordance with such agreement or legislative authority.

REGULATION NO. 16 (MARCH 10)

All banking institutions are hereby authorized to take such steps and carry through such transactions as may be necessary to complete for their own account, or the account of their customers, payment on any subscriptions for Treasury bills of the United States for which payment was due on March 6, 1933.

REGULATION NO. 17 (MARCH 10)

Any banking institution may, when the owners consent thereto, pay checks issued prior to March 6, 1933, and received in due course of business by the drawee banking institution, by charging the amounts thereof to the accounts of the drawers and crediting such amounts to the accounts of such owners on the books of the drawee banking institution.

REGULATION NO. 18 (MARCH 11)

All banking institutions are hereby authorized to subscribe and pay for any United States Government obligations which may be offered for subscription and sale by the Secretary of the Treasury. Federal reserve banks may carry on such functions as may be necessary to facilitate such transactions as are authorized by this regulation.

All Federal reserve banks are authorized to redeem matured obligations of the United States and to cash matured coupons provided no gold or gold certificates shall be paid out.

REGULATION NO. 19 (MARCH 11)

Except as otherwise prohibited by law, banking institutions may exercise their normal and usual functions in permitting substitution for or release of collateral held by them, provided other collateral or cash of equal or greater value is received in exchange therefor.

REGULATION NO. 20 (MARCH 11)

All Federal reserve banks and their branches and agencies may open March 13, 1933, and may remain open for the performance of all usual and normal banking functions except as prohibited by the Executive order issued by the President on March 10, 1933, and any further orders or regulations hereafter issued.

REGULATION NO. 21 (MARCH 11)

Banking institutions which are not members of the Federal Reserve System or organized under the laws of the United States and which are not under the immediate supervision of any State authority may, on and after March 13, 1933, carry on their normal and usual functions, except as otherwise prohibited and except

that no such institution shall pay out any gold coin, gold bullion or gold certificates, unless authorized by the Secretary of the Treasury, nor allow withdrawal of any currency for hoarding, nor engage in any transaction in foreign exchange except such as may be undertaken for legitimate and normal business requirements, for reasonable traveling and other personal requirements, and for fulfillment of contracts entered into prior to March 6, 1933.

REGULATION NO. 22 (MARCH 11, AS AMENDED MARCH 13
BY ADDITION OF MATTER IN ITALICS)

All Federal land banks, Federal intermediate credit banks, joint stock land banks, Federal home loan banks, *corporations organized under section 25(a) of the Federal reserve act*, regional agricultural credit corporations and the Reconstruction Finance Corporation are hereby permitted to open at 9 o'clock, a. m., Monday, March 13, 1933, to perform their usual banking functions except to the extent prohibited by the Executive order of the President of the United States, issued March 10, 1933, by Federal or State law, or as may hereafter be limited or prohibited by regulations promulgated by the Secretary of the Treasury.

This permission, as to each of the foregoing banking institutions, may be revoked in whole or in part by the Secretary of the Treasury at any time, and is granted as to each such institution upon the express condition that such institution shall deliver, within thirty days from the date hereof, to the Treasurer of the United States or to a Federal reserve bank or a Federal reserve branch bank of the district in which it is located, all gold coin, gold bullion and gold certificates owned by it, and receive payment in credit or in other forms of coin or in currency.

REGULATION NO. 23 (MARCH 12)

No banking institution shall permit any withdrawal by any person when such institution, acting in good faith, shall deem that the withdrawal is intended for hoarding. Any banking institution, before permitting the withdrawal of large or unusual amounts of currency, may require from the person requesting such withdrawal a full statement under oath of the purpose for which the currency is requested.

REGULATION NO. 24 (MARCH 12)

All banking institutions may cash official drafts drawn upon the Secretary of State for payment of salaries, traveling and other contingent expenses but not for personal account, and remit the amounts thereof to the banks from which the drafts are received, provided that no gold or gold certificates shall be paid out.

REGULATION NO. 25 (MARCH 13)⁸

Pending the determination by the Treasury Department of a suitable procedure for licensing the delivery of gold for use in trade, profession or art, Federal reserve banks are hereby authorized to deliver upon request therefor gold in amounts deemed by such bank to be reasonably required for legitimate and customary uses in trade, profession or art, provided such request is accompanied by affidavit of the person requesting such gold stating the amount of unmanufactured gold on hand and the facts making it necessary to obtain such gold for the purpose of maintaining employment.

⁸ Revoked by gold regulations of Apr. 29, 1933.

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All banks licensed to open for usual and normal functions are permitted to carry out any transaction necessary to complete the delivery of any gold authorized by any Federal reserve bank to be delivered in accordance with such request.

REGULATION NO. 26 (MARCH 13)

All banking institutions may issue drafts transferring credits from any place in the United States to any other place in the United States and from any place in the United States to any place in a foreign country in connection with payments for domestic and foreign patent, trade-mark and design application fees, and in payment for domestic and foreign patent and trade-mark taxes and renewals. No gold or gold certificates shall be paid out, withdrawn, or exported under this regulation.

REGULATION NO. 27 (MARCH 18; ISSUED UNDER THE AUTHORITY OF THE EXECUTIVE ORDER OF MARCH 10 AS WELL AS UNDER THE PROCLAMATIONS REFERRED TO ON PAGE 11)⁹

Any State banking institution which is a member of the Federal Reserve System and which is not licensed by the Secretary of the Treasury to reopen for the performance of usual banking functions may, with the approval of the appropriate State authority having immediate supervision of such banking institution, permit withdrawals by depositors and make payments to creditors of such percentage of the amounts due to them (not exceeding 5 per cent) as it may determine, provided that at or before the time of such withdrawal or payment it shall set aside and make available for such purpose a fund for the benefit of and sufficient to pay to all depositors and creditors the percentage so determined.

This regulation shall not in any way affect any right created by Regulation No. 7 nor limit or restrict any payment thereby authorized.

Any right to authorize withdrawals or payments under the terms of this regulation shall terminate upon the appointment of any conservator, receiver or other appropriate State official taking charge of the affairs of such banking institutions.

REGULATION NO. 28 (MARCH 18)¹⁰

After the close of business on March 18, 1933, Treasury regulation No. 6 and Treasury regulation No. 10, as amended, shall be without force or effect to authorize any banking transaction therein referred to.

REGULATION NO. 29 (MAR. 21)

Any banking institution which is a member of the Federal Reserve System and is not licensed to perform usual banking functions may rediscount or pledge with another banking institution renewals of notes which were previously rediscounted or pledged with such other banking institution.

REGULATION NO. 30 (MAR. 28)

Banking institutions which are members of the Federal Reserve System and of which actual possession and control have been taken (a) by conservators appointed pursuant to the act of March 9, 1933, or (b) by appropriate State officials appointed pursuant to State law, as permitted by the President's Executive Order of March 18, 1933, are permitted to transact such limited banking functions as may be authorized in accordance with law by the Comptroller of the Cur-

rency, in the case of national banks, or by the appropriate State officials, in the case of State member banks; provided, however, that no such banking institution shall reopen for the performance of its usual and normal functions until it shall have received a license from the Secretary of the Treasury.

This regulation shall not authorize any transaction with respect to the export or paying out of gold or gold certificates, withdrawal of currency for hoarding or transactions in foreign exchange prohibited or restricted by the Executive order of March 10, 1933.

REGULATION NO. 31 (MAR. 30)¹¹

Any banking institution which is a member of the Federal Reserve System and is not licensed to perform usual banking functions, but which is duly authorized to engage in the business of acting as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity, may transact such business in the normal and usual manner and may make payments on account of the principal or income of trust or other fiduciary funds to the persons entitled thereto; provided, that, except to the extent permitted by other emergency banking regulations, no such banking institution shall withdraw or pay out any trust or other fiduciary funds on deposit with any other department of such banking institution or make any other payment in connection with any trust or other fiduciary funds which would operate to discharge, as a whole or in part, any indebtedness, as distinguished from any trust or other fiduciary duty, of such banking institution.

This regulation supersedes emergency banking regulation No. 13 of March 7, 1933, which is hereby revoked.

REGULATION NO. 32 (MAR. 30)

Any State bank which is a member of the Federal Reserve System, and is not licensed by the Secretary of the Treasury to perform usual banking functions, may permit withdrawals of deposits which are lawfully secured by collateral; provided, that such withdrawals are (a) permissible under applicable law, (b) duly authorized by the Board of Directors of such bank, upon such terms with respect to the release of collateral as will fully protect all depositors and other creditors against the creation of any preferences, and (c) approved by the appropriate State authority having supervision of such bank.

Any such bank is authorized to carry on such usual banking functions as may be essential to allow the withdrawals permitted by this regulation, subject to the provisions and restrictions above set forth and except as otherwise prohibited.

SUPPLEMENTARY REGULATION APPLICABLE TO FEDERAL RESERVE BANKS (MARCH 7)

Under the authority conferred upon him by the President's proclamation of March 6, 1933, declaring a bank holiday, the Secretary of the Treasury on March 7, 1933, also issued the following regulation:

Each Federal reserve bank may (1) make available to its member banks which, in the judgment of the Federal reserve bank, are complying strictly with the spirit and purpose as well as the letter of the regulations

⁹ See interpretation No. 12 (Mar. 20), p. 15.

¹⁰ See interpretation No. 13 (Mar. 21), p. 15.

¹¹ Supersedes regulation No. 13 (Mar. 7), p. 12.

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issued by the Secretary of the Treasury pursuant to the President's proclamation declaring a bank holiday, such limited amounts of coin and/or currency (other than gold or gold certificates) as shall be absolutely necessary in order to enable such member banks to exercise the restricted functions permitted by such regulations, (2) extend to each such member bank such limited amounts of discounts, advancements and accommodations as shall be absolutely necessary for the exercise of such restricted functions, and (3) make transfers of credit on its books for such restricted purposes between the accounts of such member banks and/or nonmember clearing banks which, in the judgment of the Federal reserve bank, are complying strictly with the spirit and purpose as well as the letter of such regulations; provided, however, that before granting any such discounts, advancements or accommodations or making such limited payments of coin and/or currency, the Federal reserve bank shall first require the member bank, (a) to inform the Federal reserve bank of the amounts of coin and currency which it has on hand, (b) to inform the Federal reserve bank of the circumstances giving rise to the need for additional coin and/or currency, and (c) to deliver to the Federal reserve bank in exchange for other forms of coin and/or currency or for credit on its books all gold and gold certificates held by such member bank in its own right.

The following are interpretations issued by the Secretary of the Treasury from March 7, 1933, to March 21, 1933, of certain of the provisions of the regulations set forth above:

INTERPRETATION NO. 1 (MARCH 7)

You are authorized to inform all banking institutions and others concerned that the term "food or feed products" in regulation No. 6 under the President's proclamation promulgated March 6 may be interpreted to include livestock on the way to slaughter.

INTERPRETATION NO. 2 (MARCH 7)

Regulation No. 10 of March 7 under the President's proclamation of March 6 is held to authorize payments on account of pensions, workmen's compensation disability insurance, relief and unemployment.

INTERPRETATION NO. 3 (MARCH 7)¹²

The term "other corporations, partnerships, associations or persons engaged in the business of receiving deposits, making loans," as used in the President's proclamation of March 6 declaring a bank holiday, is held to include brokers, pawn brokers, industrial loan companies, mortgage loan companies, chattel loan companies, personal finance companies, automobile finance companies and all other persons, firms and corporations engaged in the business of making loans of any kind, secured or unsecured.

INTERPRETATION NO. 4 (MARCH 8)

Regulation No. 5, dated March 6, 1933, is not to be interpreted as permitting any banking institutions to accept payment of any obligation not solely owned by it in any form which is not authorized by the person entitled to the proceeds.

¹² See interpretation No. 10 (Mar. 14), p. 15.

INTERPRETATION NO. 5 (MARCH 8)

Regulation No. 10 issued under the President's proclamation is interpreted to authorize payments for fertilizer and for vegetable and agricultural seeds for spring planting, where such payments are absolutely necessary and where the seed and/or fertilizer are for immediate use.

INTERPRETATION NO. 6 (MARCH 8)

"Food or feed products" as used in regulation No. 6 may be construed as including whole grain if such grain is intended for processing or consumption in the immediate future.

INTERPRETATION NO. 7 (MARCH 8)¹³

Release of funds for purchase of cotton where absolutely necessary to maintain operation is interpreted as "necessary current expenditures for the purpose of maintaining employment and for other similar essential purposes."

INTERPRETATION NO. 8 (MARCH 8)

Regarding release of funds for purchase of internal revenue stamps in connection with cigar manufacturing. Cigar manufacturing company should be referred to collector of internal revenue.

INTERPRETATION NO. 9 (MARCH 14)

Regulation No. 10 issued under the President's proclamation is interpreted to authorize payments for nursery stock where such payments are absolutely necessary to prevent destruction of stock in transit on March 6, 1933, or prepared for and awaiting shipment on March 6, 1933, under bona fide commitments.

INTERPRETATION NO. 10 (MARCH 14)

The term "mortgage loan companies," as used in interpretation No. 3, is interpreted to include all corporations whose principal business consists of the investment in, sale and purchase of real estate mortgages and mortgage certificates guaranteed by such corporations.

INTERPRETATION NO. 11 (MARCH 16)

Regulation No. 12 is not to be construed as permitting a banking institution, open for normal and usual functions under license of the Secretary of the Treasury, to require depositors to accept clearing-house certificates or other evidences of claims against assets for all or any part of any withdrawal requested.

INTERPRETATION NO. 12 (MARCH 20)

Regulation No. 27 is interpreted to permit any banking institution acting thereunder to carry on such usual banking functions as may be essential to permit restricted withdrawals and payments authorized by such regulation, subject to all of the provisions and restrictions therein contained and except as otherwise prohibited.

INTERPRETATION NO. 13 (MARCH 21)

Regulation No. 28 is held not to prohibit the honoring of checks or drafts drawn on or before March 18, 1933, under the terms of regulation No. 6 or regulation No. 10, as amended, subject to all the provisions and restrictions contained in such regulations and except as otherwise prohibited.

¹³ See regulation No. 10, as amended, p. 12.

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During the period March 7, 1933, to March 31, 1933, the following statements, in addition to statements containing regulations and interpretations, were issued by the Secretary of the Treasury:

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 7

"In order to facilitate the prompt dissemination of information regarding, and interpretation of, regulations issued by the Secretary of the Treasury pursuant to the President's proclamation, dated March 6, 1933, declaring a bank holiday, it is requested that all inquiries for information regarding, and interpretation of, any of such regulations coming from banks, banking institutions and individuals be made direct to the Federal reserve bank in their district. Unless such requests are covered by interpretations previously issued by the Secretary of the Treasury, the Federal reserve banks will secure such interpretations from the Secretary of the Treasury. All requests for any special permission or consent required by the regulations should be made in accordance with such regulations."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 9

"The President has to-day urged the immediate enactment of legislation dealing with the existing banking situation. It appears that prompt action will make banking facilities and an adequate supply of currency available. Notwithstanding the expected early opening of banks, the Secretary of the Treasury interposes no objection to the issuance of clearing house certificates or other evidences of claims against assets of banking institutions, in communities where local conditions make such action necessary. The regulation issued by the Secretary March 7, 1933,¹⁴ remains effective, granting permission to clearing house associations and other associations organized to provide an adequately secured medium of temporary exchange to issue certificates against sound assets of banking institutions, such certificates to be deliverable by each institution to its creditors and depositors on a pro rata basis."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 9

"The emergency banking legislation passed by the Congress to-day is a most constructive

¹⁴ See regulation No. 12, p. 12.

step toward the solution of the financial and banking difficulties which have confronted the country. The extraordinary rapidity with which this legislation was enacted by the Congress heartens and encourages the country.

"This legislation makes possible the opening of banks upon a sound basis, backed by an adequate supply of currency. Through this law the banks which will open will be placed in a position to meet all demands. This assurance should restore confidence and create the foundation for a forward movement in business activities.

"It will be the policy of the Treasury to permit as rapidly as possible the opening of the sound banks. There are, of course, many thousands of such banks which will promptly be restored to the performance of their normal functions.

"The Treasury has already taken steps to secure information through proper authorities as to the condition of the various banks of the country and immediately invites from the banks applications for reopening.

"While much information has already been assembled, the completion of the information and of the arrangements of the banks for resuming their functions takes some time. It has therefore been decided not to authorize any reopenings before Saturday, March 11. It is obvious that it will not be possible to act upon all of the applications even by Saturday. Regulations governing reopenings and also other subjects governed by the legislation will immediately be published."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 10

"Executive order or regulation will issue shortly directing all banks which are members of the Federal reserve system, desiring to reopen for the performance of all usual and normal banking functions, except as otherwise prohibited, to apply for a license to the Secretary of the Treasury, applications to be filed with the Federal reserve bank in the appropriate district. The appropriate authority having immediate supervision of banking institutions in each State will be authorized under such regulations as such authority may prescribe to permit any banking institution in such State or place, other than member banks of the Federal Reserve System to perform any or all of their usual banking functions, except as otherwise prohibited."

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STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 10

"To the superintendents of banks of each State:

"All banks of the country are now prohibited under the proclamation of March 9 of the President from conducting any banking business, except as specifically authorized by rule, regulation or license of the Secretary of the Treasury issued under that proclamation. In view of the passage of the emergency bank bill by Congress yesterday, and under the terms of that bill, and section 5 of the act of October 6, 1917, as amended by that bill, the Secretary of the Treasury will be authorized to permit any sound bank which is a member of the Federal Reserve System, whether State or national, to reopen for business as promptly as possible. It is the intention of the Secretary of the Treasury, however, to permit no member bank to reopen at any time on a full 100 per cent basis unless or until the Secretary is satisfied that such bank is a sound going institution. Any member bank not clearly within this category will not be opened unless or until further investigation discloses that it is a sound going institution, or unless or until a reorganization of some character will permit the bank to be classified as a sound going institution.

"Any member bank not opened 100 per cent under this procedure will be permitted to continue to perform only such specific transactions as are now authorized or may hereafter be authorized by specific regulation or license of the Secretary of the Treasury.

