

A meeting of the Executive Committee of the Federal Reserve Board was held in Washington on Monday, April 24, 1933, at 11:45 a. m.

PRESENT: 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
Mr. Goldenweiser, Director, Division of
Research and Statistics.

The Committee considered and acted upon the following matters:

Letter dated April 20, 1933, from the Secretary of the Federal Reserve Bank of New York, and telegrams dated April 18, 1933, from the Governor of the Federal Reserve Bank of Boston, April 19, 1933, from the Chairmen of the Federal Reserve Banks of Philadelphia and St. Louis, and April 20, 1933, from the Chairman of the Federal Reserve Bank of San Francisco, all 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.

Telegram dated April 18, 1933, from Mr. Newton, Chairman of the Federal Reserve Bank of San Francisco, advising of the establishment by the executive committee of the bank on April 18, 1933, of a minimum buying rate of 2% for the purchase of bankers' acceptances, and of the following schedule of effective buying rates on bankers' acceptances:

1 to 90 days	2%
91 to 120 days	2 1/8%
121 to 180 days	2 1/2%
Repurchase	2%

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The minimum buying rate of 2% was approved, and, there being no objection, the schedule of effective buying rates was noted with approval.

Memorandum dated April 17, 1933, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending approval of a leave of absence without pay for Mrs. Ella Borruat, draftswoman, for a period of four months from May 1 to August 31, 1933, and the temporary appointment as draftswoman for that period of Miss Clara F. Stewart, with salary at the rate of \$1,620 per annum, which is the salary being received by Mrs. Borruat.

Approved.

Reply on April 21, 1933, approved by three members of the Board, to a letter dated April 18 from Mr. Case, Chairman of the Federal Reserve Bank of New York, advising of the appointment on that date of Mr. Edward O. Douglas, formerly manager of the collection department of the bank, as manager of the bill department, and of Mr. Valentine Willis, formerly chief of the coupon collection division of the collection department, as manager of that department, with basic salary at the rate of \$5,500 per annum. The reply noted the appointments and stated that, in accordance with the request contained in the agent's letter, the Board has approved the basic salary fixed by the executive committee of the Federal reserve bank for Mr. Willis in his new position.

Approved.

Reply on April 17, 1933, approved by four members of the Board, to a letter dated April 13 from Governor Seay, of the Federal Reserve Bank of Richmond, with regard to the employment of counsel to represent the bank in connection with litigation growing out of the efforts of the bank to

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realize upon a note in the amount of \$100,000 acquired by the bank from the Commercial National Bank of High Point, North Carolina, as marginal collateral. The reply stated that, in view of the circumstances described in Governor Seay's letter, the Board will interpose no objection to the employment of counsel to represent the bank in this matter, or to the payment of such reasonable fees as may be approved by the receiver of the national bank and the Comptroller of the Currency, provided that the fees paid by the Federal reserve bank are also approved by its board of directors.

Approved.

Reply on April 17, 1933, approved by four members of the Board, to a letter dated April 12 from Mr. Stevens, Federal Reserve Agent at Chicago, stating that under the authority granted in the Board's telegram of March 16, 1933, he had employed Mr. A. L. Wilson as an examiner in the Federal reserve agent's department, on a temporary basis beginning April 10, 1933, with salary at the rate of \$5,500 per annum. The reply noted the appointment with approval.

Approved.

Telegraphic reply on April 18, 1933, approved by three members of the Board, to a telegram dated April 17 from Mr. McClure, Federal Reserve Agent at Kansas City, requesting authorization for the appointment of Mr. Truman W. Richards as examiner in the Federal reserve agent's department, with salary at the rate of \$2,500 per annum. The reply stated that the Board approves the appointment, and requested advice as to the date upon which it becomes effective and whether it is permanent or temporary.

Approved.

