

A meeting of the Federal Reserve Board was held in Washington on Thursday, February 9, 1933, at 12:00 o'clock noon.

PRESENT: Mr. Mills, Chairman
Mr. Meyer, Governor
Mr. Hamlin
Mr. Miller
Mr. James

Mr. Morrill, Secretary
Mr. McClelland, Assistant Secretary
Mr. Harrison, Assistant to the Governor
Mr. Wyatt, General Counsel.

The Board considered and acted upon the following matters:

Telegrams dated February 6, 1933, from the Chairman of the Federal Reserve Bank of Dallas and February 8, 1933, from the Chairmen of the Federal Reserve Banks of Boston and Kansas City, advising that at meetings of the boards of directors on the dates stated no changes were made in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Letter dated February 7, 1933, approved by four members of the Board, to Mr. J. S. Walden, Jr., Controller of the Federal Reserve Bank of Richmond, stating that the Federal Reserve Board approves the changes in the personnel classification plans of the head office and branches of the bank, recommended in his letter of January 16, 1933, to provide for eighteen new positions, the discontinuance of fifteen positions, an increase in the salary ranges of two positions, a decrease in the salary range of one position, a change in the titles of two positions, and changes in the description of work and qualifications required in connection with a number of positions.

Approved.

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Telegraphic reply on February 6, 1933, approved by three members of the Board, to a telegram of that date from the Federal Reserve Agent at Atlanta recommending, because of the situation existing in New Orleans at the present time, approval by the Board of the appointment as Acting Assistant Federal Reserve Agent at the New Orleans branch, for a period of three months, of Mr. T. H. Broadus, a junior officer of the Canal Bank and Trust Company of New Orleans. The reply stated that the Board approves the appointment and fixes Mr. Broadus' salary, in accordance with the agent's recommendation over the telephone, at \$1 per month plus a fee of \$10 for each time he is called upon to act in connection with the receipt and delivery of Federal reserve notes; it being understood that Mr. Broadus will be placed on the payroll of the Federal reserve agent and will be responsible to him. The reply also stated that Mr. Broadus should execute the usual form of surety bond in the amount of \$50,000, which it is understood will be examined by the bank's counsel to determine whether its execution complies fully with the rules printed on the reverse side of form of bond 182, and that he should also execute the usual form of oath of office.

Approved.

Bond in the amount of \$50,000, executed on February 6, 1933, by Mr. T. H. Broadus as Acting Assistant Federal Reserve Agent at the New Orleans branch of the Federal Reserve Bank of Atlanta.

Approved.

Letter dated February 8, 1933, approved by four members of the Board, to the Chairman of the Federal Reserve Bank of Dallas, stating that

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in accordance with the recommendation contained in his letter of January 13, 1933, the Board approves a salary at the rate of \$250 per month, less a 5% deduction under the share-the-work plan in effect at the bank, for Mr. G. K. Richardson who has been appointed to the appraised position of special representative in the insolvent banks department of the bank.

Approved.

Letter dated February 7, 1933, approved by four members of the Board, to the Federal Reserve Agent at Dallas, stating that it is noted by the Board that he has submitted a number of recommendations in recent months for the appointment of special representatives in the insolvent banks department of the Dallas bank, and suggesting that it might be preferable to provide in the bank's personnel classification plan a salary range for the position of special representative and perhaps some other positions now designated as appraised, thus obviating the necessity of obtaining in advance the Board's approval of the salary proposed to be paid to each person appointed to one of these positions. The letter also stated that it would be appreciated if the agent would submit his views or a recommendation in this connection.

Approved.

Telegraphic reply on February 6, 1933, approved by five members of the Board, to a telegram of that date from Deputy Governor Rounds of the Federal Reserve Bank of New York, requesting authority for an advance, in accordance with the provisions of section 10(b) of the Federal Reserve Act, to the Broad Street National Bank, Red Bank, New Jersey, in the amount of \$35,000, for a period of 90 days, with interest at the rate of 5% per

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annum, and on the security of miscellaneous ineligible unsecured notes and collateral loans with a margin of at least 25%; Deputy Governor Rounds stating that the advance is desired by the bank to improve its cash position in anticipation of further withdrawals of deposits. The reply stated that the Board authorizes the advance subject to the terms and conditions recommended.