"In view of the fact that neither the Treasury nor the Federal reserve authorities have sufficient information upon which to consider applications for reopening by such State banks as are not members of the Federal Reserve System, the President will by decree authorize the appropriate State authorities in each State to give licenses to banks under their jurisdiction other than members of the Federal Reserve System, to open for the usual normal business, or in their judgment, and under the terms of the Presidential Proclamation, to permit of such reopening under such restrictions and limitations as they in their judgment may deem wise. It is to be expected, however, that State superintendents in granting licenses under this authority will take under consideration in determining their own policy the general principle to be adopted by the Treasury as respects member banks that in the interests of the depositors and of the country as a whole, only sound institutions will be permitted to carry on all of their usual functions to the end that no bank shall be reopened for business on any

basis that will run the risk of being forced to close again because of demands which it is not in a position to satisfy."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 10

"Under the terms of the act of March 9, 1933, immediate action has been taken by the President and the Secretary of the Treasury which will make possible the resumption of banking operations in substantial volume at a very early date. Pending such resumption the vital needs of communities must be met. Attention of all banking institutions is called to Regulation 10 which is still in force and which as amended provides for cooperation between banks in different communities * * *." [See Regulation No. 10, p. 12.]

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 10

"The present restrictions on gold will not prevent gold being available for all normal uses in the industrial arts. Method of distribution for these purposes will be determined by the Treasury."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 10

"The Federal Reserve Board this morning voted to authorize the Federal reserve banks under the terms of section 403 of the emergency bank act to make advances to-morrow for payroll purposes to individuals, firms, or corporations on their notes secured by Government securities. The Secretary of the Treasury has issued a regulation according to the terms of the President's proclamation permitting the Federal reserve banks to carry on this business with the public.

"Accordingly, the Federal reserve banks will be open to-morrow for the purpose of making loans secured by direct obligations of the Government, as well as to conduct such other transactions with their member banks as may be necessary to enable member banks to carry out the purposes of regulation No. 10, as amended."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 11

"To the superintendents of banks of each State:

"As announced by the President this afternoon, a definite program for the reopening of banks throughout the country has been determined by the Secretary of the Treasury. In accordance with this program, the Secretary of the Treasury is prepared upon application

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through Federal reserve banks to issue to banking institutions which are members of the Federal Reserve System, whether national or State, located in each of the 12 Federal reserve bank cities licenses to open Monday morning. The Secretary of the Treasury will not issue licenses to any member bank, State or national, located outside those 12 cities to open before Tuesday.

"State authorities having supervision over banking institutions located at such cities which are not members of the Federal Reserve System are requested to cooperate by permitting such banking institutions to open for business on Monday morning, in all cases where they find them qualified to do so on the basis indicated in previous telegram of March 10.¹⁵ The Secretary of the Treasury will not permit any member bank, State or national, to open in any such Federal reserve city unless opened for normal business on an unrestricted basis, except so far as affected by legal contracts between the banks and depositors with respect to withdrawals or notice of withdrawals.

"In accordance with the announcement of the President, the Secretary of the Treasury is prepared upon application through the Federal reserve banks to issue licenses to reopen on Tuesday morning to Federal reserve member banks located in any city having an active and recognized clearing-house association, and upon like application licenses to member banks located elsewhere for reopening on Wednesday morning. As previously stated, however, the Secretary of the Treasury will not permit the reopening of member banks, State or national, on any of these days except on an unrestricted basis, as above indicated. It must be understood that the restrictions in the President's proclamation against the payment of gold, gold certificates or bullion or the payment of currency for hoarding purposes and foreign exchange transactions will apply to all banking institutions, member and nonmember, State or national, until further notice."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 11

"Normal banking is now in sight. It will come as rapidly as the Treasury can authorize banks to proceed.

"The people of every community will learn from their local institutions when the respective Treasury permits have been granted. Therefore there will not be, for the present at least, any general list of the licenses issued from the

United States Treasury. To compile and check such a list would be a rather lengthy process, and speed in giving the people all the banking facilities possible and safe takes precedence over anything else.

"The purpose of the banking and financial program now in process under the Secretary of the Treasury is to restore to the country as promptly as possible adequate banking facilities and furnish an ample and sound currency, and restore confidence. Such a program is made possible by the new emergency banking act passed by Congress March 9.

"This act confirms and continues the authority of the President, through such agencies as he may designate, to exercise control over banking for the protection and benefit of depositors and of all users of banking facilities. By amendments to the Federal reserve act it is made possible for Federal reserve banks to make loans direct to corporations, firms and individuals on their notes secured by direct obligations of the United States Government. There are approximately \$11,000,000,000 of such securities outstanding with the public other than with banking institutions. In order to enable the reopened banks to secure currency sufficient to meet demands, Federal reserve banks are authorized to lend to any member bank, regardless of its size, on sound assets. To provide adequate Federal reserve bank currency to satisfy the possible demands under this program, Federal reserve banks are authorized to issue Federal reserve bank notes, not only against Government securities, but also against any member bank note secured by sound assets.

"With the enlarged potential supply of currency it is possible to proceed with the program of permitting banks to open. There is no occasion for such banks to experience any lack of currency, and there should be an end of any fear on that score of depositors in reopened banks. An Executive order forbids all banks to permit withdrawals of currency for hoarding purposes.

"It is the intention of the Secretary of the Treasury to proceed as rapidly as possible under the President's proclamation with the licensing of the reopening of banks, both national and State, which are members of the Federal Reserve System. The appropriate State authorities may permit the reopening of the State institutions. An embargo is imposed upon gold payments, except under license, to prevent gold hoarding.

"This embargo does not mean that every individual who happens to have one or a number of gold certificates in his roll of currency is

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to be classified as a hoarder and be subjected to invidious publicity or other penalty. The provision is aimed at those who continue to retain quantities of gold and thereby hinder the Government's plans for a restoration of public confidence.

"Already from every quarter of the Nation is reported a large and steady current of gold flowing back to the banks, and the people apparently will be prompt in depositing their funds and thereby relieving themselves of the inconvenience and danger of keeping about them large amounts of money."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 12

"The first duty of the banks reopening under license of the Secretary of the Treasury for the performance of their usual functions is to see that the primary needs of the people for funds for the necessaries of life and for normal business undertakings are met. Accordingly withdrawals for hoarding have been prohibited and the Secretary of the Treasury suggests that until more normal conditions have been established transfers of funds by banks or their customers be limited to necessary purposes."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 13

"Banking institutions which have not yet been permitted to reopen for normal and usual functions are still permitted to continue to carry on the limited activities specified by regulations Nos. 1 to 19."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 13

"Pending determination by the Treasury Department upon a suitable procedure for licensing the delivery of gold reasonably required for legitimate and customary use in trade, profession or art, all requests for the delivery of gold for such purposes should be submitted to the Federal reserve bank of the district, accompanied by an affidavit as to the amount of unmanufactured gold now on hand and the facts making it necessary to obtain the additional gold requested for the purpose of maintaining employment. Accurate records must be kept of the disposition of all gold which may be released."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 13

"Proceeding under the new bank conservation act, the Comptroller of the Currency has

appointed conservators for the First National Bank of Detroit and the Guardian National Bank of Commerce of Detroit. This course will permit the operation of the institutions for the purpose of receiving deposits to be segregated and kept in cash or invested in obligations of the United States or deposited with the Federal reserve bank, and permits the conservator to set aside and make available for withdrawal by depositors and payment to other creditors on a ratable basis such amounts as in the opinion of the Comptroller may safely be used for this purpose.

"The placing of these banks under conservators also gives time for the development of a satisfactory permanent plan for adequate banking facilities for Detroit. A number of plans have been discussed and much work has been done, but up to date there has not been a general agreement as to the course which will be most advantageous for this city. The Government of the United States is anxious to cooperate in the carrying out of such plan as soon as agreed upon."

STATEMENT BY THE SECRETARY OF THE TREASURY,
MARCH 13

"Responding to inquiries to-day as to what facilities are available for enabling State banks which are not members of the Federal Reserve System to obtain currency to meet their needs, Secretary of the Treasury Woodin called attention to the statement of the President, in his radio talk on March 12, that 'these banks can and will receive assistance from member banks and from the Reconstruction Finance Corporation.' The Secretary also pointed out that Federal reserve banks are authorized to make advances to individuals, partnerships and corporations on their promissory notes, for periods not exceeding 90 days, secured by direct obligations of the United States, and nonmember banks may avail themselves of this privilege. The Federal reserve banks also are authorized, he stated, to rediscount for member banks, with their indorsement, eligible and acceptable paper acquired from and bearing the signature or indorsement of nonmember banks; and to make advances to member banks secured by other paper acquired from nonmember banks.

"The Secretary said that he understands that it is the purpose and desire of the Reconstruction Finance Corporation and the Federal reserve banks to be as helpful as possible in meeting the needs of the present situation."

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STATEMENT BY THE SECRETARY OF THE TREASURY,
 MARCH 14

"In response to many inquiries as to the significance of the appointment of conservators to banks of high repute I wish to say that there is no deduction to be made that such banks are necessarily in difficulties. There are a lot of complications, some of them concerning affiliate enterprises, which make it impractical for banks to open to the full extent. It is for the purpose of insuring that the banks will be put in apple-pie order, pending reorganization or other necessary processes that conservators in many cases are named.

"Moreover this method makes it possible that the bank so circumstanced will be able to continue to render service, as for example the receiving of deposits to be segregated and kept in cash or invested in Government bonds and such like securities. It also enables the conservator to set aside and make available for withdrawal by depositors and payment to other creditors on a ratable basis such amounts as in his opinion it is safe to use for this purpose."

STATEMENT BY THE SECRETARY OF THE TREASURY,
 MARCH 15

"Passing upon applications of member banks to reopen for normal banking functions has taxed the personnel of the Treasury and of the Office of the Comptroller of the Currency. While every possible effort has been made to act upon all applications, delay in some cases has been found to be inevitable. In some cases, also, steps are being taken which as soon as completed will make it possible for reopening to be licensed. I therefore wish to direct especial attention to the statement of the President in his radio address of last Sunday:

"Let me make it clear to you that if your bank does not open the first day you are by no means justified in believing that it will not open. A bank that opens on one of the subsequent days is in exactly the same status as the bank that opens tomorrow."

"Additional licenses will be issued from time to time and the public should understand that banks hereafter licensed to be opened for normal functions are to be regarded in the same way as if it had been possible to issue the license by to-day."

STATEMENT BY THE SECRETARY OF THE TREASURY,
 MARCH 16

"A number of inquiries have been made at the Treasury Department as to whether a pro-

hibition exists upon proper commercial dealings in silver during the banking emergency.

"No regulations have been issued restricting export or other transactions in silver, except for limitations affecting withdrawals by depositors for hoarding and restrictions on banks not permitted to reopen."

STATEMENT BY THE SECRETARY OF THE TREASURY,
 MARCH 31

"Up to the close of business on Saturday, March 25, 1933, 265 national banks with total deposits of approximately \$350,000,000 have been reorganized or strengthened so that they could be reopened under license to perform their full functions and that the deposits again become available to depositors. These results during the 10 days from March 15 indicate the work which is actively in process in the restoration of banks which were unable to open on the date originally set and the constructive response being made by stockholders and depositors. As additional banks have been reopened they have assumed on a sound basis the performance of the same full functions as the banks opened on the first days set."

On March 8, the Federal Reserve Board requested the Federal reserve banks to "prepare and forward to the board as soon as possible after March 13, 1933, as complete a list as can be made from information you are able to obtain of the names and addresses of all persons who have withdrawn gold from your bank or a member bank in your district since February 1, 1933, and who have not redeposited it in a bank on or before March 13, 1933," and authorized them to give publicity to the request. The board also advised them that it had no objection to obtaining similar information from nonmember banks and information regarding withdrawals prior to February 1. On March 9, the board indicated that the request of March 8 applied "to both gold coin and gold certificates." Subsequently, on March 12 and March 18, the board extended to March 17 and March 27, respectively, the final date as of which the lists referred to were to be compiled.

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The following orders were issued by the Secretary of the Treasury, with the approval of the President, permitting banking institutions in certain territories and insular possessions of the United States to perform all usual banking functions:

Orders regarding territories and insular possessions

THE CANAL ZONE (MARCH 6, 1933)

Under and by virtue of the authority conferred upon the Secretary of the Treasury, by the proclamation of the President of the United States of America issued March 6, 1933, declaring a bank holiday from Monday, March 6, to Thursday, March 9, 1933, inclusive, and wherein the Secretary of the Treasury was authorized and empowered with the approval of the President to permit, under proper regulations, certain banking institutions to perform any and all of the usual banking functions, and it appearing

That Lieut. Col. Julian L. Schley, Governor of the Panama Canal, Balboa Heights, Canal Zone, has advised, after consultation with the manager of the single bank operating in the Canal Zone (which is a branch of the Chase National Bank of New York, located in Cristobal), that there is no necessity for the application of the terms of the proclamation to such bank operating in the Canal Zone, and that such bank is in a position and desires to continue to transact its banking business as usual, it is, therefore,

Ordered, That the banking institution, as defined in the proclamation of the President of the United States, operating and carrying on business in the Canal Zone, be, and the same hereby is, authorized and permitted to perform all its usual banking functions during the period as ordered in the proclamation of the President of the United States and any and all extensions thereof, and/or until the further order of the undersigned in the premises, provided, however, that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates.

THE ISLAND OF GUAM (MARCH 6, 1933)

Under and by virtue of the authority conferred upon the Secretary of the Treasury, by the proclamation of the President of the United States of America issued March 6, 1933, declaring a bank holiday from Monday, March 6, to Thursday, March 9, 1933, inclusive, and wherein the Secretary of the Treasury was authorized and empowered, with the approval of the President, to permit, under proper regulations, certain banking institutions to perform any and all of the usual banking functions, and it appearing

That Capt. E. S. Root, Governor of Guam, has advised that local conditions in the Island justify the Secretary of the Treasury in exempting the banking institutions therein located from the operation of the proclamation of the President of the United States, and that such banks are in a position and desire to continue to transact their banking business as usual, it is, therefore,

Ordered, That any and all banking institutions, as defined in the proclamation of the President of the United States, operating and carrying on business in the Island of Guam, be, and the same hereby are, authorized and permitted to perform all their usual banking functions during the period as ordered in the proclamation of the President of the United States and

any and all extensions thereof, and/or until the further order of the undersigned in the premises, provided, however, that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates.

THE ISLANDS OF AMERICAN SAMOA (MARCH 6, 1933)

Under and by virtue of the authority conferred upon the Secretary of the Treasury, by the proclamation of the President of the United States of America issued March 6, 1933, declaring a bank holiday from Monday, March 6, to Thursday, March 9, 1933, inclusive, and wherein the Secretary of the Treasury was authorized and empowered, with the approval of the President, to permit, under proper regulations, certain banking institutions to perform any and all of the usual banking functions, and it appearing

That Capt. George B. Landenberger, Governor of American Samoa, has advised that local conditions in the Islands justify the Secretary of the Treasury in exempting the banking institutions therein located from the operation of the proclamation of the President of the United States, and that such banks are in a position and desire to continue to transact their banking business as usual, it is, therefore,

Ordered, That any and all banking institutions, as defined in the proclamation of the President of the United States, operating and carrying on business in the Islands of American Samoa, be, and the same hereby are, authorized and permitted to perform all their usual banking functions during the period as ordered in the proclamation of the President of the United States and any and all extensions thereof, and/or until the further order of the undersigned in the premises, provided, however, that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates.

THE PHILIPPINE ISLANDS (MARCH 6, 1933)

Under and by virtue of the authority conferred upon the Secretary of the Treasury, by the proclamation of the President of the United States of America issued March 6, 1933, declaring a bank holiday from Monday, March 6, to Thursday, March 9, 1933, inclusive, and wherein the Secretary of the Treasury was authorized and empowered with the approval of the President to permit, under proper regulations, certain banking institutions to perform any and all of the usual banking functions, and it appearing

That the Hon. Theodore Roosevelt, jr., Governor General of the Philippine Islands, has advised, after consultation with the managing officials of all banks, both local and foreign, located in the Philippine Islands, together with certain prominent business men of the community and certain insular officials, that there is no present necessity for the application of the terms of the proclamation to the banks operating in the Philippine Islands, and that such banks are in a position and desire to continue to transact their banking business as usual, it is, therefore,

Ordered, That any and all banking institutions, as defined in the proclamation of the President of the United States, operating and carrying on business in the Philippine Islands, be, and the same hereby are, authorized and permitted to perform all their usual banking functions during the period as ordered in the proclamation of the President of the United States and any and all extensions thereof, and/or until the further order of the undersigned in the premises, provided, however, that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates.

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THE VIRGIN ISLANDS (MARCH 6, 1933)

Under and by virtue of the authority conferred upon the Secretary of the Treasury, by the proclamation of the President of the United States of America issued March 6, 1933, declaring a bank holiday from Monday, March 6, to Thursday, March 9, 1933, inclusive, and wherein the Secretary of the Treasury was authorized and empowered with the approval of the President to permit, under proper regulations, certain banking institutions to perform any and all of the usual banking functions, and it appearing

That the Hon. Boyd J. Brown, Acting Governor of the Virgin Islands, has advised that there is no necessity for the application of the terms of the proclamation to the banks operating in the Virgin Islands, and that such banks are in a position and desire to transact their banking business as usual, it is, therefore,

Ordered, That any and all banking institutions, as defined in the proclamation of the President of the United States, operating and carrying on business in the Virgin Islands, be, and the same hereby are, authorized and permitted to perform all usual banking functions during the period as ordered in the proclamation of the President of the United States and any and all extensions thereof, and/or until the further order of the undersigned in the premises, provided, however, that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates.

THE TERRITORY OF HAWAII (MARCH 9, 1933)

Under and by virtue of the authority conferred upon the Secretary of the Treasury, by the proclamation of the President of the United States of America issued March 6, 1933, declaring a bank holiday from Monday, March 6, to Thursday, March 9, 1933, inclusive, as extended by a proclamation of the President issued March 9, 1933, and wherein the Secretary of the Treasury was authorized and empowered with the approval of the President to permit, under proper regulations, certain banking institutions to perform any and all of the usual banking functions, and it appearing

That the Hon. Lawrence M. Judd, Governor of the Territory of Hawaii, advised that there is no necessity

for the application of the terms of the proclamation to the banks operating in the Territory of Hawaii after the close of business March 9, 1933, and that such banks are in a position and desire to transact their banking business as usual, it is, therefore,

Ordered, That any and all banking institutions, as defined in the proclamation of the President of the United States, operating and carrying on business in the Territory of Hawaii, be and the same hereby are, authorized and permitted to perform all usual banking functions during the period as ordered in the proclamation of the President of the United States and any and all extensions thereof, and/or until the further order of the undersigned in the premises, provided, however, that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates.