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Reply on April 20, 1933, approved by four members of the Board, to a letter dated April 3 from Mr. Newton, Federal Reserve Agent at San Francisco, requesting approval of a change in the personnel classification plan of the bank to provide for a change in the title of the position of "examiner-field" to "examiner and acting assistant Federal reserve agent." The reply stated that the Board approves the change referred to, and that, in view of the information contained in the Federal reserve agent's letter, it does not appear necessary to provide for the position of "examiner and acting assistant Federal reserve agent" in the personnel classification plans of the Los Angeles and Portland branches as suggested in the Board's letter of March 27, 1933, but that an appropriate note will be made on the personnel classification plans of those branches indicating that examiners Swengel and Snow have been designated as acting assistant Federal reserve agents at the Los Angeles and Portland branches, respectively, and that Mr. Snow has been granted authority to act also in the capacity of acting assistant Federal reserve agent at the Seattle and Spokane branches.

Approved.

Telegraphic reply on April 19, 1933, approved by four members of the Board, to a telegram dated April 18 from Deputy Governor Rounds of the Federal Reserve Bank of New York, requesting authority to purchase from the First National Bank of Elmsford, New York, \$18,500 of tax notes of the Village of Elmsford. The reply stated that the Board authorizes the purchase with the understanding that the notes meet all requirements of Regulation E except that the population of the issuing municipality is less than 10,000 and the amount of the notes offered, together with \$15,000 of such notes

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now held by the New York bank, exceeds 25% of the total outstanding warrants of the municipality.

Approved.

Telegraphic reply on April 21, 1933, approved by three members of the Board, to a letter dated April 11 from Mr. Curtiss, Federal Reserve Agent at Boston, inclosing a letter of the same date from the Vice President of the Everett Bank and Trust Company, Everett, Massachusetts, with regard to compliance by that institution with conditions of membership numbered 15 and 16 prescribed in the Board's telegram of April 8, 1933. The reply stated that it is understood that reserves amounting to \$656,852.63, which have been set up against losses estimated in loans and discounts, are valuation reserves which will be carried as a deduction from total loans and so treated in published statement of condition rather than shown as liability accounts and that the Board will regard the maintenance of such valuation reserves under those conditions as a compliance with condition of membership 15 prescribed for the bank. The reply also stated that the Board is willing to permit the bank to continue its present method of charge off on its banking house through its affiliated building corporation and has therefore changed the wording of condition 16 accordingly.

Approved.

Telegrams dated April 18, 1933, to the respective Federal reserve agents, approved by four members of the Board, stating that the Board has approved the applications filed by the following State institutions for membership in the Federal Reserve System and for Federal reserve bank stock, subject to the conditions prescribed in the individual telegrams:

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<u>Name of Bank</u>	<u>Number of Shares</u>	<u>Federal Reserve Bank</u>
Planters Bank and Trust Company, Farmville, Virginia.	105	Richmond
Citizens Bank, Abilene, Kansas.	60	Kansas City

Approved.

Telegrams dated April 21, 1933, to the respective Federal reserve agents, approved by four members of the Board, stating that the Board has approved the applications filed by the following State institutions for membership in the Federal Reserve System and for Federal reserve bank stock, subject to the conditions prescribed in the individual telegrams:

<u>Name of Bank</u>	<u>Number of Shares</u>	<u>Federal Reserve Bank</u>
The Wilmington Savings and Trust Company, Wilmington, N. C.	360	Richmond
City State Bank and Trust Company, McAllen, Texas.	36	Dallas

Approved.

Telegram dated April 22, 1933, to Mr. Newton, Federal Reserve Agent at Atlanta, approved by four members of the Board, stating that the Board has approved the application of the Bank of Tifton, Georgia, for membership in the Federal Reserve System and for 150 shares of stock of the Federal Reserve Bank of Atlanta, subject to the conditions prescribed in the Board's telegram.

Approved.

Telegram dated April 21, 1933, to Mr. Newton, Federal Reserve Agent at San Francisco, approved by four members of the Board, stating that, effective if and when the proposed transfer of assets of the Central National

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Bank to the Central Savings Bank, both of Oakland, California, is approved by the Comptroller of the Currency, the Superintendent of Banks of California and the court of competent jurisdiction, the Board has approved the application of the Central Savings Bank for membership in the Federal Reserve System and for 1,710 shares of stock of the Federal Reserve Bank of San Francisco, subject to the conditions prescribed in the telegram.

