

# as Pointing Need for Overhauling B

## New Bank Rulings to Date

By the Associated Press.

WASHINGTON, March 7.—A summary of the banking regulations thus far issued by the Secretary of the Treasury follows:

1. Authorizes banks and Reserve Banks to make change, but withholds gold or gold certificates.
2. Opens safe deposit boxes and safes.
3. Permits return of cash, checks, &c., which are unentered, received after last closing of business hours.
4. Permits cashing of government checks, but withholds gold and gold certificates.
5. Permits a bank to accept payments due it or through it.
6. Permits banks to carry on business essential to movement of food.
7. Permits any bank to reopen to carry on unrestricted business in new accounts.
8. Permits completion of check transactions made on or before March 4, but withholds payment of money.
9. Permits banks to release securities and documents held in safe keeping.
10. Permits usual banking practices which involve medicine, other necessities of life, distress relief and other essential purposes, with restrictions on hoarding, withholding gold and gold certificates.
11. Permits banks to deposit collateral to secure advances to foreign branches, withholding transfer of credit from this country.
12. Permits issuance of clearing house scrip.
13. Permits normal fiduciary practices, but denies withdrawal of trust funds from other bank departments.
14. Permits Reserve Banks to conduct normal functions as Federal fiscal agents in exchanging government securities.

## CITY BANKS OPEN ON LIMITED SCALE

Continued from Page One.

stitutions of the State of New York be reminded that the provisions of the regulations issued by the Secretary of the Treasury under the President's proclamation are permissive and their use is authorized by the Banking Department of the State of New York. This includes the payment of currency and/or scrip for the purposes and under the conditions set forth in said regulations to the extent that currency and/or scrip is available through the Federal Reserve Bank or otherwise. Payments, if any are made, however, should be as nearly as reasonably may be on a pro-rata basis.

"This resolution reaffirms that, under the terms of the holiday declared by the Governor, the banks in this State are permitted within their discretion to conduct so much business as the regulations of the Secretary of the Treasury authorize."

### Confusion Marks Reopening.

After the banks reopened yesterday morning in accordance with Mr. Woodin's decree making certain exceptions to the national banking holiday, they closed down again because of fear that the mandatory nature of the State banking holiday made their reopening illegal. Some banks reopened again late in the day, but confusion reigned all day in banking circles, and one bank with many branches opened and closed four times during the day.

Despite this confusion and uncertainty, the partial restoration of New York's banking facilities was a great help to the city, and further improvement in the situation is expected today as a result of the united decision to reopen.

The strain caused by two days without any banking facilities except change-making and supplying access to safe-deposit boxes was somewhat relieved by the supply of funds to meet payrolls and relief needs, to cash checks for essential purposes and to finance the movement of foodstuffs into the city. Thus some additional currency was but back into circulation and any

dence had been they were glad carrying or leaving large amounts they stood in line to redeposit the cases, actual back.

Shortly after the windows were ceremoniously announced at offices throughout town had been to pay out to accept no some cases this a signal for the over those in line time the closing good." In a violent protest.

The sudden change of an interpretation have been made Clearing House ordered by Gov still legally in the banks to violation of the This ruling included Secretary Woodin could not apply without the sanction of Lehman.

About an hour closed they reopened on basis of a later there was a great In some circles counsel for the no fault with the Secretary of the tions, and in- gested that the from some high not named.

### Gold Return

At the Irving H. Elmendorf, dent, reported ing back into tial volume.

hoarders appear get their gold even though they would not be again under tions, but would withdraw only amount in current.

After the noon, banks closed for deposit because of uncertainty as to what was legal. Most including the City and tan, continued their branches for large bills. Bank, however deposits nor made afternoon, announced the mandatory A definite show became evident actions progress in line at the window.

## CITY'S 'BABY BONDS' INSURANCE CLAIMS PAY 4 3/4% INTEREST NOT TO BE DELAYED

Board Also Decides to Take Tax and Other Payments in Scrip or in Check.

Van Schaick Says Companies in State Also Make Loans on Policies as Usual.

## O'BRIEN ORDERS LENIENCY PROTECTION IS PLEDGED

"Practical" Attitude Being Taken During Fiscal Crisis, He Says—Cash Not Insisted On for Fees.

Superintendent Assures Public Wide Latitude Will Be Given to Minimize Hardships.