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The following authorization, of March 7, 1933, was issued by the Secretary of the Treasury, with the approval of the President, permitting the Federal Reserve Bank of New York to ship gold earmarked for foreign governments and foreign banks prior to March 6, 1933:

**Authority to
ship earmarked
gold**

“Under authority conferred upon me by the President’s proclamation of March 6, 1933, declaring a bank holiday, the Federal Reserve Bank of New York is authorized, in the case of gold earmarked for foreign governments, foreign central banks, and the Bank of International Settlements prior to March 6, 1933, to permit the export of such gold to the government or foreign bank entitled thereto under a license by the Secretary of the Treasury specifically authorizing each shipment.”

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Sh. Inwood

**DOCUMENTS
AND STATEMENTS PERTAINING TO THE
BANKING EMERGENCY**

copy in 323.41

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

PART II

APRIL 5-JUNE 5, 1933



**UNITED STATES
GOVERNMENT PRINTING OFFICE
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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.

(III)

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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 appli-

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cation 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

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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,

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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.

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"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 fulfillment 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.

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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

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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 sup-

plemental 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

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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 CON-
 FERRED BY SECTION 8 OF ARTICLE I OF THE CONSTITU-
 TION: 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

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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

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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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I N D E X

	Legislation, Executive order, regulation, or statement	Page		Legislation, Executive order, regulation, or statement	Page
A					
Art, gold for use in. (<i>See gold for use in industry, profession, or art.</i>)			Gold coin and bullion—Continued		
C					
Coin collectors, delivery of gold coins to Federal reserve banks, etc., not required.	Exec. Ord. 4/5	1	Imported for reexport:		
Coinage, gold and silver, President authorized to provide for.	Act, 5/12	8	Delivery to Federal reserve banks, etc., not required.	Exec. Ord. 4/20	2
Contracts, "gold clause" in	Tr. Stat. 5/26	9	Export under license	Reg. 4/29	5
Credit expansion:	Pub. Res. 6/5	10	License to export:		
Declaration of emergency by reason of Federal reserve banks to prevent undue	Act, 5/12	9	Application	Exec. Ord. 4/20	3
Credit transfers from the United States, regulation or prohibition by Secretary of Treasury authorized.	Exec. Ord. 4/20	3	Duration	Reg. 4/29	5
Currency export or withdrawal from the United States, regulation or prohibition by Secretary of Treasury authorized (<i>see also entries beginning Gold coin</i>).	do	3	Issuance	do	5
Currency stabilization agreements with governments, President authorized to fix weight of gold dollar in accordance with.	Act, 5/12	8	Miscellaneous transactions:		
Customs collector, notification concerning gold export.	Reg. 4/29	5, 6, 10	License, application	do	7
			License, issuance	do	7
			Licensed, delivery to Federal reserve banks, etc., not required.	Exec. Ord. 4/5	1
			Reports on disposition	Reg. 4/29	7
			Gold coin and certificates, not over \$100, delivery to Federal reserve banks, etc., not required.	Exec. Ord. 4/5	1
			Gold coin, bullion, and certificates:		
			Application for extension of time for delivery.	Tr. Stat. 4/25	3
			Delivery to Federal reserve banks, etc.—		
			Acquired after April 28, 1933	do	1
			Acquired before April 28, 1933	Reg. 4/29	7
			Payment	Exec. Ord. 4/5	1
			Transportation costs paid by Secretary of Treasury.	Reg. 4/29	7
			Earmarking under license	Exec. Ord. 4/5	1
			Export under license	Reg. 4/29	7
			Extension of time for delivery	Exec. Ord. 4/5	1
			Hoarding prohibited	do	1
			Licenses, authority of Secretary of Treasury to issue.	Tr. Stat. 4/5	2
			Penalties for violation of orders, regulations, etc.	Exec. Ord. 4/5	1
			Public notice setting forth requirements of Executive order forbidding hoarding.	Exec. Ord. 4/20	2
			Receipt by Federal reserve banks and members.	Reg. 4/29	5
			Regulations, authority of Secretary of Treasury to issue.	Exec. Ord. 4/5	1
			Gold coinage.	do	2
			Gold coins, rare, delivery to Federal reserve banks, etc., not required.	Act, 5/12	8
			Gold dollar:	Exec. Ord. 4/5	1
			President authorized to change weight	Act, 5/12	8
			Reduction in weight limited	do	8
			Weight in accordance with agreements with governments	do	8
			Gold for use in industry, profession, or art:		
			Application to purchase	do	8
			Delivery to Federal reserve banks, etc., not required.	Reg. 4/29	4
			Purchase	Exec. Ord. 4/5	1
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			Delivery to Federal reserve banks, etc., not required.	Tr. Stat. 4/25	3
			Import for export of bullion:	Tr. Stat. 5/26	8
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Mr. Myrick
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GOLD REGULATIONS

PRESCRIBED BY THE SECRETARY OF THE TREASURY

UNDER

THE EXECUTIVE ORDER OF AUGUST 28, 1933

RELATING TO THE

HOARDING, EXPORT, AND EARMARKING OF GOLD COIN
BULLION, OR CURRENCY AND TO TRANSACTIONS
IN FOREIGN EXCHANGE

AND

THE EXECUTIVE ORDER OF AUGUST 29, 1933

RELATING TO

THE SALE AND EXPORT OF GOLD RECOVERED
FROM NATURAL DEPOSITS



TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

SEPTEMBER 12, 1933

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

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550.*

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TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
September 12, 1933.

GOLD REGULATIONS

Issued under the authority 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 August 28, 1933, Relating to the Hoarding, Export, and Earmarking of Gold Coin, Bullion, or Currency and to Transactions in Foreign Exchange, and of August 29, 1933, Relating to the Sale and Export of Gold Recovered from Natural Deposits.

PART I

EXECUTIVE ORDER OF AUGUST 28, 1933

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", I, FRANKLIN D. ROOSEVELT, PRESIDENT of the UNITED STATES OF AMERICA, do declare that a period of national emergency exists, and by virtue of said authority and of all other authority vested in me, do hereby prescribe the following provisions for the investigation and regulation of the hoarding, earmarking, and export of gold coin, gold bullion, and gold certificates by any person within the United States or any place subject to the jurisdiction thereof; and for the investigation and regulation of transactions in foreign exchange and transfers of credit and the export or withdrawal of currency from the United States or any place subject to the jurisdiction thereof by any person within the United States or any place subject to the jurisdiction thereof.

GENERAL PROVISIONS

ARTICLE 1. Scope.—These Regulations shall be operative throughout the United States and every place subject to the jurisdiction thereof, unless otherwise indicated.

EXECUTIVE ORDER OF AUGUST 28, 1933

SECTION 9. The Secretary of the Treasury is hereby authorized and empowered to issue such regulations as he may deem necessary to carry out the purposes of this Order. Such regulations may provide for the detention in the United States of any gold coin, gold bullion, or gold certificates sought to be transported beyond the limits of the continental United States, pending an investigation to determine if such coin, bullion, or certificates are held or are to be acquired in violation of the provisions of this Executive Order. Licenses and permits granted in accordance with the provisions of this Order and the regulations prescribed hereunder, may be issued through such officers or agencies as the Secretary may designate.

ARTICLE 2. Authority for regulations and licenses.—These Regulations are issued under the authority 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 August 28, 1933, and August 29, 1933. Licenses authorized under the provisions of the Executive Orders of August 28, 1933, and August 29, 1933, may be issued in accordance with these Regulations by the Secretary of the Treasury or by such officers or agencies as the Secretary of the Treasury may designate.

EXECUTIVE ORDER OF AUGUST 28, 1933

SECTION 2. Definitions.—As used in this Order the term "person" means an individual, partnership, association, or corporation; and the term "the United States" means the United States and any place subject to the jurisdiction thereof.

ARTICLE 3. Definitions.—The terms "*person*" and "*the United States*" are given the same meaning in these Regulations as in the Executive Order of August 28, 1933.

The term "*the continental United States*" means the States of the United States, the District of Columbia, and the Territory of Alaska.

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References to "*Sections*" are to the designated sections of the Executive Order of August 28, 1933, Relating to the Hoarding, Export, and Earmarking of Gold Coin, Bullion, or Currency and to Transactions in Foreign Exchange.

References to "*Articles*" are to the numbered Articles of these Regulations.

The term "*Mint*" will be used to include any person in charge of a United States Mint or Assay Office.

Whenever reference is made to amounts of gold coin or gold bullion herein or in any license granted under the Executive Orders of August 28, 1933, and August 29, 1933, in terms of dollars, each dollar of such amount equals twenty-five and eight-tenths grains of gold nine-tenths fine. (See R.S., sec. 3511; March 14, 1900, c. 41, sec. 1, 31 stat. 45.)

ARTICLE 4. *General provisions affecting applications.*—Every application for a license to acquire, hold, earmark, and/or export gold coin, gold bullion or gold certificates shall be made upon the appropriate application form prescribed by the Secretary of the Treasury and shall be executed under oath before an officer authorized to administer oaths. Consideration of any application may be withheld pending the furnishing of any or all of the information required in such forms or of such additional information as may be deemed necessary by the Secretary of the Treasury, or the agency through which the license is to be issued. There shall be attached to the applications such instruments as may be specified therein or required by the Secretary of the Treasury, or by such agency. Whenever additional information is requested it shall be furnished under oath.

ARTICLE 5. *General provisions affecting licenses.*—Licenses issued pursuant to the Executive Orders or these Regulations shall be upon the appropriate form prescribed by the Secretary of the Treasury. They shall be nontransferable and shall entitle the licensee to hold, acquire, earmark, and/or export gold coin, gold bullion, or gold certificates only in accordance with the conditions and limitations specified therein.

Licenses may be modified or revoked at any time in the discretion of the Secretary of the Treasury. In the event that a license is modified or revoked, the Secretary of the Treasury, or the designated agency through which the license was issued, shall advise the licensee by letter mailed to the address of the licensee set forth in the application. The licensee, upon receipt of such advice, shall forthwith surrender his license to the Secretary of the Treasury or the agency through which the license was issued. If the license has been modified but not revoked, the Secretary of the Treasury, or the agency through which the original license was issued, shall thereupon issue a modified license. A person holding gold coin, gold bullion, or gold certificates under a license that has been revoked, shall not hold such gold coin, gold bullion, or gold certificates for more than fifteen days after the delivery of the notice of revocation, and a person holding gold coin, gold bullion, or gold certificates under a license which has been modified, shall not hold such gold coin, gold bullion, or gold certificates for more than fifteen days after the delivery of the notice of modification except as permitted under the modified license.

RETURNS

EXECUTIVE ORDER OF AUGUST 28, 1933

SECTION 3. *Returns.*—Within fifteen days from the date of this Order every person in possession of and every person owning gold coin, gold bullion, or gold certificates shall make under oath and file as hereinafter provided a return to the Secretary of the Treasury containing true and complete information relative thereto, including the name and address of the person making the return; the kind and amount of such coin, bullion, or certificates held and the location thereof; if held for another, the capacity in which held and the person for whom held, together with the post office address of such person; and the nature of the transaction requiring the holding of such coin, bullion, or certificates and a statement explaining why such transaction cannot be carried out by the use of currency other than gold certificates; provided that no returns are required to be filed with respect to—

- (a) Gold coin, gold bullion, and gold certificates in an amount not exceeding in the aggregate \$100 belonging to any one person;
- (b) Gold coin having a recognized special value to collectors of rare and unusual coin;
- (c) Gold coin, gold bullion, and gold certificates acquired or held under a license heretofore granted by or under authority of the Secretary of the Treasury; and
- (d) Gold coin, gold bullion, and gold certificates owned by Federal Reserve banks.

Such return required to be made by an individual shall be filed with the Collector of Internal Revenue for the collection district in which such individual resides, or, if such individual has no legal residence in the United States, then with the Collector of Internal Revenue at Baltimore, Maryland. Such return required to be made by a partnership, association, or corporation shall be filed with the Collector of Internal Revenue of the collection

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district in which is located the principal place of business or principal office or agency of such partnership, association, or corporation, or, if it has no principal place of business or principal office or agency in the United States, then with the Collector of Internal Revenue at Baltimore, Maryland. Such return required to be made by an individual residing in Alaska shall be filed with the Collector of Internal Revenue at Seattle, Washington. Such return required to be made by a partnership, association, or corporation having its principal place of business or principal office or agency in Alaska shall be filed with the Collector of Internal Revenue at Seattle, Washington.

The Secretary of the Treasury may grant a reasonable extension of time for filing a return, under such rules and regulations as he shall prescribe. No such extension shall be for more than forty-five days from the date of this Executive Order. An extension granted hereunder shall be deemed a license to hold for a period ending fifteen days after the expiration of the extension.

The returns required to be made and filed under this Section shall constitute public records; but they shall be open to public inspection only upon order of the President and under rules and regulations prescribed by the Secretary of the Treasury.

A return made and filed in accordance with this Section by the owner of the gold coin, gold bullion, and gold certificates described therein, or his duly authorized agent, shall be deemed an application for the issuance under Section 5 hereof of a license to hold such coin, bullion, and certificates.

SECTION 7. United States possessions—* * *.—The provisions of Sections 3 and 5 of this Order shall not apply to gold coin, gold bullion, or gold certificates which are situated in the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone, Puerto Rico, or the Virgin Islands of the United States, and are owned by a person not domiciled in the continental United States. * * *

ARTICLE 6. Persons required to file returns (Section 3).—Except as provided in Section 3 (a), (b), (c), and (d), returns must be filed with respect to all gold coin, gold bullion, and gold certificates situated within the continental United States by all persons in actual or constructive possession thereof, and, in addition, by all persons owning such coin, bullion, and certificates unless such persons are not subject to laws effective within the limits of the United States. Gold acquired as scrap gold or sweepings is not to be considered as gold acquired under license within the meaning of Section 3 (c) and must be included in the return. The returns made and filed by the owners of the coin, bullion, or certificates described in the returns, or by their duly authorized agents, shall be deemed to be applications for the issuance of a license under Section 5 to hold such coin, bullion, and certificates.

ARTICLE 7. Form of returns (Section 3).—Returns shall be made upon Form TG-1. Such returns shall contain true and complete information relative to all gold coin, gold bullion, and gold certificates owned by, and/or in the possession of the person making the return, or on whose behalf the return is made and filed, and shall include all the information required in the form of return.

ARTICLE 8. Filing of returns (Section 3).—Returns shall be executed and filed in triplicate with the Collector of Internal Revenue as provided in Section 3. A return shall be deemed to have been filed when it is received by the proper Collector of Internal Revenue or when it is properly addressed and mailed and bears a postmark dated prior to midnight of September 18, 1933. At the close of each business day the Collectors of Internal Revenue shall forward one executed copy of every return filed on that day to the Secretary of the Treasury and another executed copy to the Federal Reserve bank of the Federal Reserve district which embraces the city in which the Collector of Internal Revenue has his office. As promptly as possible each Federal Reserve bank shall forward to the Secretary of the Treasury its recommendations as to whether the application for a license to hold the gold coin, gold bullion, or gold certificates described in the return should be granted or denied, in whole or in part.

ARTICLE 9. Extensions of time for filing returns (Section 3).—Upon a verified written request made to the Secretary of the Treasury by a person possessing or owning gold coin, gold bullion, or gold certificates, setting forth reasons why the return cannot be made or filed on or before September 18, 1933, the Secretary of the Treasury, in his discretion, may grant such an extension of time for making the return as under the circumstances shall appear to be required, provided, however, that any extension so granted shall not be for a period ending after October 12, 1933.

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ARTICLE 10. *Publication of returns (Section 3).*—Returns filed under Section 3 shall constitute public records, but they shall be open to public inspection only upon order of the President and under rules and regulations which may be prescribed by the Secretary of the Treasury.

ACQUISITION

EXECUTIVE ORDER OF AUGUST 28, 1933

SECTION 4. *Acquisition of gold coin and gold bullion.*—No person other than a Federal Reserve bank shall after the date of this Order acquire in the United States any gold coin, gold bullion, or gold certificates except under license therefor issued pursuant to this Executive Order, provided that member banks of the Federal Reserve System may accept delivery of such coin, bullion, and certificates for surrender promptly to a Federal Reserve bank, and provided further that persons requiring gold for use in the industry, profession, or art in which they are regularly engaged may replenish their stocks of gold up to an aggregate amount of \$100, by acquisitions of gold bullion held under licenses issued under Section 5(b), without necessity of obtaining a license for such acquisitions.

The Secretary of the Treasury, subject to such further regulations as he may prescribe, shall issue licenses authorizing the acquisition of—

(a) Gold coin or gold bullion which the Secretary is satisfied is required for a necessary and lawful transaction for which currency other than gold certificates cannot be used, by an applicant who establishes that since March 9, 1933, he has surrendered an equal amount of gold coin, gold bullion, or gold certificates to a banking institution in the continental United States or to the Treasurer of the United States;

(b) Gold coin or gold bullion which the Secretary is satisfied is required by an applicant who holds a license to export such an amount of gold coin or gold bullion issued under subdivisions (c) or (d) of Section 6 hereof, and

(c) Gold bullion which the Secretary, or such agency as he may designate, is satisfied is required for legitimate and customary use in industry, profession, or art by an applicant regularly engaged in such industry, profession, or art, or in the business of furnishing gold therefor.

Licenses issued pursuant to this Section shall authorize the holder to acquire gold coin and gold bullion only from the sources specified by the Secretary of the Treasury in regulations issued hereunder.

SECTION 7. *United States possessions—shipments thereto.*—* * * The provisions of Section 4 shall not apply to acquisitions by persons within the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone, Puerto Rico, or the Virgin Islands of the United States of gold coin or gold bullion which has not been taken or sent thereto since April 5, 1933, from the continental United States or any place subject to the jurisdiction thereof.

ARTICLE 11. *Acquisition of gold without license (Sections 4 and 7).*—Any person regularly engaged in an industry, profession, or art for which gold is required may hold, without a license, a stock of gold bullion which, together with all other gold coin, gold bullion, and gold certificates held by such person, does not exceed, in the aggregate, \$100. Such person may replenish his stock of gold as it is used in the industry, profession, or art in which he is engaged, by acquisitions of gold bullion from persons holding licenses to hold gold bullion issued in accordance with Section 5 (b) without obtaining a license for such acquisitions, provided the aggregate amount of gold coin, gold bullion, and gold certificates owned by him after making such acquisitions does not exceed \$100. Federal Reserve banks may acquire gold coin, gold bullion, and gold certificates without the necessity of obtaining a license for such acquisitions and member banks of the Federal Reserve system may acquire such coin, bullion, and certificates for surrender promptly to a Federal Reserve bank.¹

A person in the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone, Puerto Rico, or the Virgin Islands of the United States may acquire gold coin or gold bullion situated therein, without obtaining a license under Section 4 of the Executive Order of August 28, 1933, excepting gold coin or gold bullion shipped or taken to any such place from a place in the continental United States or any place subject to the jurisdiction thereof, after April 5, 1933, in which case a license to acquire such gold coin or gold bullion is necessary.

¹ The Executive Order of March 10, 1933, provides in part as follows:

"No permission to any banking institution to perform any banking functions shall authorize such institution to pay out any gold coin, gold bullion, or gold certificates except as authorized by the Secretary of the Treasury, nor to allow withdrawal of any currency for hoarding, nor to engage in any transaction in foreign exchange except such as may be undertaken for legitimate and normal business requirements, for reasonable traveling and other personal requirements, and for the fulfillment of contracts entered into prior to March 6, 1933."

Under this provision Federal Reserve banks are prohibited from paying out any gold coin, gold bullion, or gold certificates except as authorized by the Secretary of the Treasury.

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ARTICLE 12. Acquisition of gold for necessary and lawful transactions (Section 4 (a)).—

(1) *Applications.*—Every application for a license under Section 4 (a) to acquire gold coin or gold bullion required for a necessary and lawful transaction for which currency other than gold certificates cannot be used (not including acquisitions for industry, profession, or art for which see Article 14), shall be made on Form TG-2 and shall be filed in duplicate with the Federal Reserve bank of the district in which the applicant has surrendered gold coin, gold bullion, or gold certificates since March 9, 1933.

(2) *Disposition of applications (Section 4 (a)).*—The Federal Reserve bank receiving the application shall make such investigation of the case as it may deem necessary and shall transmit to the Secretary of the Treasury the original of the application together with (i) any supplemental information it may deem appropriate, and (ii) its recommendation whether a license should be granted or denied, in whole or in part. The Federal Reserve bank shall retain the duplicate of the application for its records.

(3) *Licenses (Section 4 (a)).*—Upon receipt of the application for a license and the recommendation of the Federal Reserve bank transmitting the application, the Secretary of the Treasury will grant or deny the license. A license on Form TGL-2 will be granted to an applicant who has filed an application in accordance with paragraph 1 of this Article for the acquisition of gold coin or gold bullion which the Secretary of the Treasury is satisfied is required for a necessary and lawful transaction for which currency other than gold certificates cannot be used, providing the applicant shall have established that he has surrendered an equal amount of gold coin, gold bullion, or gold certificates to a banking institution in the continental United States, to the Treasurer of the United States, or to a Mint, since March 9, 1933. A license shall not be granted for an amount of gold coin or bullion exceeding the amount of gold coin, bullion, or certificates so surrendered or for any coin, bullion, or certificates with respect to which acquisitions have been made previously under license granted by the Secretary of the Treasury. When the issuance of a license shall have been approved by the Secretary of the Treasury, a license will be issued to the applicant through the Federal Reserve bank which received and transmitted the application. Such license shall authorize the applicant to hold the gold to be acquired thereunder for the period specified therein unless it is sooner used for the transaction with respect to which the license was granted. If a license is denied, the Federal Reserve bank will be so advised and shall immediately notify the applicant. The decision of the Secretary of the Treasury with respect to granting or denying a license is final. The Federal Reserve bank shall make a notation upon the duplicate of the application whether a license has been granted, and, if granted, the date of the license and the amount of the gold coin or gold bullion specified therein.

(4) *Delivery of gold coin or gold bullion (Section 4 (a)).*—Upon presentation and surrender of a license issued pursuant to Section 4 (a) to the Federal Reserve bank at which the application was received, such bank is authorized to deliver the amount of gold coin or gold bullion specified in such license to the licensee upon payment therefor of an equivalent amount of any form of coin or currency coined or issued by the United States.

(5) *Reports of disposition (Section 4 (a)).*—Immediately upon the disposition of gold coin or gold bullion acquired under a license issued pursuant to Section 4 (a), the licensee shall file a report in duplicate with the Federal Reserve bank through which the license was issued. Such report shall be on Form TGR-2 and shall be executed under oath before an officer authorized to administer oaths. Upon receipt of such report, the Federal Reserve bank shall immediately transmit the original thereof to the Secretary of the Treasury and retain the duplicate for its records.

ARTICLE 13. (1) Acquisition for export (Section 4 (b)).—An application for a license to acquire gold coin or gold bullion for export under a license issued pursuant to Section 6 (c) or (d) shall be made in duplicate on Form TG-3 and shall be filed with a Federal Reserve bank. The Federal Reserve bank, after making such investigation of the case as it may deem necessary, shall transmit the original of the application to the Secretary of the Treasury, together with such supplemental information as it may deem appropriate, and its recommendation as to whether the license should be granted or denied. The Federal Reserve bank shall retain the duplicate of the application for its records.

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(2) *Licenses (Section 4 (b)).*—If the Secretary of the Treasury, in his discretion, determines to grant a license to the applicant under this Article, the Federal Reserve bank through which the application was transmitted will be authorized to issue a license on his behalf to such applicant to acquire gold coin or gold bullion for export under a license issued pursuant to Section 6 (c) or (d). Such license shall be on Form TGL-3.

(3) *Delivery of gold coin or gold bullion (Section 4 (b)).*—Upon presentation and surrender to the Federal Reserve bank at which the application was filed, of a license issued pursuant to Section 4 (b), such bank is authorized to deliver to the licensee the amount of gold coin or gold bullion specified in such license upon payment therefor of an equivalent amount of any form of coin or currency coined or issued by the United States.

(4) *Report of disposition (Section 4 (b)).*—Immediately upon the disposition of gold coin or gold bullion acquired under a license issued pursuant to Section 4 (b), the licensee shall file a report in duplicate with the Federal Reserve bank through which the license was issued. Such report shall be made on Form TGR-3 and shall be executed under oath before an officer authorized to administer oaths. Upon the receipt of such report, the Federal Reserve bank shall immediately transmit the original thereof to the Secretary of the Treasury and shall retain the duplicate for its records.

ARTICLE 14. Acquisition of gold for use in industry, profession, or art (Section 4 (c)).—

(1) *Applications (Section 4 (c)).*—Any person having a legitimate and customary use for gold in industry, profession, or art, or any dealer customarily supplying gold for such use, may file with a Mint an application for a license under Section 4 (c) to acquire from time to time, and thereafter to hold in stock, such quantity of gold as may be required for this use. Such application shall be made on Form TG-4 and filed with a Mint.

(2) *Licenses (Section 4 (c)).*—Upon receipt of the application and after making such investigation of the case as it may deem advisable, the Mint, if satisfied that the gold is necessary for the legitimate and customary requirements of the applicant's industry, profession, art, or business, shall issue to the applicant on behalf of the Secretary of the Treasury a license on Form TGL-4 to acquire from time to time, and hold in stock, such quantity of gold (not in excess of the amount applied for) as in the opinion of the Mint may be necessary for the applicant's requirements.

Every holder of a license issued pursuant to this Article shall be entitled to hold an amount of gold not exceeding at any one time the amount of gold stated in the license, so long as he remains engaged in the industry, profession, art, or business stated in the application. As the licensee's stock of gold shall become depleted by its use in the industry, profession, or art in which he is engaged, or the industry, profession, or art which is supplied by the licensee as a dealer, the licensee shall be entitled to replenish his stock of gold by acquisitions in accordance with the provisions of his license, without being required to file further applications.

(3) *Records (Sections 4 (c) and 5 (b)).*—Every person holding a license issued pursuant to Sections 4 (c) or 5 (b) shall keep an exact record of all acquisitions and deliveries of fine gold, gold contained in alloyed golds in any form for further manufacture, and gold derived from (i) refined bars, ingots, plates, and the like, (ii) refinings, and (iii) dental scrap, broken-up jewelry, watch cases, optical frames, and the like, which have not been melted. Such record shall contain the name, address, and license number of each person from whom he acquires and to whom he delivers such gold, and shall be available for examination by a representative of the Treasury Department for at least one year after the date of the disposition of such gold.

(4) *Reports (Sections 4 (c) and 5 (b)).*—A report shall be made by every person holding a license issued pursuant to Sections 4 (c) or 5 (b) for each month in which such person acquires, holds, or disposes of fine gold, gold contained in alloyed golds in any form for further manufacture, and gold derived from (i) unrefined bars, ingots, plates, and the like, (ii) refinings, and (iii) dental scrap, broken-up jewelry, watch cases, optical frames, and the like, which have not been melted. Such report shall be made on Form TGR-4, shall be executed under oath before an officer authorized to administer oaths, and shall be filed with the Secretary of the Treasury on or before the 15th day of each month. Such report shall cover the period of the calendar month preceding the month in which the report is filed.

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ARTICLE 15. *Persons from whom acquisitions may be made (Section 4 (c)).*—A license to acquire and hold gold for legitimate and customary use in industry, profession, or art, issued under Section 4 (c) of the Executive Order shall authorize the licensee to acquire only (1) gold bullion recovered from natural deposits in the United States or any place subject to the jurisdiction thereof and sold under consignment in accordance with Articles 29 to 35, inclusive, (2) gold held under license to acquire or hold in stock for use in industry, profession, or art, or (3) dental scrap, broken-up jewelry, watch cases, optical frames, and the like, which have not been melted.

HOLDING

EXECUTIVE ORDER OF AUGUST 28, 1933

SECTION 5. *Holding of gold coin, gold bullion, and gold certificates.*—After thirty days from the date of this Order no person shall hold in his possession or retain any interest, legal or equitable, in any gold coin, gold bullion, or gold certificates situated in the United States and owned by any person subject to the jurisdiction of the United States, except under license therefor issued pursuant to this Executive Order; provided, however, that licenses shall not be required in order to hold in possession or retain an interest in gold coin, gold bullion, or gold certificates with respect to which a return need not be filed under Section 3 hereof.

The Secretary of the Treasury, subject to such further regulations as he may prescribe, shall issue licenses authorizing the holding of—

- (a) Gold coin, gold bullion, and gold certificates, which the Secretary is satisfied are required by the person owning the same for necessary and lawful transactions for which currency, other than gold certificates, cannot be used;
- (b) Gold bullion which the Secretary, or such agency as he may designate, is satisfied 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 furnishing gold therefor;
- (c) Gold coin and gold bullion earmarked or held in trust since before April 20, 1933, for a recognized foreign government or foreign central bank or the Bank for International Settlements; and
- (d) Gold coin and gold bullion imported for reexport or held pending action upon application for export licenses.

ARTICLE 16. *Returns considered as applications to hold (Sections 3 and 5).*—A return made on Form TG-1 and filed in accordance with Section 3 by the owner of gold coin, gold bullion, or gold certificates described therein, or his duly authorized agent, shall be deemed an application for the issuance under Section 5 of a license to hold such coin, bullion, and certificates. Further application is not required to be made or filed with respect to such gold. The Secretary of the Treasury may, however, withhold action upon any such return pending receipt from the applicant, or the determination by further investigation, of such additional information as the Secretary deems necessary to establish that the gold coin, gold bullion, or gold certificates described in the return are required by the person owning the same for the purpose specified in Section 5 (a) or (b), or that the application comes within the provisions of Section 5 (c) or (d).

ARTICLE 17. *Licenses to hold (Sections 3 and 5).*—A license on Form TGL-1 to hold gold coin, gold bullion, or gold certificates will entitle the holder to hold such coin, bullion, or certificates stated in the license during the period of time, and for the purpose or purposes, specified in the license. The license will be mailed to the person who executed the return at the address given in the return. If a license is denied, the Secretary of the Treasury will advise the person who executed the return by telegraph or by letter mailed to the address given in the return. Failure to receive advice that a license has been denied shall not be construed as evidence that the license has been granted.

ARTICLE 18. (1) *Reports of disposition of gold held (Sections 3 and 5).*—Any person holding gold coin, gold bullion, or gold certificates under a license issued pursuant to Article 17 who shall at any time dispose of such gold coin, gold bullion, or gold certificates in accordance with the terms of the license (or otherwise), shall immediately file a report in duplicate on the appropriate form designated in the license with the Secretary of the Treasury. Such report shall be executed under oath before an officer authorized to administer oaths.

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EXECUTIVE ORDER OF AUGUST 28, 1933

SECTION 7. *United States possessions—Shipments thereto.*—The provisions of Sections 3 and 5 of this Order shall not apply to gold coin, gold bullion, or gold certificates which are situated in the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone, Puerto Rico, or the Virgin Islands of the United States, and are owned by a person not domiciled in the continental United States. The provisions of Section 4 shall not apply to acquisitions by persons within the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone, Puerto Rico, or the Virgin Islands of the United States of gold coin or gold bullion which has not been taken or sent thereto since April 5, 1933, from the continental United States or any place subject to the jurisdiction thereof.

ARTICLE 19. *United States possessions (Section 7).*—A person not domiciled in the continental United States who owns gold coin, gold bullion, or gold certificates situated in the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone, Puerto Rico, or the Virgin Islands of the United States is not required to obtain a license from the Secretary of the Treasury to hold such gold coin, gold bullion, or gold certificates.

EARMARKING AND EXPORT

EXECUTIVE ORDER OF AUGUST 28, 1933

SECTION 6. *Earmarking and export of gold coin and gold bullion.*—After the date of this Order no person shall earmark or export any gold coin, gold bullion, or gold certificates from the United States, except under license therefor issued by the Secretary of the Treasury pursuant to the provisions of this Order.

The Secretary of the Treasury, in his discretion and subject to such regulations as he may prescribe, may issue licenses authorizing—

(a) The export of gold coin or gold bullion earmarked or held in trust since before April 20, 1933, for a recognized foreign government, foreign central bank, or the Bank for International Settlements;

(b) The export of gold, (i) imported for reexport, (ii) refined from gold-bearing materials imported by the applicant under an agreement to export gold, or (iii) in bullion containing not more than five ounces of gold per ton;

(c) The export of gold coin or gold bullion to the extent actually required for the fulfillment of a contract entered into by the applicant prior to April 20, 1933; but not in excess of the amount of the gold coin, gold bullion, and gold certificates surrendered by the applicant on or after March 9, 1933, to a banking institution in the continental United States or to the Treasurer of the United States; and

(d) The earmarking for foreign account and/or export of gold coin or gold bullion, with the approval of the President, for transactions which the Secretary of the Treasury may deem necessary to promote the public interest.

SECTION 7. *United States possessions—Shipments thereto.*—The provisions of Sections 3 and 5 of this order shall not apply to gold coin, gold bullion, or gold certificates which are situated in the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone, Puerto Rico, or the Virgin Islands of the United States, and are owned by a person not domiciled in the continental United States. The provisions of Section 4 shall not apply to acquisitions by persons within the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone, Puerto Rico, or the Virgin Islands of the United States of gold coin or gold bullion which has not been taken or sent thereto since April 5, 1933, from the continental United States or any place subject to the jurisdiction thereof.

ARTICLE 20. *Earmarking or export of gold coin or bullion (Sections 4 (b) and 6 (a), (c), and (d)).*—

(1) *Applications.*—An application for a license to export under Section 6 (a) or (c) or to earmark for foreign account or export under Section 6 (d) shall be made on Form TG-3 and shall be filed with a Federal Reserve bank. The application shall also constitute an application for a license to acquire gold for purposes of Section 6 (c) and (d) as provided in Article 13. The bank, after making such investigation of the case as it may deem necessary, shall transmit the original of the application to the Secretary of the Treasury, together with (a) such supplemental information as it may deem appropriate and (b) its recommendation as to whether the license should be granted or denied. The duplicate of the application shall be retained by the Federal Reserve bank for its records.

(2) *Licenses (Sections 4 (b) and 6 (a), (c), and (d)).*—If the Secretary of the Treasury in his discretion determines to grant a license upon an application filed under this Article, he will advise 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 to acquire and hold for such export a specified amount of gold coin or gold bullion, and the Federal Reserve bank shall thereupon issue on behalf of the Secretary of the Treasury such license to the applicant on Form TGL-3. If the license is not granted, the Federal Reserve bank through which the application was transmitted will be advised and shall thereupon so notify the applicant.

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ARTICLE 21. Import for smelting and/or refining and export (Section 6 (b) (ii)).—

(1) *Notation upon entry (Section 6 (b) (ii)).*—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, New York, or to the United States Mint at San Francisco, California, whichever is designated by the importer.

(2) *Sampling and assaying (Section 6 (b) (ii)).*—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.

(3) *Plant records (Section 6 (b) (ii)).*—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, which has been designated to receive a copy of the entry.

(4) *Application for export license (Section 6 (b) (ii)).*—Not later than sixty days from the date of entry, the importer shall file an application on Form TG-5 with the Assay Office or the Mint, which 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. The application shall be accompanied by two duly attested copies of the settlement sheet.

(5) *Issuance of serial numbered certificates (Section 6 (b) (ii)).*—If the Mint is satisfied as to the accuracy of the data shown on such application, it 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.

(6) *Licenses (Section 6 (b) (ii)).*—Upon delivery to the Mint, within 120 days from the date it was issued, of the serial numbered certificate the Mint shall issue to the applicant on behalf of the Secretary of the Treasury a license on Form TGL-5 to export gold bullion in an amount not exceeding the amount specified in the settlement sheet as shown on such certificate.

(7) *Exportation prior to receipt of settlement sheets (Section 6 (b) (ii)).*—Upon a showing in the application that an exportation with respect to any gold-bearing ores or materials imported into the United States for smelting and/or refining under an agreement providing for the export of gold bullion is necessary prior to the time when the settlement sheet can be procured, the Mint may receive the application with duplicate certified copies of the report of the applicant's actual test assay. If prior reports of such applicant have been substantiated approximately by the settlement sheets, the Mint may grant a license to export up to 90% of the amount of gold which such report estimates will be realized from such gold-bearing ores or materials.

