

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 3283]
[November 13, 1947]

AMENDMENTS TO THE GOLD REGULATIONS

*To all Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

In our Circular No. 3238 dated July 21, 1947, we quoted, for your information, the text of a joint statement issued by the Secretary of the Treasury and the Board of Governors of the Federal Reserve System on July 18, 1947, regarding international traffic in gold.

In order to implement the policy announced in such statement, the Secretary of the Treasury, with the approval of the President, has issued, effective November 24, 1947, certain amendments to the Provisional Regulations issued under the Gold Reserve Act of 1934.

A copy of a Treasury Department press release dated October 25, 1947, in which the Secretary of the Treasury announced the adoption of these amendments, is printed on the reverse side. Copies of the amendments (the text of which was published in the FEDERAL REGISTER on October 25, 1947), will be furnished upon request.

ALLAN SPROUL,
President.

(OVER)

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, October 25, 1947.

Press Service
No. S-509

Secretary Snyder today announced the adoption of amendments to the Gold Regulations issued under the Gold Reserve Act of 1934. These amendments are in furtherance of the request of the International Monetary Fund that its members take measures to prevent international transactions in gold at premium prices. The amendments supplement the statement made by Secretary Snyder and the Board of Governors of the Federal Reserve System asking American individuals, banks and business enterprises to refrain from encouraging and facilitating this premium price traffic in gold. The amended Regulations come into effect on November 24, 1947.

Fine gold in bar form, which the Treasury has licensed for export for industrial, professional or artistic use, has been sold in some instances at premium prices for hoarding. Accordingly, the present amendments permit only semi-processed gold to be exported for industrial use except in cases in which the gold will be refined or processed and returned to the United States.

The amended Regulations permit the export of gold refined from imported gold-bearing material only when the refiners in the United States do not participate in the sale of the refined gold. In addition, such gold may be exported only when the exportation of gold-bearing material from the country of origin and the importation of the refined gold into the country of destination do not violate the laws of those countries.

In effect, the amendments implement the request of the Monetary Fund by preventing persons and organizations within the United States from participating in the export of gold for sale at premium prices. It is expected that other countries will take measures of a similar nature to control activities of persons and organizations within their jurisdiction and thereby reduce the traffic in gold at premium prices to a minimum. The Treasury is also continuing its study of gold transactions in which persons within the United States may be participating.

The present amendments also make several changes of an administrative nature in the Gold Regulations. One effect of these amendments is to dispense with the requirement that applications and reports under the Gold Regulations be sworn to before an official authorized to administer oaths.