

FEDERAL RESERVE BANK  
OF NEW YORK

[Circular No. 1179]  
March 12, 1933]

Regulations Issued by the Secretary of the Treasury under the  
President's Proclamation Declaring a Bank Holiday

*To all Banking Institutions in the  
Second Federal Reserve District:*

For your information and supplementing our circulars Nos. 1168, 1170 and 1173, dated March 8, 9, and 10, 1933, we quote below the text of regulations which the Federal Reserve Board has advised us today have been issued by the Secretary of the Treasury under the President's Proclamation declaring a bank holiday.

NUMBERED REGULATIONS

- 18 "All banking institutions are hereby authorized to subscribe and pay for any United States Government obligations which may be offered for subscription and sale by the Secretary of the Treasury. Federal Reserve Banks may carry on such functions as may be necessary to facilitate such transactions as are authorized by this regulation.
- "All Federal Reserve Banks are authorized to redeem matured obligations of the United States and to cash matured coupons provided no gold or gold certificates shall be paid out."
- 19 "Except as otherwise prohibited by law, banking institutions may exercise their normal and usual functions in permitting substitution for or release of collateral held by them, provided other collateral or cash of equal or greater value is received in exchange therefor."
- 20 "All Federal Reserve Banks and their branches and agencies may open March 13, 1933, and may remain open for the performance of all usual and normal banking functions except as prohibited by the executive order issued by the President on March 10, 1933, and any further orders or regulations hereafter issued."
- 21 "Banking institutions which are not members of the Federal Reserve System or organized under the laws of the United States and which are not under the immediate supervision of any state authority may, on and after March 13, 1933, carry on their normal and usual functions, except as otherwise prohibited and except that no such institution shall pay out any gold coin, gold bullion or gold certificates, unless authorized by the Secretary of the Treasury, nor allow withdrawal of any currency for hoarding, nor engage in any transaction in foreign exchange except such as may be undertaken for legitimate and normal business requirements, for reasonable traveling and other personal requirements, and for fulfillment of contracts entered into prior to March 6, 1933."

The following regulation appeared as a note following Regulation 7 "Authorizing special trust accounts, etc.," which was printed on page 2 of Circular 1168, dated March 8, 1933, and is repeated below for the purpose of making it a numbered regulation.

- 15 "The permission granted in regulation Number 7 that deposits heretofore received by any banking institution pursuant to agreement or legislative authority providing for segregation and repayment without restriction may be paid on demand, includes any bank in which any such deposits have been redeposited by or on behalf of the receiving bank in accordance with such agreement or legislative authority."

As we are advised of the issuance of further regulations and interpretations by the Secretary of the Treasury under the President's Proclamation declaring a bank holiday we will forward the text thereof to banking institutions in this district.

GEORGE L. HARRISON,  
Governor.