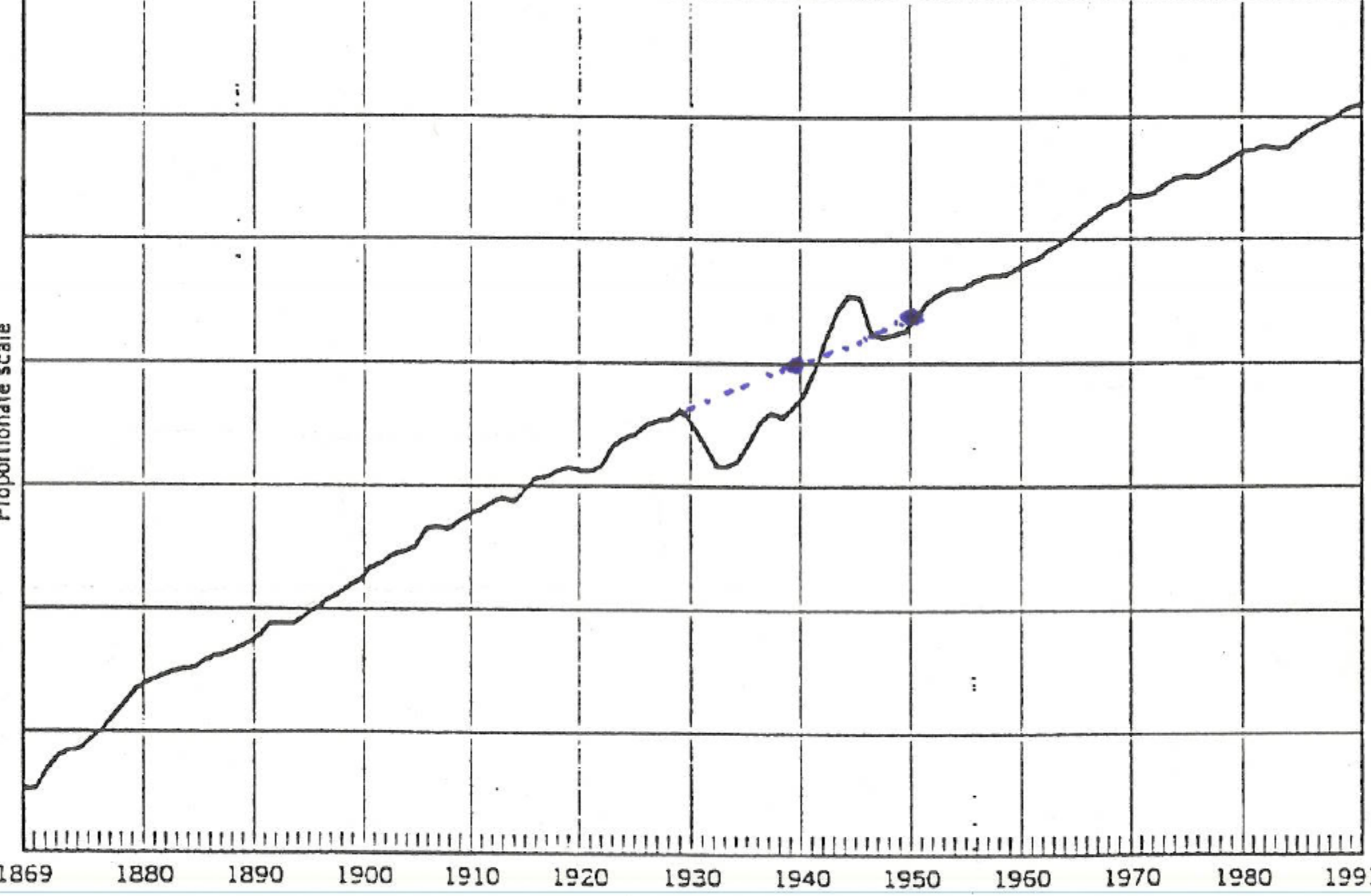


FIGURE 1.1 *The Behavior of Output in the United States, 1869–1991*

Real GNP and Selected Components, 1919–1939 (*billions of 1929 dollars*)

	Total Consumption Expenditures	*Gross Investment*	*Construction*	*Gross National Product*
1919	50.2	10.7	4.8	74.2
1920	52.7	12.8	5.0	73.3
1921	56.1	7.4	4.9	71.6
1922	58.1	10.6	7.1	75.8
1923	63.4	15.6	8.2	85.8
1924	68.1	12.4	9.0	88.4
1925	66.1	16.4	10.0	90.5
1926	71.5	17.1	10.7	96.4
1927	73.2	15.6	10.4	97.3
1928	74.8	14.5	9.8	98.5
1929	79.0	16.2	8.7	104.4
1930	74.7	10.5	6.4	95.1
1931	72.2	6.8	4.5	89.4
1932	66.0	.8	2.4	76.4
1933	64.6	.3	1.9	74.2
1934	68.0	1.8	2.0	80.8
1935	72.3	8.8	2.8	91.4
1936	79.7	9.3	3.9	100.9
1937	82.6	14.6	4.6	109.1
1938	81.3	6.8	4.1	103.2
1939	85.9	9.9	4.9	111.0

Source: Peter Temin, *Did Monetary Forces Cause the Great Depression?* (New York: W. W. Norton, 1976), p. 4.

The Money Stock and Related Quantities, 1919–1939 (*billions of dollars*)

	M_1	M_2	*High-Powered Money*	*D/R*	*D/C*
1919	21.7	30.8	6.6	10.2	6.7
1920	23.5	34.5	7.2	11.0	6.7
1921	21.2	32.5	6.5	11.3	7.1
1922	21.5	33.6	6.3	11.4	8.2
1923	22.7	36.4	6.7	11.8	8.3
1924	23.5	38.4	6.9	11.7	8.8
1925	25.5	41.8	7.0	12.3	9.6
1926	25.9	43.3	7.1	12.5	9.9
1927	25.9	44.5	7.2	12.6	10.3
1928	26.2	46.1	7.1	13.0	10.9
1929	26.4	46.2	7.1	13.0	11.0
1930	25.4	45.2	6.9	12.8	11.2
1931	23.6	41.7	7.3	11.8	9.2
1932	20.6	34.8	7.8	10.3	6.2
1933	19.4	30.8	8.2	8.2	5.1
1934	21.5	33.3	9.1	6.4	6.3
1935	25.5	38.4	10.7	5.6	7.1
1936	29.2	42.9	12.2	5.4	7.3
1937	30.3	45.0	13.4	5.0	7.1
1938	30.0	44.9	14.6	4.3	7.2
1939	33.6	48.7	17.6	3.7	7.1

Note: All yearly figures are the averages of the respective monthly figures.

