

White House Statement on Proclamation 2072

Franklin D. Roosevelt

January 31, 1934

1. Acting under the powers granted by Title 3 of the Act approved May 12, 1933 (Thomas Amendment to the *Farm Relief Act*), the President today issued a Proclamation fixing the weight of the gold dollar at 15 5/21 grains nine-tenths fine. This is 59.06 plus percent of the former weight of 25 8/10 grains, nine-tenths fine, as fixed by Section 1 of the Act of Congress of March 4, 1900. The new gold content of the dollar became effective immediately on the signing of the Proclamation by the President.

Under the *Gold Reserve Act of 1934*, signed by the President Tuesday, January 30th, title to the entire stock of monetary gold in the United States, including the gold coin and gold bullion heretofore held by the Federal Reserve Banks and the claim upon gold in the Treasury represented by gold certificates, is vested in the United States Government, and the "profit" from the reduction of the gold content of the dollar, made effective by today's Proclamation, accrues to the United States Treasury. Of this "profit" two billion dollars, under the terms of the *Gold Reserve Act* and of today's Proclamation, constitute a stabilization fund under the direction of the Secretary of the Treasury. The balance will be converted into the general fund of the Treasury.

Settlement for the gold coin, bullion and certificates taken over from the Federal Reserve Banks on Tuesday upon the approval of the Act was made in the form of credits set up on the Treasury's books. This credit due the Federal Reserve Banks is to be paid in the new form of gold certificates now in course of production by the Bureau of Engraving and Printing. These certificates bear on their face the wording:

"This is to certify that there is on deposit in the Treasury of the United States of America—dollars in gold, payable to bearer on demand as authorized by law.

"They also will carry the standard legal tender clause, which is as follows:

"This certificate is a legal tender in the amount thereof in payment of all debts and dues, public and private.

The new gold certificates will be of the same size as other currency in circulation and the only difference, other than the changes in wording noted above, is that the backs of the new certificates will, as used to be done, be printed in yellow ink. The certificates will be in denominations up to \$100,000.

In his Proclamation of today the President gives notice that he reserves the right, by virtue of the authority vested in him, to alter or modify the present Proclamation as the interest of the United States may seem to require. The authority by later Proclamations to accomplish other revaluations of the dollar in terms of gold is contained in the *Gold Reserve Act* signed on Tuesday.

2. The Secretary of the Treasury, with the approval of the President, issued a public announcement that beginning February 1, 1934, he will buy through the Federal Reserve Bank of New York as fiscal agent, for the account of the United States, any and all gold delivered to any United States Mints or the Assay Offices in New York or Seattle, at the rate of \$35.00 per fine troy Ounce, less the usual Mint charges and less one-fourth of one percent for handling charges. Purchases, however, are subject to Compliance with the regulations issued under the *Gold Reserve Act of 1934*.

3. The Secretary of the Treasury today promulgated new regulations with respect to the purchase and sale of gold by the Mints. Under these regulations the Mints are authorized to purchase gold recovered from natural deposits in the United States or any place subject to its jurisdiction,

unmelted scrap gold, gold imported into the United States after January 30, 1934, and such other gold as may be authorized from time to time by rulings of the Secretary of the Treasury. No gold, however, may be purchased which has been held in noncompliance with previous acts or orders, or noncompliance with the Gold Reserve Act of 1934, or these Regulations. Affidavits as to the source from which the gold was obtained are required, except in the case of nuggets or dust of less than five ounces, where a statement under oath will suffice. In the case of imported gold, the Mints may purchase only that which has been in customs custody after its arrival in the Continental United States.

The price to be paid for gold purchased by the Mints is to be \$35.00 per troy ounce of fine gold, less one-fourth of one percent and less Mint charges. This price may be changed by the Secretary of the Treasury at any time without notice.

The Mints are authorized to sell gold to persons licensed to acquire it for use in the industries, professions, or arts, but not to sell more than is required for a three months' supply for the purchaser. The price at which gold is to be sold by the Mints will be \$35.00 per troy ounce, plus one-fourth of one percent. This price also may be changed by the Secretary of the Treasury without notice.

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| CONTACT INFORMATION Larry Parks, Executive Director FAME, 501(c)(3) Box 625, FDR Station New York, NY 10150-0625 | Phone: 212-818-1206 Fax: 212-818-1197 E-mail: Lparks@Fame.Org Website: http://www.fame.org |
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FAME

Foundation for the Advancement of Monetary Education, 501(c)(3)
Box 625, FDR Station, New York, NY 10150-0625
Phone (212) 818-1206 • Fax (212) 754-6543
E-mail Join@FAME.org
www.FAME.org

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