

DECLASSIFIED  
Authority E.O. 10501

Form 148b

470.-6

**TELEGRAM**

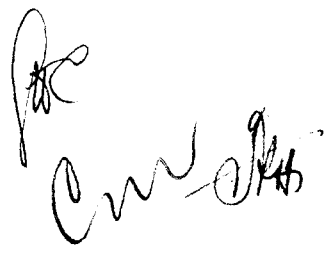
**FEDERAL RESERVE BOARD  
WASHINGTON**

**FLEMING - CLEVELAND**

Your wires March 25 and 31. Understand Treasury Department has considered matter fully and does not deem it advisable to issue regulation applicable to national banks similar to regulation number thirty two regarding secured deposits in State member banks. If you desire explanation of reasons suggest you telephone Awalt. Assume last paragraph of regulation thirty two answers your wire March 25 in so far as State member banks are concerned.

Morrill

GHC/sad



FILE COPY

*Mr. Harrison*  
*Mr. Merrill*

After discussing with you Mr. Fleming's telegram asking why Regulation 32 did not apply to national banks as well as to State member banks, I saw Mr. Awalt about it.

He said the reason he did not want it made applicable to national banks was because he was afraid of preferences and also feared that the payment of such deposits might exhaust cash which would otherwise be available to make limited payments to unsecured depositors.

These were the same two difficulties which troubled the Treasury in drafting Regulation 32, and they apply equally to national banks and State member banks.

Mr. Awalt pointed out that Regulation 32 requires the approval of the appropriate State supervisory authority, and remarked that he himself, as the corresponding national official, did not approve.

He suggested that we could suggest to Mr. Fleming that he call Mr. Awalt.

*I have redrafted the telegram accordingly.*

*AW*

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**TELEGRAM**

**FEDERAL RESERVE SYSTEM**

(LEASED WIRE SERVICE)

470.-6  
3/31/33

*McChase*

140dea

Cleveland 5p mch 31

RECEIVED AT WASHINGTON, D. C.

Morrill

Washn

Referring to regulation thirty two feel that it is highly desirable to make similar provision for public funds deposited in unlicensed national banks.

Fleming

524p

**RECEIVED**  
OFFICE OF GENERAL COUNSEL

10 APR 1 1933  
A.M. P.M.  
NUMBER 10

DECLASSIFIED

Authority EQ 10501

470. - 4

March 31, 1933.

Young - Boston  
 Harrison - New York  
 Morris - Philadelphia  
 Leay - Richmond

Black - Atlanta  
 McDougal - Chicago  
 Martin - St. Louis  
 Geery - Minneapolis

Hamilton - Kansas City  
 McKinney - Dallas  
 Galkins - San Francisco

In response to an inquiry made by the Federal Reserve Bank of Cleveland, TRANS. 1738 / Treasury advises that in so far as state banking authorities may have issued general regulations since March tenth covering operations of state nonmember banks or have granted permission to individual state nonmember banks to resume any or all functions, then such banks must operate under such regulations or permission and Emergency Banking Regulations issued by Treasury do not apply. Treasury further advises that if state banking authorities have issued no general regulations since March tenth covering operations of state nonmember banks and have not given permission to individual banks to perform any or all banking functions, then state nonmember banks continue subject to Emergency Banking Regulations issued by Treasury applicable to such banks.

(Signed) Chester Morrill

Morrill.

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470. - 6

FEDERAL RESERVE SYSTEM - LEASED WIRE

FLEMING  
CLEVELAND

March 31, 1933.

Retel March twenty fourth STOP Treasury advises that in so far as state banking authorities may have issued general regulations since March tenth covering operations of state nonmember banks or have granted permission to individual state nonmember banks to resume any or all functions, then such banks must operate under such regulations or permission and Emergency Banking Regulations issued by Treasury do not apply STOP Treasury further advises that if state banking authorities have issued no general regulations since March tenth covering operations of state nonmember banks and have not given permission to individual banks to perform any or all banking functions, then state nonmember banks continue subject to Emergency Banking Regulations issued by Treasury applicable to such banks

MORRILL

kk

*Handwritten signatures and initials:*  
126  
JAD  
Cur  
RE

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470.-6

TREASURY DEPARTMENT

No. 32.  
FOR IMMEDIATE RELEASE  
MARCH 30, 1933.