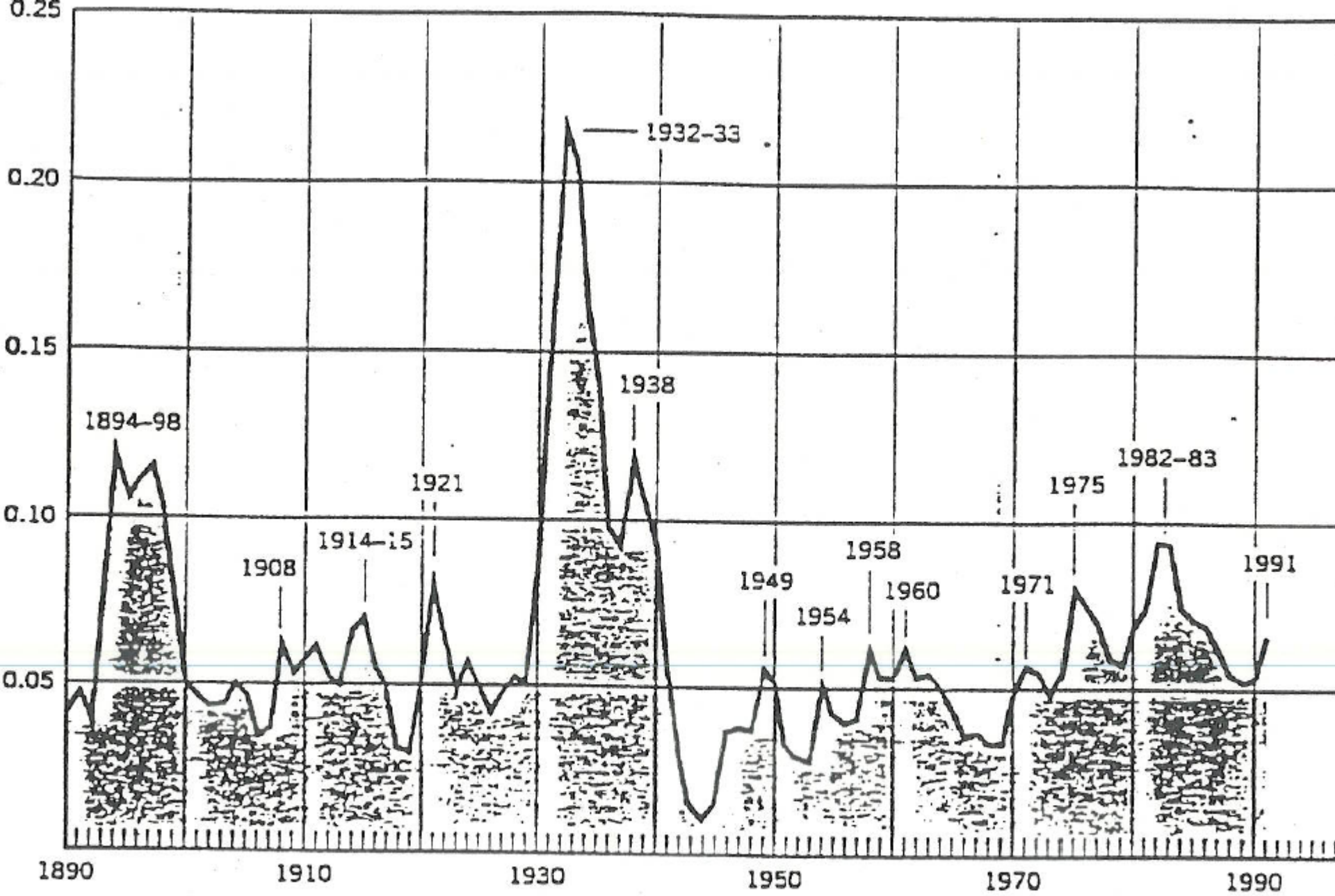
M_1 = Currency held by the public and (adjusted) demand deposits held in commercial banks.

M_2 = Currency held by the public and (adjusted) demand and time deposits held in commercial banks.

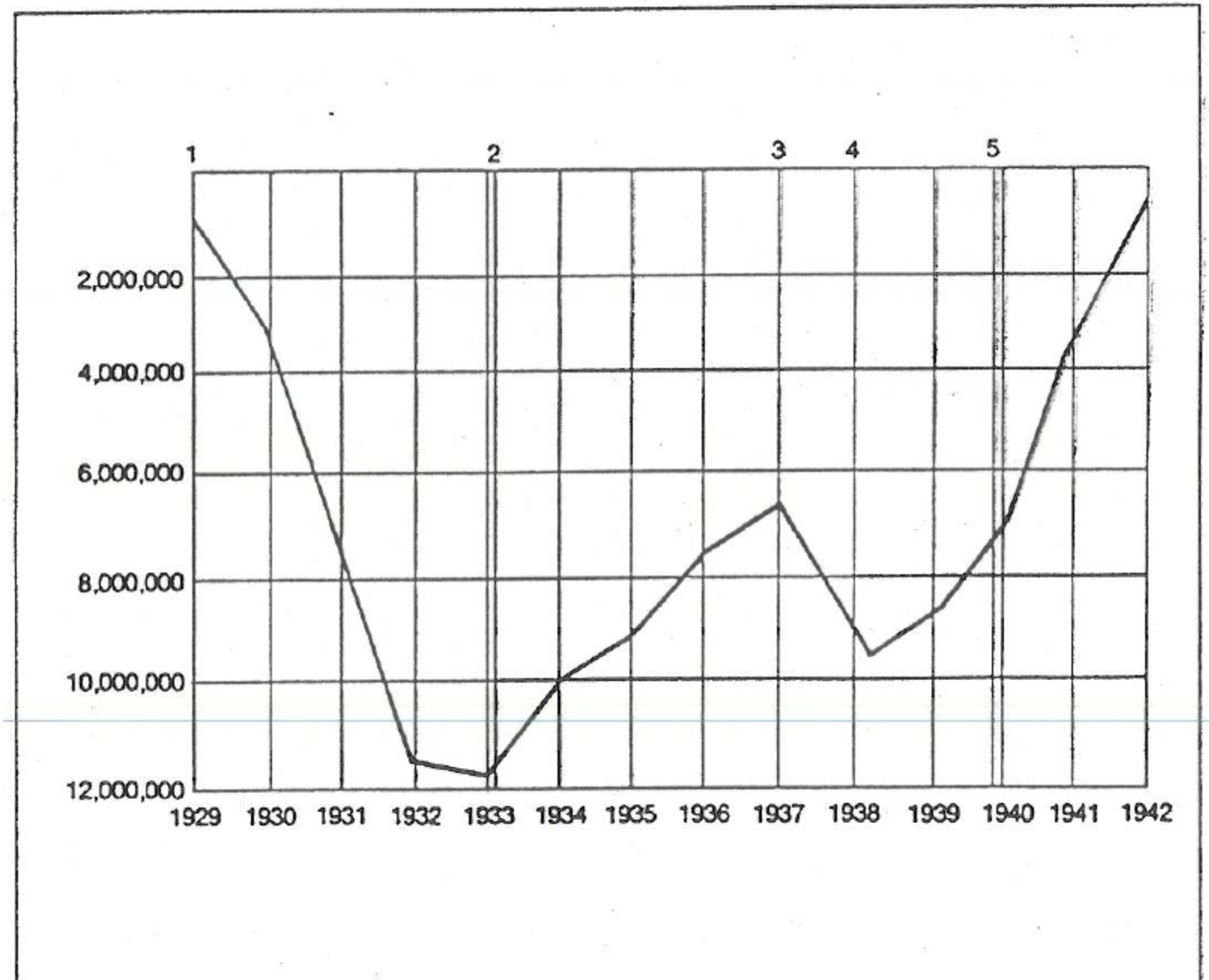
Aggregate Price Indexes, 1919–1939

	Wholesale Price Index (WPI) (1947–1949 = 100)	*Consumer Prime Index (CPI) (1947–1949 = 100)*	*Implicit GNP Price Deflator (1929 = 100)*
1919	90.1	74.0	106
1920	100.3	85.7	121
1921	63.4	76.4	103
1922	62.8	71.6	98
1923	65.4	72.9	100
1924	63.8	73.1	99
1925	67.3	75.0	101
1926	65.0	75.6	101
1927	62.0	74.2	99
1928	62.9	73.3	100
1929	61.9	73.3	100
1930	56.1	71.4	96
1931	47.4	65.0	85
1932	42.1	58.4	77
1933	42.8	55.3	75
1934	48.7	57.2	80
1935	52.0	58.7	79
1936	52.5	59.3	82
1937	56.1	61.4	83
1938	51.1	60.3	83
1939	50.1	59.4	82

