

TRANSFER

FEDERAL RESERVE BANK
OF ST. LOUIS

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October 21, 1935.

CORRESPONDENT RELATIONSHIPS
BETWEEN MEMBER BANKS AND SECURITIES DEALERS

To All Member Banks in District No. 8:

On June 23, 1934, the Board of Governors of the Federal Reserve System granted a blanket permit until December 1, 1934, under Section 32 of the Banking Act of 1933, authorizing correspondent relationships between any member bank or banks, and any dealer or dealers in securities in connection with underwriting and dealing in those securities excepted from the restrictions contained in Section 5136 of the Revised Statutes. (My circular of June 29, 1934.)

This blanket permit was extended on December 4, 1934, for the period until December 1, 1935, subject to the terms, conditions and instructions contained in that permit; provided, however, that member banks exercising the privilege granted by said permit as extended are not required to furnish information concerning operations unless and until the Board shall make further requirements in this connection. (My circular of December 5, 1934.)

On October 21, 1935, the Board of Governors of the Federal Reserve System extended until January 1, 1936, the permit extended by it on December 4, 1934, subject to the same terms, conditions and instructions. As you know, the amendments to Section 32 of the Banking Act of 1933, which become effective January 1, 1936, will eliminate from that section all reference to correspondent relationships.

Respectfully,

JOHN S. WOOD,

Federal Reserve Agent.