Unanimously approved.

Telegraphic reply on February 7, 1933, approved by five members of the Board, to a telegram of that date from Deputy Governor Rounds of the Federal Reserve Bank of New York requesting authority for an advance in accordance, with the provisions of section 10(b) of the Federal Reserve Act, to the Yonkers National Bank and Trust Company, Yonkers, New York, in the amount of \$200,000, for a period of 90 days, with interest at the rate of 5% per annum, and on the security of miscellaneous customers' secured notes with a margin of at least 25%; Deputy Governor Rounds stating that the advance is desired to meet anticipated further withdrawals of deposits subsequent to the closing of the First National Bank in Mamaroneck, New York. The reply stated that the Board authorizes the advance subject to the terms and conditions recommended.

Unanimously approved.

Telegraphic reply on February 7, 1933, approved by five members of the Board, to a telegram of that date from Deputy Governor Rounds of the Federal Reserve Bank of New York requesting authority for an additional advance, in accordance with the provisions of section 10(b) of the Federal Reserve Act, to the Sunrise National Bank and Trust Company, Baldwin, New

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York, in the amount of \$20,000, for a period of 90 days, with interest at the rate of 5% per annum, and on the security of miscellaneous ineligible unsecured notes and collateral notes with a margin of at least 25%; Deputy Governor Rounds stating that the bank is in need of additional funds in anticipation of further withdrawals of deposits. The reply stated that the Board authorizes the advance subject to the terms and conditions recommended.

Unanimously approved.

Telegraphic reply on February 8, 1933, approved by five members of the Board, to a telegram of that date from Deputy Governor Rounds of the Federal Reserve Bank of New York requesting authority for a further advance, in accordance with the provisions of section 10(b) of the Federal Reserve Act, to the Peoples Bank and Trust Company, Passaic, New Jersey, in the amount of \$300,000, for a period of 90 days, with interest at the rate of 5% per annum, and on the security of miscellaneous collateral notes and ineligible unsecured notes with a margin of at least 25%; Deputy Governor Rounds stating that the bank is in need of additional funds to meet anticipated further withdrawals. The reply stated that the Board authorizes the advance subject to the terms and conditions recommended.

Unanimously approved.

Telegraphic reply on February 8, 1933, approved by five members of the Board, to a telegram of that date from Deputy Governor Rounds of the Federal Reserve Bank of New York, requesting authority for a further advance in accordance with the provisions of section 10(b) of the Federal Reserve Act to the Pelham National Bank, Pelham, New York, in the amount of

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\$185,000, for a period of 90 days, with interest at the rate of 5% per annum, and on the security of miscellaneous domestic securities with a margin of at least 20%; Deputy Governor Rounds stating that the bank is in urgent need of additional funds in anticipation of further withdrawals of deposits. The reply stated that the Board authorizes the advance subject to the terms and conditions recommended.

Unanimously approved.

Telegraphic reply on February 6, 1933, approved by five members of the Board, to a telegram of that date from Deputy Governor Johns of the Federal Reserve Bank of Atlanta, requesting authority for the further continuance without demand for payment, in the reduced amount of \$262,600, of the advance made to the American Bank and Trust Company, New Orleans, Louisiana, under the authority of the Board's telegrams of June 17, October 8, and December 12, 1932, in accordance with the provisions of section 10(b) of the Federal Reserve Act, with interest at the rate of 5% per annum, and payable on demand with interest payable monthly. The members of the Board are acquainted with the very unsettled banking situation existing at New Orleans at the present time. The reply stated that the Board interposes no objection to the further continuance of the advance subject to the terms and conditions recommended, and that in the event the advance is not repaid nor demand for payment made within 90 days from February 13, 1933, the matter should again be brought to the Board's attention with a statement of the circumstances which, in the opinion of the Federal Reserve Bank of Atlanta, justify the further continuance of the advance without demand for payment.