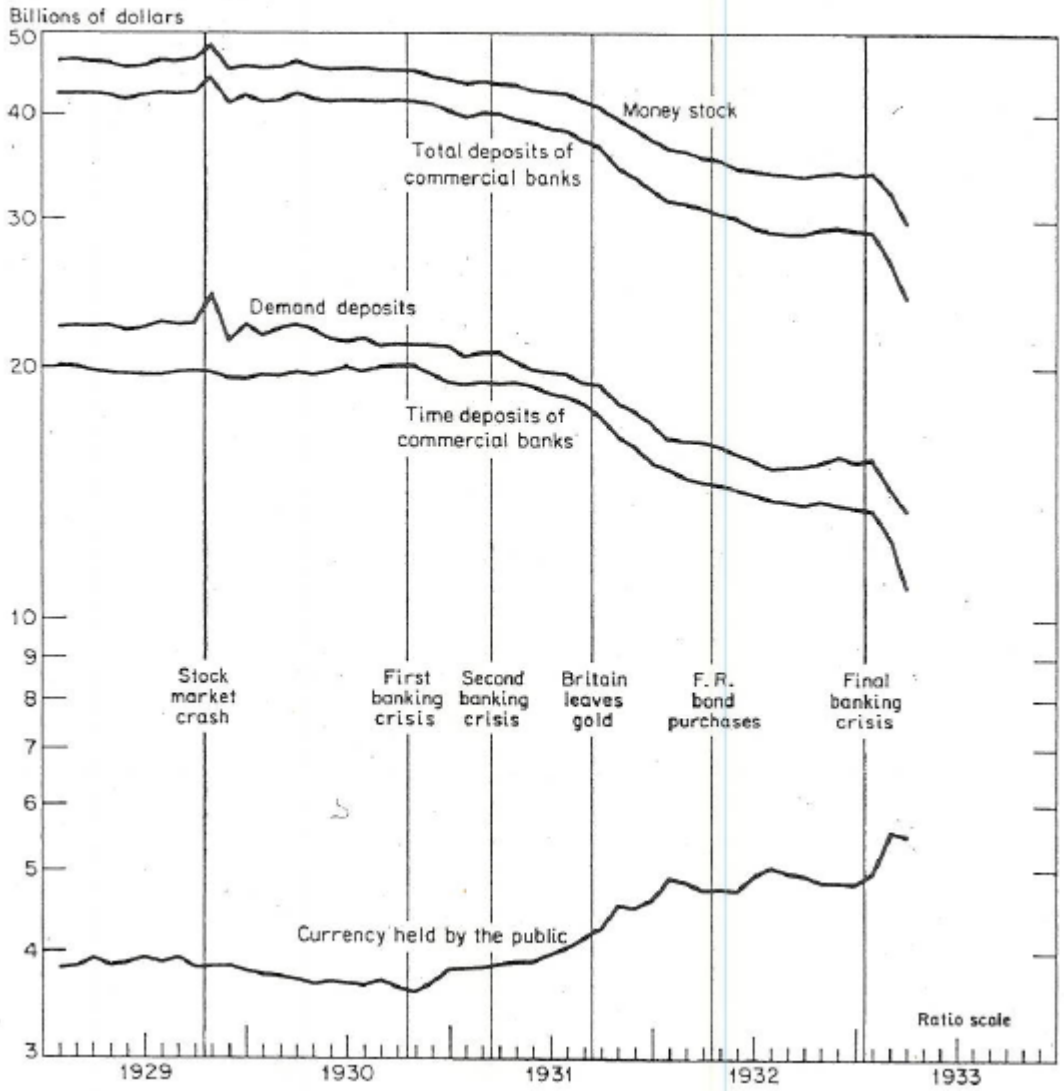
Source: Peter Temin, *Did Monetary Forces Cause the Great Depression?* (New York: W. W. Norton, 1976), p. 6.


0.25
0.20
0.15
0.10
0.05
1890
1910
1930
1950
1970
1990
1894–98
1908
1914–15
1921
1932–33
1938
1949
1954
1958
1960
1971
1975
1982–83
1991

