

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1182]
[March 13, 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, 1173, 1179, and 1181, dated March 8, 9, 10, 12, and 13, 1933, we quote below the text of regulations and of Interpretation No. 9 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. For convenience in reference and following Regulation 26, we reprint Regulation 10 to which Interpretation No. 9 refers, together with previous interpretations of Regulation 10.

25 "Pending the determination by the Treasury Department of a suitable procedure for licensing the delivery of gold for use in trade, profession or art, Federal Reserve banks are hereby authorized to deliver upon request therefor gold in amounts deemed by such bank to be reasonably required for legitimate and customary uses in trade, profession or art, provided such request is accompanied by affidavit of the person requesting such gold stating the amount of unmanufactured gold on hand and the facts making it necessary to obtain such gold for the purpose of maintaining employment."

"All banks licensed to open for usual and normal functions are permitted to carry out any transaction necessary to complete the delivery of any gold authorized by any Federal Reserve bank to be delivered in accordance with such request."

26 "All banking institutions may issue drafts transferring credits from any place in the United States to any other place in the United States and from any place in the United States to any place in a foreign country in connection with payments for domestic and foreign patent, trade mark and design application fees and in payment for domestic and foreign patent and trade mark taxes and renewals. No gold or gold certificates shall be paid out, withdrawn, or exported under this regulation."

10 **Authorizing certain activities by national or state banking institutions.**

"Any national or state banking institution may exercise its usual banking functions to such extent as its situation shall permit and as shall be absolutely necessary to meet the needs of its community for food, medicine, other necessities of life, for the relief of distress, for the payment of usual salaries and wages, for necessary current expenditures for the purpose of maintaining

employment, and for other similar essential purposes: provided, however, that (1) every precaution shall be taken to prevent hoarding or the unnecessary withdrawal of currency: (2) no state banking institution shall engage in any transaction under this regulation which is in violation of state or federal law or of any regulation issued thereunder: (3) no national banking association shall engage in any transaction under this section which is in violation of any federal law or of any order or regulation issued by the comptroller of the currency: and (4) no gold or gold certificates shall be paid out. Each banking institution and its directors and officers will be held strictly accountable for faithful compliance with the spirit and purpose as well as the letter of this regulation."

Interpretation No. 2.

"Regulation Number Ten of March Seven under the President's Proclamation of March Six is held to authorize payments on account of pensions, workmen's compensation disability insurance, relief and unemployment."

Interpretation No. 5.

"Regulation No. 10 issued under the President's Proclamation is interpreted to authorize payments for fertilizer and for vegetable and agricultural seeds for spring planting, where such payments are absolutely necessary and where the seed and/or fertilizer are for immediate use."

Interpretation No. 7.

"Release of funds for purchase of cotton where absolutely necessary to maintain operation is interpreted as 'necessary current expenditures for the purpose of maintaining employment and for other similar essential purposes.' As used in regulation 10."

Interpretation No. 9.

"Regulation No. 10 issued under the President's proclamation is interpreted to authorize payments for nursery stock where such payments are absolutely necessary to prevent destruction of stock in transit on March 6, 1933, or prepared for and awaiting shipment on March 6, 1933, under bona fide commitments."

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.