Taxpayers who invest in the city's new "baby bonds" issued in multiples of \$10 will receive interest at

Insurance companies in this State are making prompt payments of death claims and annuities. Super-

of Dr. Hans Luther, president of the Reichsbank, and the older régime with this administration. As for the Polish Corridor, despite much campaign fire-eating, there is probably every desire to keep that thorn-beset problem as quietest as developments will permit so Germany's numerous more pressing internal problems may first have a chance for adjustment. Internally, the widely predicted massacre or even extreme persecution of Nazi opponents is most unlikely for the simple reason that there would be no advantage to the government in so unsettling the social structure. No "heads will roll" except in the figurative sense where these are attached to lucrative governmental posts. The prevailing tendency is wholly toward the recently manifested conservatism of Chancellor Hitler rather than the

price somewhere between 120 and 125 shillings an ounce. The great question in financial circles here was not whether America was on or off the gold standard, for that is regarded as an academic subject for the next few days. The all-absorbing topic was how the dollar would behave Friday, when the banking moratorium ends, and whether the American authorities would find it necessary to extend the gold embargo. Unofficial Rate \$3.60 to \$3.65. While official dealings in dollars were suspended, unofficial transactions were made at between \$3.60 to \$3.65, thus indicating a fairly hopeful view of the future. A hasty belief that the United States had actually departed from the gold standard caused a sharp fall in gold shares today, although the rest of the stock market held remarkably steady. Responsible

### Holiday Held Up \$6,000,000 Gold Shipment; Space Engaged, but Paris Sailed Without It

It was learned yesterday that space had been engaged to ship \$9,000,000 in gold out of the country on the Paris Saturday afternoon, and that Governor Lehman's banking moratorium shortly after 4 o'clock that morning caught the movement in process and stopped \$6,000,000. Several shipments aggregating \$3,000,000 had been loaded earlier in the night and the stowagers of the precious cargo were awaiting the final lot of \$6,000,000 when they were informed that the shippers were unable to get possession of it because the moratorium had been declared. The space was canceled. The French Line admitted the occurrence but said the shippers of the gold had asked that their names be withheld. Officials of the freight department of the line said all the shippers were banks except one, apparently a private individual, who had \$100,000 in gold aboard. The steamship officials also said that one of the banks which had \$250,000 of the \$3,000,000 already

loaded when the moratorium was announced asked to have it unloaded, but it was buried beyond reach under other freight. The other bank, however, and the individual shipper made no request to stop their gold. Officials at the Federal Reserve Bank declined to discuss the identity of the shippers. It was pointed out, however, that the report of the Federal Reserve Bank of New York published last Friday indicated withdrawals during the week of \$116,000,000 known to be for export, as well as \$110,000,000 intended for domestic distribution. Although steamship lines were reluctant and Reserve officials uncommunicative, it was understood arrangements for further shipments of even greater quantities were under way when they were effectively halted by Governor Lehman's early morning moratorium on Saturday. Later, they were outlawed by President Roosevelt's proclamation on Sunday night, leaving the Reserve System in possession of about \$2,800,000,000 in gold.

portion, was of major importance in a day of tense developments. A number of bankers had urged government scrip as the most practical way of restoring confidence and avoiding difficulties that might arise under the regional plan. Among those who consulted with the President at the conference, at which local scrip issues were ruled to be the wisest procedure, were Secretary Woodin, Under-Secretary Ballantine and George W. Davison, chairman of the Central Hanover Bank of New York, the latter the author of the regional scrip plan that was in effect in the money panic of 1907. As he entered the conference, Mr. Davison said that he was opposed to having the national government put its credit back of a Federal scrip.

Mr. Woodin said he hoped that a resumption of activities in New York and some other States which have important financial centres would go a long way to inspire the public with confidence in the banks. Provision also was made to free a considerable amount of currency circulation and encourage the hoarders to return funds to banks by the issuance of a regulation early this evening which permits any banking institution to create special trust accounts for the receipt of new deposits, which shall be subject to withdrawal without any restriction or limitation. This privilege was made retroactive in the case of new deposits heretofore received by banks pursuant to agreement or legislative authority within States, and it is the hope of officials that it will result in an immediate opening up of numerous new accounts and a reopening of exchange facilities on a considerable scale. Under the ruling any individual or corporation may establish new accounts with currency in the knowledge that they will be held in trust in cash on deposit in the Federal Reserve Banks or invested in obligations of the United States, and that they may issue checks against such accounts which will be honored in full in currency. Such a regulation, likely to be made effective immediately by the

Continued on Page Eleven.

### MAY EXCEED \$200,000,000 HOUSE CHIEFS ALSO

#### To Be Backed as Legal Tender Release of Small Change Eases Normal Trade.

New York carried on without serious trouble yesterday and tried to do business as usual, except for the closing of the security and commodity markets, despite the national banking holiday decreed by President Roosevelt. Without regular currency to meet payrolls and settle bills, the city eagerly awaited the issuance of scrip promised in the form of clearing-house certificates, which will serve as a substitute medium of exchange. Although it was expected over the week-end that the scrip would be ready yesterday or today at the latest, bankers connected with the clearing house indicated last night that it would not be issued before Thursday or Friday. It was said in banking circles last night, however, that the plans for issuing clearing house scrip for circulation in New York City would go right ahead regardless of Governor Lehman's plan for State-wide scrip or the possibility of a national scrip. All the banks in the city were closed in obedience to the President's order, except the Postal Savings Banks, which were not included in the order. The banks were permitted to give access to safe deposit boxes and to change bank notes of large denominations. Exchanges Remain Closed. The New York Stock Exchange and all other security and commodity markets in the city voted to remain closed until further notice. They previously had decided to close last Saturday and yesterday for the

Continued on Page Thirteen.