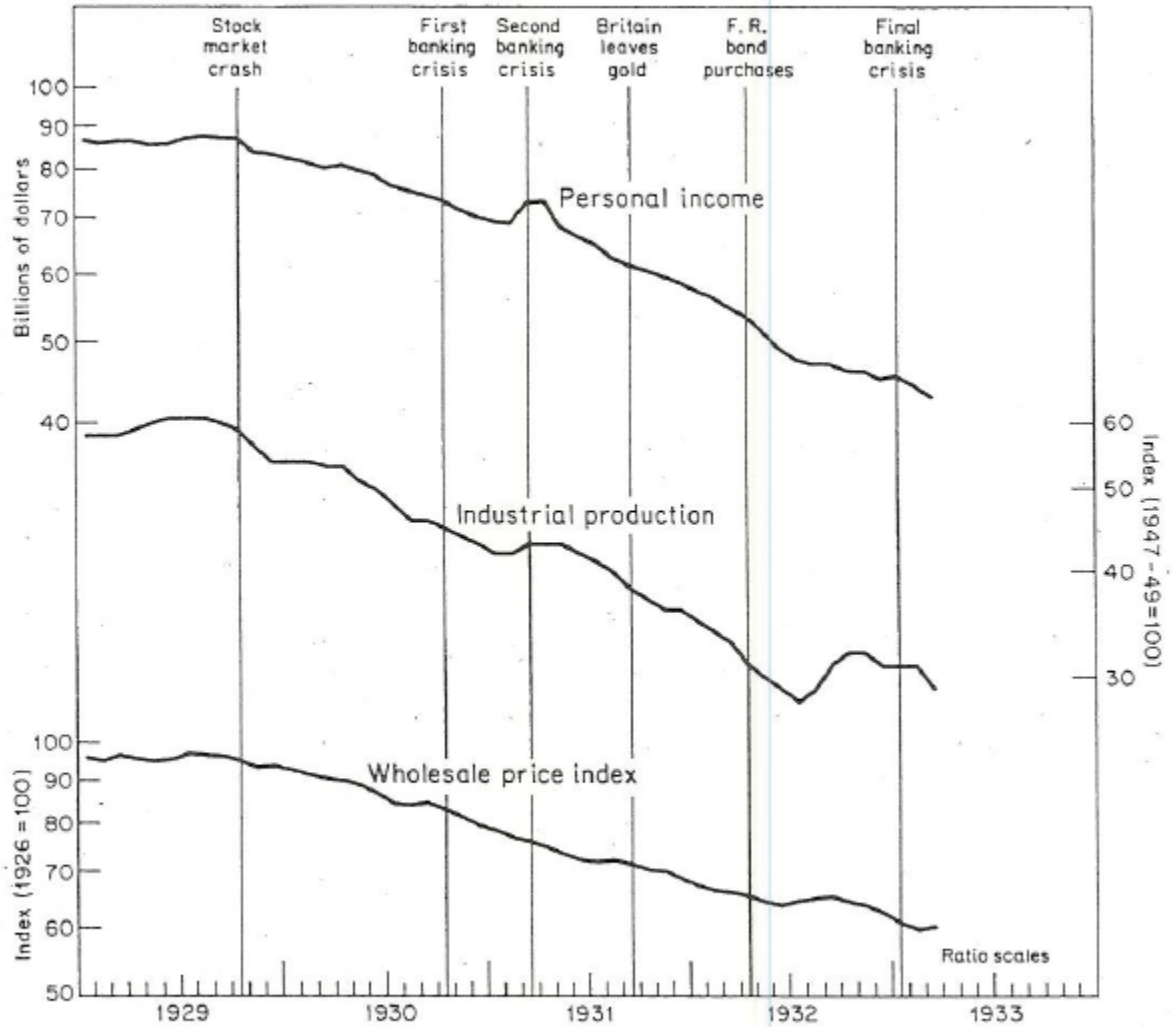
Unemployment, 1929–1942



Money Stock, Currency, and Commercial Bank Deposits, Monthly, 1929–March 1933

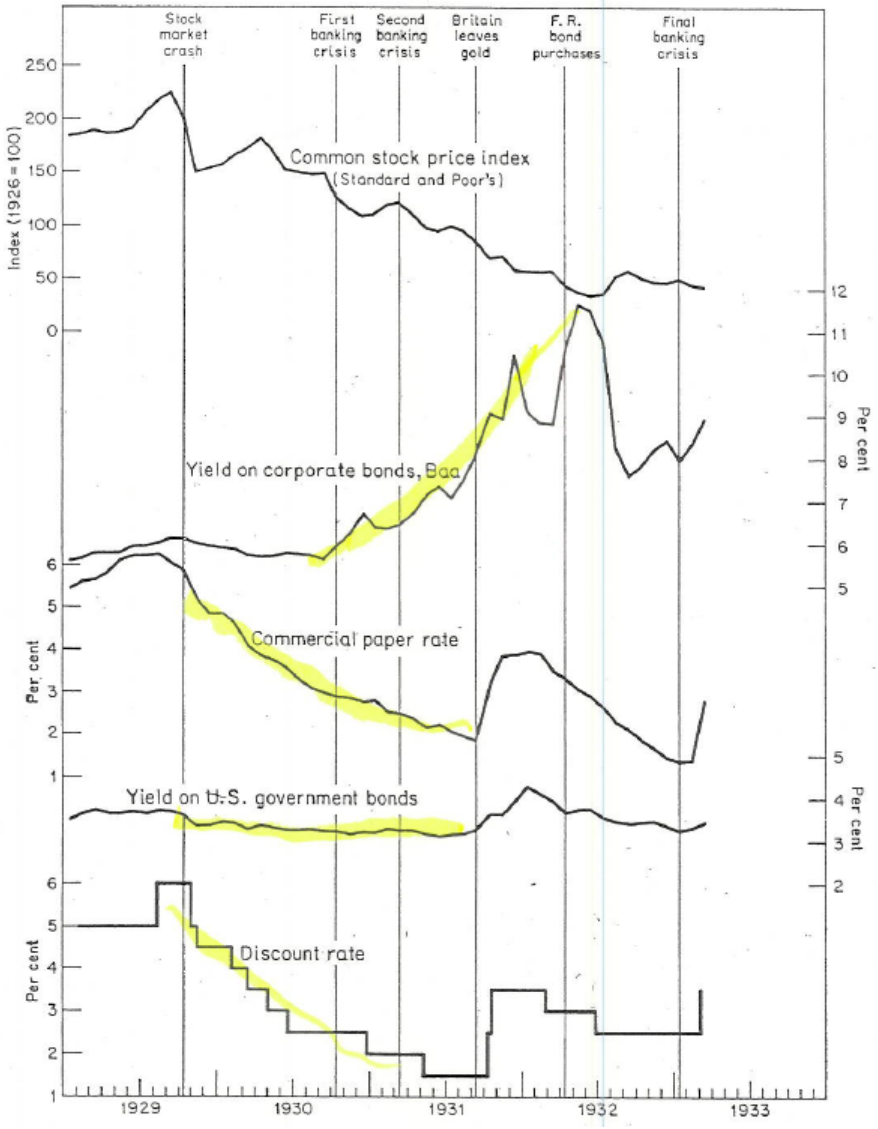


Prices, Personal Income, and Industrial Production, Monthly, 1929–March 1933

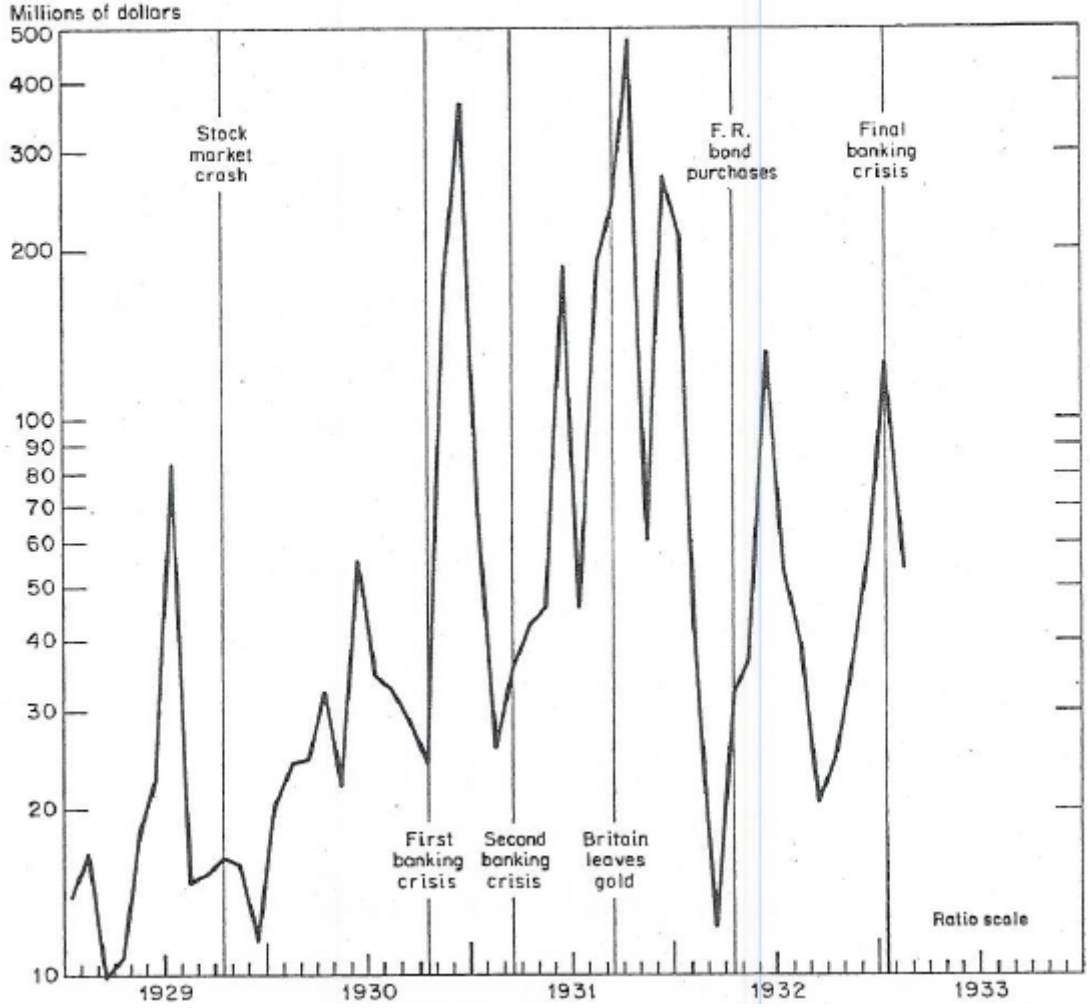


SOURCE: Industrial production, same as for Chart 16. Wholesale price index, same as for Chart 62. Personal income, *Business Cycle Indicators* (Princeton for NBER, G. H. Moore, ed., 1961), Vol. II, p. 139.

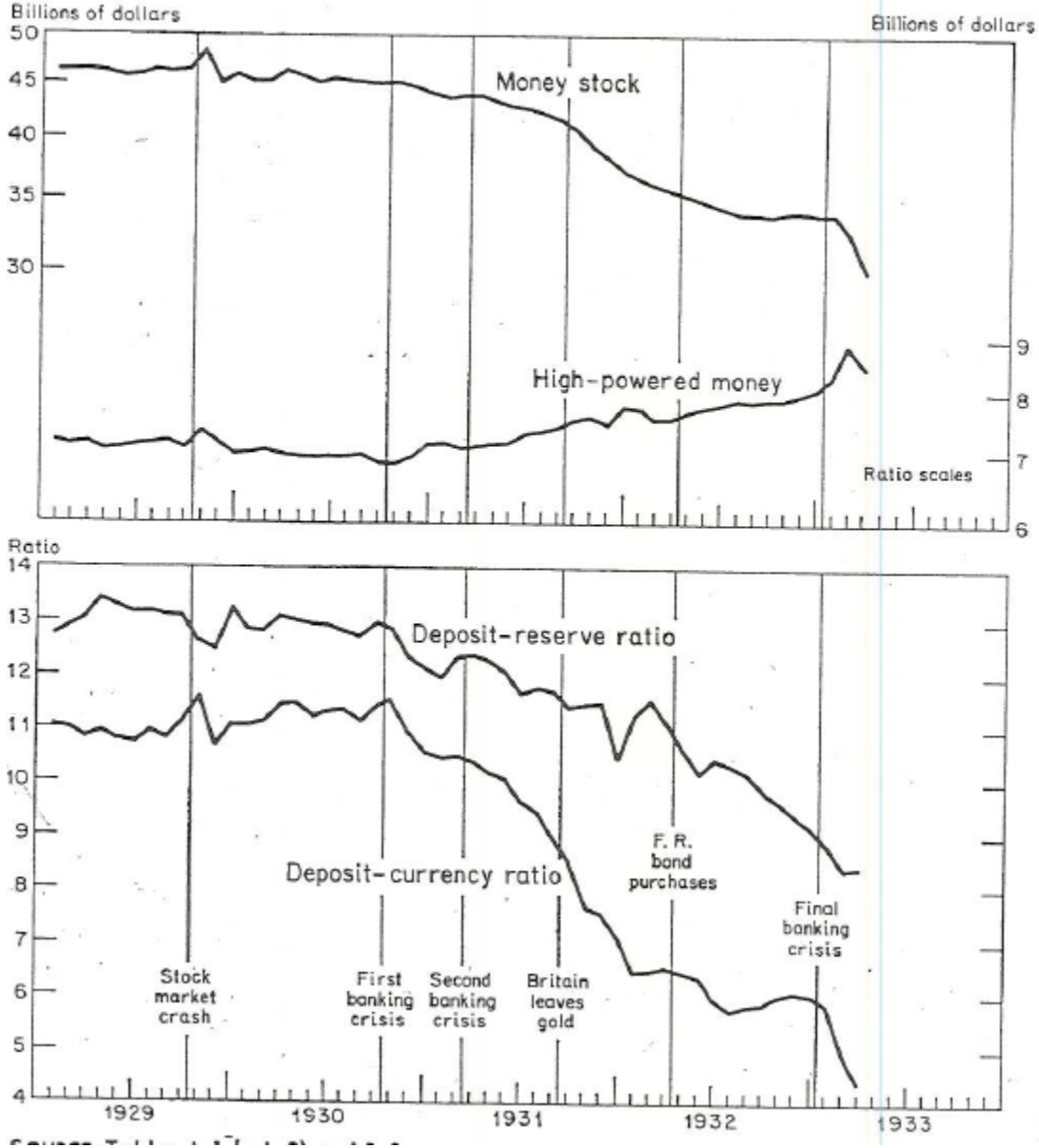
Common Stock Prices, Interest Yields, and Discount Rates of Federal Reserve Bank of New York, Monthly, 1929–March 1933



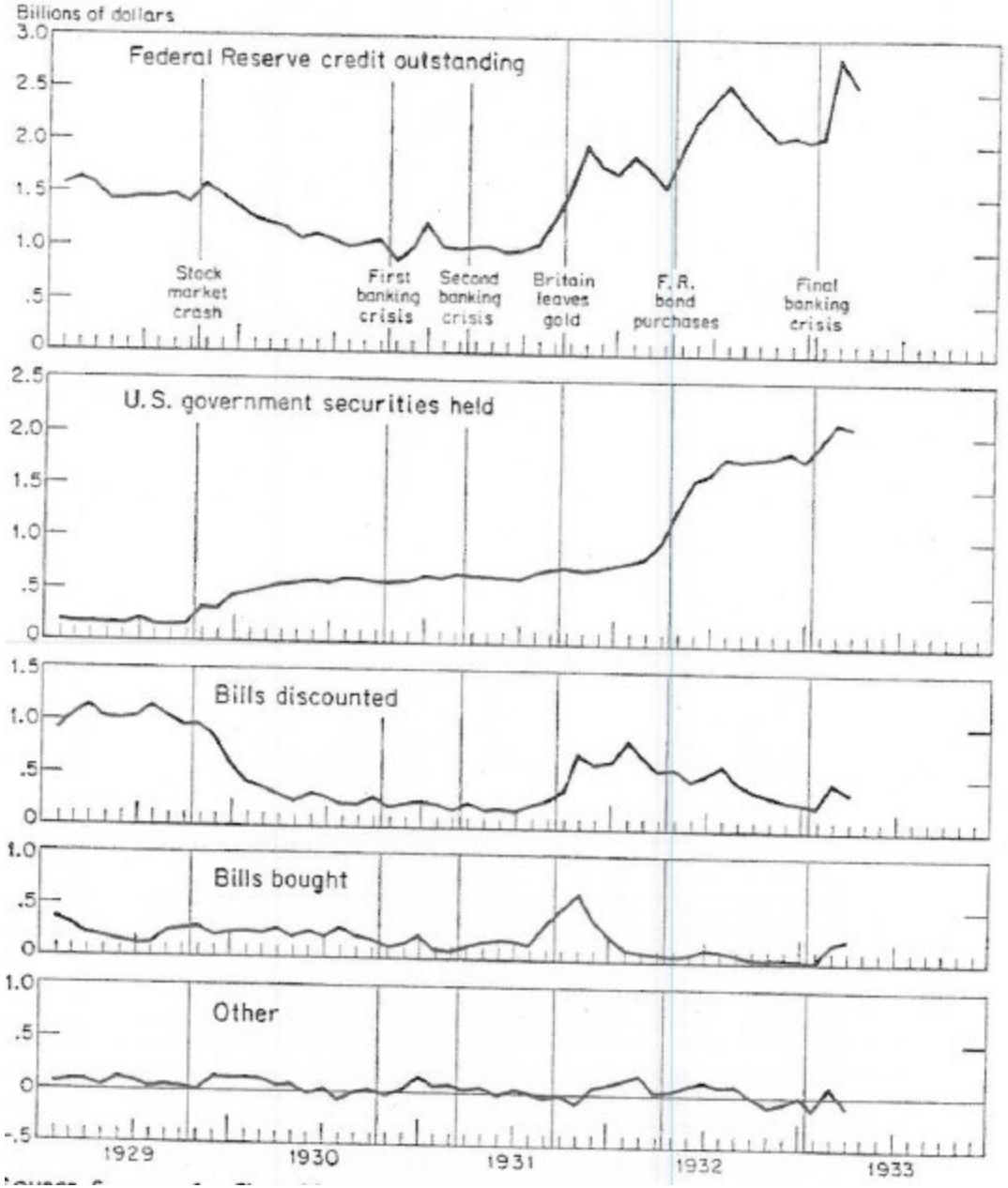
Deposits of Suspended Commercial Banks, Monthly, 1929–February 1933



The Stock of Money and Its Proximate Determinants, Monthly, 1929–March 1933



Federal Reserve Credit Outstanding, by Types, Monthly, 1929–March 1933



Series X 741–755. Bank Suspensions—Number and Deposits of Suspended Banks: 1864 to 1970

Year [1]	Number of suspensions							Deposits of suspended banks [2] (mil. dol.)							
	Total	National	State commercial		Mutual savings	Federal Reserve System		Total	National	State commercial [3]		Mutual savings	Federal Reserve System		Losses borne by depositors [3 4]
			Incorporated	Private (unincorporated)		Member	Nonmember			Incorporated	Private (unincorporated)		Member	Nonmember	
	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755
1970	7	1	6	–	–	1	6	53	16	36	–	–	16	36	----------
1969	9	3	6	–	–	5	4	40	12	29	–	–	15	25	----------
1968	3	1	2	–	–	1	2	23	12	11	–	–	12	11	----------
1967	4	1	3	–	–	2	2	11	4	7	–	–	8	3	----------
1966	8	2	6	–	–	2	6	106	4	102	–	–	4	102	----------
1965	9	2	3	4	–	2	7	45	42	1	1	–	42	3	----------
1964	8	1	7	–	–	1	7	24	3	20	–	–	3	20	----------
1963	2	–	2	–	–	–	2	23	–	23	–	–	–	23	----------
1962	3	1	1	1	–	1	2	4	3	1	–	–	3	1	–
1961	9	2	4	3	–	3	6	10	5	4	1	–	7	4	450
1960	2	–	2	–	–	–	2	8	–	8	–	–	–	8	257
1959	3	–	3	–	–	–	3	3	–	3	–	–	–	3	15
1956–1960	20	3	13	4	–	4	16	45	18	25	2	–	19	26	601
1951–1955	23	3	17	3	–	4	19	70	8	59	3	–	27	42	880
1947–1950	23	8	11	4	–	10	13	33	16	15	2	–	24	9	69
1941–1946	49	20	29	–	–	24	25	[5] 59	36	23	–	–	42	17	68
1934–1940	[6] 448	45	383	19	2	61	388	[7] 477	59	412	2	4	232	245	9,173
1933 [8]	4,004	1,101	2,790	109	4	1,275	2,729	3,601	1,611	1,975	13	[9] 2	2,394	1,207	540
1932	1,456	276	1,140	37	3	331	1,125	725	214	494	8	9	269	456	168
1931	2,294	409	1,804	80	1	516	1,778	1,691	439	1,230	21	(Z)	733	958	391
1930	1,352	161	1,131	58	2	188	1,164	869	170	668	15	16	373	496	237
1929	659	64	564	31	–	81	578	231	42	181	8	–	58	173	77
1928	499	57	422	19	1	73	426	143	36	103	3	(Z)	47	96	44
1927	669	91	545	33	–	122	547	199	46	149	4	–	63	136	61
1926	976	123	801	52	–	158	818	260	44	207	9	–	67	193	83
1925	618	118	461	39	–	146	472	168	56	104	8	–	65	102	61
1924	775	122	616	37	–	160	615	210	65	138	8	–	79	132	79
1923	646	90	533	23	–	122	524	150	34	114	2	–	47	103	62
1922	367	49	294	23	1	62	305	93	20	69	2	2	27	66	38
1921	505	52	409	44	–	71	434	172	21	143	9	–	38	134	60

POSTMASTER: PLEASE POST IN A CONSPICUOUS PLACE.—JAMES A. FARLEY, Postmaster General

UNDER EXECUTIVE ORDER OF THE PRESIDENT

Issued April 5, 1933

all persons are required to deliver

ON OR BEFORE MAY 1, 1933

all GOLD COIN, GOLD BULLION, AND GOLD CERTIFICATES now owned by them to a Federal Reserve Bank, branch or agency, or to any member bank of the Federal Reserve System.

Executive Order

FORBIDDING THE HOARDING OF GOLD COIN, GOLD BULLION AND GOLD CERTIFICATES.

By virtue of the authority vested in me by Section 5(b) of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", in which amendatory Act Congress declared that a serious emergency exists, I, Franklin D. Roosevelt, President of the United States of America, do declare that said national emergency still continues to exist and pursuant to said section do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before May 1, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates now owned by them or coming into their ownership on or before April 28, 1933, except the following:

(a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

(b) Gold coin and gold certificates to an amount not exceeding in the aggregate $100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.

(d) Gold coin and bullion licensed for other proper transactions (not involving hoarding) including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

Section 3. Until otherwise ordered any person licensed to retain the coin of any gold coin, gold bullion, or gold certificates after April 28, 1933, shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2; unless such gold coin, gold bullion or gold certificates are held for any of the purposes specified in paragraphs (a), (b) or (c) of Section 2; or unless such gold coin or gold bullion is held for purposes specified in paragraph (d) of Section 2 and the person holding it is, with respect to such gold coin or bullion, a licensee or applicant for license pending action thereon.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form of coin or currency current or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates to the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue licenses (including licenses permitting such officers or agencies as he may designate, including licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency or credit, to deliver, earmark or hold in trust gold coin and bullion to or for persons showing the need for the same for any of the purposes specified in paragraphs (a), (b) and (d) of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be modified or revoked at any time.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE
April 5, 1933.

For Further Information Consult Your Local Bank

GOLD CERTIFICATES may be identified by the words "GOLD CERTIFICATE" appearing thereon. The serial number and the Treasury seal on the face of a GOLD CERTIFICATE are printed in YELLOW. Be careful not to confuse GOLD CERTIFICATES with other issues which are redeemable in gold but which are not GOLD CERTIFICATES. Federal Reserve Notes and United States Notes are "redeemable in gold" but are not "GOLD CERTIFICATES" and are not required to be surrendered

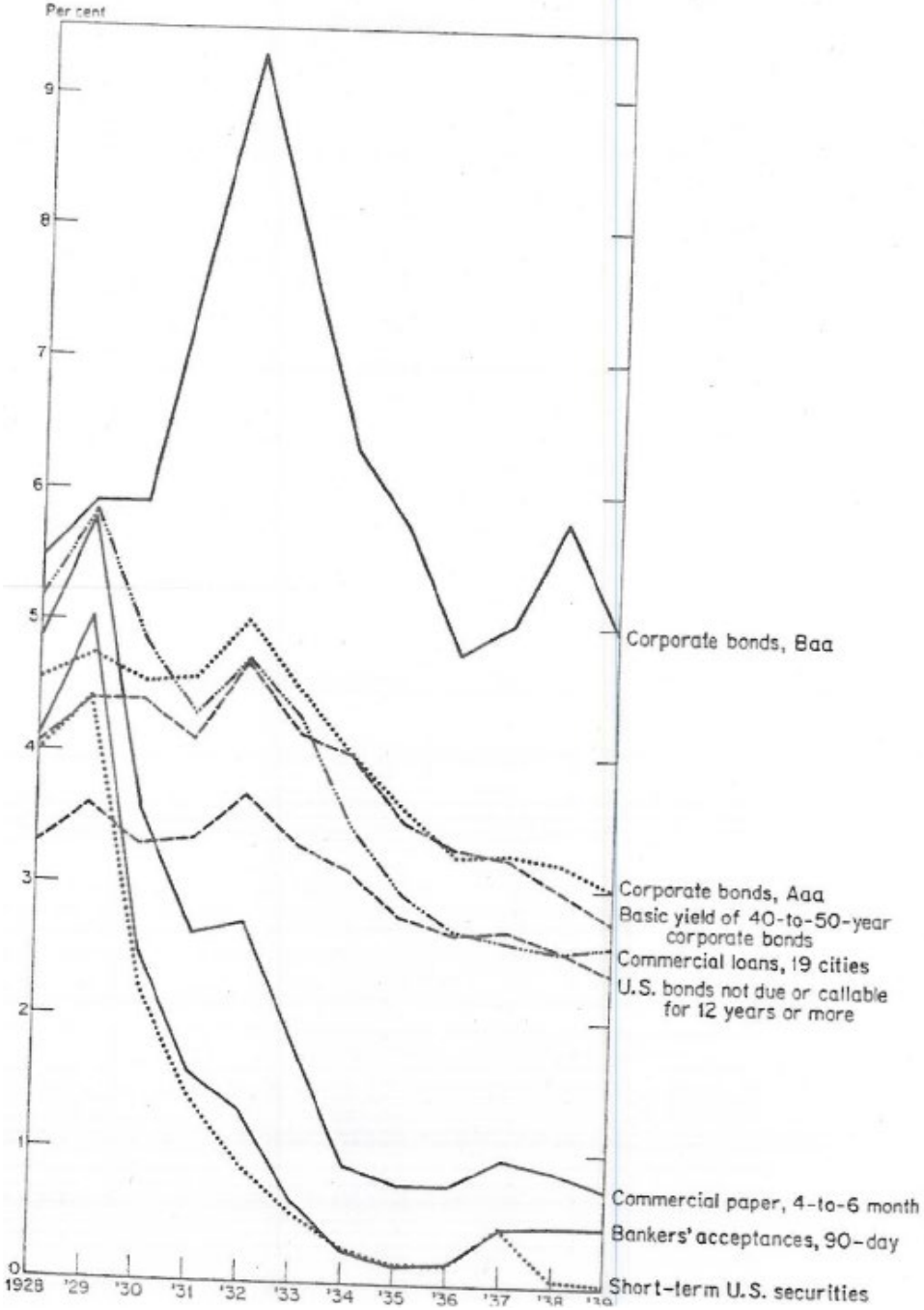
Special attention is directed to the exceptions allowed under Section 2 of the Executive Order