ARTICLE 22. Gold imported for reexport (Section 6 (b) (i)).—The provisions of Article 20 insofar as applicable shall be complied with by every person desiring a license to export gold imported for reexport. A license is not required for the export of gold shipments from abroad invoiced for continuous transshipment and reexport from a designated point, if such shipments remain under Customs' custody throughout the period of transit within the United States.

ARTICLE 23. Gold contained in other metals (Section 6 (b) (iii)).—

(1) *Applications.*—Applications for licenses under Section 6 (b) (iii) for the export of gold in metals containing not more than five troy ounces of gold per short ton of such metals shall be made on Form TG-6 and filed with a Mint. A commercial sample of the metal shall accompany the application whenever required by the Mint.

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(2) *Licenses (Section 6 (b)(iii)).*—If the Mint is satisfied as to the accuracy of the data shown on such application and is satisfied that the exportation is made in the course of the applicant's regular business of supplying the metal other than the gold contained therein, he may issue to the applicant a license on Form TGL-6 to export the metal described in the application in an amount not in excess of the amount for which application has been made.

ARTICLE 24. *Notice to Collectors of Customs of license to export (Section 6).*—At the time any license to export gold coin or gold bullion (including metals containing gold) is issued, the issuing Federal Reserve bank or Mint shall transmit a copy thereof to the Collector of Customs at the port of export designated in the license. Collectors of Customs shall not permit the export of any gold coin or gold bullion (including metals containing gold) except upon surrender of a license to export, a copy of which has been received by him from the Federal Reserve bank or the Mint issuing such license. The Collector of Customs to whom a license to export is surrendered shall cancel such license and return it to the Federal Reserve bank or Mint which issued the same. In the event that the shipment is to be made by mail, a copy of the export license shall be sent to the Postmaster of the post office designated in the application, who will act under the instructions of the Postmaster General in regard thereto.

ARTICLE 25. *Expiration of export licenses (Section 6).*—All licenses to export gold coin or gold bullion shall expire 15 days after the date of issue, and no person shall hold such gold coin or gold bullion in the United States after the expiration of his license to export, unless otherwise licensed to hold the gold coin or gold bullion described in the license to export.

EXECUTIVE ORDER OF AUGUST 28, 1933

SECTION 9. The Secretary of the Treasury is hereby authorized and empowered to issue such regulations as he may deem necessary to carry out the purposes of this Order. Such regulations may provide for the detention in the United States of any gold coin, gold bullion, or gold certificates sought to be transported beyond the limits of the continental United States, pending an investigation to determine if such coin, bullion, or certificates are held or are to be acquired in violation of the provisions of this Executive Order. * * *

ARTICLE 26. *Investigation in connection with shipments of gold coin, gold bullion, or gold certificates (Section 9).*—Each Collector of Customs or Postmaster may cause an investigation to be made to determine if any of the gold coin, gold bullion, or gold certificates presented to him in the course of, or for, transportation beyond the limits of the continental United States are held or are to be acquired in violation of the provisions of the Executive Orders. Such gold coin, gold bullion, or gold certificates may be detained pending such investigation and pending receipt of instructions from the Commissioner of Customs or the Postmaster General, or the persons designated by them for that purpose.

In the event that any gold is presented to a Collector of Customs or Postmaster in the course of, or for, transportation to any foreign country, and the export is not covered by a proper license to export, the Collector of Customs shall refuse to permit the gold to pass and the Postmaster shall refuse to accept the gold for mailing, until the person carrying, shipping, or mailing the gold has filed an affidavit containing information required by the Commissioner of Customs or Postmaster General, respectively, with respect to each article containing gold and until advice is received from the Commissioner of Customs or the Postmaster General, or the persons designated by them that such shipment is not in violation of the Executive Orders.

EXECUTIVE ORDER OF AUGUST 28, 1933

SECTION 10. Whoever willfully violates any provision of this Executive Order or of any license, order, rule, or regulation issued or prescribed hereunder, shall, upon conviction, 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 such violation may be punished by a like fine, imprisonment, or both.

ARTICLE 27. *Penalties (Section 10).*—Whoever willfully violates any provision of these Regulations or of any license, order, rule, or regulation issued or prescribed hereunder, shall, upon conviction, be fined not more than \$10,000, or, if a natural person, may be imprisoned for not

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more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both. The making and filing of any return, application, report, or record for the acquisition, earmarking, export, holding or disposition of gold coin, gold bullion, or gold certificates, which contains false information is a violation of the Executive Orders of August 28, 1933 and August 29, 1933 and of these Regulations. The disposition of gold held under a license for purposes other than those stated in the application for such license or in the license shall constitute a violation of the Executive Orders and of these Regulations.

EXECUTIVE ORDER OF AUGUST 28, 1933

SECTION 11. The Executive Orders of April 5, 1933, forbidding the hoarding of gold coin, gold bullion, and gold certificates, and April 20, 1933, relating to foreign exchange and the earmarking and export of gold coin or bullion or currency, respectively, are hereby revoked. The revocation of such prior Executive Orders shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil or criminal cause prior to said revocation, but all liabilities under said Executive Orders shall continue and may be enforced in the same manner as if said revocation had not been made. This Executive Order and any regulations or licenses issued hereunder may be modified or revoked at any time.

ARTICLE 28. *Regulations of April 29, 1933, revoked (Section 11).*—The Regulations issued April 29, 1933, under the Executive Orders of April 5 and April 20, 1933, are revoked. The revocation of such Regulations shall not affect any act done or any right accruing or accrued or any suit had or commenced in any civil or criminal cause prior to said revocation, but all liabilities under said Regulations shall continue and may be enforced as if said revocation had not been made.

A license issued pursuant to the Regulations issued April 29, 1933, to acquire, withhold, earmark, or export gold coin, gold bullion, and gold certificates shall not be deemed to have been modified or revoked by reason of the revocation of such Regulations.

PART II

EXECUTIVE ORDER OF AUGUST 26, 1933

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", I, FRANKLIN D. ROOSEVELT, PRESIDENT OF THE UNITED STATES OF AMERICA, do declare that a period of national emergency exists, and by virtue of said authority and of all other authority vested in me, do hereby issue the following Executive Order:

The Secretary of the Treasury is hereby authorized to receive on consignment for sale, subject to such rules and regulations and upon such conditions as he shall prescribe, gold recovered from natural deposits in the United States or any place subject to the jurisdiction thereof. Sales may be made:

- (a) To persons licensed to acquire gold for use in the arts, industries, or professions, or
- (b) By export to foreign purchasers.

Such sales shall be made at a price which the Secretary shall determine to be equal to the best price obtainable in the free gold markets of the world after taking into consideration any incidental expenses such as shipping costs and insurance.

Such sales may be made through the Federal Reserve banks or such other agents as the Secretary may from time to time designate and shall be subject to such charges as the Secretary may from time to time in his judgment determine.

Every person depositing gold for sale as provided herein shall be deemed to have agreed to accept as conclusive without any right of recourse or review, the determination of the Secretary or his duly authorized agent as to the amount due such person as a result of any sale.

Consignments shall be sold as nearly as may be in the order of their receipt.

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ARTICLE 29. *Gold received on consignment for sale.*—The Secretary of the Treasury under the conditions specified in this and the following Articles of these Regulations, and subject to the appropriate regulations governing the Mints and Assay Offices, will receive at any United States Mint or Assay Office on consignment for sale under the provisions of the Executive Order of August 29, 1933, gold recovered from natural deposits in the United States or any place subject to the jurisdiction thereof, unless such gold was held prior to August 28, 1933, in noncompliance with the terms of the Executive Order of April 5, 1933, and/or the Regulations issued thereunder, or was held after August 28, 1933, in noncompliance with the Executive Order of August 28, 1933, and/or the Regulations issued thereunder. Gold which was at any time prior to August 28, 1933, in the possession of or owned in whole or in part by a

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bank (except gold in its natural state purchased by a bank directly from miners and which gold has not been held by such bank in noncompliance with the Executive Orders of April 5 and August 28, 1933), Mint or Assay Office in the form of coin or bullion, will not be received on consignment for sale.

Gold will be received in amounts of not less than two ounces of fine gold and in the following forms: Bars, kings, buttons, retort sponge, lumps, grains, and dust in their native state free from earth and stone, or nearly so. Consignments shall not contain less than 200 parts of gold in 1,000 by assay. In the case of gold forwarded to a Mint by mail or express, the original package will not be opened until an invoice of the description and weight of each such package shall have been received. When there is a material discrepancy between the actual and invoice weights of a consignment, further action with regard to it will be deferred pending communication with the consignor.

ARTICLE 30. *Rejection of gold by Mint.*—Consignments which are unsuitable for Mint treatment shall be rejected and returned to the person delivering the same at his risk and expense. Consignments which the Mint is not satisfied were recovered from natural deposits in the United States or otherwise do not meet the requirements of these Regulations will be disposed of in accordance with applicable law.

ARTICLE 31. *Affidavits accompanying delivery of gold.*—Every person delivering gold produced exclusively from a mine or placer deposit owned, controlled, or leased by him, to the Secretary of the Treasury for sale shall at the time of the delivery of such gold file with the Mint a proper affidavit, in duplicate, on Form TG-7. Every person engaged in the business of operating a custom mill, smelter, or refinery shall at the time of such delivery file with the Mint a proper affidavit, in duplicate, on Form TG-8. If any person other than a person engaged in the business of operating a custom mill, smelter, or refinery, who delivers gold, has purchased the same in its natural state directly from persons who have recovered such gold from mines wholly owned, controlled, or leased by the sellers, such consignor shall at the time of delivery submit an affidavit, in duplicate, on Form TG-8 to which shall be attached affidavits on Form TG-7, executed by each person from whom any of such gold was purchased. One copy of such affidavit shall be forwarded by the Mint to the Director of the Mint.

ARTICLE 32. *Records and reports.*—Every person delivering gold on consignment for sale shall keep accurate records of all gold mined or acquired and such records shall be available for examination by a representative of the Treasury Department for at least one year after such delivery. Such person shall also file with the Director of the Mint, on or before the twenty-fifth day of each month after the date the first consignment of gold is made, a report covering the period of the preceding calendar month, provided, that the first report shall cover the period from April 1, 1933, to the end of the calendar month preceding the date of the report. Such report shall be made under oath on Form TGR-7, if the consignor produces gold exclusively from mines or placer deposits which are wholly owned, controlled or leased by him, and on Form TGR-8, if the consignor is engaged in the business of operating a custom mill, smelter, or refinery. If the person delivering the gold is engaged in the business of purchasing gold in its natural state from others, such report shall be made on Form TGR-8.

ARTICLE 33. *Agreement by consignor.*—A Mint shall not receive gold for sale under the provisions of the Executive Order of August 29, 1933, unless full compliance with these Regulations is shown to its satisfaction, and until the person owning the gold, or his duly authorized agent, has signed a written agreement to accept as conclusive without any right of recourse or review, the determination of the Secretary of the Treasury or his duly authorized agent as to the amount due such person as a result of any sale of the gold deposited.

ARTICLE 34. *Disposition of gold received on consignment for sale.*—When, after a delivery of gold on consignment for sale, the Mint is satisfied that the same may properly be sold under the

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provisions of the Executive Order of August 29, 1933, and of these Regulations, and that the consignor has fully complied with the same, and after assay, it shall certify to the Federal Reserve bank in the district in which the Mint is located that it has available for sale, in accordance with the Executive Order of August 29, 1933, for the account of the person by whom or on whose behalf the gold was consigned, the amount of gold shown by such assay, and shall also certify the Mint charges applicable thereto.

The Federal Reserve banks are authorized to sell such gold, as nearly as may be in the order of certification, to persons licensed to acquire gold for use in the arts, industries, or professions, at the price determined from time to time by the Secretary of the Treasury. The Secretary of the Treasury will telegraph daily to the Federal Reserve banks the price which he determines is equal to the best price obtainable in the free gold markets of the world less expenses incident to shipment and sale. If such gold is not sold upon the day of or the two days (exclusive of Saturdays, Sundays, and Holidays) following its certification to a Federal Reserve bank, it shall be offered for sale to foreign purchasers by the Federal Reserve Bank of New York.

Proceeds of sales, less the charges determined by the Secretary, and Mint charges, shall be paid to the consignor by the Federal Reserve bank of the district where such gold was deposited. In cases of sales made abroad 98 percent of such net proceeds shall be paid upon receipt of telegraphic remittance from abroad, the remainder upon receipt of final statement by mail.

ARTICLE 35. *Export of gold.*—Gold sold to foreign purchasers under Article 34 may be exported by the Federal Reserve Bank of New York without requirement of a license. Such bank shall certify to the Collector of Customs of the port at which export is to be made that such gold was so sold, and the Collector is authorized to permit the export thereof.

EXECUTIVE ORDER OF AUGUST 29, 1933

The Secretary of the Treasury, in his discretion and subject to such regulations as he may prescribe, is hereby authorized to issue licenses permitting the export of articles fabricated from gold sold pursuant to this Executive Order.

ARTICLE 36. *Export of fabricated gold.*—No article fabricated from gold shall be exported unless the value thereof depends upon the form and not upon the gold content of the article,¹ except that articles fabricated from gold sold to the applicant by a Federal Reserve bank pursuant to the Executive Order of August 29, 1933, may be exported under license issued pursuant to this Article.

(1) *Application for license.*—Application for license to export articles fabricated from gold sold pursuant to the Executive Order of August 29, 1933, shall be made on Form TG-9 and filed with the Federal Reserve bank from which the applicant acquired such gold. Each application shall be executed under oath before an officer authorized to administer oaths.

(2) *Licenses.*—Upon receipt of the application and after making such investigation as it may deem advisable, the Federal Reserve bank may issue a license on Form TGL-9 to export articles fabricated from an amount of gold not in excess of the gold sold to the applicant by such bank pursuant to the Executive Order of August 29, 1933.

(3) *Notice to Collectors of Customs and Postmasters.*—At the time any license is granted to export articles fabricated from gold, the issuing Federal Reserve bank shall notify the Collector of Customs at the port of export or the Postmaster designated in the application, as is required by Article 24, and the provisions of that Article shall be complied with insofar as applicable.

¹ See article 26 with respect to the export of articles the value of which depends upon the form.

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PART III

ARTICLE 37. *Forms available.*—Any form, the use of which is prescribed in these Regulations, may be obtained at United States Mints and Assay Offices and Federal Reserve banks and at the Treasury Department, Washington.

ARTICLE 38. *Revocation of prior regulations.*—The temporary Regulations issued under dates of August 31, September 1, and September 5, 1933, are revoked. The revocation of such Regulations shall not affect any act done or any right accruing or accrued or any suit had or commenced in any civil or criminal cause prior to said revocation, but all liabilities under said Regulations shall continue and may be enforced as if said revocation had not been made.

A license issued pursuant to the Regulations issued August 31, September 1, and September 5, 1933, to acquire, hold, earmark, or export gold coin, gold bullion, or gold certificates shall not be deemed to have been modified or revoked by reason of the revocation of such Regulations.

ARTICLE 39. *Modification of regulations.*—The provisions of these Regulations may be revoked or modified at any time.

DEAN ACHESON,
Acting Secretary of the Treasury.

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SECTION 2 OF THE ACT APPROVED MARCH 9, 1933

[PUBLIC—No. 1—73D CONGRESS]

SECTION 2. Subdivision (b) of section 5 of the Act of October 6, 1917 (40 Stat.L. 411), as amended, is hereby amended to read as follows:

"(b) During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, 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 between or payments by banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person engaged in any transaction referred to in this subdivision 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 person, either before or after such transaction is completed. Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule or regulation issued thereunder, shall, upon conviction, 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 such violation may be punished by a like fine, imprisonment, or both. As used in this subdivision the term 'person' means an individual, partnership, association, or corporation."

EXECUTIVE ORDER

RELATING TO THE HOARDING, EXPORT, AND EARMARKING OF GOLD COIN, BULLION, OR CURRENCY AND TO TRANSACTIONS IN FOREIGN EXCHANGE

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," I, FRANKLIN D. ROOSEVELT, PRESIDENT OF THE UNITED STATES OF AMERICA, do declare that a period of national emergency exists, and by virtue of said authority and of all other authority vested in me, do hereby prescribe the following provisions for the investigation and regulation of the hoarding, earmarking, and export of gold coin, gold bullion, and gold certificates by any person within the United States or any place subject to the jurisdiction thereof; and for the investigation and regulation of transactions in foreign exchange and transfers of credit and the export or withdrawal of currency from the United States or any place subject to the jurisdiction thereof by any person within the United States or any place subject to the jurisdiction thereof.

SECTION 2. Definitions.—As used in this Order the term "person" means an individual, partnership, association, or corporation; and the term "the United States" means the United States and any place subject to the jurisdiction thereof.

SECTION 3. Returns.—Within fifteen days from the date of this Order every person in possession of and every person owning gold coin, gold bullion, or gold certificates shall make under oath and file as hereinafter provided a return to the Secretary of the Treasury containing true and complete information relative thereto, including the name and address of the person making the return; the kind and amount of such coin, bullion, or certificates held and the location thereof; if held for another, the capacity in which held and the person for whom held, together with the post office address of such person; and the nature of the transaction requiring the holding of such coin, bullion, or certificates and a statement explaining why such transaction cannot be carried out by the use of currency other than gold certificates; provided that no returns are required to be filed with respect to—

(a) Gold coin, gold bullion, and gold certificates in an amount not exceeding in the aggregate \$100 belonging to any one person;

(b) Gold coin having a recognized special value to collectors of rare and unusual coin;

(c) Gold coin, gold bullion, and gold certificates acquired or held under a license heretofore granted by or under authority of the Secretary of the Treasury; and

(d) Gold coin, gold bullion, and gold certificates owned by Federal reserve banks.

Such return required to be made by an individual shall be filed with the Collector of Internal Revenue for the collection district in which such individual resides, or, if such individual has no legal residence in the United States, then with the Collector of Internal Revenue at Baltimore, Maryland. Such return required to be made by a partnership, association, or corporation shall be filed with the Collector of Internal Revenue of the collection district in which is located the principal place of business or principal office or agency of such partnership, association, or corporation, or, if it has no principal place of business or principal office or agency in the United States, then with the Collector of Internal Revenue at Baltimore, Maryland. Such return required to be made by an individual residing in Alaska shall be filed with the Collector of Internal Revenue at Seattle, Washington. Such return required to be made by a partnership, association, or corporation having its principal place of business or principal office or agency in Alaska shall be filed with the Collector of Internal Revenue at Seattle, Washington.