### Begin on Program to Pass Bill in 48 Hours — Groups Map Organization

Special to THE NEW YORK TIMES. WASHINGTON, March 1. — Houses of Congress, although formally in session, laid out denuded plans today for expedient emergency banking legislation forecast completion of a special session convenes on day. Senate Democratic leader to the White House for a titled quick approval through of almost unanimous consent port any question through majority vote in caucus. The revival of the caucus the Senate, under which are bound in advance to cast votes en bloc, is historic; even more important agreement, voted 50 to 3, simple majority of the caucus bind all members. In the House a party caucus bound only by agreement thirds of its members. While Senate Democrats this step to expedite legislation Democrats set about task of working out an emergency program designed to give the fullest authority to the emergency pending the completion of a new and permanent program regarding banking. Technically the House committees, as those elected after the House Banking and Currency Committee and House leaders, some

Continued on Page Thirteen.

of the next Congress, I propose to introduce a bill providing for the upbuilding of our navy and to use my utmost endeavor to have it enacted into law.

"We must provide replacements for those ships that become over age, and build new ships to bring us up to treaty strength. That building up of our navy must be along gradual and progressive lines in order that the ships may be constructed with the greatest economy. With such a progressive continuing program, our navy can be built up with an expenditure, for new construction, of about \$63,000,000 per year, and that sum is the

Continued on Page Nine.

Loan Bank System is expected within the next thirty days. The President has appointed new members to the Home Loan Bank Board with the understanding that their positions would be eliminated within that time.

The system, one of the major plans of former President Hoover for meeting the depression, was created by the last Congress and set up less than a year ago with \$125,000,000 from the Treasury. It was designed to rediscount mortgages on small homes held by savings banks, trust companies and building and loan associations.

The performance promised for the institution by the bankers and real

Continued on Page Nine.

pay out to them limited coin and currency.

The ruling provides member banks report their general Reserve their portion of coin and currency to the Federal Reserve. Holdings of gold are placed in exchange for books of the central bank. Other forms of circulation, the member banks are required to state the they require additional

The Governor's statement at his apartment on Avenue, after a conference with Joseph State Superintendent and other members of the Board.

Statement Issued

The statement, board's resolution.

"In order that there be no misunderstanding in effect of the Governor's intention and in order that it is the intent of the Governor in no way to interfere with the banks in performing their discretion such further may have been performed under the ruling of the Secretary of the Treasury drawn to the following adopted by the Board of the State of New York on Tuesday, March 9, 1933;

"Whereas, for the purpose of existing emergency powers of the State Board of the State of New York authorized to enact regulations which shall be of law and without effecting or altering the provisions of the Governor's order of New York declaring a banking holiday through and including March 9, 1933;

"Now, therefore, that in order to facilitate the action of business,

Continued on Page

## Mutual Savings Banks Invoke 60-Day Rule; Written Notice on Withdrawal Required

The heads of New York City mutual savings banks decided yesterday to require depositors to give written notices sixty days in advance of withdrawing funds from their accounts when they are permitted to reopen their doors at the end of the banking holiday.

This is the third time that the savings banks have taken this action, the other instances having occurred in 1907 and during the World War. The measure was agreed upon unanimously by the presidents of the local institutions in order to protect the funds of all their depositors.

The Dollar Savings Bank of 149th Street and Third Avenue, the Bronx, was the first institution to invoke the sixty-day clause. This action was taken by the bank on Friday night, on the eve of the original New York State two-day banking holiday.

Henry Bruere, president of the Bowery Savings Bank, and Philip A. Benson, president of the Dime Savings Bank of Brooklyn, pro-

ceeded to Washington yesterday to discuss with government officials methods by which the savings banks might share in any plans evolved for the issuance of scrip.

The mutual savings banks are not members of the New York Clearing House Association, but expect to be able to obtain as much scrip as they need from the commercial banks which are members if a decision is reached to issue clearing house certificates here. This now appears to be in doubt as a result of the latest developments at Washington and Albany.

The sixty-day clause has in the past demonstrated its value in arresting a flood of unreasonable withdrawals by hysterical depositors during a critical financial period. Because of the permanent character of the restricted type of investments permitted to savings institutions by the State laws, it is difficult for the savings banks to realize anything approaching the actual value of their securities at a quick sale.

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