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Unanimously approved.

Telegraphic reply on February 6, 1933, approved by five members of the Board, to a telegram of that date from Deputy Governor Johns of the Federal Reserve Bank of Atlanta requesting authority for a further continuance without demand for payment, in the reduced amount of \$170,000, of the advance made to the Merchants National Bank of Mobile, Alabama, under the authority of the Board's telegrams of September 9 and December 8, 1932, in accordance with the provisions of section 10(b) of the Federal Reserve Act, with interest at the rate of 5% per annum, and payable on demand; Deputy Governor Johns stating that the necessity for this renewal is the same as that which existed when the advance was originally made. The reply stated that the Board interposes no objection to the further continuance of the advance subject to the terms and conditions recommended, and that in the event the advance is not repaid nor demand for payment made within 90 days from February 6, 1933, the matter should again be brought to the Board's attention with a statement of the circumstances which, in the opinion of the Federal Reserve Bank of Atlanta, justify the further continuance of the advance without demand for payment.

Unanimously approved.

Telegraphic reply on February 6, 1933, approved by five members of the Board, to a telegram of that date from Deputy Governor Johns of the Federal Reserve Bank of Atlanta requesting authority for the continuance without demand for payment, in the amounts of \$720,862.85, \$50,000, and \$50,000, now outstanding, and payable on demand with interest payable monthly, of advances in accordance with the provisions of section 10(b)

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of the Federal Reserve Act, made by the Federal Reserve Bank of Atlanta to the Georgia Savings Bank and Trust Company, Atlanta, Georgia, under the authority of the Board's telegrams of June 15, 1932, December 20, 1932, and January 3, 1933, respectively; and authority for a further advance to the trust company, in accordance with the provisions of section 10(b), in the amount of \$50,000, payable on demand with interest payable monthly, and on the security of real estate mortgage notes with a face value of \$75,235; Deputy Governor Johns stating that in the opinion of the executive committee of the Federal reserve bank conditions confronting the member bank justify the continuances and further advance. The reply stated that the Board interposes no objection to the continuance of the advances referred to and authorizes the further advance, subject to the terms and conditions recommended and with interest at the rate of 5% per annum; and that in the event the advances are not repaid nor demand for payment made by May 9, 1933, the matter should again be brought to the Board's attention with a statement of the circumstances which, in the opinion of the Federal Reserve Bank of Atlanta, justify the continuance of the advances without demand for payment. The reply also stated that the Board's action is based on the assumption that the circumstances referred to in Governor Black's letters of June 13, 1932, and January 14, 1933, still continue and on the understanding with Deputy Governor Johns over the telephone that the rate of 5% per annum was approved by the executive committee of the Atlanta bank.

Unanimously approved.

Letters dated February 6, 1933, approved by three members of the Board, to the Governors of the Federal Reserve Banks of Boston, St. Louis,

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and San Francisco referring, respectively, to the authorizations granted by the Board for advances, in accordance with the provisions of section 10(b) of the Federal Reserve Act, to the Peoples National Bank, Southbridge, Massachusetts, in the Boston district; the Bank of Commerce and Trust Company, Memphis, Tennessee, in the St. Louis district; and the First National Bank, Salt Lake City, Utah, and the First National Bank, Ogden, Utah, in the San Francisco district, which authorizations have expired or up to the present time have not been availed of. The letter to Governor Young requested confirmation of the Board's understanding as to the status of two authorizations unused by the Peoples National Bank of Southbridge. The letters to Governors Martin and Calkins requested confirmation of the Board's understanding that no advances will be made to the banks named therein under Section 10(b) without obtaining further authority from the Board.

Approved.

Telegraphic reply on February 7, 1933, approved by three members of the Board, to a telegram of that date from Deputy Governor Rounds of the Federal Reserve Bank of New York, stating that the bank has purchased \$125,000 of tax notes of the City of Perth Amboy, New Jersey, and requesting authority to purchase an additional \$250,000 of such notes being offered by a member bank. The reply stated that on the assumption that the notes are being offered by the Perth Amboy Trust Company, Perth Amboy, New Jersey, the Board authorizes the purchase of the additional notes with the understanding that they meet all requirements of Regulation E except that the amount offered, together with the amount of the notes now held by the New

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York bank, exceeds 25% of the total outstanding warrants of the municipality.