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The Secretary of the Treasury may grant a reasonable extension of time for filing a return, under such rules and regulations as he shall prescribe. No such extension shall be for more than forty-five days from the date of this Executive Order. An extension granted hereunder shall be deemed a license to hold for a period ending fifteen days after the expiration of the extension.

The returns required to be made and filed under this Section shall constitute public records; but they shall be open to public inspection only upon order of the President and under rules and regulations prescribed by the Secretary of the Treasury.

A return made and filed in accordance with this Section by the owner of the gold coin, gold bullion, and gold certificates described therein, or his duly authorized agent, shall be deemed an application for the issuance under Section 5 hereof of a license to hold such coin, bullion, and certificates.

SECTION 4. Acquisition of gold coin and gold bullion.—No person other than a Federal Reserve bank shall after the date of this Order acquire in the United States any gold coin, gold bullion, or gold certificates except under license therefor issued pursuant to this Executive Order, provided that member banks of the Federal Reserve System may accept delivery of such coin, bullion, and certificates for surrender promptly to a Federal Reserve bank, and provided further that persons requiring gold for use in the industry, profession, or art in which they are regularly engaged may replenish their stocks of gold up to an aggregate amount of \$100, by acquisitions of gold bullion held under licenses issued under Section 5 (b), without necessity of obtaining a license for such acquisitions.

The Secretary of the Treasury, subject to such further regulations as he may prescribe, shall issue licenses authorizing the acquisition of—

(a) Gold coin or gold bullion which the Secretary is satisfied is required for a necessary and lawful transaction for which currency other than gold certificates cannot be used, by an applicant who establishes that since March 9, 1933, he has surrendered an equal amount of gold coin, gold bullion, or gold certificates to a banking institution in the continental United States or to the Treasurer of the United States;

(b) Gold coin or gold bullion which the Secretary is satisfied is required by an applicant who holds a license to export such an amount of gold coin or gold bullion issued under subdivisions (c) or (d) of Section 6 hereof, and

(c) Gold bullion which the Secretary, or such agency as he may designate, is satisfied is required for legitimate and customary use in industry, profession, or art by an applicant regularly engaged in such industry, profession, or art, or in the business of furnishing gold therefor.

Licenses issued pursuant to this Section shall authorize the holder to acquire gold coin and gold bullion only from the sources specified by the Secretary of the Treasury in regulations issued hereunder.

SECTION 5. Holding of gold coin, gold bullion, and gold certificates.—After thirty days from the date of this Order no person shall hold in his possession or retain any interest, legal or equitable, in any gold coin, gold bullion, or gold certificates situated in the United States and owned by any person subject to the jurisdiction of the United States, except under license therefor issued pursuant to this Executive Order; *Provided, however,* That licenses shall not be required in order to hold in possession or retain an interest in gold coin, gold bullion, or gold certificates with respect to which a return need not be filed under Section 3 hereof.

The Secretary of the Treasury, subject to such further regulations as he may prescribe, shall issue licenses authorizing the holding of—

(a) Gold coin, gold bullion, and gold certificates, which the Secretary is satisfied are required by the person owning the same for necessary and lawful transactions for which currency, other than gold certificates, cannot be used;

(b) Gold bullion which the Secretary, or such agency as he may designate, is satisfied 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 furnishing gold therefor;

(c) Gold coin and gold bullion earmarked or held in trust since before April 20, 1933, for a recognized foreign government or foreign central bank or the Bank for International Settlements; and

(d) Gold coin and gold bullion imported for reexport or held pending action upon application for export licenses.

SECTION 6. Earmarking and export of gold coin and gold bullion.—After the date of this Order no person shall earmark or export any gold coin, gold bullion, or gold certificates from the United States, except under license therefor issued by the Secretary of the Treasury pursuant to the provisions of this Order.

The Secretary of the Treasury, in his discretion and subject to such regulations as he may prescribe, may issue licenses authorizing—

(a) The export of gold coin or gold bullion earmarked or held in trust since before April 20, 1933, for a recognized foreign government, foreign central bank, or the Bank for International Settlements;

(b) The export of gold, (i) imported for reexport, (ii) refined from gold-bearing materials imported by the applicant under an agreement to export gold, or (iii) in bullion containing not more than five ounces of gold per ton;

(c) The export of gold coin or gold bullion to the extent actually required for the fulfillment of a contract entered into by the applicant prior to April 20, 1933; but not in excess of the amount of the gold coin, gold bullion, and gold certificates surrendered by the applicant on or after March 9, 1933, to a banking institution in the continental United States or to the Treasurer of the United States; and

(d) The earmarking for foreign account and/or export of gold coin or gold bullion, with the approval of the President, for transactions which the Secretary of the Treasury may deem necessary to promote the public interest.

SECTION 7. United States possessions—Shipments thereto.—The provisions of Sections 3 and 5 of this Order shall not apply to gold coin, gold bullion, or gold certificates which are situated in the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone, Puerto Rico, or the Virgin Islands of the United States, and are owned by a person not domiciled in the continental United States. The provisions of Section 4 shall not apply to acquisitions by persons within the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone,

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Puerto Rico, or the Virgin Islands of the United States of gold coin or gold bullion which has not been taken or sent thereto since April 5, 1933, from the continental United States or any place subject to the jurisdiction thereof.

SECTION 8. 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 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, by any person within the United States; and the Secretary of the Treasury may require any person 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 person either before or after such transaction is completed.

SECTION 9. The Secretary of the Treasury is hereby authorized and empowered to issue such regulations as he may deem necessary to carry out the purposes of this Order. Such regulations may provide for the detention in the United States of any gold coin, gold bullion, or gold certificates sought to be transported beyond the limits of the continental United States, pending an investigation to determine if such coin, bullion, or certificates are held or are to be acquired in violation of the provisions of this Executive Order. Licenses and permits granted in accordance with the provisions of this Order and the regulations prescribed hereunder, may be issued through such officers or agencies as the Secretary may designate.

SECTION 10. Whoever willfully violates any provision of this Executive Order or of any license, order, rule, or regulation issued or prescribed hereunder, shall, upon conviction, 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 such violation may be punished by a like fine, imprisonment, or both.

SECTION 11. The Executive Orders of April 5, 1933, Forbidding the Hoarding of Gold Coin, Gold Bullion, and Gold Certificates, and April 20, 1933, relating to Foreign Exchange and the Earmarking and Export of Gold Coin or Bullion or Currency, respectively, are hereby revoked. The revocation of such prior Executive Orders shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil or criminal cause prior to said revocation, but all liabilities under said Executive Orders shall continue and may be enforced in the same manner as if said revocation had not been made. This Executive Order and any regulations or licenses issued hereunder may be modified or revoked at any time.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
August 28, 1933.

EXECUTIVE ORDER

RELATING TO THE SALE AND EXPORT OF GOLD RECOVERED FROM NATURAL DEPOSITS

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", I, FRANKLIN D. ROOSEVELT, PRESIDENT of the UNITED STATES OF AMERICA, do declare that a period of national emergency exists, and by virtue of said authority and of all other authority vested in me, do hereby issue the following executive order:

The Secretary of the Treasury is hereby authorized to receive on consignment for sale, subject to such rules and regulations and upon such conditions as he shall prescribe, gold recovered from natural deposits in the United States or any place subject to the jurisdiction thereof. Sales may be made:

- (a) To persons licensed to acquire gold for use in the arts, industries or professions, or
- (b) By export to foreign purchasers.

Such sales shall be made at a price which the Secretary shall determine to be equal to the best price obtainable in the free gold markets of the world after taking into consideration any incidental expenses such as shipping costs and insurance.

Such sales may be made through the Federal Reserve banks or such other agents as the Secretary may from time to time designate, and shall be subject to such charges as the Secretary may from time to time in his judgment determine.

Every person depositing gold for sale as provided herein shall be deemed to have agreed to accept as conclusive without any right of recourse or review, the determination of the Secretary or his duly authorized agent as to the amount due such person as a result of any sale.

Consignments shall be sold as nearly as may be in the order of their receipt.

The Secretary of the Treasury, in his discretion and subject to such regulations as he may prescribe, is hereby authorized to issue licenses permitting the export of articles fabricated from gold sold pursuant to this executive order.

This executive order may be modified or revoked at any time.

THE WHITE HOUSE,
August 29, 1933.

FRANKLIN D. ROOSEVELT.

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[PUBLIC—No. 1—73D CONGRESS]

[H. R. 1491]

AN ACT

To provide relief in the existing national emergency in banking, and for other purposes:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that a serious emergency exists and that it is imperatively necessary speedily to put into effect remedies of uniform national application.

TITLE I

SECTION 1. The actions, regulations, rules, licenses, orders and proclamations heretofore or hereafter taken, promulgated, made, or issued by the President of the United States or the Secretary of the Treasury since March 4, 1933, pursuant to the authority conferred by subdivision (b) of section 5 of the Act of October 6, 1917, as amended, are hereby approved and confirmed.

SEC. 2. Subdivision (b) of section 5 of the Act of October 6, 1917 (40 Stat. L. 411), as amended, is hereby amended to read as follows:

“(b) During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, 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 between or payments by banking institutions as defined by the President, and export, hoarding, melting, or ear-marking of gold or silver coin or bullion or currency, by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person engaged in any transaction referred to in this subdivision 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 person, either before or after such transaction is completed. Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule or regulation issued thereunder, shall, upon conviction, 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 such violation may be punished by a like fine, imprisonment, or both. As used in this subdivision the term ‘person’ means an individual, partnership, association, or corporation.”

SEC. 3. Section 11 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

“(n) Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may require

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any or all individuals, partnerships, associations and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates owned by such individuals, partnerships, associations and corporations. Upon receipt of such gold coin, gold bullion or gold certificates, the Secretary of the Treasury shall pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States. The Secretary of the Treasury shall pay all costs of the transportation of such gold bullion, gold certificates, coin, or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any individual, partnership, association, or corporation failing to comply with any requirement of the Secretary of the Treasury made under this subsection shall be subject to a penalty equal to twice the value of the gold or gold certificates in respect of which such failure occurred, and such penalty may be collected by the Secretary of the Treasury by suit or otherwise."

SEC. 4. In order to provide for the safer and more effective operation of the National Banking System and the Federal Reserve System, to preserve for the people the full benefits of the currency provided for by the Congress through the National Banking System and the Federal Reserve System, and to relieve interstate commerce of the burdens and obstructions resulting from the receipt on an unsound or unsafe basis of deposits subject to withdrawal by check, during such emergency period as the President of the United States by proclamation may prescribe, no member bank of the Federal Reserve System shall transact any banking business except to such extent and subject to such regulations, limitations and restrictions as may be prescribed by the Secretary of the Treasury, with the approval of the President. Any individual, partnership, corporation, or association, or any director, officer or employee thereof, violating any of the provisions of this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$10,000 or, if a natural person, may, in addition to such fine, be imprisoned for a term not exceeding ten years. Each day that any such violation continues shall be deemed a separate offense.

TITLE II

SEC. 201. This title may be cited as the "Bank Conservation Act."

SEC. 202. As used in this title, the term "bank" means (1) any national banking association, and (2) any bank or trust company located in the District of Columbia and operating under the supervision of the Comptroller of the Currency; and the term "State" means any State, Territory, or possession of the United States, and the Canal Zone.

SEC. 203. Whenever he shall deem it necessary in order to conserve the assets of any bank for the benefit of the depositors and other creditors thereof, the Comptroller of the Currency may appoint a conservator for such bank and require of him such bond and security as the Comptroller of the Currency deems proper. The conservator, under the direction of the Comptroller, shall take possession of the books, records, and assets of every description of such bank,

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and take such action as may be necessary to conserve the assets of such bank pending further disposition of its business as provided by law. Such conservator shall have all the rights, powers, and privileges now possessed by or hereafter given receivers of insolvent national banks and shall be subject to the obligations and penalties, not inconsistent with the provisions of this title, to which receivers are now or may hereafter become subject. During the time that such conservator remains in possession of such bank, the rights of all parties with respect thereto shall, subject to the other provisions of this title, be the same as if a receiver had been appointed therefor. All expenses of any such conservatorship shall be paid out of the assets of such bank and shall be a lien thereon which shall be prior to any other lien provided by this Act or otherwise. The conservator shall receive as salary an amount no greater than that paid to employees of the Federal Government for similar services.

Sec. 204. The Comptroller of the Currency shall cause to be made such examinations of the affairs of such bank as shall be necessary to inform him as to the financial condition of such bank, and the examiner shall make a report thereon to the Comptroller of the Currency at the earliest practicable date.

Sec. 205. If the Comptroller of the Currency becomes satisfied that it may safely be done and that it would be in the public interest, he may, in his discretion, terminate the conservatorship and permit such bank to resume the transaction of its business subject to such terms, conditions, restrictions and limitations as he may prescribe.

Sec. 206. While such bank is in the hands of the conservator appointed by the Comptroller of the Currency, the Comptroller may require the conservator to set aside and make available for withdrawal by depositors and payment to other creditors, on a ratable basis, such amounts as in the opinion of the Comptroller may safely be used for this purpose; and the Comptroller may, in his discretion, permit the conservator to receive deposits, but deposits received while the bank is in the hands of the conservator shall not be subject to any limitation as to payment or withdrawal, and such deposits shall be segregated and shall not be used to liquidate any indebtedness of such bank existing at the time that a conservator was appointed for it, or any subsequent indebtedness incurred for the purpose of liquidating any indebtedness of such bank existing at the time such conservator was appointed. Such deposits received while the bank is in the hands of the conservator shall be kept on hand in cash, invested in the direct obligations of the United States, or deposited with a Federal reserve bank. The Federal reserve banks are hereby authorized to open and maintain separate deposit accounts for such purpose, or for the purpose of receiving deposits from State officials in charge of State banks under similar circumstances.

Sec. 207. In any reorganization of any national banking association under a plan of a kind which, under existing law, requires the consent, as the case may be, (a) of depositors and other creditors or (b) of stockholders or (c) of both depositors and other creditors and stockholders, such reorganization shall become effective only (1) when the Comptroller of the Currency shall be satisfied that the plan of reorganization is fair and equitable as to all depositors, other cred-

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itors and stockholders and is in the public interest and shall have approved the plan subject to such conditions, restrictions and limitations as he may prescribe and (2) when, after reasonable notice of such reorganization, as the case may require, (A) depositors and other creditors of such bank representing at least 75 per cent in amount of its total deposits and other liabilities as shown by the books of the national banking association or (B) stockholders owning at least two-thirds of its outstanding capital stock as shown by the books of the national banking association or (C) both depositors and other creditors representing at least 75 per cent in amount of the total deposits and other liabilities and stockholders owning at least two-thirds of its outstanding capital stock as shown by the books of the national banking association, shall have consented in writing to the plan of reorganization: *Provided, however,* That claims of depositors or other creditors which will be satisfied in full under the provisions of the plan of reorganization shall not be included among the total deposits and other liabilities of the national banking association in determining the 75 per cent thereof as above provided. When such reorganization becomes effective, all books, records, and assets of the national banking association shall be disposed of in accordance with the provisions of the plan and the affairs of the national banking association shall be conducted by its board of directors in the manner provided by the plan and under the conditions, restrictions and limitations which may have been prescribed by the Comptroller of the Currency. In any reorganization which shall have been approved and shall have become effective as provided herein, all depositors and other creditors and stockholders of such national banking association, whether or not they shall have consented to such plan of reorganization, shall be fully and in all respects subject to and bound by its provisions, and claims of all depositors and other creditors shall be treated as if they had consented to such plan of reorganization.

SEC. 208. After fifteen days after the affairs of a bank shall have been turned back to its board of directors by the conservator, either with or without a reorganization as provided in section 207 hereof, the provisions of section 206 of this title with respect to the segregation of deposits received while it is in the hands of the conservator and with respect to the use of such deposits to liquidate the indebtedness of such bank shall no longer be effective: *Provided,* That before the conservator shall turn back the affairs of the bank to its board of directors he shall cause to be published in a newspaper published in the city, town or county in which such bank is located, and if no newspaper is published in such city, town or county, in a newspaper to be selected by the Comptroller of the Currency published in the State in which the bank is located, a notice in form approved by the Comptroller, stating the date on which the affairs of the bank will be returned to its board of directors and that the said provisions of section 206 will not be effective after fifteen days after such date; and on the date of the publication of such notice the conservator shall immediately send to every person who is a depositor in such bank under section 206 a copy of such notice by registered mail addressed to the last known address of such person as shown by the records of the bank, and the conservator shall send similar notice in

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like manner to every person making deposit in such bank under section 206 after the date of such newspaper publication and before the time when the affairs of the bank are returned to its directors.

SEC. 209. Conservators appointed pursuant to the provisions of this title shall be subject to the provisions of and to the penalties prescribed by section 5209 of the Revised Statutes (U. S. C., Title 12, sec. 592) ; and sections 112, 113, 114, 115, 116 and 117 of the Criminal Code of the United States (U. S. C., Title 18, secs. 202, 203, 204, 205, 206 and 207), in so far as applicable, are extended to apply to contracts, agreements, proceedings, dealings, claims and controversies by or with any such conservator or the Comptroller of the Currency under the provisions of this title.

SEC. 210. Nothing in this title shall be construed to impair in any manner any powers of the President, the Secretary of the Treasury, the Comptroller of the Currency, or the Federal Reserve Board.

SEC. 211. The Comptroller of the Currency is hereby authorized and empowered, with the approval of the Secretary of the Treasury, to prescribe such rules and regulations as he may deem necessary in order to carry out the provisions of this title. Whoever violates any rule or regulation made pursuant to this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

TITLE III

SEC. 301. Notwithstanding any other provision of law, any national banking association may, with the approval of the Comptroller of the Currency and by vote of shareholders owning a majority of the stock of such association, upon not less than five days' notice, given by registered mail pursuant to action taken by its board of directors, issue preferred stock in such amount and with such par value as shall be approved by said Comptroller, and make such amendments to its articles of association as may be necessary for this purpose; but, in the case of any newly organized national banking association which has not yet issued common stock, the requirement of notice to and vote of shareholders shall not apply. No issue of preferred stock shall be valid until the par value of all stock so issued shall be paid in.

