

K-7529

July 29, 1933.

(INTERPRETATION OF BANKING ACT OF 1933)

Copies to be sent to all Federal Reserve Banks.

TELEGRAM

Olson - Denver

Please advise President _____ National Bank as follows: Referring your wire July 27 section 19 of Federal Reserve Act as amended by section 11(b) of Banking Act of 1933 does not forbid member bank to pay interest on deposit of public funds payable on demand made by or on behalf of any State, county, school district or other subdivision or municipality with respect to which payment of interest at the time of accrual thereof is required under State law, regardless of whether State law in question was in effect on date of approval of Banking Act of 1933 or is enacted by State legislature at a later date.

MORRILL