

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 5488]
May 1, 1964

**Treasury Removes Restrictions on United States Gold Certificates
Issued Before 1934**

*To All Banks and Trust Companies
in the Second Federal Reserve District:*

The following statement was made public on April 24 by the Treasury Department:

The Secretary of the Treasury today issued regulations removing all restrictions on the acquisition or holding of gold certificates which were issued by the United States Government prior to January 30, 1934. The main effect of this action will be to permit collectors to hold this type of currency.

The restrictions which are being eliminated are considered no longer necessary or desirable. Under the laws enacted in 1934, these pre-1934 gold certificates are not redeemable in gold. They will, of course, continue to be exchangeable at face value for other currency of the United States.

The new regulation authorizing the holding of gold certificates applies only to United States gold certificates issued prior to January 30, 1934. The holding of any other type of gold certificates, including any issued by foreigners against gold held on deposit abroad, continues to be prohibited. Also, the status of the special series gold certificates issued by the U. S. Treasury only to the Federal Reserve System for reserve purposes is not affected.

Printed on the reverse side of this circular is an excerpt from the *Federal Register* of April 25, containing a copy of the new regulations.

Additional copies of this circular will be furnished upon request.

ALFRED HAYES,
President.

(OVER)

Title 31—MONEY AND FINANCE: TREASURY

Chapter I—Monetary Offices, Department of the Treasury

PART 53—INSTRUCTIONS OF THE SECRETARY OF THE TREASURY CONCERNING WRONGFULLY WITHHELD GOLD COIN AND GOLD BULLION DELIVERED AFTER JANUARY 17, 1934

PART 54—GOLD REGULATIONS

Removal of Delivery Requirements for Gold Certificates and General License to Hold Gold Certificates

1. The Order of the Secretary of the Treasury of December 28, 1933, as supplemented and amended by Orders of the Secretary of the Treasury of January 15, 1934, and July 14, 1954, which required the delivery to the United States of gold bullion, gold certificates and gold coins situated in the United States, except gold coins made prior to April 5, 1933, is hereby amended to exempt gold certificates from the provisions of such Order, as amended. The amendatory order will read as follows:

DEPARTMENT OF THE TREASURY
OFFICE OF THE SECRETARY

Delivery of Gold Coin, Gold Bullion and Gold Certificates to the Treasurer of the United States

Change in Requirements

The Order of the Secretary of the Treasury of December 28, 1933, as supplemented and amended by the Orders of the Secretary of the Treasury of January 15, 1934, and July 14, 1954 (19 F.R. 4331), required the delivery to the United States of gold certificates and gold coin situated in the United States, except gold coins made prior to April 5, 1933.

In my judgment the delivery requirements with respect to gold certificates are no longer necessary to protect the currency system of the United States.

Accordingly, by virtue of the authority vested in me by section 11(n) of the Federal Reserve Act, as amended (12 U.S.C. 248(n)), I hereby amend effective upon publication in the FEDERAL REGISTER, the Order of the Secretary of the Treasury of December 28, 1933, as supplemented and amended by the Orders of the Secretary of the Treasury of January 15, 1934, and July 14, 1954, by deleting "gold certificates" wherever the same appears therein.

Gold certificates will continue to be exchangeable in other lawful coin or currency as provided in 31 U.S.C. 773(a).

In view of the foregoing amendment to the order of the Secretary of the Treasury of December 28, 1933, as supplemented and amended, exempting gold certificates from the provisions thereof, the Instructions of the Secretary of the Treasury Concerning Wrongfully Withheld Gold Coin, Gold Bullion and Gold Certificates Delivered after January 17, 1934 (31 CFR 53.1) are hereby amended by deleting therefrom "gold certificates" wherever the same appears therein.

This amendment is effective upon publication in the FEDERAL REGISTER and is made without notice and public procedure thereon as such proceedings are deemed to be unnecessary.

The heading of Part 53 is changed to read as set forth above, and § 53.1 is amended to read as follows:

§ 53.1 Wrongfully withheld gold coin and gold bullion delivered after January 17, 1934.

The order of the Secretary of the Treasury dated January 15, 1934, as amended, supplementing the order of December 28, 1933, requiring the delivery of gold coin and gold bullion to the Treasurer of the United States provides, in part, as follows:

* * * I, Henry Morgenthau, Jr., Secretary of the Treasury, do hereby fix midnight of Wednesday, January 17, 1934, as the expiration of the period within which any gold coin or gold bullion may be paid and delivered to the Treasurer of the United States in compliance with the requirements contained in such Order of December 28, 1933, as amended.