Approved.

Telegram to Mr. Case, Federal Reserve Agent at New York, stating that the Board has approved the application of the Southampton Bank, Southampton, New York, for membership in the Federal Reserve System and for 180 shares of stock of the Federal Reserve Bank of New York, subject to the conditions prescribed in the telegram.

Approved.

Telegraphic reply on April 18, 1933, approved by three members of the Board, to a letter dated April 7 from Mr. Wood, Federal Reserve Agent at St. Louis, requesting advice as to the eligibility for membership in the Federal Reserve System of the Industrial Savings Trust Company of St. Louis. The reply stated that it is understood that the trust company does little, if any, commercial banking business and its principal business is that of making personal loans, repayable in installments, either directly or through three other companies all of the stock of which is owned by the trust company, and that, in these circumstances, the Board does not feel that the trust company should be admitted to membership, for the reasons stated in the Board's letter of April 17, 1933 (X-7413).

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Letter dated April 21, 1933, to the Federal Reserve Agent at Richmond, approved by four members of the Board, replying to a letter dated April 17 from Mr. Fry, Assistant Federal Reserve Agent at Richmond, transmitting a request received from the Washington Loan and Trust Company, Washington, D. C., that the Board grant an extension to May 10, 1933, of the time in which the trust company may accept the conditions prescribed by the Board in connection with the company's application for membership. The reply requested the Federal reserve agent to advise the trust company that the Board will extend the time within which the company may accept the conditions of membership to May 10, 1933.

Approved.

Letter dated April 21, 1933, to Mr. Hoxton, Federal Reserve Agent at Richmond, approved by four members of the Board, referring to the condition of membership under which the Peoples Bank, Rural Retreat, Virginia, was admitted to membership in the Federal Reserve System which provides that the bank should reduce to the limit prescribed by the laws of Virginia any loan which may be in excess of that limit, and stating that the analyses of reports of examination of the bank during the last several years show that the examiner has criticized on each occasion one loan in excess of the legal limit, apparently to a company in which one of the directors of the bank is interested; that the practice of the institution in carrying such excess loans is contrary to the spirit and purpose of the condition of membership above referred to; and that it will be appreciated if the agent will advise the member bank that the Board will expect it to keep the matter constantly in mind and use every effort to obtain reductions in such loans

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to the limit prescribed by State law and to maintain all loans within such limits. The letter also requested that the agent advise the Board of the results accomplished by the institution in this direction.

Approved.

Reply on April 17, 1933, approved by four members of the Board, to a memorandum dated April 3 from the Acting Comptroller of the Currency recommending approval of the application of the Third National Bank and Trust Company, Dayton, Ohio, for permission to reduce its capital stock from \$400,000 to \$200,000, and immediately thereafter to increase the capital stock to \$500,000 by the sale of new shares at par value, the released capital of \$200,000 to be transferred to the bank's surplus account. The reply stated that the Board approves the reduction, in accordance with the plan submitted, subject to certain conditions set forth in the reply.

Approved.

Reply on April 22, 1933, approved by three members of the Board, to a memorandum dated April 11 from the Acting Comptroller of the Currency recommending approval of the application of the Hudson National Bank, Hudson, Massachusetts, for permission to increase its capital stock from \$100,000 to \$200,000, selling new stock at par, and immediately thereafter to reduce the capital from \$200,000 to \$100,000 by reducing the par value of the stock from \$100 to \$50 a share, the released capital of \$100,000 to be credited to undivided profits and used in charging off depreciation and doubtful assets. The reply stated that the Board approves the reduction, in accordance with the plan submitted, subject to certain conditions set forth in the reply.

Approved.

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Reply on April 22, 1933, approved by four members of the Board, to a letter dated April 18, from the Acting Comptroller of the Currency, referring to the Board's letter of February 3, 1933, approving a reduction in the capital stock of the Capitol National Bank and Trust Company, Hartford, Connecticut, from \$600,000 to \$300,000, and stating that the bank has now requested that it be granted six months in which to comply with the condition that the affiliated Capitol National Company be severed entirely from any connection with the bank, and that, in view of the statements made in a letter received from the Chairman of the bank under date of April 8, 1933, that the requirements imposed in connection with the reduction will be complied with within six months, it is recommended that the condition above referred to be withdrawn and that the bank be permitted immediately to reduce its capital stock from \$600,000 to \$300,000, subject to an understanding set forth in the Acting Comptroller's letter. The reply stated that the Board approves the proposed modification, as recommended by the Acting Comptroller of the Currency, but suggests certain changes in the understanding proposed by him.