Approved.

Telegraphic reply on February 7, approved by four members of the Board, to a telegram dated February 4, 1933, from the Federal Reserve Agent at San Francisco, stating that the Valley Bank and Trust Company, Phoenix, Arizona, has under consideration the closing of one of its branches, and inquiring whether, if the bank does so, it may retain the right to reopen the branch later, and if this right cannot be retained under the law, whether it would be possible for the bank to maintain its present position by keeping the branch open one or two days a week. The reply stated that the closing of the branch, which it is assumed is located outside the corporate limits of Phoenix, in the Board's opinion would be an abandonment of the right to continue its operation under the law, and the opening of offices in the same location at a later date would constitute the establishment of a new branch within the meaning of the prohibitory provision of the second paragraph of section 9 of the Federal Reserve Act. The reply also stated that if a lawfully established branch is open for the conduct of its ordinary and usual business on certain specific days of every week and this is in conformity with the laws of the State and the requirements of the State banking department, it is the Board's view that the branch would be in operation and its existence preserved.

Approved.

Letter dated February 8, 1933, approved by four members of the Board, to the Peoples Bank, Pratt, Kansas, stating that the Federal Reserve

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Board has approved the bank's application for admission to membership in the Federal Reserve System and for 82 shares of the capital stock of the Federal Reserve Bank of Kansas City subject to certain conditions set forth in the letter, which were discussed in detail in a memorandum from Assistant Counsel Wingfield, dated February 1, 1933, referred to below.

Approved.

The memorandum recommended the inclusion in the letter to the applicant bank advising of approval of its application for membership a new paragraph calling special attention to the requirements of the condition of membership which provides that, except with the permission of the Federal Reserve Board, the member bank shall not cause or permit any change to be made in the general character of its business or in the scope of the corporate powers exercised by it at the time of admission to membership.

Mr. Wingfield suggested, for reasons stated in the memorandum, that the Board approve a revision in the condition of membership regarding the acquisition of bank stocks, regularly prescribed for State banks and trust companies admitted to membership in the Federal Reserve System, to read as follows:

"Except with the permission of the Federal Reserve Board, such bank shall not purchase or acquire in any other manner any stock of any other bank, trust company, or other corporation of any kind or character except in satisfaction or protection of debts previously contracted in good faith; and all stock acquired in satisfaction or protection of debts shall be disposed of within six months from the date on which it was acquired unless the time is extended by the Federal Reserve Board on the application of such bank for good cause shown."

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The memorandum also referred to the Board's practice of prescribing as conditions of membership for each State bank and trust company applying for membership the seven conditions set out in Regulation H and such special conditions as the facts in each individual case indicated were necessary to correct unsatisfactory conditions in the bank and to prohibit the exercise of dangerous corporate powers which the bank might have under its charter or the State law, and stated that on the basis of the Board's experience it would seem to be desirable to prescribe the following additional conditions for State banks and trust companies hereafter admitted to membership, the last three conditions to be prescribed only for State banks and trust companies exercising trust powers at the time of their admission to membership:

"Such bank shall not reduce its capital stock except with the permission of the Federal Reserve Board.

"Such bank shall maintain adequate credit data in connection with all unsecured loans.

"Such bank shall keep past due paper and overdrafts at a minimum, and shall not hold any checks in cash items to avoid overdrafts.

"Such bank shall not permit any additional investment in a bank building or in a site for a bank building to assume such proportions as, in the judgment of the Federal Reserve Board, would endanger the bank's solvency or liquidity or would otherwise be unduly large or improper, and before any additional investment is made in a bank building or a site for a bank building the bank shall refer the matter to the Federal Reserve Board for consideration.

"Such bank shall not pay any dividends which will reduce its surplus below an amount equal to at least 20 per cent of its capital stock, and if at any time its surplus should be less than 20 per cent of its capital stock it shall carry to its surplus account annually, or for any shorter

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"period covered by each closing of its books, not less than 50 per cent of its net earnings for any such period after deducting all losses and providing reserves for depreciation.

"Loans to its directors, officers, employees and stockholders and loans in which any of them are in any way interested shall be supervised carefully by the board of directors of such bank and it shall not permit the direct and indirect liabilities of its directors, officers, employees, stockholders and/or their associates, together with loans to or upon stock of corporations in which they are interested, to assume such proportions as, in the judgment of the Federal Reserve Board, would endanger the bank's solvency or liquidity or would otherwise be unduly large or improper.

"Except with the permission of the Federal Reserve Board, such bank shall not, after the date of its admission to membership, engage in the business of issuing or selling, either directly or indirectly (through affiliated corporations or otherwise), notes, bonds, mortgages, certificates, or other evidences of indebtedness representing loans secured by real estate or participations therein, either with or without a guarantee, indorsement or other obligation of such bank or an affiliated corporation.

"Such bank shall not, after the date of its admission to membership, invest trust funds held by it in obligations of the bank's directors, officers, employees or their affiliations or corporations affiliated with the bank.

"Except with the permission of the Federal Reserve Board, such bank shall not, after the date of its admission to membership, invest the funds of various trusts held by the bank in participations in pools of mortgage bonds or other securities, but the funds of all such trusts shall be invested separately from each other, except as otherwise permitted in the _____ paragraph commencing on page _____ of this letter.

"If trust funds held by such bank are deposited in its banking department or otherwise used in the conduct of its business, it shall deposit with its trust department security in the same manner and to the same extent as is required of national banks exercising fiduciary powers."

The memorandum further suggested that, if the Federal Reserve Board approve the procedure outlined, a circular letter be addressed to all Fed-

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eral reserve agents advising them that such procedure will be followed by the Board in connection with all applications hereafter received from State banks and trust companies for membership in the Federal Reserve System.

Approved.

Reply on February 7, approved by four members of the Board, to a letter dated January 26, 1933, from the Federal Reserve Agent at Philadelphia, advising that the First National Bank of Patton, Pennsylvania, has been continuously deficient in its required reserves for six months and that the reserves of the First National Bank of Johnstown, Pennsylvania, have been deficient for a period of six months with the exception of the computation period ending October 15, 1932. The reply referred to the situations confronting the banks at the present time and stated that the Board will take no action in these two cases other than to forward a copy of the agent's letter and the Board's reply to the Acting Comptroller of the Currency for the information of his office.

Approved.

Reply on February 7, approved by four members of the Board, to a letter dated January 25, 1933, from the Federal Reserve Agent at San Francisco reporting that the First National Bank, Glendale, California, has been continuously deficient in its required reserves for a period of seven months. The reply stated that, in view of the information submitted, the Board will take no action at this time regarding the bank's delinquency in its reserve requirements other than to forward copies of the agent's letter and inclosures to the Acting Comptroller of the Currency for the information of his office. The reply also stated that it will be appreciated if the agent will advise

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the Board as to the results of the meeting of the president of the bank with the Los Angeles Clearing House Association, referred to in the agent's letter, and of any developments that may occur in the reserve record of the bank.

Approved.

Letter to the Federal Reserve Agent at New York, referring to the analysis of report of examination as of July 23, 1932, of the Northern New York Trust Company, Watertown, New York. The letter suggested that the agent consider the advisability of discussing with the Superintendent of Banks of the State of New York the question of the further reduction, if not the entire elimination, of the dividends paid by the bank, and that he advise the trust company that it should eliminate from its investment account at the earliest opportunity, the 1,453 shares of stock of the Marine Midland Corporation, which institution owns more than 90% of the stock of the trust company. The letter also requested additional information as to the character of the mortgage participation business which apparently is being transacted by the bank; as to the holding by the trust company of the capital stock of two State banking institutions, and as to any improvement effected in other features of the company's condition which were criticized in the report of examination above referred to. The letter referred to the membership on the board of directors of the trust company of Messrs. F. L. Carlisle and H. E. Machold, who represent the Marine Midland Corporation and who are connected with the Northern New York Securities Corporation which is indebted to the trust company, and requested more detailed information regarding the extent of their control or interest in banking institutions in the district and their relationship with the Marine Midland Corporation.

