

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 10, 1933,

PRESS STATEMENT

To All Banks in District No. 8:

The following statement by the Secretary of the Treasury was released to the Press this afternoon:

“Under the terms of the Act of March 9, 1933, immediate action has been taken by the President and the Secretary of the Treasury which will make possible the resumption of banking operations in substantial volume at a very early date. Pending such redemption the vital needs of communities must be met. Attention of all banking institutions is called to regulation 10 which is still in force and which as amended provides for cooperation between banks in different communities and reads as follows:

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: Banking institutions may carry out such transactions as may be necessary to aid banking institutions in other communities to meet the necessities set forth above, 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 transaction 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.

Federal reserve banks may carry on such functions as may be necessary to facilitate transactions authorized by this regulation.

In order to enable member banks of the Federal Reserve System to meet the needs of their respective communities to the extent authorized by this regulation Federal reserve banks may make advances to such member banks under the conditions set forth in Section 10 (B) of the Federal Reserve Act as amended by the Act of March 9, 1933, and in accordance with authority granted by the Federal Reserve Board.

In addition, in order to enable individuals, partnerships and corporations to meet their immediate payroll requirements, Federal reserve banks may make temporary advances to such individuals, partnerships and corporations on their promissory notes secured by direct obligations of the United States in accordance with authority granted by the Federal Reserve Board.”

Respectfully,

WM. McC. MARTIN,

Governor.