Approved.

Letter dated April 18, 1933, to the Acting Comptroller of the Currency, approved by four members of the Board, inclosing a copy of a letter received from the Cashier of the First National Bank, Barrington, Illinois, under date of January 27, 1933, requesting advice as to whether that institution may hold collateral securities, under an agreement with the First National Securities Company of Barrington, to secure the payment of notes issued and sold by the latter institution; the national bank not

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having been granted permission by the Federal Reserve Board to exercise fiduciary powers under the provisions of section 11(k) of the Federal Reserve Act. The Board's letter stated that, in the circumstances outlined, it is of the opinion that in holding collateral securities under the provisions of the agreement with the First National Securities Company, the national bank would be acting in a fiduciary capacity within the meaning of the provisions of section 11(k), and it is the view of the Board that the law does not contemplate that a national bank should act in a case of this kind unless it obtains permission from the Federal Reserve Board to exercise fiduciary powers. The letter also stated that it is understood that the national bank has communicated with the office of the Comptroller of the Currency with regard to the matter, and that the Board is addressing that office rather than advising the bank direct, as it appears that there are other features involved in the matter which the Comptroller's office may desire to criticize from an administrative standpoint when it advises the bank regarding the question whether it may lawfully act under its agreement with the First National Securities Company.

Approved.

Letter dated April 22, 1933, to the Acting Comptroller of the Currency, approved by four members of the Board, referring to the Board's letter of September 5, 1930, in which the Comptroller of the Currency was advised that Messrs. Prickett, Luscombe and Pole had been designated as agents of the Board to examine foreign branches of Edge corporations and State corporations operating under agreement with the Board, and stating that question has been raised informally as to whether the Board still

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desires that examinations be made of the foreign branches of the International Banking Corporation. The letter advised that the Board has not changed its position with respect to this matter and desires that examinations be made of the foreign branches of the International Banking Corporation, the Bank of Haiti and its branches, and the National City Bank of New York, France, S. A., and its branches; that it is understood that Mr. Prickett is now in Brussels awaiting instructions; and that, if agreeable to the Acting Comptroller of the Currency, the Board will appreciate his having Mr. Prickett conduct examinations at this time of the branches of the International Banking Corporation in Spain and England and the National City Bank of New York, France, S. A., including its branches.

Approved.

Letters dated April 20, and April 21, 1933, to Senator Carter Glass, prepared in accordance with the action taken at the meeting of the Board on April 17, 1933, signed respectively by Governor Meyer and by Mr. Goldenweiser as Chairman of the Committee on Branch, Group and Chain Banking, and approved by five members of the Board. The letter signed by Governor Meyer stated that the System Committee on Branch, Group and Chain Banking has collected data on many phases of the banking situation and has transmitted some of it to the Federal Reserve Board; that, owing to the pressure of other duties, the Board has not had a sufficient opportunity to study the material, and, therefore, is not in a position to comment on it; but that pursuant to Senator Glass' request of April 15, 1933, the Board has directed Mr. Goldenweiser to transmit to Senator Glass, for the information of his sub-committee, such parts of the material as can be made available