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Approved.

Letter dated February 7, 1933, approved by four members of the Board, to the Federal Reserve Agent at Cleveland, referring to the analysis of the report of examination of the Provident Savings Bank and Trust Company, Cincinnati, Ohio, as of October 31, 1932. The letter stated that it appears that the present practice of that institution of selling and issuing, through the wholly owned Provident-Cincinnati Company, of mortgage bonds and participations, without having obtained the Board's approval, is contrary to the spirit and purpose of the general condition under which the bank was admitted to membership in the Federal Reserve System. The letter requested the views of the Federal reserve agent in the matter and further information with regard to the Provident-Cincinnati Company, and stated that the Board does not look with favor upon a commercial banking institution engaging in the business of guaranteeing mortgages or issuing guaranteed participations therein, either directly or through affiliated corporations, even though such mortgages are sold by the bank without recourse; that although a bank may be under no legal liability on mortgages which it has sold, this fact may not be clearly understood by the investors and in the event of default on any such mortgages the demand of the investors for reimbursement may be embarrassing to the bank and refusal to reimburse investors who may make such demands might easily result in loss of confidence in the bank and ultimately in loss to its depositors. It was suggested that in the agent's contacts with member banks engaged in this type of business he point out the attitude of the Board in an attempt to discourage the practice of selling to the public mortgage loans or participations therein.

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Approved.

Letter dated February 6, 1933, approved by three members of the Board, to the Federal Reserve Agent at Cleveland referring to the analysis of report of the joint examination as of October 8, 1932, of the Colonial Trust Company, Pittsburgh, Pennsylvania. The letter suggested, in view of the information disclosed in the analysis, that the agent consider the advisability of discussing with the Commissioner of Banking of the State of Pennsylvania the question of obtaining a further reduction in the company's dividends, if not an entire elimination thereof, as well as the question of the reduction of the borrowings of the directors, officers and employees of the bank and their interests. The letter also requested that the Board be advised when the trust company has disposed of the shares of its own stock held as collateral to a loan; that the Board be furnished additional information with regard to the Freehold Bank of Pittsburgh, 98.25% of the capital stock of which is held by the trust company; and that the agent advise from time to time of any improvement in the other features of the trust company's condition which were subjected to criticism in the report of examination above referred to.

Approved.

Letter dated February 7, 1933, approved by four members of the Board, to the Federal Reserve Agent at Richmond, replying to Assistant Federal Reserve Agent Fry's letter of December 21, 1932, with regard to the condition of the Baltimore Commercial Bank, Baltimore, Maryland, in which he stated that the bank's president expected to go into the matter of the unsatisfactory condition of the institution with the board of directors and

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that shortly after the first of the year a plan would be worked out whereby the bank would be able to provide for all of its losses. The reply requested advice as to the result accomplished in that direction, and as to any improvement in the other unsatisfactory features of the bank's condition and the action taken by the institution regarding the proposed liquidation of its wholly owned subsidiary, the Baltimore Commercial Company.

Approved.

Letter dated February 7, 1933, approved by four members of the Board, to Assistant Federal Reserve Agent Bailey at Minneapolis, referring to the letter addressed to the directors of the Security Trust and Savings Bank, Billings, Montana, by the superintendent of banks in connection with the report of examination of that institution as of December 17, 1932, in which he referred to the affiliated Montana Company which is being operated for the purpose of assisting the member bank in carrying bank stock and various real estate tracts. The Board's letter requested information as to the relationship of the company with the bank and as to the scope of its operations, and that the agent forward to the Board a current statement of condition of the company showing the extent of its investment in bank stocks. The letter also requested advice as to the statement of the superintendent of banks that one of the officers of the bank was borrowing from recovered assets without the proper authorization, and as to any corrections which may be effected in the many unsatisfactory features of the bank's condition.

