

**FEDERAL RESERVE BANK
OF NEW YORK**

(Circular No. 1186)
(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 previous circulars on this subject, we quote below the text of a regulation which the Federal Reserve Board has advised us today has been issued by the Secretary of the Treasury under the President's proclamations of March 6 and 9, 1933, declaring and continuing a bank holiday. For convenience in reference we reprint the regulations to which this regulation refers.

7 Authorizing special trust accounts, etc.

"Deposits heretofore received by any banking institution pursuant to agreement or legislative authority providing for segregation and for repayment without restriction may be paid on demand. Any banking institution which was lawfully engaged in the business of receiving deposits prior to March 6, 1933, may create special trust accounts for the receipt of new deposits which shall be subject to withdrawal on demand without any restriction or limitation and shall be kept separately in cash or on deposit in Federal Reserve Banks or invested in obligations of the United States. Federal Reserve Banks may open special accounts on their books for their member banks and temporarily for nonmember banks and may receive in such special accounts the proceeds of new deposits received by such banking institutions. In making deposits with the Federal Reserve Bank pursuant to this regulation the depositing bank shall in the case of each deposit indicate to the Federal Reserve Bank by symbol or otherwise that the funds so deposited represent new deposits made under this regulation. Upon receipt of such deposits such Federal Reserve Banks shall credit the same in the special account of the depositing bank herein provided for and shall hold the same solely for the repayment to such bank. Federal Reserve Banks shall permit the withdrawal of any part or all of such new deposits by the depositing bank without restriction provided that the depositing bank shall in such order or request for withdrawal indicate to the Federal Reserve Bank by symbol or otherwise that such withdrawal is to be made from such special account, provided however that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates."

Regulations Issued by the Secretary of the Treasury Under the (Circular No. 1186)
President's Proclamation Declaring a Bank Holiday. (March 18, 1933.)

- 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."
- 23 "No banking institution shall permit any withdrawal by any person when such institution, acting in good faith, shall deem that the withdrawal is intended for hoarding. Any banking institution, before permitting the withdrawal of large or unusual amounts of currency, may require from the person requesting such withdrawal, a full statement under oath of the purpose for which the currency is requested."

New Regulation

"Deposits of the kinds described in Regulations Number 7 and Number 15 are not subject to the provisions of Regulation Number 23."

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

George L. Harrison,
Governor.