Under the authority conferred upon him by the President's Proclamations of March 6 and of March 9, 1933, declaring and continuing a bank holiday, the Secretary of the Treasury has issued the following regulation:

"Any State bank which is a member of the Federal Reserve System, and is not licensed by the Secretary of the Treasury to perform usual banking functions, may permit withdrawals of deposits which are lawfully secured by collateral; provided, that such withdrawals are (a) permissible under applicable law, (b) duly authorized by the Board of Directors of such bank, upon such terms with respect to the release of collateral as will fully protect all depositors and other creditors against the creation of any preferences, and (c) approved by the appropriate State authority having supervision of such bank.

"Any such bank is authorized to carry on such usual banking functions as may be essential to allow the withdrawals permitted by this regulation, subject to the provisions and restrictions above set forth and except as otherwise prohibited."

W. H. WOODIN  
Secretary of the Treasury.

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*General File 470-6*

March 30, 1933

My dear Senator:

I find that I have never formally acknowledged your letter of March 12th, in which you quoted a telegram which you had received from Mr. Harry M. Liggett of Horace, Kansas.

I regret the delay in responding to your letter, but I am pleased to inform you that immediate steps were taken to relieve the situation described by Mr. Liggett.

Very sincerely yours,

Secretary of the Treasury.

Honorable George McGill,

United States Senate.

*See wire 3/14/33*

JTC:os

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Authority E.Q. 10501

# 2

470. -6

FEDERAL RESERVE SYSTEM - LEASED WIRE

March 28, 1933.

Logan,  
New York.

Retel March twenty second STOP Believe Treasury Regulation number  
thirty answers your questions.

MORRILL

cj/kk  
AAC  
J. C. Jeff  
Cui



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Authority E.Q.10501TELEGRAM

## FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

470.-6

3/25/33

Cleveland 425p mch 25 RECEIVED AT WASHINGTON, D. C.

Morrill

Washn

To avoid sacrifice of collateral pledged to secure <sup>payment</sup> ~~of~~ of public funds deposited in unlicensed member banks we desire advice whether Federal Reserve Bank may loan to unlicensed member bank for the purpose of paying a portion of deposit of public funds secured by bank assets originally pledged to assure repayment of public funds the public depositor agreeing to subordinate its <sup>lien</sup> life on such collateral to the lien of the Federal Reserve Bank. Collateral to be delivered to the Federal Reserve Bank. This question urgent because of need of partial release of public funds for payroll, bond interest and maturities

Fleming

435p

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Authority 10010901

470.-6

MAR 24 1933

LEASED WIRE

Seay,  
Richmond, Virginia.

On March sixteenth Treasury Department advises that member bank not licensed to reopen may not buy and sell miscellaneous securities under existing Treasury regulations unless such bank is member state bank in which event Interpretation twelve would authorize such transaction if essential to permit restricted withdrawals and payments which state authorities may have approved under Regulation twenty seven

MORRILL

*Handwritten signature/initials*

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Authority E.Q.10501TELEGRAM

## FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.

320bfa

NewYork NY Mar 22 530p

Board

Washington

Special representative appointed by NewYork State Banking Department to take charge of affairs of state member banks has asked whether he may, with consent of state banking department and in conformity with procedure authorized by state law, make ten percent distribution to depositors or whether such distribution is prohibited by regulation twenty seven. Such inquiries raise the general question of whether existing regulations are intended to apply to national banks in hands of conservators and to state banks in hands of similar state officials. We believe, therefore, that it would be most helpful to all concerned if a ruling could be issued as soon as possible clarifying the status of such banks under the regulations of the Secretary of the Treasury.

Logan 542pm

2-11901

U. S. GOVERNMENT PRINTING OFFICE: 1958

470.-6

McChase

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470.-6

MAR 20 1933

LEASED WIRE

Dillard,  
Chicago, Illinois.

Retel March eighteen Stop Trust your question answered by  
general telegram sent to all Governors, Federal Reserve Banks today.

WOODIN

jc-aby

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Authority E.Q. 10501

470.-6

MAR 22 1933

LEASED WIRE

Geary,  
Minneapolis, Minnesota.

Retel March fifteen Stop Believe all your questions answered  
by regulations and interpretations issued since date of your  
telegram.

