

F E D E R A L R E S E R V E B O A R D

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STATEMENT FOR THE PRESS

For immediate release.

February 15, 1934.

Governor Black of the Federal Reserve Board has received from the President of the United States the following letter, dated February 10, 1934:

"My dear Governor:

Several days ago I approved the Gold Reserve Act of 1934.

The law itself in no way impairs the strength of the Federal Reserve Banks. They have simply exchanged their gold for gold certificates issued by the Treasury and collateralized by one hundred percent of gold. These gold certificates so collateralized with gold supply all Reserve requirements of the Reserve Act. This bill interferes in no way with the credit, currency or supervisory responsibilities of the Reserve Banks. Their powers will continue to be exercised in the interest of Agriculture, Commerce and Industry, just as they have been for the past twenty years.

It gives me pleasure at this time to express my appreciation of the splendid services that the Federal Reserve System has rendered in connection with our efforts to bring about recovery. It has been an institution of incalculable value throughout the twenty years of its existence; soon after its organization it was an important factor in enabling this country to aid in winning the war; and more recently it has given firm support to the Government's efforts in fighting the depression. It has stood loyally by the interests of the people by supplying them with a sound currency, by placing at the disposal of member banks a large volume of reserves available to finance recovery, by exerting a powerful influence toward the rehabilitation of the commercial banking structure, and by cooperating in every way with the Government's financial program.

Very sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT."