

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1174]
[March 11, 1933]

Program for Reopening of Banks

To all Banking Institutions in the
Second Federal Reserve District:

For your information, we quote below the text of a statement issued today by the President of the United States:

"I am glad to be able to announce that technical difficulties which operated to delay the opening of banks, both state and national, have finally substantially been overcome by tireless work on the part of the officials of the Treasury and the Federal Reserve System, and that a definite program has been arranged consisting of successive steps by which banks throughout the country will be opened progressively on Monday, Tuesday and Wednesday mornings.

"The Secretary of the Treasury will issue licenses to banks which are members of the Federal Reserve System, whether national bank or state, located in each of the twelve Federal Reserve Bank cities, to open Monday morning.

"So also the state authorities having supervision over state banks which are not members of the Federal Reserve System will be asked to permit any such state institutions located in any one of the twelve Federal Reserve Bank cities to open for business on Monday morning if in their judgment they deem it wise to do so.

"Under this progressive plan, banks located in any city having an active, recognized clearing house association, of which there are 250 cities, will receive licenses for reopening on Tuesday morning, and banks located elsewhere will receive their licenses permitting reopening for Wednesday.

"Time is thus afforded for the necessary shipments of currency provided under the Emergency Bank Act from Reserve Banks centers to clearing house cities and banks in the smaller communities.

"There were enormous technical problems to be solved before these mechanics could be worked out and before the actual currency could be in the bank when the doors opened.

"The Constitution has laid upon me the duty of conveying the condition of the country to the Congress assembled at Washington. I believe I have a like duty to convey to the people themselves a clear picture of the situation at Washington itself whenever there is danger of any confusion as to what the Government is undertaking.

"That there may be a clear understanding as to just what has taken place during the last two days since the passage of this Act it is my intention, over the national radio net works, at ten o'clock Sunday evening, to explain clearly and in simple language to all of you just what has been achieved and the sound reasons which underlie this declaration to you.

"The fact that banks will be opened under this plan does not mean that any one should draw the inference that the banks opening Monday are in any different condition as to soundness from the banks licensed to open on Tuesday or Wednesday or any subsequent day."

GEORGE L. HARRISON,
Governor.