SEC. 302. (a) The holders of such preferred stock shall be entitled to cumulative dividends at a rate not exceeding 6 per centum per annum, but shall not be held individually responsible as such holders for any debts, contracts, or engagements of such association and shall not be liable for assessments to restore impairments in the capital of such association as now provided by law with reference to holders of common stock. Notwithstanding any other provision of law, the holders of such preferred stock shall have such voting rights, and such stock shall be subject to retirement in such manner and on such terms and conditions, as may be provided in the articles of association with the approval of the Comptroller of the Currency.

(b) No dividends shall be declared or paid on common stock until the cumulative dividends on the preferred stock shall have been paid in full; and, if the association is placed in voluntary liquidation or a conservator or a receiver is appointed therefor, no payments shall be made to the holders of the common stock until the holders of the

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preferred stock shall have been paid in full the par value of such stock plus all accumulated dividends.

SEC. 303. The term "common stock" as used in this title means stock of national banking associations other than preferred stock issued under the provisions of this title. The term "capital" as used in provisions of law relating to the capital of national banking associations shall mean the amount of unimpaired common stock plus the amount of preferred stock outstanding and unimpaired; and the term "capital stock", as used in section 12 of the Act of March 14, 1900, shall mean only the amount of common stock outstanding.

SEC. 304. If in the opinion of the Secretary of the Treasury any national banking association or any State bank or trust company is in need of funds for capital purposes either in connection with the organization or reorganization of such association, State bank or trust company or otherwise, he may, with the approval of the President, request the Reconstruction Finance Corporation to subscribe for preferred stock in such association, State bank or trust company, or to make loans secured by such stock as collateral, and the Reconstruction Finance Corporation may comply with such request. The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market or otherwise the whole or any part of the preferred stock of any national banking association, State bank or trust company acquired by the Corporation pursuant to this section. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section.

TITLE IV

SEC. 401. The sixth paragraph of Section 18 of the Federal Reserve Act is amended to read as follows:

"Upon the deposit with the Treasurer of the United States, (a) of any direct obligations of the United States or (b) of any notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of this Act, any Federal reserve bank making such deposit in the manner prescribed by the Secretary of the Treasury shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, duly registered and countersigned. When such circulating notes are issued against the security of obligations of the United States, the amount of such circulating notes shall be equal to the face value of the direct obligations of the United States so deposited as security; and, when issued against the security of notes, drafts, bills of exchange and bankers' acceptances acquired under the provisions of this Act, the amount thereof shall be equal to not more than 90 per cent of the estimated value of such notes, drafts, bills of exchange and bankers' acceptances so deposited as security. Such notes shall be the obligations of the Federal reserve bank procuring the same, shall be in form prescribed by the Secretary of the Treasury, shall be receivable at par in all parts of the United States for the same purposes as are national bank notes,

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and shall be redeemable in lawful money of the United States on presentation at the United States Treasury or at the bank of issue. The Secretary of the Treasury is authorized and empowered to prescribe regulations governing the issuance, redemption, replacement, retirement and destruction of such circulating notes and the release and substitution of security therefor. Such circulating notes shall be subject to the same tax as is provided by law for the circulating notes of national banks secured by 2 per cent bonds of the United States. No such circulating notes shall be issued under this paragraph after the President has declared by proclamation that the emergency recognized by the President by proclamation of March 6, 1933, has terminated, unless such circulating notes are secured by deposits of bonds of the United States bearing the circulation privilege. When required to do so by the Secretary of the Treasury, each Federal reserve agent shall act as agent of the Treasurer of the United States or of the Comptroller of the Currency, or both, for the performance of any of the functions which the Treasurer or the Comptroller may be called upon to perform in carrying out the provisions of this paragraph. Appropriations available for distinctive paper and printing United States currency or national bank currency are hereby made available for the production of the circulating notes of Federal reserve banks herein provided; but the United States shall be reimbursed by the Federal reserve bank to which such notes are issued for all expenses necessarily incurred in connection with the procuring of such notes and all other expenses incidental to their issue, redemption, replacement, retirement and destruction."

SEC. 402. Section 10(b) of the Federal Reserve Act, as amended, is further amended to read as follows:

"SEC. 10(b). In exceptional and exigent circumstances, and when any member bank has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal reserve bank or any other method provided by this Act other than that provided by section 10 (a), any Federal reserve bank, under rules and regulations prescribed by the Federal Reserve Board, may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal reserve bank. Each such note shall bear interest at a rate not less than 1 per centum per annum higher than the highest discount rate in effect at such Federal reserve bank on the date of such note. No advance shall be made under this section after March 3, 1934, or after the expiration of such additional period not exceeding one year as the President may prescribe."

SEC. 403. Section 13 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Subject to such limitations, restrictions and regulations as the Federal Reserve Board may prescribe, any Federal reserve bank may make advances to any individual, partnership or corporation on the promissory notes of such individual, partnership or corporation secured by direct obligations of the United States. Such advances shall be made for periods not exceeding 90 days and shall bear interest at rates fixed from time to time by the Federal reserve bank, subject to the review and determination of the Federal Reserve Board."

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TITLE V

SEC. 501. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$2,000,000, which shall be available for expenditure, under the direction of the President and in his discretion, for any purpose in connection with the carrying out of this Act.

SEC. 502. The right to alter, amend, or repeal this Act is hereby expressly reserved. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Approved March 9th 1933 8.30 p. m.

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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
MARCH 18, 1933.

EXECUTIVE ORDER

By virtue of the authority vested in me by Section 5(b) of the Act of October 6, 1917 (40 Stat. L., 411) as amended by the Act of March 9, 1933 and by Section 4 of the said Act of March 9, 1933, and by virtue of all other authority vested in me, I hereby issue the following executive order.

Whenever the appropriate authority having immediate supervision of any banking institution located in any State or place subject to the jurisdiction of the United States, which is a member of the Federal Reserve System and which has not been licensed by the Secretary of the Treasury to resume its usual banking functions, shall deem it necessary or advisable in order to conserve the assets of such banking institution for the benefit of the depositors or other creditors, such authority may, in accordance with the provisions of the applicable laws of such state or place, appoint such appropriate official as may be authorized under such laws to conserve the assets of such banking institution pending further disposition of its business as provided by such laws.

This order shall not authorize any such member bank to reopen for the performance of usual and normal functions until it shall have received a license from the Secretary of the Treasury as provided in Executive Order of March 10, 1933.

FRANKLIN D. ROOSEVELT

The White House,
March 18, 1933.

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Interpretation No. 1

You are authorized to inform all banking institutions and others concerned that the term QUOTE food or feed products UNQUOTE in regulations six under the President's proclamation promulgated March sixth may be interpreted to include live stock on the way to slaughter.

March 7, 1933. W. H. Woodin,
Secretary of the Treasury.

Interpretation No. 2

Regulation Number ten of March seven under the President's proclamation of March sixth is held to authorize payments on account of pensions, workmen's compensation disability insurance, relief and unemployment.

March 7, 1933. W. H. Woodin,
Secretary of the Treasury.

Interpretation No. 3

The term QUOTE other corporations, partnerships, associations or persons engaged in the business of receiving deposits, making loans UNQUOTE, as used in the President's proclamation of March 6 declaring a bank holiday, is held to include brokers, pawn brokers, industrial loan companies, mortgage loan companies, chattel loan companies, personal finance companies, automobile finance companies and all other persons, firms and corporations engaged in the business of making loans of any kind, secured or unsecured.

March 7, 1933. W. H. Woodin,
Secretary of the Treasury.

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Interpretation No. 4

Regulation Number 5, dated March 6, 1933, is not to be interpreted as permitting any banking institutions to accept payment of any obligation not solely owned by it in any form which is not authorized by the person entitled to the proceeds.

March 8, 1933. W. H. Woodin,
Secretary of the Treasury.

Interpretation No. 5

Regulation No. 10 issued under the President's proclamation is interpreted to authorize payments for fertilizer and for vegetable and agricultural seeds for spring planting, where such payments are absolutely necessary and where the seed and/or fertilizer are for immediate use.

March 8, 1933. W. H. Woodin,
Secretary of the Treasury.

Interpretation No. 6

"Food or feed products" as used in Regulation 6 may be construed as including whole grain if such grain is intended for processing or consumption in the immediate future.

March 8, 1933. W. H. Woodin,
Secretary of the Treasury.

Interpretation No. 7

Release of funds for purchase of cotton where absolutely necessary to maintain operation is interpreted as "necessary current expenditures for the purpose of maintaining employment and for other similar essential purposes."

March 8, 1933. W. H. Woodin,
Secretary of the Treasury.

DECLASSIFIED
Authority E.O. 10501

Interpretation No. 8

Regarding release of funds for purchase of internal revenue stamps in connection with cigar manufacturing. Cigar manufacturing company should be referred to collector of internal revenue.

March 8, 1933.

W. H. Woodin,
Secretary of the Treasury.

DECLASSIFIED
Authority E.O. 10501

INTERPRETATION NO. 10.

The term "mortgage loan companies", as used in Interpretation No. 3, is interpreted to include all corporations whose principal business consists of the investment in, sale and purchase of real estate mortgages and mortgage certificates guaranteed by such corporations.

W. H. WOODIN,
Secretary of the Treasury.

March 14, 1933.

DECLASSIFIED
Authority E.O. 10501

Not Releasable

TREASURY DEPARTMENT

March 16, 1933.

Interpretation No. 11

Regulation No. 12 is not to be construed as permitting a banking institution, open for normal and usual functions under license of the Secretary of the Treasury, to require depositors to accept clearing house certificates or other evidences of claims against assets for all or any part of any withdrawal requested.

W. H. WOODIN
Secretary of the Treasury.

DECLASSIFIED
Authority E.O. 10501

INTERPRETATION NO. 12

Regulation No. 27 is interpreted to permit any banking institution acting thereunder to carry on such usual banking functions as may be essential to permit restricted withdrawals and payments authorized by such regulation, subject to all of the provisions and restrictions therein contained and except as otherwise prohibited.

W. H. WOODIN
Secretary of the Treasury

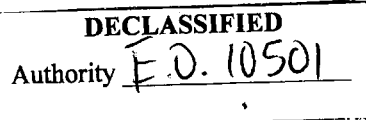
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Authority E.O. 10501

INTERPRETATION NO. 13

March 21, 1933

Regulation No. 28 is held not to prohibit the honoring of checks or drafts drawn on or before March 18, 1933 under the terms of Regulation No. 6 or Regulation No. 10, as amended, subject to all the provisions and restrictions contained in such regulations and except as otherwise prohibited.

W. H. WOODIN,
Secretary of the Treasury.



BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

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A PROCLAMATION

WHEREAS, on March 6, 1933, I, FRANKLIN D. ROOSEVELT, President of the United States of America, by Proclamation declared the existence of a national emergency and proclaimed a bank holiday extending from Monday the 6th day of March to Thursday the 9th day of March, 1933, both dates inclusive, in order to prevent the export, hoarding or earmarking of gold or silver coin, or bullion or currency, or speculation in foreign exchange; and

WHEREAS, under the Act of March 9, 1933, all Proclamations heretofore or hereafter issued by the President pursuant to the authority conferred by section 5(b) of the Act of October 6, 1917, as amended, are approved and confirmed; and

WHEREAS, said national emergency still continues, and it is necessary to take further measures extending beyond March 9, 1933, in order to accomplish such purposes:

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, in view of such continuing national emergency and by virtue of the authority vested in me by Section 5(b) of the Act of October 6, 1917 (40 Stat. L., 411) as amended by the Act of March 9, 1933, do hereby proclaim, order, direct and declare that all the terms and provisions of said Proclamation of March 6, 1933, and the regulations and orders issued thereunder are hereby continued in full force and effect until further proclamation by the President.

IN WITNESS WHEREOF I have hereunto set my hand and have caused the seal of the United States to be affixed.

Done in the District of Columbia, this 9th day of March,
 in the Year of Our Lord One
 Thousand Nine Hundred and Thirty-
 three, and of the Independence of
 the United States the One Hundredth
 and Fifty-seventh.

(SEAL)

FRANKLIN D. ROOSEVELT

By the President:

CORDELL HULL
 Secretary of State.

DECLASSIFIED Authority <u>E.O. 10501</u>
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470

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 6th, 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.

May 26, 1933.

DECLASSIFIED
Authority E.O. 10501

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May 26, 1933.

DECLASSIFIED Authority <u>E.O. 10501</u>
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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
TUESDAY, APRIL 25, 1933.STATEMENT BY SECRETARY WOODIN

Secretary Woodin today 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 1st, 1933, except as provided in certain cases specified in the Order. A fine of \$10,000 or ten 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 1st. 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.

DECLASSIFIED

Authority E.O. 10501

- 2 -

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.

DECLASSIFIED Authority <u>E.O. 10501</u>
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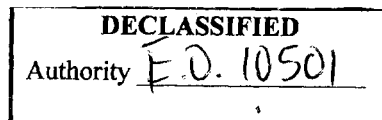
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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE
Wednesday, April 5, 1933.STATEMENT BY SECRETARY OF THE TREASURY WOODIN AS TO THE GOLD
ORDER OF APRIL 5, 1933.

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 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.

DECLASSIFIED Authority <u>E.O. 10501</u>
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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
FRIDAY, MARCH 31, 1933.

Statement by Secretary of the Treasury Woodin.

Up to the close of business on Saturday, March 25, 1933, 265 National Banks with total deposits of approximately \$350,000,000 have been reorganized or strengthened so that they could be reopened under license to perform their full functions and that the deposits again become available to depositors. These results during the ten days from March 15th indicate the work which is actively in process in the restoration of banks which were unable to open on the date originally set, and the constructive response being made by stockholders and depositors. As additional banks have been reopened they have assumed on a sound basis the performance of the same full functions as the banks opened on the first days set.

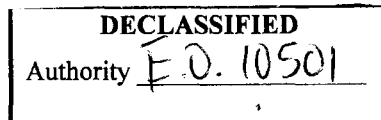
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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE
March 16, 1933.

STATEMENT BY THE SECRETARY OF THE TREASURY

A number of inquiries have been made at the Treasury Department as to whether a prohibition exists upon proper commercial dealings in silver during the banking emergency.

No regulations have been issued restricting export or other transactions in silver, except for limitations affecting withdrawals by depositors for hoarding and restrictions on banks not permitted to reopen.

W. H. WOODIN
Secretary of the Treasury.

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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE
Wednesday, March 15, 1933.

STATEMENT BY SECRETARY OF THE TREASURY WOODIN

The country's response in oversubscribing the issue of United States Certificates of Indebtedness at the moment when we were just beginning to emerge from the banking difficulties is another fine example of the cooperation of the country in carrying out the Government's financial plan. The leadership of the President in insisting that the budget be balanced and urging the immediate enactment of a strong emergency measure to that end, has been a powerful factor in the widespread and vigorous popular response.

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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
March 15, 1933.

STATEMENT BY SECRETARY OF THE TREASURY WOODIN

Passing upon applications of member banks to reopen for normal banking functions has taxed the personnel of the Treasury and of the Office of the Comptroller of the Currency. While every possible effort has been made to act upon all applications, delay in some cases has been found to be inevitable. In some cases, also, steps are being taken which as soon as completed will make it possible for reopening to be licensed. I therefore wish to direct especial attention to the statement of the President in his radio address of last Sunday:

"Let me make it clear to you that if your bank does not open the first day you are by no means justified in believing that it will not open. A bank that opens on one of the subsequent days is in exactly the same status as the bank that opens tomorrow."

Additional licenses will be issued from time to time and the public should understand that banks hereafter licensed to be opened for normal functions are to be regarded in the same way as if it had been possible to issue the license by today.

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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
TUESDAY, MARCH 14th, 1933.Statement by Secretary of the Treasury Woodin.

In response to many inquiries as to the significance of the appointment of conservators to banks of high repute I wish to say that there is no deduction to be made that such banks are necessarily in difficulties. There are a lot of complications, some of them concerning affiliate enterprises, which make it impractical for banks to open to the full extent. It is for the purpose of insuring that the banks will be put in apple-pie order, pending reorganization or other necessary processes that conservators in many cases are named.

Moreover this method makes it possible that the bank so circumstanced will be able to continue to render service, as for example the receiving of deposits to be segregated and kept in cash or invested in Government bonds and such like securities. It also enables the conservator to set aside and make available for withdrawal by depositors and payment to other creditors on a ratable basis such amounts as in his opinion it is safe to use for this purpose.

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Unauthorized

TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
MONDAY, MARCH 13, 1933.

Statement by Secretary of the Treasury Woodin

Reports from all sections of the country from which we have heard indicate that the reopening of banks in the twelve Federal Reserve cities has caused no excitement, but of course considerable gratification. The people have responded to the first step in the Government's plan of financial reconstruction with common sense and sober realization of actual conditions.

A good many inquiries have come to us about San Francisco where banks opened on the regular schedule as in the other Reserve cities. Deposits and withdrawals are proceeding normally.

Word from New York is that all the reopened banks are functioning as if there had been no interruption in their activities. People are satisfied that their deposits are safe in these banks, a feeling doubtless to a large extent the result of President Roosevelt's radio speech last night. Naturally the Treasury is delighted with this indication of the success of the plan under which regular banking was reestablished.

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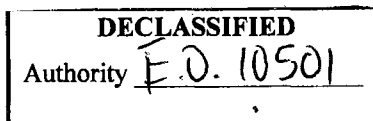
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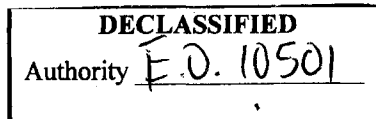


TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE
Monday, March 13, 1933.Statement by Secretary of the Treasury Woodin.

Proceeding under the new Bank Conservation act, the Comptroller of the Currency has appointed conservators for the First National Bank of Detroit and the Guardian National Bank of Commerce of Detroit. This course will permit the operation of the institutions for the purpose of receiving deposits to be segregated and kept in cash or invested in obligations of the United States or deposited with the Federal Reserve Bank, and permits the conservator to set aside and make available for withdrawal by depositors and payment to other creditors on a ratable basis such amounts as in the opinion of the Comptroller may safely be used for this purpose.

The placing of these banks under conservators also gives time for the development of a satisfactory permanent plan for adequate banking facilities for Detroit. A number of plans have been discussed and much work has been done, but up to date there has not been a general agreement as to the course which will be most advantageous for this city. The Government of the United States is anxious to cooperate in the carrying out of such plan as soon as agreed upon.



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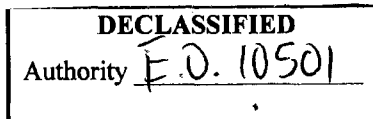
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Monday March 13, 1933.

