

A meeting of the Federal Reserve Board was held in Washington on Monday, December 18, 1933, at 12:00 noon.

PRESENT: Mr. Black, Governor
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Thomas
Mr. Szymczak

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary
Mr. Bethea, Assistant Secretary
Mr. Martin, Assistant to the Governor
Mr. Paulger, Chief of the Division of
Examinations
Mr. Wyatt, General Counsel
Mr. DuBois, Assistant Counsel

The Board considered and acted upon the following matters:

Telegram dated December 13, 1933, from Mr. Curtiss, Chairman of the Federal Reserve Bank of Boston, and letter dated December 14, 1933, from Mr. Sproul, Secretary of the Federal Reserve Bank of New York, both advising that, at meetings of the boards of directors on the dates stated, no changes were made in the bank's existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Telegraphic reply on December 13, 1933, approved by three members of the Board, to a telegram of that date from Mr. Young, Governor of the Federal Reserve Bank of Boston; the reply reading as follows:

"Your telegram. Federal Reserve Board approves purchase by your bank from the Federal Reserve Bank of New York of approximately \$8,500,000 of bankers' bills with maturities up to 90 days at a rate of $1\frac{1}{2}$ of 1%."

Approved.

Telegraphic reply on December 14, 1933, approved by three

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members of the Board, to a telegram of that date from Mr. Young, Governor of the Federal Reserve Bank of Boston; the reply reading as follows:

"Federal Reserve Board interposes no objection to your bank taking the allotment of the Federal Reserve Bank of New York, in addition to your own allotment, of bankers' bills purchased daily by the New York bank, until your total holdings of bankers' acceptances amount to approximately \$35,000,000."

Approved.

Memorandum dated December 12, 1933, from Mr. Morrill recommending that, in order to fill the position left vacant by the transfer of John Hunley, messenger, to the office of General Counsel, Fredrick Frost be appointed as a messenger assigned to the Secretary's office, with salary at the rate of \$840 per annum, effective as of the date upon which he enters upon the performance of his duties; the recommendation having been approved by five members of the Board on December 15, 1933.

Approved.

Memorandum dated December 13, 1933, from Mr. Morrill referring to the vacancy in the Secretary's office caused by the transfer of Mrs. Margaret F. Raynor, stenographer, to the office of General Counsel, and recommending that Miss Lucy E. McLeod be appointed as a stenographer in the Secretary's office, with salary at the rate of \$1,560 per annum, effective as of the date upon which she enters upon the performance of her duties; the recommendation having been approved by five members of the Board on December 15, 1933.

Approved.

Memorandum dated December 13, 1933, from Mr. Goldenweiser,

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Director of the Division of Research and Statistics, transmitting the resignation of Mr. Thomas B. Rhodes, assistant to the director of the division, effective at the close of business on December 15, 1933.

Accepted.

Memorandum dated December 14, 1933, from Mr. Goldenweiser, Director of the Division of Research and Statistics, transmitting the resignation of Miss Aryness Joy, research assistant in the division, effective at the close of business on December 15, 1933.

Accepted.

Telegram dated December 14, 1933, to Mr. Curtiss, Federal Reserve Agent at Boston, approved by five members of the Board, reading as follows:

"Your letter November 3. Board approves reappointment of Charles F. Gettemy and William D. McRae as Assistant Federal Reserve Agents at your bank for 1934."

Approved.

Telegram dated December 14, 1933, to Mr. Case, Federal Reserve Agent at New York, approved by five members of the Board, reading as follows:

"Your letter November 29. Board approves reappointment of W. H. Dillistin and H. S. Downs and appointment of H. V. Roelse as Assistant Federal Reserve Agents at your bank for year 1934. Mr. Roelse should execute as Assistant Federal Reserve Agent the usual surety bond in the amount of \$50,000 and he should not enter upon his duties as Assistant Federal Reserve Agent until you have received advice of the Board's approval of the bond. Before bond is forwarded to Board for approval it should be examined by your counsel to determine whether its execution complies fully with rules printed on reverse side of form of bond 182."

Approved.

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Telegram dated December 14, 1933, to Mr. Austin, Federal Reserve Agent at Philadelphia, approved by five members of the Board, reading as follows:

"Your letter November 6. Board approves reappointment of Arthur E. Post and Ernest C. Hill as Assistant Federal Reserve Agents and of J. Frank Rehfuss as Acting Assistant Federal Reserve Agent at your bank for 1934. Board also approves temporary reappointment of Zell G. Fenner as Acting Assistant Federal Reserve Agent at your bank."

Approved.

