

These three articles are reprints from the Wednesday, March 8, 1933 New York Times right after President Roosevelt declared a two banking holiday and confiscated all the gold coins from United States citizens. The first article contains the new bank regulations put in place.

The New York Times, Wednesday, March 8, 1933

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 and 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.

Roosevelt and his banker friends orchestrated the gold confiscation, and consequently were privy to the date it would be enforced. As a result of their foreknowledge the bankers and private individuals shipped their gold coins overseas to avoid the banking holiday confiscation. Some, however, weren't quick enough on the switch as this second article indicates.

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 stevedores 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 of 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 banks, 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, and well as \$110,000,000 intended for domestic distribution.

Although steamship lines were reticent 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.

The third article of interest is indicative of bank behavior after the banking holiday. The public is, by then, panicked, and the knee jerk reaction is to get their money out of the banks. The banks respond in kind.

***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 60 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 60-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 Phillip A. Benson, president of the Dime Savings Bank of Brooklyn, proceeded to Washington yesterday to discuss with government officials methods by which the savings banks might share in any plans evolved for 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 60-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.**