CRIMINAL PENALTIES FOR VIOLATION OF EXECUTIVE ORDER
$10,000 fine or 10 years imprisonment, or both, as provided in Section 9 of the order

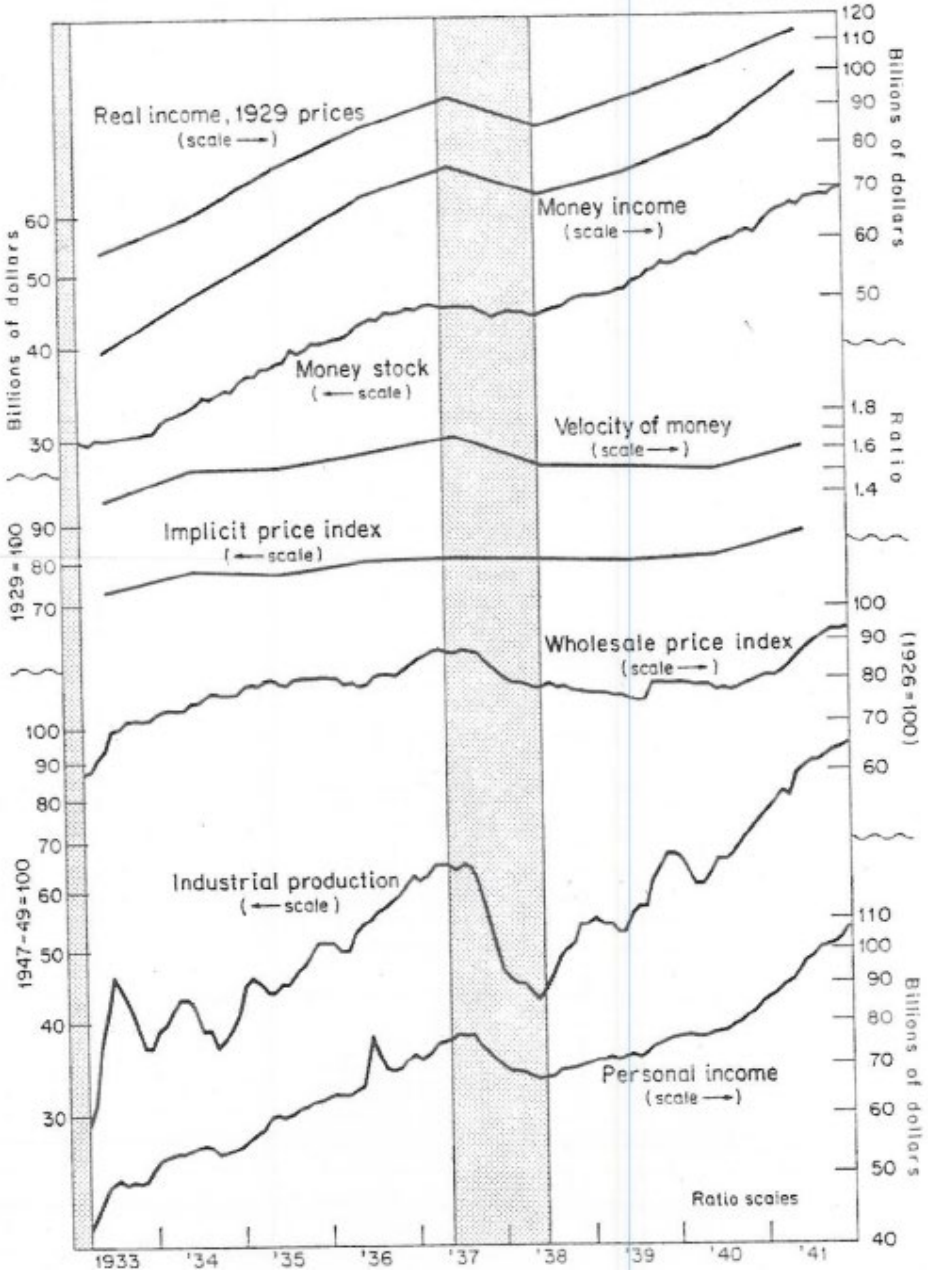
W. H. Woodin
Secretary of the Treasury.

A Great Moment in American Monetary Policy: April 5, 1933

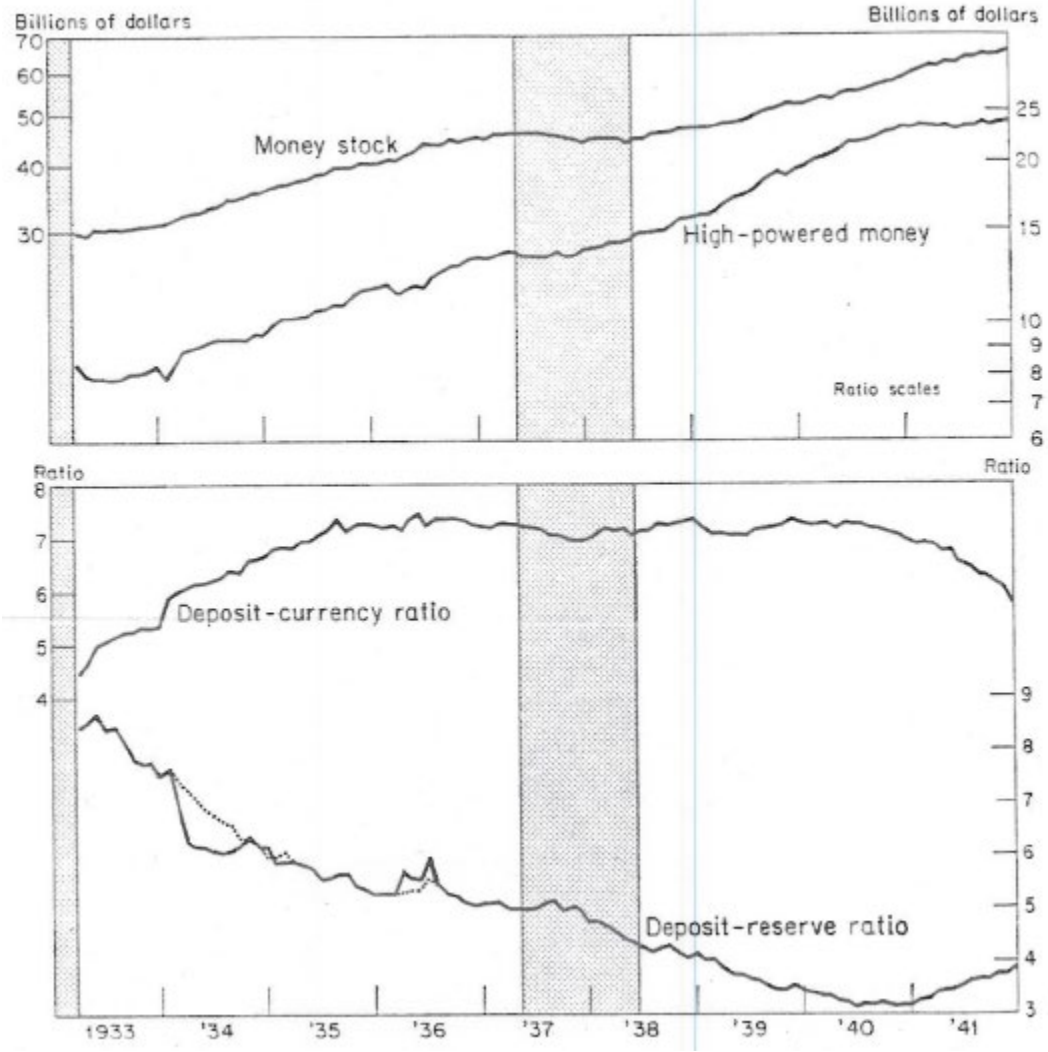
Changing Relations Among Interest Yields, 1928–39



