

T E L E G R A M

FEDERAL RESERVE BOARD

WASHINGTON

March 10, 1933.

Young - Boston	Seay - Richmond	Geery - Minneapolis
Harrison - New York	Black - Atlanta	Hamilton - Kansas City
Norris - Philadelphia	McDougal - Chicago	McKinney - Dallas
Fancher - Cleveland	Martin - St. Louis	Calkins - San Francisco

TRANS NO. 1613 Section 403 of the Act of March 9, 1933, amends section 13 of the Federal Reserve Act as amended by adding at the end thereof the following new paragraph: QUOTE Subject to such limitations, restrictions, and regulations as the Federal Reserve Board may prescribe, any Federal reserve bank may make advances to any individual, partnership, or corporation on the promissory notes of such individual, partnership, or corporation secured by direct obligations of the United States. Such advances shall be made for periods not exceeding 90 days and shall bear interest at rates fixed from time to time by the Federal reserve bank, subject to the review and determination of the Federal Reserve Board. UNQUOTE Pursuant to a regulation issued by the Secretary of the Treasury under the President's proclamations of March 6 and March 9, 1933, any Federal reserve bank may make advances complying with the foregoing amendment in order to enable individuals, partnerships and corporations to meet their immediate payroll requirements. It will be observed that all such advances must be secured by direct obligations of the United States; that they may not be made for periods longer than ninety days and that the interest rate thereon is subject to review and determination of the Federal Reserve Board. Pending further action the Board approves a discount rate of 5% per annum upon advances made under this section to individuals, partnerships or corporations.

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