Telegram dated December 14, 1933, to Mr. Newton, Federal Reserve Agent at Atlanta, approved by five members of the Board, reading as follows:

"Your letter November 8. Board approves reappointment of L. M. Clark as Assistant Federal Reserve Agent at your bank for 1934. Board also approves appointment of J. R. McCravey, Jr., as Acting Assistant Federal Reserve Agent at the Federal Reserve Bank of Atlanta or at any of its branches for coming year."

Approved.

Telegram dated December 14, 1933, to Mr. Stevens, Federal Reserve Agent at Chicago, approved by five members of the Board, reading as follows:

"Your letter November 17. Board approves reappointment for 1934 of C. S. Young and George A. Prugh as Assistant Federal Reserve Agents at your bank and of John H. Martin as Assistant Federal Reserve Agent at your Detroit branch. Board also approves reappointment for 1934 of Carl Schelling to act for Federal reserve agent in the receipt and delivery of Federal reserve notes."

Approved.

Telegram dated December 14, 1933, to Mr. Wood, Federal Reserve Agent at St. Louis, approved by five members of the Board, reading as follows:

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"Your letter November 23 and telegram December 2. Board approves reappointment of C. M. Stewart as Assistant Federal Reserve Agent, and of L. H. Bailey and F. S. Parker as Acting Assistant Federal Reserve Agents at your bank for 1934. Board also approves temporary reappointment of L. A. Moore, L. T. Walker, and J. P. Goldschmid as Acting Assistant Federal Reserve Agents at your Louisville, Memphis, and Little Rock branches, respectively."

Approved.

Telegram dated December 14, 1933, to Mr. Peyton, Federal Reserve Agent at Minneapolis, approved by five members of the Board, reading as follows:

"Your letter November 20 and telegram December 7. Board approves reappointment of F. M. Bailey and appointment of Ernest W. Swanson as Assistant Federal Reserve Agents at your bank for year 1934. Board also approves reappointment of O. S. Powell to act as alternate for Federal reserve agent and assistant Federal reserve agents when necessary in receipt and issue of Federal reserve notes and as representative of Federal reserve agent in handling gold coin and gold certificates and in making wire transfers of gold. Mr. Swanson should execute as Assistant Federal Reserve Agent surety bond in the amount of at least \$50,000 and he should not enter upon his duties as Assistant Federal Reserve Agent until you have received advice of Board's approval of bond. Before bond is forwarded to Board for approval it should be examined by your counsel to determine whether its execution complies fully with rules printed on reverse side of form of bond 182."

Approved.

Telegram dated December 14, 1933, to Mr. McClure, Federal Reserve Agent at Kansas City, approved by five members of the Board, reading as follows:

"Your letter November 13. Board approves reappointment of A. M. McAdams and N. R. Oberwortmann as Assistant Federal Reserve Agents and of H. H. Rhodes as Acting Assistant Federal Reserve Agent at your bank for 1934. Board also approves temporary reappointment of T. Gordon Sanders, Judd W. Jones, and J. C. Clark, Jr., as Acting Assistant Federal Reserve Agents at your Omaha, Denver, and Oklahoma City branches, respectively."

Approved.

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Telegram dated December 14, 1933, to Mr. Walsh, Federal Reserve Agent at Dallas, approved by five members of the Board, reading as follows:

"Your letter November 8. Board approves reappointment of C. C. Hall and W. J. Evans as Assistant Federal Reserve Agents at your bank for 1934. Board also approves temporary reappointment of G. M. Allen, D. S. Lawhon, and C. P. Gowland as Acting Assistant Federal Reserve Agents at your El Paso, Houston, and San Antonio branches, respectively."

Approved.

Telegram dated December 14, 1933, to Mr. Newton, Federal Reserve Agent at San Francisco, approved by five members of the Board, reading as follows:

"Your letter November 9 and telegram November 24. Board approves reappointment of S. G. Sargent and Oliver P. Wheeler as Assistant Federal Reserve Agents at your bank for 1934. Board also approves temporary reappointment of Henry D. Swengel as Acting Assistant Federal Reserve Agent at your Los Angeles branch, and of G. A. Snow as Acting Assistant Federal Reserve Agent at your Portland branch with authority to act also in capacity of Acting Assistant Federal Reserve Agent at Seattle and Spokane branches."

Approved.

Letter dated December 15, 1933, to the board of directors of "The Southern Ohio Savings Bank and Trust Company", Cincinnati, Ohio, approved by five members of the Board, stating that, subject to the conditions prescribed in the letter, the Board approves the institution's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Cleveland.

Approved.

Letter dated December 16, 1933, to the board of directors of

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"The Citizens Bank", Oneonta, Alabama, approved by five members of the Board, stating that, subject to the conditions prescribed in the letter, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Atlanta.

Approved.