WOODIN

je-aby

470.-6

Form 148b

**TELEGRAM**

**FEDERAL RESERVE BOARD  
WASHINGTON**

**March 22, 1933.**

**Hale - San Francisco**

Referring your service message this date, understand Regulation "L" <sup>attached</sup> quoted trans. 1701 was issued by Treasury Department to cover questions raised your telegram March 18, 1933.

McClelland.

(Signed) S. W. McClelland

EMM/acw

**FILE COPY**

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Authority E.O. 10501

TREASURY DEPARTMENT

-L-

Not Released

Under the authority conferred upon him by the President's Proclamations of March 6, 1933, and March 9, 1933, declaring and continuing a bank holiday, the Secretary of the Treasury has issued the following regulation:

"Deposits of the kinds described in Regulations Number 7 and Number 15 are not subject to the provisions of Regulation Number 23."

W. H. WOODIN,  
Secretary of the Treasury.

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Authority F.Q.10501

470.-6

Form 148b

**TELEGRAM**

**FEDERAL RESERVE BOARD  
WASHINGTON**

March 22, 1933.

(Signed) E. M. McClelland

Norris - Philadelphia

Your telegram. <sup>3/22/33</sup> Secretary of Treasury still has under active consideration question of action, if any, to be taken under section 3(n) of Act of March 9, 1933.

McClelland.

EMM/acw

FILE COPY



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Authority F.Q.10501

TELEGRAM

470.-6

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.

39c r

Philadelphia 1243P Mar 22

Board

Washington

Constantly increasing number of inquiries as to whether secretary  
of the treasury has acted under section 3 (N) of emergency banking  
act

Norris

1245P

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Authority E.Q 10501

470.-6

MAR 21 1933

FEDERAL RESERVE - LEASED WIRE

Francher,  
Cleveland, Ohio.

Treasury officials advise that they  
Retel March twenty Stop /believe your first question answered by Treasury  
Interpretation thirteen which reads QUOTE Regulation Number twenty eight is  
held not to prohibit the honoring of checks or drafts drawn on or before March  
eighteenth nineteen thirty three under the terms of Regulations Number six or  
Regulation Number ten as amended subject to all the provisions and restrictions  
contained in such regulations and except as otherwise prohibited UNQUOTE Stop  
Your second and third questions answered in affirmative provided no payment of  
money or currency involved Stop

*RC* *arc* *JFH* *CM*

(Signed) Chester Morrill  
MORRILL

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Authority E.Q. 10501

Form 148b

470.-6

551

**TELEGRAM**

**FEDERAL RESERVE BOARD  
WASHINGTON**

March 22, 1933.

Young - Boston  
Harrison - New York  
Norris - Philadelphia  
Fancher - Cleveland

Seay - Richmond  
Black - Atlanta  
McDougal - Chicago  
Martin - St. Louis

Geery - Minneapolis  
Hamilton - Kansas City  
McKinney - Dallas

TRANS \_\_\_\_\_ In response to inquiry of Federal Reserve Bank of San Francisco Treasury officials advise that limitations on withdrawal of silver for hoarding not intended to apply to uncoined silver.

Morrill

(Signed) Chester Morrill

EMcC/abh

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Authority E.Q. 10501

470.-6

FEDERAL RESERVE SYSTEM - LEASED WIRE

March 21, 1933.

Young,  
Boston.

*Treasury officials advise that*

Retel March twentieth stop ~~must~~ Treasury Interpretation twelve issued  
yesterday answers your question.

MORRILL

JC:ab

*Correction by  
CM*

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Authority E.Q 10501

FEDERAL RESERVE SYSTEM - LEASED WIRE

March 21, 1933.

Young,  
Boston.

Re: March twentieth stop Trust Treasury Interpretation twelve issued  
yesterday answers your question.

MORRILL

JC:cab

*for*  
*922 1110*

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Authority E.Q. 10501

470.-6  
3/20/33

FEDERAL RESERVE SYSTEM - LEASED WIRE

Hale

San Francisco

Your wire 20 Treasury officials advise that limitations on withdrawal of silver for hoarding not intended to apply to uncoined silver.

Morrill

*Be 92*  
*3/21/33*

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Authority E.Q. 10501

*M. Chase*

TELEGRAM

470.-6

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.

