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FEDERAL RESERVE AGENT



FEDERAL RESERVE BANK
OF DALLAS

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FEDERAL RESERVE AGENT
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FRANK KELL, . . . WICHITA FALLS, TEXAS
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CHARLES C. HALL, ASSISTANT
FEDERAL RESERVE AGENT
W. C. WEISS, AUDITOR
CHAS. C HUFF - - - - - COUNSEL

DALLAS, TEXAS, July 23, 1918.

Drouth Relief From War Finance Corporation

TO THE PRESIDENT OF THE BANK ADDRESSED:

Dear Sir:

Following the announcement in today's newspapers to that effect, I take pleasure in officially advising you that in order to assist the banks in this District to extend credit freely to deserving farmers and cattlemen where necessary to insure the preservation of their essential industries in locations where drouth has seriously impaired their productivity, the War Finance Corporation of the United States is willing to make advances under Section Seven of the War Finance Corporation Act, to solvent and well managed Banks and Trust Companies located in this Federal Reserve District, whether or not members of the Federal Reserve System, up to seventy-five per cent of the loans made by such Banks and Trust Companies to cattlemen and farmers, or up to one hundred per cent in cases where the borrowing institution itself furnishes additional collateral amounting to thirty-three per cent of the advances.

The advances are to be made upon the promissory note of the borrowing institution secured by the note or notes of the cattlemen or farmers, together with any security therefor.

Written applications, following the necessary resolution of directors of the borrowing bank, must be made to the War Finance Corporation through its Fiscal Agent, the Federal Reserve Bank of Dallas.

For the present these advances will be made at the rate of six per cent per annum and, except in unusual cases, will be for a term of not exceeding nine months. Under certain conditions the War Finance Corporation will, on recommendation of the Fiscal Agent, consider favorably applications for an advance up to October 1, 1919, but such instances will be exceptional, and the necessity for an advance for that length of time must be fully and conclusively shown.

The collateral note form and Directors' resolution must contain a clause agreeing to furnish additional security whenever required by the War Finance Corporation, and banks desiring to take advantage of this offer should apply to the Federal Reserve Bank of Dallas for blank applications, notes, and form of resolution.

Upon receiving a properly executed application for an advance, we will investigate same promptly and if the application is recommended we will so advise the War Finance Corporation.

Upon its aproval the necessary funds will be placed with this bank, as Fiscal Agent, to be paid to the borrowing institution in such manner as the latter may designate.

Yours very truly,

Governor.