

FEDERAL RESERVE BANK OF DALLAS

Dallas, Texas, March 8, 1933.

To the Bank Addressed:

Supplementing our circulars of March 6 and 7, 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:

“The permission granted in regulation number 7 that deposits heretofore received by any banking institution pursuant to agreement or legislative authority providing for segregation and repayment without restriction may be paid on demand, includes any bank in which any such deposits have been redeposited by or on behalf of the receiving bank in accordance with such agreement or legislative authority.”

“The term ‘Other Corporations, Partnerships, Associations or persons engaged in the business of receiving deposits, making loans’ as used in the President’s proclamation of March 6, declaring a bank holiday, is held to include brokers, pawnbrokers, industrial loan companies, mortgage loan companies, chattel loan companies, personal finance companies, automobile finance companies and all other persons, firms and corporations engaged in the business of making loans of any kind, secured or unsecured.”

“Regulation Number 10 of March 7, under the President’s proclamation of March 6, is held to authorize payments on account of pensions, workmen’s compensation, disability insurance, relief and unemployment.”

“All Federal Reserve Banks are authorized to continue their usual and normal functions pertaining to the handling of collateral securing the deposit of the public moneys of the United States, as provided in Treasury Circular 92 as amended and revised.”

“Federal Reserve Banks, in their discretion, are authorized to handle checks and collection items arising out of the restricted banking operations permitted under the regulations of the Secretary of the Treasury when it can reasonably be anticipated that funds satisfactory to the Federal Reserve Bank can be provided for the payment of such checks and collection items, provided, however, that no gold or gold certificates shall be paid out by such Federal Reserve Banks.”

“In order to facilitate the prompt dissemination of information regarding and interpretation of regulations issued by the Secretary of the Treasury pursuant to the President’s proclamation, dated March 6, 1933, declaring a bank holiday, it is requested that all inquiries for information regarding and interpretation of any of such regulations coming from banks, banking institutions and individuals, be made direct to the Federal Reserve Bank in their district. Unless such requests are covered by interpretations previously issued by the Secretary of the Treasury, the Federal Reserve Banks will secure such interpretations from the Secretary of the Treasury. All requests for any special permission or consent required by the regulations should be made in accordance with such regulations.”

"Each Federal Reserve Bank may (1) make available to its member banks which, in the judgment of the Federal Reserve Bank, are complying strictly with the spirit and purpose as well as the letter of the regulations issued by the Secretary of the Treasury pursuant to the President's proclamation declaring a bank holiday, such limited amounts of coin and/or currency (other than gold or gold certificates) as shall be absolutely necessary in order to enable such member banks to exercise the restricted functions permitted by such regulations, (2) extend to each such member bank such limited amounts of discounts, advancements and accommodations as shall be absolutely necessary for the exercise of such restricted functions and (3) make transfers of credit on its books for such restricted purposes between the accounts of such member banks and/or non-member clearing banks which, in the judgment of the Federal Reserve Bank, are complying strictly with the spirit and purpose as well as the letter of such regulations, provided, however, that before granting any such discounts, advancements or accommodations or making such limited payments of coin and/or currency, the Federal Reserve Bank shall first require the member bank, (A) to inform the Federal Reserve Bank of the amounts of coin and currency which it has on hand, (B) to inform the Federal Reserve Bank of the circumstances giving rise to the need for additional coin and/or currency, and (C) to deliver to the Federal Reserve Bank in exchange for other forms of coin and/or currency or for credit on its books all gold and gold certificates held by such member bank in its own right."

Yours very truly,

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

Governor.