

FEDERAL RESERVE BANK OF DALLAS

Dallas, Texas, March 7, 1933.

To The Bank Addressed:

Supplementing our circular of March 6, 1933, there are quoted below, for your information, certain additional regulations issued by the Secretary of the Treasury under authority conferred upon him by proclamation of the President of the United States declaring bank holiday:

“Where settlement for checks charged by drawee institutions to the drawers’ accounts on its books on or before March 4, 1933, is incomplete, settlement may be completed where such settlement does not involve the payment of money or currency.”

“Any bank having branch in a foreign country may deposit collateral in the United States to secure advances to such branch in a foreign country provided such transaction does not involve any transfer of credit from the United States to a foreign country and any bank having branch in an insular possession of United States may deposit United States Government securities or other collateral for a similar purpose when under President’s proclamation advances of local currency in the insular possession may lawfully be made.”

“Any banking institution may deliver to the person entitled thereto properly identified documents and securities held by such institution for safekeeping.”

“Any national or state banking institution may exercise its usual banking functions to such extent as its situation shall permit and as shall be absolutely necessary to meet the needs of its community for food, medicine, other necessities of life, for the relief of distress, for the payment of usual salaries and wages, for necessary current expenditures for the purpose of maintaining employment, and for other similar essential purposes; provided, however, that (1) every precaution shall be taken to prevent hoarding or the unnecessary withdrawal of currency; (2) no state banking institution shall engage in any transactions under this regulation which is in violation of state or federal law or of any regulation issued thereunder; (3) no national banking association shall engage in any transaction under this section which is in violation of any federal law or of any order or regulation issued by the Comptroller of the Currency; and (4) no gold or gold certificates shall be paid out. Each banking institution and its directors and officers will be held strictly accountable for faithful compliance with the spirit and purpose as well as the letter of this regulation.”

“Any banking institution lawfully engaged in the business of acting as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity may continue to transact such business in the normal and usual manner; provided that in the conduct of said business, except as may be permitted by other regulations of the Secretary of the Treasury, such banking institutions shall not pay out or permit the withdrawal of coin or currency nor withdraw any trust or fiduciary funds on deposit with any other department of the bank.”

"Clearing house associations and other associations organized to provide an adequately secured medium of temporary exchange, are hereby permitted to issue certificates against sound assets of banking institutions, such certificates to be deliverable by each institution to its creditors and depositors on a pro rata basis, provided, however, that no such certificates shall be issued before Friday, March 10, 1933, without the consent of the Secretary of the Treasury addressed to the clearing house or other association proposing to issue such certificates, and further provided that this permission may be revoked in the event that a national plan to meet the existing emergency is proposed by the Secretary of the Treasury if in his opinion the success of such plan would be inconsistent with the operation of the certificate plan."

"The term 'food or feed products' in Regulations 6 under the President's proclamation promulgated March 6 may be interpreted to include live stock on the way to slaughter."

"Federal Reserve Banks are authorized to conduct their normal and usual operations as Fiscal Agents of the United States in transactions pertaining to the exchange of obligations of the United States, such as making exchange of denominations, exchanging coupon for registered bonds, and vice versa, receiving registered bonds for transfer and effecting C. P. D. transactions."

"Assistant Secretary of the Treasury has replied affirmatively to an inquiry as to whether pawnbrokers and brokers making loan on collateral are banker institution within the meaning of the term as used in the President's proclamation of March 6, 1933."

Yours very truly,

A handwritten signature in cursive script, appearing to read "B. M. Finney". The signature is written in dark ink and is positioned centrally below the typed name.

Governor.