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at this time, and to send other parts as soon as they are completed. The letter also called attention to the fact that in November, 1931, Governor Meyer transmitted to Senator Glass certain preliminary statistical material that had been compiled under the supervision of the committee. The letter signed by Mr. Goldenweiser transmitted, in compliance with the request of the Board, the studies made by the committee on branch banking in the United States, England and Canada; of changes in the number and size of banks in the United States, 1834-1931; and of bank suspensions, 1892-1931; and stated that the studies were prepared by the committee's staff under the immediate direction of Mr. J. H. Riddle, the committee's executive secretary and director of research. The letter also stated that the statistics cover, for the most part, the years 1920 to 1931; that the period during which the committee was making its studies witnessed the development of the present depression with its important effects on the banking system of the country; that during such a period statistics do not tell the whole story; that the statistical material represents a diligent effort to collect and organize the important data about the banking structure; and that, in Mr. Goldenweiser's judgment, it does fairly represent conditions during the decade ending in 1930, although unusual conditions since that time have brought out many facts about banks that were not reflected in current statistics. The letter also referred to the exceptional pressure of work on the members of the committee in the past two years which has been a factor in slowing down the final preparation of the material and has prevented the members of the committee giving as much time and attention to reviewing it as they would have wished. The letter further stated that

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other parts of the material prepared by the committee will be transmitted to Senator Glass as soon as they are completed, and that certain material belonging to the appendices of some of the volumes is not transmitted because it has not been mimeographed, but is available in the committee's files.

Approved.

Letter dated April 18, 1933, to the Secretary of the Treasury, approved by four members of the Board, stating that on February 24, 1933, Mr. Mills requested that there be instituted a special inquiry by the examiners of the Federal Reserve Board with the view to determining whether a proper procedure is followed at each of the Federal reserve banks and their branches in connection with the issue, exchange and redemption of Government securities, and whether adequate safeguards have been set up to prevent irregularities in such transactions, and transmitting a copy of a special report by examiner F. J. Drinnen, dated March 29, 1933, covering the fiscal agency department of the Federal Reserve Bank of Dallas, together with a copy of a summary of Mr. Drinnen's report, prepared by the Board's Division of Examinations. The letter also called particular attention to the recommendation, contained in the report, that national bank examiners, in the course of their regular examinations, analyze the investment accounts of certain national banks listed on pages 77 to 84 of the report.

Approved.

Letter dated April 18, 1933, to the Governors of all Federal reserve banks, approved by four members of the Board, stating that the Federal Reserve Board concurs in the action taken by the Governors of Federal

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reserve banks at the conference on November 15 and 16, 1932, in adopting and approving the following views of the standing committee on collections, set forth in a letter dated November 25, 1931, from the chairman of the committee to the Federal Reserve Board: (a) that the inter-district time schedule of each Federal reserve bank or branch should be based upon mail train schedules from it to other Federal reserve banks and branches, and should not take into consideration the direct sendings to other Federal reserve banks and branches by its member banks; and (b) that the deferred credit time for the direct sendings of a member bank in one Federal reserve district to the other Federal reserve banks and branches, to which it desires to route direct, should be based upon mail train schedules from the town in which the direct sending member bank is located to the other Federal reserve banks and branches and should make such items available for reserve purposes when collected without regard to the regular inter-district time schedule of its Federal reserve bank or branch.

Approved.

Copy of a telegram addressed by Assistant Secretary of the Treasury Douglas to the Governors of all Federal reserve banks under date of April 22, 1933, stating that the Treasury will reimburse Federal reserve banks out of the appropriation made by the Act of March 9, 1933, for out-of-pocket expenses incurred by them in connection with the actual licensing of member banks and making available to member banks the proclamations, orders, regulations and interpretations issued in connection with the bank holiday.

Noted.

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Letter dated April 22, 1933, to Mr. Stevens, Federal Reserve Agent at Chicago, approved by four members of the Board, replying to his letter of April 15, 1933, with regard to the request of Mr. C. W. Nash, Chairman of the Nash Motors Company, that the Federal Reserve Bank of Chicago be permitted to continue to hold United States Government bonds in safekeeping for that company. The reply referred to the letter addressed to the Federal reserve agent by the Board on March 2, 1933, with regard to this matter, and stated that the Board feels that, under the law, the Federal reserve banks are not warranted in holding securities in safekeeping for corporations and individuals and it does not see how an exception properly could be made in the case of the Nash Motors Company, even though the corporation is a large and regular subscriber to Government issues, and that while the banking institutions in Kenosha, Wisconsin, the headquarters of the Nash Motors Company, may not be in a position to afford safekeeping facilities for the large volume of United States Government securities ordinarily carried by the company, it would seem that the company would have no difficulty in making arrangements for this service with a banking institution located elsewhere. The reply also stated that, in this connection, the Board has noted from the agent's letter of February 7, 1933, that, in addition to the lack of facilities in Kenosha, the desirability of removing the necessity of shipping such large amounts of securities between Kenosha and Chicago was given as a reason for the arrangement whereby they have been held in the past at the Federal Reserve Bank of Chicago.