In the event that any gold coin or gold bullion withheld in noncompliance with said Order and of this Order are offered after January 17, 1934, to the Secretary of the Treasury, the Treasurer of the United States, any United States mint or assay office, or to any fiscal agent of the United States, there shall be paid therefor only such part or none of the amount otherwise payable therefor as the Secretary of the Treasury may from time to time prescribe and the whole or any balance shall be retained and applied to the penalty payable for failure to comply with the requirements of such Order and of this Order. The acceptance of any such coin or bullion after January 17, 1934, whether or not a part or all of the amount otherwise payable therefor is so retained, shall be without prejudice to the right to collect by suit or otherwise the full penalty provided in Section 11(n) of the Federal Reserve Act, as amended, less such portion of the penalty as may have been retained as hereinbefore provided.

Subject to the rights reserved in said Order of January 15, 1934, supplementing the order of December 28, 1933, requiring the delivery of gold coin and gold bullion to the Treasurer of the United States and without prejudice to the right to alter or amend these instructions from time to time by notice to the Treasurer of the United States, the United States mints and assay offices, and the Federal Reserve banks, I do hereby prescribe that in the event that any gold coin or gold bullion held in non-compliance with said order of December 28, 1933, as amended, and said order of January 15, 1934, are offered after January 17, 1934, to the Secretary of the Treasury, the Treasurer of the United States, any United States mint or assay office or to any fiscal agent of the United States, the Secretary of the Treasury, the Treasurer of the United States, any United States mint or assay office, and the fiscal agents of the United States shall pay for such gold coin the dollar face amount thereof, and for gold bullion \$20.67 an ounce. Member banks of the Federal Reserve System may receive such gold coin and gold bullion for account of the Treasurer of the United States and forthwith forward the same to the Secretary of the Treasury, the Treasurer of the United States, any United States mint or assay office or any fiscal agent of the United States, whichever is nearest.

(Sec. 3, 48 Stat. 2; 12 U.S.C. 248(n))

2. Section 54.2(b) *Delivery requirements of 1933 gold orders* of the Gold Regulations (31 CFR Part 54) is being amended in order to reflect the removal of the delivery requirements for gold certificates in § 53.1 of this chapter and the addition of § 54.83, licensing the holding of gold certificates. Section 54.2(b) as amended, will read as follows:

§ 54.2 General provisions.

(b) *Delivery requirements of 1933 gold orders.* Executive Order 6102 of April 5, 1933, Executive Order 6260 of August 28, 1933, (31 CFR 1936 ed. Part 50), and the order of the Secretary of the Treasury of December 28, 1933, as amended and supplemented, required that, with certain exceptions, all persons subject to the jurisdiction of the United States deliver to the United States gold coins, gold bullion and gold certificates situated in the United States and held or owned by such persons on the dates of such orders. Gold coins having a recognized special value to collectors of rare and unusual coin, including all gold coins made prior to April 5, 1933, and gold certificates of the type issued before January 30, 1934, have been exempted from such delivery requirement. The regulations in this part do not alter or affect in any way the requirements under said orders to deliver gold bullion, and gold bullion required to be delivered pursuant to such orders is still required to be delivered and may be received in accordance with the Instructions of the Secretary of the Treasury of January 17, 1934 (§ 53.1 of this chapter), subject to the rights reserved in such instructions.

3. A new subpart I, consisting of one section, § 54.83, is being added to the Gold Regulations (31 CFR Part 54). This new subpart, the text of which is set forth below, grants in § 54.83 a general license to all persons subject to the jurisdiction of the United States to acquire, hold, dispose of, export and import United States gold certificates issued before January 30, 1934, which are situated inside or outside the United States. Subpart I will read as follows:

Subpart I—General License To Hold Gold Certificates

§ 54.83—General license; gold certificates.

A general license is hereby granted licensing all persons subject to the jurisdiction of the United States, as defined in § 54.4(13), to acquire, hold, dispose of, export and import United States gold certificates issued before January 30, 1934. This general license applies to any such gold certificates whether situated inside or outside of the United States. Such certificates shall not be redeemable in gold, but may be exchanged at the dollar face amount thereof in other coins and currencies of the United States which may be lawfully acquired and are legal tender for public and private debts.

The foregoing amendment of § 54.2(b) and new subpart I are effective upon publication in the FEDERAL REGISTER. They are added to the Gold Regulations without notice and public procedure thereon as such proceedings are deemed to be unnecessary.

(Sec. 54.83 issued under sec. 5(b), 40 Stat. 415, as amended, sec. 3, 48 Stat. 2; 12 U.S.C. 95a, 12 U.S.C. 248(n); E.O. 6260, August 28, 1933, as amended by E.O. 10896, November 29, 1960, E.O. 10905, January 14, 1961, and E.O. 11037, July 20, 1962; E.O. 9193, as amended, 7 F.R. 5205; 3 CFR 1943 Cum. Supp.)

[SEAL]

DOUGLAS DILLON,
Secretary of the Treasury.

[F.R. Doc. 64-4150; Filed, Apr. 24, 1964; 8:52 a.m.]