

FEDERAL RESERVE BANK OF DALLAS

Dallas, Texas, March 17, 1933.

To the Bank Addressed:

Supplementing our circulars of March 6 to 16, 1933, both inclusive, 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:

"Regulation No. 12 is not to be construed as permitting a banking institution, open for normal and usual functions under license of the Secretary of the Treasury, to require depositors to accept clearing house certificates or other evidences of claims against assets for all or any part of any withdrawal requested." Designated as interpretation 11.

"A number of inquiries have been made at the Treasury Department as to whether a prohibition exists upon proper commercial dealings in silver during the banking emergency. 'No regulations have been issued restricting export or other transactions in silver, except for limitations affecting withdrawal by depositors for hoarding and restrictions on banks not permitted to reopen'."

"Comptroller of Currency advises that notwithstanding appointment of Conservator for National Bank under Bank Conservation Act, deposits received by such bank prior to appointment of Conservator in Special Trust Accounts created under the provisions of Regulation No. 7 of the Secretary of the Treasury, issued March 6, 1933, may be withdrawn upon demand without restriction or limitation to the full extent of the amount of cash, Federal Reserve Bank balances and proceeds of United States obligations in which such deposits have been kept separate or invested in accordance with the provisions of said Regulation No. 7."

"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."

"Banking institutions which are not members of the Federal Reserve System or organized under the laws of the United States and which are not under the immediate supervision of any State authority may, on and after March 13, 1933, carry on their normal and usual functions except as otherwise prohibited and except that no such institution shall pay out any gold coin, gold bullion or gold certificates, unless authorized by the Secretary of the Treasury, nor allow withdrawals of any currency for hoarding, nor engage in any transactions in foreign exchange except such as may be undertaken for legitimate and normal business requirements, for reasonable traveling and other personal requirements and for fulfillment of contracts entered into prior to March 6, 1933."

Yours very truly,



Governor.