Approved.

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Reply on April 19, 1933, approved by four members of the Board, to a letter dated March 17 from Mr. C. O. Myhre, Minneapolis, Minnesota, suggesting that State banks be permitted to borrow from the Federal reserve banks on the security of United States Government bonds, and to carry their reserve accounts with the Federal reserve banks. The reply called attention to the Emergency Banking Act of March 9, 1933, authorizing Federal reserve banks to make advances to individuals, partnerships or corporations, including banks, on their promissory notes secured by direct obligations of the United States, and stated that, under the provisions of the Federal Reserve Act, nonmember banks are permitted to deposit funds with the Federal reserve banks for purposes of exchange or collection, provided they maintain with the Federal reserve bank balances sufficient to offset items in transit held for their accounts by the Federal reserve bank; that whether such balances should constitute a part of the required reserves of a bank in North Dakota would depend upon the provisions of the law of that State; and that, if Mr. Myhre's bank should desire to open an account of this kind, the matter should be taken up with the Federal Reserve Bank of Minneapolis.

Approved.

Letter dated April 20, 1933, to Assistant Secretary of the Treasury Douglas, approved by four members of the Board, inclosing, in accordance with Mr. Douglas' request of March 23, 1933, a proposed letter for the signature of the Secretary of the Treasury to the Chairman of the Banking and Currency Committee of the Senate with regard to bill S. 314. The inclosure stated that the bill would amend section 10(b) of the Federal Reserve Act so as to authorize Federal reserve banks to make advances to

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nonmember State banks and trust companies under the same conditions as are provided by that section for member banks, and that as the Act of March 24, 1933, authorizes Federal reserve banks, under certain conditions, to make advances to nonmember banks and trust companies under the terms provided in section 10(b), there would appear to be no necessity for a further amendment to the law on this subject at the present time.

Approved.

Letters to the Chairman of the Committee on Banking and Currency of the Senate, one prepared for the signature of the Secretary of the Treasury, and the other signed by Governor Meyer on April 21, 1933, and both approved by four members of the Board, replying to requests received from the Acting Clerk of the Senate Committee for reports on S. 747, a bill to amend section 13 of the Federal Reserve Act by making notes of finance and credit companies subject to discount by Federal reserve banks. The letters stated that after carefully reviewing the situation with respect to the proposal contained in the bill, the Treasury Department and the Federal Reserve Board, respectively, do not feel justified at this time in recommending the enactment of the amendment.

Approved.

In connection with the above, there was also presented a draft of a letter prepared for the signature of the Secretary of the Treasury, and approved by four members of the Board, replying to a letter received in the Office of the Secretary of the Treasury under date of March 7, 1933, from Senator Sheppard with regard to bill S. 4550, introduced by Senator Sheppard at the last session of Congress. The reply stated that attention

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has been called to the fact that on March 22, 1933, Senator Sheppard introduced a similar bill, S. 747; referred to the reports submitted by the Treasury Department and the Federal Reserve Board to the Banking and Currency Committee at the last session of Congress regarding S. 4550; and observed that as the recent emergency banking legislation makes it possible for both nonmember and member banks, under certain conditions, to borrow from the Federal reserve banks on the security of ineligible as well as eligible paper, it appears that there is no special necessity at this time for amendments to the Federal Reserve Act which would broaden materially the classes of paper ordinarily eligible for rediscount.

Approved.

There was a brief discussion of the three resolutions adopted at the meeting of the Open Market Policy Conference on April 22, 1933, and presented at the meeting with the Federal Reserve Board on that date, but action was deferred pending a meeting of the Board, with the Secretary of the Treasury in attendance.