Money Stock, Income, Prices, and Velocity, Personal Income and Industrial Production, in Reference Cycle Expansions and Contractions, March 1933–December 1941



The Stock of Money and Its Proximate Determinants,
March 1933–December 1941



Use of Tools by Federal Reserve System, March 1933–December 1941

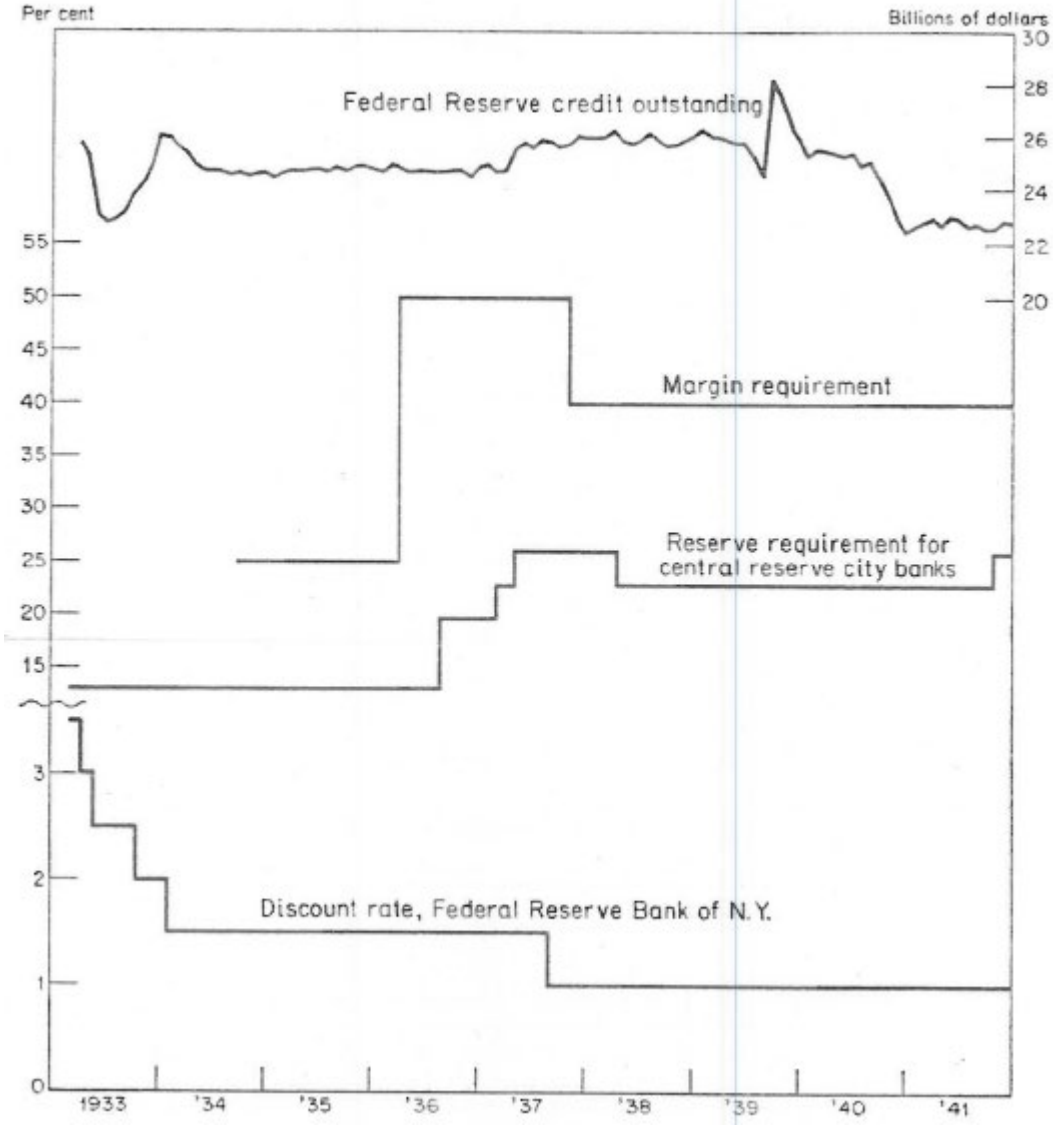


Table 2 Key 20th-Century Securities Industry Regulatory Legislation

Year	Legislative Action
1911	The first blue-sky law: Kansas enacts a comprehensive system of licensing for the registration of securities salesmen.
1921	The Martin Act: New York State empowered its attorney general to investigate fraudulent securities practices and to issue subpoenas and seek injunctions against suspects.
1933	Securities Act: The first federal government regulation of the securities market. Required registration of securities offerings with the Federal Trade Commission and detailed public disclosure of material financial information about issuers.
1933	Glass-Steagall Act: Required separation of investment banking (securities underwriting) from commercial banking (acceptance of deposits and lending) functions.
1934	Securities Exchange Act: Established the Securities and Exchange Commission (SEC) and required exchanges to submit rules for SEC approval. Also required companies with existing securities to disclose detailed financial information to the public.
1935	Public Utility Holding company Act: Enabled SEC to supervise dissolutions, breakups, integrations, and capital restructurings of public utilities.
1938	Maloney Act: Authorized formation of National Association of Securities Dealers under the auspices of the SEC to oversee activities of broker-dealers in the over-the-counter market.
1939	Trust Indenture Act: Required obligers of bonds to register with SEC.
1940	Investment Company Act: Authorized SEC to oversee investment company activities.
1964	Securities Act Amendments: Required SEC registration of widely held securities and raised certification requirements for brokers.
1968	Williams Act: Required purchasers of equity to announce holdings and intentions within 10 days from time accumulations reached 5 percent of a company's stock and to abide by a minimum 20 business-day period, during which time tender offers would be open for tendering by shareholders.
1970	Securities Investor Protection Act: Established Securities Investor Protection Corporation (SIPC) to insure deposits with brokerage firms.
1974	Employee Retirement Income Security Act: Established Employee Benefit Guaranty Corporation (EBGC) to insure plan beneficiaries against loss from plan termination.
1975	Securities Reform Act: Enabled SEC to establish a national market system and strengthened authority of SEC over exchanges. Ended the practice of fixed commissions by exchanges.