Letter dated December 16, 1933, to the organizers of the proposed "Schuyler County State Bank", Lancaster, Missouri, approved by four members of the Board, stating that, subject to the conditions prescribed in the letter, the Board approves the application made in behalf of the bank for membership in the Federal Reserve System and for stock in the Federal Reserve Bank of St. Louis, effective if and when such bank is authorized to commence business by the Commissioner of Finance of the State of Missouri.

Approved.

Telegram dated December 16, 1933, to Mr. Wood, Federal Reserve Agent at St. Louis, approved by four members of the Board, stating that, subject to the conditions prescribed in the telegram, the Board approves the application of the "Manufacturers Bank & Trust Company of St. Louis", St. Louis, Missouri, for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of St. Louis.

Approved.

Telegram dated December 16, 1933, to Mr. Wood, Federal Reserve Agent at St. Louis, approved by four members of the Board, referring to the application of the "Lafayette-South Side Bank & Trust Company",

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St. Louis, Missouri, for permission to withdraw immediately from membership in the Federal Reserve System, and stating that the Board waives the usual requirement of six months' notice of intention to withdraw and that, accordingly, upon surrender of the Federal reserve bank stock issued to the Lafayette-South Side Bank & Trust Company, the Federal Reserve Bank of St. Louis is authorized to cancel such stock and make a refund thereon.

Approved.

Letter dated December 14, 1933, to Mr. Stevens, Federal Reserve Agent at Chicago, approved by four members of the Board, reading as follows:

"The Board has reviewed the information submitted with the application of The First Trust & Savings Bank, Menville, Iowa, for membership in the Federal Reserve System. It appears that the bank's general financial condition as reflected in the report of examination is such that favorable consideration could possibly be given the application, but in view of the supplemental information and the recommendation of the Reserve Bank Committee that membership be deferred, the Board feels that it would not be justified in approving the application at this time, and requests that you communicate with the bank and suggest the withdrawal of the application from further consideration at the present.

"In such event, although the application itself and the accompanying papers will remain a part of the Board's files, no adverse action thereon will be taken. If, at a later time, you feel that the Board would be justified in considering the matter again, the Board will be glad to do so upon your recommendation, accompanied by a new application and a current report of examination."

Approved.

Reply on December 16, 1933, approved by five members of the Board, to a letter dated December 7 from Mr. McClure, Federal Reserve Agent at Kansas City; the reply reading as follows:

"Reference is made to your letter dated December 7, 1933, stating that the Citizens State Bank, Osage City, Kansas, has inquired

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"whether its recent charge of \$468 to current expense, which represents the cost of installing a new safe and additional safety deposit boxes, will relieve it of the necessity of making the agreed charge-off at the end of this year for depreciation in furniture and fixtures.

"The cost of the new equipment is in excess of the minimum amount of depreciation for which the bank is required to make provision under the conditions of membership. In view of this fact and your recommendation in the matter, the Board will consider that the purchase of this equipment through charge to expense constitutes compliance with the condition of membership and that no further provision for depreciation in furniture and fixtures need be made this year. It is suggested, however, that in order to show the true character of the transaction, the purchase and charge-off of the equipment be reflected in the furniture and fixtures account, and you are requested to advise the bank accordingly."

Approved.

Reply on December 16, 1933, approved by five members of the Board, to a telegram dated December 11 from Mr. Sargent, Assistant Federal Reserve Agent at San Francisco; the reply reading as follows:

"Board has taken no action on First National Bank Ketchikan STOP Prior to any action being taken and as previously requested of Mr. Newton by telephone, Board would like a review made of all available information concerning banking and general conditions in Alaskan territory and a statement submitted to the Board of the Agents' views and recommendation as to policies that should be pursued by the Board in considering applications from Alaska STOP When Madland makes examination of bank Board is hopeful that he will cover completely not only condition of bank but include information regarding earnings over the past ten year period, management, operations and future prospects of bank and territory; whether bank has trust department and if so complete information regarding its management and operations; also the extent of its relationships with affiliated interests and whether the bank is engaging in any non-banking activities."

Approved.

Telegraphic reply on December 16, 1933, approved by four members of the Board, to a letter dated December 12 from Mr. Curtiss, Federal Reserve Agent at Boston; the reply reading as follows:

"Refer your letter December 12 re application Hyannis Trust Company, Hyannis, Massachusetts. Board grants extension of time to

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"January 13, 1934 within which to accomplish admission to membership. In view of lapse of time, Board has amended condition numbered 20 to read as follows.

'Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of \$16,050.00 in loans, estimated losses of \$8,192.50 in other real estate, and net depreciation of \$39,651.63 in securities, all as shown by the report of credit investigation of such bank made by an examiner for the Federal Reserve Bank of Boston as of June 28, 1933, and all other known losses and depreciation in securities other than those in the four highest grades as classified by a recognized investment service organization regularly engaged in the business of rating or grading securities.'"

Approved.