The Assistant Secretary then presented a letter received from Mr. James Simpson, Deputy Chairman of the Federal Reserve Bank of Chicago, under date of April 17, 1933, in reply to the Board's letter of April 4. The reply outlined Mr. Simpson's understanding of the circumstances under which he made the subscriptions for Government securities through the Federal Reserve Bank of Chicago, referred to in the Board's letter, and stated that he will be glad to furnish any additional information or to come to Washington in connection with the matter. Mr. Morrill stated that a draft of a letter to the Department of Justice, transmitting the report of the

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Board's Division of Examinations with regard to the investigation made in the fiscal agency department of the Federal Reserve Bank of Chicago, and related documents, including a copy of Mr. Simpson's letter, is being prepared and will be submitted to the Board for consideration.

Mr. Harrison then referred to the withdrawal by the Brookline Trust Company, Brookline, Massachusetts, of its application for membership in the Federal Reserve System, which was approved by the Federal Reserve Board on April 10, 1933, subject to certain conditions including one that the capital of the company should be increased to \$700,000 and its surplus to \$500,000. He referred to statements made by Governor Young of the Federal Reserve Bank of Boston during the Governors' Conference last week that the trust company felt that a capital of \$500,000 and surplus of \$600,000 would be sufficient for the business transacted by it and was unwilling to agree to the allocation of capital funds required by the Board's condition of membership.

During the discussion which developed, it was the consensus that a capital of \$700,000, as required by the Board's condition, would be more in line with the deposit liabilities of the bank, but that, in view of the otherwise satisfactory condition of the Brookline Trust Company, the Board would be justified in admitting the institution to membership with a capital of \$500,000 and surplus of \$600,000, if, after further discussion between the officers of the Federal Reserve Bank of Boston and the trust company, it appears that the company cannot be induced to allocate a larger amount to capital.

Reports of Standing Committee dated April 18 and 19, 1933, recommending approval of the following changes in stock at Federal reserve banks:

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<u>Application for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 6.</u>		
The Hibernia National Bank in New Orleans, La.	1,764	1,764
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 2.</u>		
Citizens National Bank, Long Branch, New Jersey. (Insolvent)	270	270
<u>District No. 4.</u>		
Lebanon-Citizens National Bank & Trust Company, Lebanon, Ohio. (Decrease in surplus)	45	
Ambridge Savings and Trust Company, Ambridge, Pennsylvania. (Decrease in surplus)	129	
Colonial Trust Company, Pittsburgh, Pennsylvania. (Decrease in surplus)	<u>900</u>	1,074
<u>District No. 5.</u>		
Wachovia Bank & Trust Company, Winston-Salem, North Carolina. (Decrease in surplus)	450	450
<u>District No. 6.</u>		
Citizens Bank & Trust Company, Savannah, Georgia. (Decrease in capital)	60	
First National Bank, Shelbyville, Tennessee. (Decrease in surplus)	<u>30</u>	90
<u>District No. 7.</u>		
First National Bank, Brillion, Wisconsin. (V.L.Suc. by Farmers and Merchants Bank, nonmember)	46	46
<u>District No. 9.</u>		
Northern National Bank, Ashland, Wisconsin. (Insolvent)	120	
Worthington National Bank, Worthington, Minnesota. (Decrease in surplus, partly offset by an increase in capital)	<u>12</u>	<u>132</u>
	<u>Total</u>	2,062

Approved.

Reports of Standing Committee dated April 18 and 24, 1933, recommending approval of the following Clayton Act applications:

Mr. G. B. Romfh, for permission to serve as a director and officer of the Coral Gables First National Bank of Coral Gables, Florida, as director of the West Palm Beach Atlantic National Bank of West Palm Beach, Florida, and as director and officer of the First National Bank of Miami, Florida.

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Mr. E. A. Walker, for permission to serve at the same time as director and officer of The Tradesmens National Bank of Oklahoma City, Oklahoma, as director and officer of the Love County National Bank of Marietta, Oklahoma, and as director and officer of The First National Bank at Ardmore, Oklahoma.

Approved.

Thereupon the meeting adjourned.

Oliver Howell
Secretary.

Approved:

Ernest C. Campbell
Governor.