

## Volume III

### After the Gold Standard, 1931-1999

1933 March 9

**Recommendation of United States President Franklin D. Roosevelt to Congress for legislation to control the resumption of banking.** Faced with a wave of banking failures and runs on many banks, US President Franklin Roosevelt declared a national bank holiday and began to pursue expansionary regulatory, fiscal, and monetary policies.

---

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 to 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 Government control over banks for the protection of depositors; authority forthwith to open banks as have 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 unsecured indebtedness of the Government of the United States.

I cannot 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 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 regard to banks which are one hundred percent sound but will also mark the new beginning of a new relationship between the banks and the people of this country.

### **Volume III**

#### **After the Gold Standard, 1931-1999**

The members of the 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.

---

**Source:** Roosevelt, 1938a, no. 10, pp. 45-47, esp. 45-46.