B168GHB

SANFRANCISCO CALIF MARCH 20TH 510PM

MORRILL

WASHINGTON DC

>  
REFERRING BOARD'S TELEGRAM NO 1689 CONTAINING PRESS STATEMENT OF  
SECRETARY OF TREASURY. DOES THE LIMITATION ON WITHDRAWALS OF SILVER  
FOR HOARDING APPLY BOTH TO COINED AND UNCOINED SILVER.

HALE

1025P

*H.A.B.*

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Authority EQ 10501

*Council*

470,-6

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED  
OFFICE OF GENERAL COUNSEL

MAR 20 1932

~~.....~~ A. M. 2:50 P. M. ~~.....~~

102dea

Cleveland mch 20 1281 RECEIVED AT WASHINGTON, D. C.

Morrill,  
Washn.

? { Please advise whether an unlicensed national bank which has imposed no <sup>?</sup> restrictions upon withdrawals except those in regulation ten may (A) honor withdrawals for purposes set out in regulations six and ten; (B) may honor drafts drawn on it in settlement of checks drawn on and charged by its depositor bank prior to March sixth under regulation eight and (C) may honor draft of its depositor bank in settlement for collections made by depositor bank of draft for carload of flour prior to March sixth.

Fancher

135p

*Suggested answers - (A) Yes - see Reg 12  
(B) Yes, if payment of money is made  
(C) No - unless it is a draft on a bank  
interstate of Reg 28*



C O P Y

T E L E G R A M  
FEDERAL RESERVE SYSTEM  
(Leased Wire Service)

Received at Washington, D.C.

102dea

Cleveland mch 20 128p

Morrill,

Washn.

Please advise whether an unlicensed national bank which has imposed no restrictions upon withdrawals except those in regulation ten may (A) honor withdrawals for purposes set out in regulations six and ten; (B) may honor drafts drawn on it in settlement of checks drawn on and charged by its depositor bank prior to March sixth under regulation eight and (C) may honor draft of its depositor bank in settlement for collections made by depositor bank of draft for carload of flour prior to March sixth.

Fancher

135p

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Authority E.Q. 10501

TELEGRAM

<sup>2</sup>  
FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.

470.-6

✓

*M. Wyatt*

249bs

Boston Mar 20 235P

Board

Washn

Request for ruling in view of regulation number twenty seven of Secretary of Treasury permitting unlicensed state member banks to pay not exceeding five per cent under certain conditions to depositors and creditors is it permissible for Federal Reserve Banks under regulations number twenty to perform their regular functions including discounts and advancements in order to enable such unlicensed banks to pay five per cent

Young

254P

*See Interpretation No. 12*


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Authority E.O. 10501

INTERPRETATION NO. 12

Regulation No. 27 is interpreted to permit any banking institution acting thereunder to carry on such usual banking functions as may be essential to permit restricted withdrawals and payments authorized by such regulation, subject to all of the provisions and restrictions therein contained and except as otherwise prohibited.

W. H. WOODIN  
Secretary of the Treasury



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Authority E.Q 10501

C O P Y

470.-6

T E L E G R A M  
FEDERAL RESERVE SYSTEM  
(Leased Wire Service)

Received at Washington, D. C.

74gb

Chicago Mar 18 1016am

Secretary of the Treasury

Attn Mr Morrill Washn

Following is wire sent yesterday referred to in telephone conversation with Mr Childs: "Please wire promptly as possible opinion on following question "May drawee banks presume that all charges to accounts authorized by drawing banks not yet licensed are within the limitations prescribed by law or must specific evidence of purpose for withdrawal be submitted in each case before making charges."

Dillard

1126am

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Authority E.O. 10501

Form 118b

**TELEGRAM**

470.-6

**FEDERAL RESERVE BOARD  
WASHINGTON**

March 18, 1933.

Builds  
c/o Federal Reserve Bank of Chicago

Referring our telephone conversation  
yesterday we are unable to locate Dillard's wire  
to Bell to which you referred STOP Kindly  
duplicate

Morrill

*Im*

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*Mr. Morris*  
*W. H. ...*  
*...*

**TELEGRAM**

**FEDERAL RESERVE SYSTEM**

(LEASED WIRE SERVICE)

470.-6

RECEIVED AT WASHINGTON, D. C.

B23GHB

KANSASCITY MO MARCH 17TH 1220PM

MORRILL

WASHINGTON DC

3/14/33

File No \_\_\_\_\_  
Office of General Counsel  
Federal Reserve Board.