STATEMENT BY SECRETARY OF THE TREASURY WOODIN.

Responding to inquiries today as to what facilities are available for enabling state banks which are not members of the Federal Reserve System to obtain currency to meet their needs, Secretary of the Treasury Woodin called attention to the statement of the President, in his radio talk on March 12, that "these banks can and will receive assistance from member banks and from the Reconstruction Finance Corporation." The Secretary also pointed out that Federal reserve banks are authorized to make advances to individuals, partnerships and corporations on their promissory notes, for periods not exceeding 90 days, secured by direct obligations of the United States, and nonmember banks may avail themselves of this privilege. The Federal reserve banks also are authorized, he stated, to rediscount for member banks, with their endorsement, eligible and acceptable paper acquired from and bearing the signature or endorsement of non-member banks; and to make advances to member banks secured by other paper acquired from non-member banks.

The Secretary said that he understands that it is the purpose and desire of the Reconstruction Finance Corporation and the Federal reserve banks to be as helpful as possible in meeting the needs of the present situation.



TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE
Monday March 13, 1933.

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TREASURY DEPARTMENT

PRESS RELEASE
March 13, 1933.

Pending determination by the Treasury Department upon a suitable procedure for licensing the delivery of gold reasonably required for legitimate and customary use in trade, profession or art, all requests for the delivery of gold for such purposes should be submitted to the Federal Reserve Bank of the district, accompanied by an affidavit as to the amount of unmanufactured gold now on hand and the facts making it necessary to obtain the additional gold requested for the purpose of maintaining employment. Accurate records must be kept of the disposition of all gold which may be released.

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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
Monday, March 13, 1935.

STATEMENT BY SECRETARY OF THE TREASURY WOODIN

Banking institutions which have not yet been permitted to reopen for normal and usual functions are still permitted to continue to carry on the limited activities specified by Regulations 1 to 19.

W. H. WOODIN
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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE
MARCH 12, 1933.

Statement by the Secretary of the Treasury.

The first duty of the banks reopening under license of the Secretary of the Treasury for the performance of their usual functions is to see that the primary needs of the people for funds for the necessities of life and for normal business undertakings are met. Accordingly withdrawals for hoarding have been prohibited and the Secretary of the Treasury suggests that until more normal conditions have been established transfers of funds by banks or their customers be limited to necessary purposes.

W. H. WOODIN
Secretary of the Treasury.

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FOR IMMEDIATE RELEASE
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W. H. WOODIN
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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
SATURDAY, MARCH 11, 1933.

Statement by Secretary of the Treasury Woodin.

Normal banking is now in sight. It will come as rapidly as the Treasury can authorize banks to proceed.

The people of every community will learn from their local institutions when the respective Treasury permits have been granted. Therefore there will not be, for the present at least, any general list of the licenses issued from the United States Treasury. To compile and check such a list would be a rather lengthy process, and speed in giving the people all the banking facilities possible and safe takes precedence over anything else.

The purpose of the banking and financial program now in process under the Secretary of the Treasury is to restore to the country as promptly as possible adequate banking facilities and furnish an ample and sound currency, and restore confidence. Such a program is made possible by the new Emergency Banking Act passed by Congress March 9th.

This Act confirms and continues the authority of the President, through such agencies as he may designate, to exercise control over banking for the protection and benefit of depositors and of all users of banking facilities. By amendments to the Federal Reserve Act it is made possible for Federal Reserve banks to make loans direct to corporations, firms and individuals on their notes secured by direct obligations of the United States Government. There are approximately \$11,000,000,000 of such securities outstanding with the public other than with banking institutions. In order to enable the reopened banks to secure currency sufficient to meet

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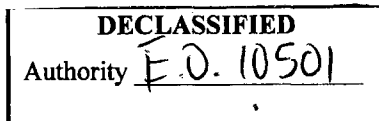
demands Federal Reserve banks are authorized to lend to any member bank, regardless of its size, on sound assets. To provide adequate Federal Reserve bank currency to satisfy the possible demands under this program Federal Reserve banks are authorized to issue Federal Reserve bank notes, not only against Government securities, but also against any member bank note secured by sound assets.

With the enlarged potential supply of currency it is possible to proceed with the program of permitting banks to open. There is no occasion for such banks to experience any lack of currency, and there should be an end of any fear on that score of depositors in reopened banks. An Executive Order forbids all banks to permit withdrawals of currency for hoarding purposes.

It is the intention of the Secretary of the Treasury to proceed as rapidly as possible under the President's Proclamation with the licensing of the reopening of banks, both national and state, which are members of the Federal Reserve system. The appropriate state authorities may permit the reopening of the state institutions. An embargo is imposed upon gold payments, except under license, to prevent gold hoarding.

This embargo does not mean that every individual who happens to have one or a number of gold certificates in his roll of currency is to be classified as a hoarder and be subjected to invidious publicity or other penalty. The provision is aimed at those who continue to retain quantities of gold and thereby hinder the Government's plans for a restoration of public confidence.

Already from every quarter of the nation is reported a large and steady current of gold flowing back to the banks and the people apparently will be prompt in depositing their funds and thereby relieving themselves of the inconvenience and danger of keeping about them large amounts of money.



TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
March 11, 1933.TO THE SUPERINTENDENTS OF BANKS OF EACH STATE

As announced by the President this afternoon, a definite program for the reopening of banks throughout the country has been determined by the Secretary of the Treasury. In accordance with this program, the Secretary of the Treasury is prepared upon application through Federal Reserve banks to issue to banking institutions which are members of the Federal Reserve system, whether national or state, located in each of the twelve Federal Reserve bank cities licenses to open Monday morning. The Secretary of the Treasury will not issue licenses to any member bank, state or national, located outside those twelve cities to open before Tuesday.

State authorities having supervision over banking institutions located at such cities which are not members of the Federal Reserve system are requested to cooperate by permitting such banking institutions to open for business on Monday morning, in all cases where they find them qualified to do so on the basis indicated in previous telegram of March 10th. The Secretary of the Treasury will not permit any member bank, state or national, to open in any such Federal Reserve city unless opened for normal business on an unrestricted basis, except so far as affected by legal contracts between the banks and depositors with respect to withdrawals or notice of withdrawals.

In accordance with the announcement of the President, the Secretary of the Treasury is prepared upon application through the

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Federal Reserve banks to issue licenses to reopen on Tuesday morning to Federal Reserve member banks located in any city having an active and recognized clearing house association, and upon like application licenses to member banks located elsewhere for reopening on Wednesday morning. As previously stated, however, the Secretary of the Treasury will not permit the reopening of member banks, state or national, on any of these days except on an unrestricted basis, as above indicated. It must be understood that the restrictions in the President's Proclamation against the payment of gold, gold certificates or bullion or the payment of currency for hoarding purposes and foreign exchange transactions will apply to all banking institutions, member and non-member, state or national, until further notice.

W. H. WOODIN
Secretary of the Treasury.

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Secretary of the Treasury.

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FOR THE PRESS

IMMEDIATE RELEASE
March 11, 1933.

A STATEMENT BY PRESIDENT ROOSEVELT

"I am glad to be able to announce that technical difficulties which operated to delay the opening of banks, both State and National, have finally substantially been overcome by tireless work on the part of the officials of the Treasury and the Federal Reserve System, and that a definite program has been arranged consisting of successive steps by which banks throughout the country will be opened progressively on Monday, Tuesday and Wednesday mornings.

"The Secretary of the Treasury will issue licenses to banks which are members of the Federal Reserve System, whether National Bank or State, located in each of the twelve Federal Reserve Bank cities, to open Monday morning.

"So also the State authorities having supervision over State banks which are not members of the Federal Reserve System will be asked to permit any such State institutions located in any one of the twelve Federal Reserve Bank cities to open for business on Monday morning if in their judgment they deem it wise to do so.

"Under this progressive plan, banks located in any city having an active, recognized clearing house association, of which there are 250 cities, will receive licenses for reopening on Tuesday morning, and banks located elsewhere will receive their licenses permitting reopening for Wednesday.

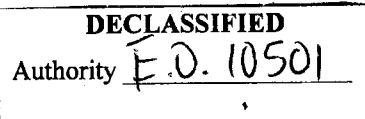
"Time is thus afforded for the necessary shipments of currency provided under the Emergency Bank Act from Reserve Banks centers to clearing house cities and banks in the smaller communities.

"There were enormous technical problems to be solved before these mechanics could be worked out and before the actual currency could be in the bank when the doors opened.

"The Constitution has laid upon me the duty of conveying the condition of the country to the Congress assembled at Washington. I believe I have a like duty to convey to the people themselves a clear picture of the situation at Washington itself whenever there is danger of any confusion as to what the Government is undertaking.

"That there may be a clear understanding as to just what has taken place during the last two days since the passage of this Act it is my intention, over the national radio networks, at ten o'clock Sunday evening, to explain clearly and in simple language to all of you just what has been achieved and the sound reasons which underlie this declaration to you.

"The fact that banks will be opened under this plan does not mean that anyone should draw the inference that the banks opening Monday are in any different condition as to soundness from the banks licensed to open on Tuesday or Wednesday or any subsequent day."



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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
March 10, 1933.TO THE SUPERINTENDENTS OF BANKS OF EACH STATE

"All banks of the country are now prohibited under the Proclamation of March 9 of the President from conducting any banking business, except as specifically authorized by rule, regulation or license of the Secretary of the Treasury issued under that Proclamation. In view of the passage of the Emergency Bank Bill by Congress yesterday, and under the terms of that bill, and Section 5 of the Act of October 6, 1917, as amended by that bill, the Secretary of the Treasury will be authorized to permit any sound bank which is a member of the Federal Reserve system, whether state or national, to reopen for business as promptly as possible. It is the intention of the Secretary of the Treasury, however, to permit no member bank to reopen at any time on a full 100 per cent basis unless or until the Secretary is satisfied that such bank is a sound going institution. Any member bank not clearly within this category will not be opened unless or until further investigation discloses that it is a sound going institution, or unless or until a reorganization of some character will permit the bank to be classified as a sound going institution.

Any member bank not opened 100 per cent under this procedure will be permitted to continue to perform only such specific transactions as are now authorized or may hereafter be authorized by specific regulation or license of the Secretary of the Treasury.

In view of the fact that neither the Treasury nor the Federal Reserve authorities have sufficient information upon which to consider applications for reopening by such state banks as are not members of the Federal Reserve

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system, the President will by decree authorize the appropriate state authorities in each state to give licenses to banks under their jurisdiction other than members of the Federal Reserve system, to open for the usual normal business, or in their judgment, and under the terms of the Presidential Proclamation, to permit of such reopening under such restrictions and limitations as they in their judgment may deem wise. It is to be expected, however, that state superintendents in granting licenses under this authority will take under consideration in determining their own policy the general principle to be adopted by the Treasury as respects member banks that in the interests of the depositors and of the country as a whole, only sound institutions will be permitted to carry on all of their usual functions to the end that no bank shall be reopened for business on any basis that will run the risk of being forced to close again because of demands which it is not in a position to satisfy."

W. H. WOODIN,
Secretary of the Treasury.

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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE
MARCH 10, 1933.

Executive order or regulation will issue shortly directing all banks which are members of the Federal Reserve System, desiring to reopen for the performance of all usual and normal banking functions, except as otherwise prohibited, to apply for a license to the Secretary of the Treasury, applications to be filed with the Federal Reserve Bank in the appropriate district. The appropriate authority having immediate supervision of banking institutions in each State will be authorized under such regulations as such authority may prescribe to permit any banking institution in such State or place, other than member banks of Federal Reserve System to perform any or all of their usual banking functions, except as otherwise prohibited.

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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
Friday, March 10, 1933.

The Federal Reserve Board this morning voted to authorize the Federal Reserve Banks under the terms of Section 403 of the Emergency Bank Act to make advances tomorrow for payroll purposes to individuals, firms, or corporations on their notes secured by Government securities. The Secretary of the Treasury has issued a regulation according to the terms of the President's Proclamation permitting the Federal Reserve Banks to carry on this business with the public.

Accordingly, the Federal Reserve Banks will be open tomorrow for the purpose of making loans secured by direct obligations of the Government, as well as to conduct such other transactions with their member banks as may be necessary to enable member banks to carry out the purposes of regulation No. 10, as amended.

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TREASURY DEPARTMENT

PRESS RELEASE,
MARCH 10, 1933.

The present restrictions on gold will not prevent gold being available for all normal uses in the industrial arts. Method of distribution for these purposes will be determined by the Treasury.

W. H. WOODIN
Secretary of the Treasury

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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
Thursday, March 9, 1933.

STATEMENT BY SECRETARY OF THE TREASURY WOODIN

The emergency banking legislation passed by the Congress today is a most constructive step toward the solution of the financial and banking difficulties which have confronted the country. The extraordinary rapidity with which this legislation was enacted by the Congress heartens and encourages the country.

This legislation makes possible the opening of banks upon a sound basis, backed by an adequate supply of currency. Through this law the banks which will open will be placed in a position to meet all demands. This assurance should restore confidence and create the foundation for a forward movement in business activities.

It will be the policy of the Treasury to permit as rapidly as possible the opening of the sound banks. There are, of course, many thousands of such banks which will promptly be restored to the performance of their normal functions.

The Treasury has already taken steps to secure information through proper authorities as to the condition of the various banks of the country and immediately invites from the banks applications for reopening.

While much information has already been assembled, the completion of the information and of the arrangements of the banks for resuming their functions takes some time. It has therefore been decided not to authorize any reopenings before Saturday, March 11th. It is obvious that it will not be possible to act upon all of the applications even by Saturday. Regulations governing reopenings and also other subjects governed by the legislation will immediately be published.

DECLASSIFIED Authority <u>E.O. 10501</u>
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TREASURY DEPARTMENT

PRESS RELEASE,
MARCH 9, 1933.

The President has today urged the immediate enactment of legislation dealing with the existing banking situation. It appears that prompt action will make banking facilities and an adequate supply of currency available. Notwithstanding the expected early opening of banks, the Secretary of the Treasury interposes no objection to the issuance of clearing house certificates or other evidences of claims against assets of banking institutions, in communities where local conditions make such action necessary. The regulation issued by the Secretary March 7, 1933 remains effective, granting permission to clearing house associations and other associations organized to provide an adequately secured medium of temporary exchange to issue certificates against sound assets of banking institutions, such certificates to be deliverable by each institution to its creditors and depositors on a pro rata basis.

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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE
March 7, 1933.

In order to facilitate the prompt dissemination of information regarding and interpretation of regulations issued by the Secretary of the Treasury pursuant to the President's Proclamation, dated March 6, 1933, declaring a bank holiday, it is requested that all inquiries for information regarding and interpretation of any of such regulations coming from banks, banking institutions and individuals, be made direct to the Federal Reserve Bank in their district. Unless such requests are covered by interpretations previously issued by the Secretary of the Treasury, the Federal Reserve Banks will secure such interpretations from the Secretary of the Treasury. All requests for any special permission or consent required by the regulations should be made in accordance with such regulations.

DECLASSIFIED
Authority E.O. 10501

TREASURY DEPARTMENT

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DECLASSIFIED
Authority E.O. 10501

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CONFIDENTIAL

TREASURY DEPARTMENT

Under the authority conferred upon him by the President's Proclamation of March 6, 1933, declaring a bank holiday, the Secretary of the Treasury has directed the Treasurer of the United States during the continuance of such bank holiday, unless otherwise directed, to observe the following instructions:

"(1) Payments in gold in any form will be made only under license issued by the Secretary of the Treasury. This does not prohibit the deposit of gold and the usual payment therefor.

(2) Pay, as usual, all checks drawn on the Treasurer of the United States, but not in gold. When requested you are authorized to ship paper currency, other than gold certificates, in payment of checks.

(3) Continue the usual currency transactions between the Treasury and the Federal Reserve Banks and branches."

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CONFIDENTIAL

TREASURY DEPARTMENT

Under the authority conferred upon him by the President's Proclamation of March 6, 1933, declaring a bank holiday, the Secretary of the Treasury has issued the following regulation:

"Upon instructions of the Treasurer of the United States Federal reserve banks are authorized to transfer funds to other Federal reserve banks through the gold settlement fund for the account of the Treasurer of the United States; to make payments to or receive payments from the Treasurer of the United States through the gold settlement fund and to make such entries in the Treasurer's general account on the books of the Federal reserve bank as the Treasurer of the United States may direct. Transfers of gold and gold certificates and gold fund credits may be made between the Federal reserve banks and their respective Federal reserve agents."

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TREASURY DEPARTMENT

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CONFIDENTIAL

Under the authority conferred upon him by the President's Proclamation of March 6, 1933, declaring a bank holiday, the Secretary of the Treasury has authorized the Federal Reserve Board to advise the Federal reserve banks that any Federal reserve bank or branch or agency thereof may purchase gold or gold certificates and pay therefor any other form of coin or currency either directly or through any other Federal reserve bank or branch or agency thereof.

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TREASURY DEPARTMENT

CONFIDENTIAL

Under the authority conferred upon him by the President's Proclamation of March 6, 1933, declaring a bank holiday, the Secretary of the Treasury has authorized the Federal reserve banks, by telegraph, to inform all banking institutions and others concerned that the term "food or feed products" in regulation No. 6 under the President's Proclamation may be interpreted to include live stock on the way to slaughter.

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TREASURY DEPARTMENT

CONFIDENTIAL

The Assistant Secretary of the Treasury has replied affirmatively to an inquiry as to whether pawnbrokers and brokers making loans on collateral are banking institutions within the meaning of the term as used in the President's Proclamation of March 6, 1933.

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TREASURY DEPARTMENT

CONFIDENTIAL

Under the authority conferred upon him by the President's Proclamation of March 6, 1933, declaring a bank holiday, the Secretary of the Treasury has issued the following regulation:

"All Federal reserve banks are authorized to receive cash from collectors of internal revenue, collectors of customs and other collectors of public funds for deposit to the credit of the Treasurer of the United States."

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TREASURY DEPARTMENT

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Not Released

Under the authority conferred upon him by the President's Proclamations of March 6, 1933, and March 9, 1933, declaring and continuing a bank holiday, the Secretary of the Treasury has issued the following regulation:

"Deposits of the kinds described in Regulations Number 7 and Number 15 are not subject to the provisions of Regulation Number 23."

W. H. WOODIN,
Secretary of the Treasury.