

EXTENDING FOR TWO YEARS THE PERIOD WITHIN WHICH THE FEDERAL RESERVE BOARD MAY AUTHORIZE THE FEDERAL RESERVE BANKS TO OFFER, AND THE FEDERAL RESERVE AGENTS TO ACCEPT, DIRECT OBLIGATIONS OF THE UNITED STATES AS COLLATERAL SECURITY FOR FEDERAL RESERVE NOTES

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

February 14, 1935.

A PROCLAMATION

WHEREAS the second paragraph of section 16 of the Federal Reserve Act (38 Stat. 265), as amended by the act of March 6, 1934 (48 Stat. 398), provides:

Collateral security for Federal Reserve notes. Vol. 38, p. 265; Vol. 48, p. 398. Statutory provision.

"Any Federal Reserve bank may make application to the local Federal Reserve agent for such amount of the Federal Reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal Reserve agent of collateral in amount equal to the sum of the Federal Reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under the provisions of section 13 of this Act, or bills of exchange indorsed by a member bank of any Federal Reserve district and purchased under the provisions of section 14 of this Act, or bankers' acceptances purchased under the provisions of said section 14, or gold certificates: *Provided, however,* That until March 3, 1935, or until the expiration of such additional period not exceeding two years as the President may prescribe, the Federal Reserve Board may, should it deem it in the public interest, upon the affirmative vote of not less than a majority of its members, authorize the Federal Reserve banks to offer, and the Federal Reserve agents to accept, as such collateral security, direct obligations of the United States \* \* \*."

AND WHEREAS it is deemed advisable that the authority of the Federal Reserve Board to authorize the Federal Reserve banks to offer, and the Federal Reserve agents to accept, direct obligations of the United States as collateral security for Federal Reserve notes issued to the Federal Reserve banks be continued for an additional period after March 3, 1935:

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority conferred upon me by the aforesaid section 16 of the Federal Reserve Act, as amended, do hereby proclaim, declare, and prescribe an additional period of two years from and after March 3, 1935, during which the Federal Reserve Board may, should it deem it in the public interest, upon the affirmative vote of not less than a majority of its members, authorize the Federal Reserve banks to offer, and the Federal Reserve agents to accept, direct obligations of the United States as collateral security for Federal Reserve notes issued to the Federal Reserve banks under the provisions of the aforesaid section.

Use of United States direct obligations as, extended two years.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE at the City of Washington this 14<sup>th</sup> day of February, in the year of our Lord nineteen hundred and thirty-five, and of the Independence of the United States of America the one hundred and fifty-ninth.

FRANKLIN D ROOSEVELT

By the President:  
CORDELL HULL  
*Secretary of State.*

[No. 2117]