Approved.

Letters dated February 7, 1933, approved by three members of the

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Board, to the Federal Reserve Agents at New York and St. Louis with regard to the Clayton Act application of Mr. Frank Phillips for permission to serve at the same time as a director and officer of the First National Bank in Bartlesville, Oklahoma; as a director of the First National Bank in St. Louis, Missouri; and as a director of the Manufacturers Trust Company, New York City, New York; the application having been submitted with the favorable recommendation of the Federal Reserve Agents at Kansas City and New York and Assistant Federal Reserve Agent Stewart at St. Louis. The letters requested, in view of information contained in the last two reports of examination of the First National Bank in St. Louis that the applicant has attended none of the thirteen preceding meetings of the board of directors, that the application be reviewed, because it appears that there may be other features which should be considered in determining whether or not it would be incompatible with the public interest to grant the permit applied for, even though it appears that the institutions involved are not in substantial competition.

Approved.

Letter to the Governors of all Federal reserve banks referring to a conference with representatives of the Treasury Department with a view to ascertaining the most desirable procedure to be followed in sending the Treasurer's daily transcript and the accompanying checks and warrants to the Treasury Department in Washington, and outlining the procedure which it is suggested be adopted by the Federal reserve banks in this connection.

Approved, together with letters to Deputy Governors Peple at Richmond and Worthington at Kansas City inclosing copies of the above mentioned letter and stating that because of the consideration

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being given to the matter it was not practicable to make an earlier reply to their letters on the subject.

Reports of Standing Committee dated February 6, 7 and 8, 1933, recommending approval of the following changes in stock at Federal reserve banks:

<u>Application for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 4.</u>		
Citizens National Bank, Bentleyville, Penna.	45	45
<u>Applications for ADDITIONAL Stock:</u>		
<u>District No. 1.</u>		
Day Trust Company, Boston, Massachusetts. (Increase in surplus)	3	3
<u>District No. 2.</u>		
First National Bank, Cairo, New York. (Increase in capital)	15	
First National Bank, Edmeston, New York. (Increase in capital)	30	
First National Bank, Hermon, New York. (Increase in capital, partly offset by decrease in surplus)	2	47
<u>District No. 3.</u>		
First National Bank, Woodstown, New Jersey. (Increase in capital)	18	
West Shore National Bank, Lemoyne, Penna. (Increase in surplus)	2	20
	Total	70
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 2.</u>		
Alpha National Bank, Alpha, New Jersey. (V.L. Abs. by The Phillipsburg National Bank and Trust Company, Phillipsburg, New Jersey)	30	30
<u>District No. 3.</u>		
Union Banking & Trust Company, Du Bois, Penna. (Decrease in surplus)	150	150
<u>District No. 4.</u>		
Citizens National Bank, Washington, Pa. (Decrease in surplus)	600	600
<u>District No. 6.</u>		
Winder National Bank, Winder, Georgia. (Insolvent)	90	90

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<u>Applications for SURRENDER of Stock: (Cont'd)</u>	<u>Shares</u>	
<u>District No. 10.</u>		
First National Bank, Great Bend, Kansas. (V.L.Abs. by the American State Bank of Great Bend, Kansas, nonmember)	120	120
<u>District No. 11.</u>		
First National Bank in Sulphur Springs, Texas. (V.L. Suc. by First National Bank of Sulphur Springs, Texas.)	90	90
<u>District No. 12.</u>		
Central National Bank, Oakland, California. (Decrease in surplus)	180	180
	Total	1,260

Approved.

Report of Standing Committee dated February 7, 1933, recommending approval of the following Clayton Act application:

Mr. G. W. Connell, for permission to serve at the same time as director of the First National Bank of Fort Worth, Texas, and as director and officer of the First National Bank of Post, Texas.

Approved.

Thereupon the meeting adjourned.

Wesley Merrill
Secretary.

Approved:

G. W. L. Mills
Chairman.

Ellie