REFERRING TO COPY OF TELEGRAM HARRY M LIGGETT HORACE KAS WIRE  
SENATOR MCGILL WHICH YOU FORWARDED TO ME MARCH 14 BELATED REPORT  
ON OUR INQUIRY RECEIVED TODAY STATING THAT ALL SHIPMENTS OF FOODSTUFFS  
BY TRUCK AND RAILROAD WERE TAKEN CARE OF BY BANKS IN PUEBLO COLO  
BEGINNING SATURDAY MARCH ELEVENTH

HAMILTON

225PM

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Authority E.Q.10501

*12/4/82*

TELEGRAM

470.-6

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

b36rhu

RECEIVED AT WASHINGTON, D. **RECEIVED**  
OFFICE OF GENERAL COUNSEL.

Richmond Mar 16 210p

MAR 18 1982

Morrill

A.M. 8:10 P.M.  
NUMBER 12

Washington

A member bank which has not received license to reopen inquires whether or not they are authorized to buy and sell miscellaneous securities to the extent authorized by the laws under which they are incorporated

Seey

245p

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Authority E.Q. 10501

470.-6

TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE  
March 16, 1933.

STATEMENT BY THE SECRETARY OF THE TREASURY

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 withdrawals by depositors for hoarding and restrictions on banks not permitted to reopen.

W. H. WOODIN  
Secretary of the Treasury.



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Authority F.Q.10501

Form 148b

## TELEGRAM

470-6

FEDERAL RESERVE BOARD  
WASHINGTON

March 14, 1933.

Hamilton - Kansas City

Harry M. Liggett of Horace, Kansas has wired Senator McGill as follows QUOTE We have a fleet of trucks and I represent others with fleets of trucks who are under contract to furnish wheat from Kansas to Pueblo Mills and under contract to furnish Colorado potatoes and onions to wholesale houses in Kansas. They must be delivered now. The banks of Pueblo advise that the Federal Reserve has an order out that will not permit them to take care of shipments made by motor truck and they are accepting and furnishing money to pay for this class of shipments shipped by railroads only. Will you please take this up with the Federal Reserve Governor and have an order made at once. All these trucks are licensed property and under the public service commission. All of the foodstuff mentioned is bought on contract and must be moved now under the contract. Can I hear from you by noon tomorrow. Particularly has this information been given to the Pueblo Flour Mills, Pueblo, Colorado. This affects several thousand trucks and thousands of bushels of potatoes, onions and other kinds of foodstuff. UNQUOTE Please ascertain facts and advise Board especially in light of Regulation six of Secretary of Treasury.

Morrill

GHC-w


  
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Authority F.Q.10501

Form 148 b

#3  
**TELEGRAM**

**FEDERAL RESERVE BOARD  
WASHINGTON**

470.-6

*J. B. ...*

March 12, 1933.

Norris,  
Philadelphia

Retel ~~eleventh~~ **STOP** Form of license has been prepared to  
be sent you by wire

Morrill

CM-w

*CM*

**FILE COPY**

DECLASSIFIED  
Authority E.Q. 10501

STANDARD FORM NO. 14a  
APPROVED BY THE PRESIDENT  
MARCH 10, 1926

# TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

TREASURY DEPARTMENT

WASHINGTON

470.-6

CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR

The appropriation from which payable must be stated on above line.

GOVERNMENT PRINTING OFFICE 14117

12  
March 11, 1933.

*File  
with*

*has been prepared*

Norris,  
Federal Reserve Bank,  
Philadelphia, Pa.

Retel eleventh Stop We are preparing form of license, to be sent you  
by wire.

CHESTER MORRILL  
Secretary to Board

*JSH JJA*

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Authority E.Q. 10501

*M. F. Fager*

**TELEGRAM**

470.-6

**FEDERAL RESERVE SYSTEM  
(LEASED WIRE SERVICE)**

*M. Hackney*

llcb

RECEIVED AT WASHINGTON, D. C.

Phila Mar 11 1110am

Board

Washn

Will we be furnished with form of license to be issued or may we use one we have already prepared in collaboration with counsel ?

Norris

1111am

*This seems to refer to licenses to reopen  
which Secy of Treasury will issue  
to banking institutions*