

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-9112

February 2, 1935.

CONFIDENTIAL

Dear Sir:

There is attached a copy of a telegram addressed by the Federal Reserve Board today to Mr. J. E. Crane, Deputy Governor of the Federal Reserve Bank of New York, advising of approval by the Board of the action of the board of directors of the bank in authorizing the officers to open and maintain an account on the books of the bank in the name of the National Bank of Nicaragua, and to make a loan to that bank up to \$300,000 for not to exceed four months secured by gold bars held under ear-mark for the national bank.

As stated in the telegram, the Board approves the acceptance by your bank, should it desire to do so, of participation in the loan and the new account.

Very truly yours,

Chester Morrill,
Secretary.

Inclosure.

TO CHAIRMEN OF ALL F. R. BANKS EXCEPT NEW YORK.
(No copy of letter to governors and no extra copies to banks.)

X-9112--a

COPY
T E L E G R A M
FEDERAL RESERVE BOARD
WASHINGTON

February 2, 1935.

Crane - New York

Your telegram. Board approves action your directors in authorizing officers Federal Reserve Bank of New York to open and maintain account on books of bank in name of National Bank of Nicaragua and to carry out operations in this market for that bank along substantially same general lines and subject to substantially same terms and conditions as for other foreign central banks having accounts with you. It is noted that action your directors restricts relations to be established to opening of one-way account. Please forward to Board copy of your letter to Bank of Nicaragua setting forth terms and conditions upon which account with that institution will be opened and maintained, together with copy of bank's acceptance of such conditions. Board also approves action your directors in authorizing officers to make loan to National Bank of Nicaragua up to \$300,000 for not to exceed four months secured by gold bars valued at \$316,000 held under earmark by you for national bank; interest on such loan to be charged at your discount rate. Participation in loan and new account by other Federal reserve banks is approved and they are being advised accordingly.

(Signed) Chester Morrill
Morrill