Telegram dated December 16, 1933, to Mr. Williams, Federal Reserve Agent at Cleveland, approved by five members of the Board, reading as follows:

"Referring to Mr. Fletcher's letter dated December 11 re application The Peoples Bank and Savings Company, Cincinnati, Ohio, Board grants extension of time to January 21, 1934 within which to accomplish admission to membership."

Approved.

Telegraphic reply on December 15, 1933, approved by five members of the Board, to a telegram dated December 13 from Mr. Walsh, Federal Reserve Agent at Dallas; the reply reading as follows:

"Refer your wire December 13 re application for membership Farmers & Merchants State Bank, Shamrock, Texas. Board grants extension to December 26, 1933 within which bank may comply with conditions of membership."

Approved.

Reply on December 15, 1933, approved by five members of the Board, to a letter dated November 22 from Mr. Williams, Federal Reserve Agent at Cleveland; the reply reading as follows:

"Receipt is acknowledged of your letter of November 22, 1933, and inclosures, advising of the unsatisfactory reserve records

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"of the Potter Title and Trust Company, Pittsburgh, Pennsylvania and the First National Bank of Jackson, Jackson, Kentucky.

"It is noted that although the banks indicated have not been technically guilty of six months continuous reserve deficiencies, communications have been addressed to the Presidents of both institutions calling their attention to the respective reserve deficiencies and requesting advice as to what improvement may be expected with reference to such condition in their reserve accounts.

"Copies of your letter and inclosure with respect to the First National Bank of Jackson, Jackson, Kentucky have been forwarded to the Comptroller of the Currency for his information and it will be appreciated if you will advise the Board within a reasonable time, as to whether the above mentioned banks have restored and are maintaining their required reserves."

Approved.

Reply on December 16, 1933, approved by five members of the Board, to a letter dated November 22 from Mr. Walsh, Federal Reserve Agent at Dallas; the reply reading as follows:

"Receipt is acknowledged of your letter of November 22, 1933, and inclosure advising that the First National Bank, Throckmorton, Texas, has been continuously deficient in its required reserves from April 16, 1933 to October 15, 1933, inclusive.

"It is noted that the bank's delinquency has been called to the attention of its directors and that the bank has now restored its reserve to the required amount. In the circumstances, and in accordance with your recommendation, the Board will take no action at this time regarding continuous reserve deficiencies of the bank other than to forward copies of your letter and inclosure to the Comptroller of the Currency for his information."

Approved.

Letter dated December 15, 1933, to the City Bank and Trust Company, Kansas City, Missouri, approved by five members of the Board, reading as follows:

"This is to advise you that, effective if and when the City Bank and Trust Company, Kansas City, Missouri, is converted into a national banking association and is authorized by the Comptroller of the Currency to commence business as 'City National Bank and Trust Company of Kansas City', the Federal Reserve Board

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"approves the application filed by your bank on behalf of such national bank for permission to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of Missouri, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Federal Reserve Board.

"After the conversion of the City Bank and Trust Company into the City National Bank and Trust Company of Kansas City becomes effective and the Comptroller of the Currency authorizes the national bank to commence business, the board of directors of the latter bank should adopt a resolution ratifying the action taken on its behalf by your bank in making application for permission to exercise trust powers, and it is requested that a certified copy of the resolution so adopted be forwarded to the Federal Reserve Board for its records as soon as possible. When a copy of such resolution has been received by the Board, a formal certificate covering the right of the City National Bank and Trust Company of Kansas City to exercise trust powers will be forwarded to it.

"The national bank examiner in his report of examination of the City Bank and Trust Company as of October 11, 1933 lists a number of trust accounts as unacceptable for the trust department of a national bank. The Board feels that any trusts of the City Bank and Trust Company, the execution of which might react unfavorably upon the national bank, should be eliminated prior to the conversion, and further feels that all trusts or other trust department accounts now held by the City Bank and Trust Company which it is contemplated will be carried into the national bank upon conversion should be carefully scrutinized, that only trusts or accounts be carried into the national bank which are acceptable for the trust department of a national bank, and that all trust accounts which require an attorney's opinion be supported by such instruments before the conversion. Reference is made to the national bank examiner's report of the examination of the trust department of the City Bank and Trust Company as of October 11, 1933, for detailed information regarding criticized trust accounts."

Approved.

Letter dated December 14, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

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"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of Gardner', Gardner, Massachusetts, from \$200,000 to \$100,000 pursuant to a plan of rehabilitation which provides that the bank's capital shall be increased by the sale at par of \$150,000 par value preferred stock to the Reconstruction Finance Corporation and that the funds released by the reduction in common capital stock, together with \$60,000 from the bank's surplus and undivided profits, shall be used to eliminate substandard assets and depreciation in the amount of \$160,000, all as set forth in your memorandum of November 10, 1933.

"In considering the plan under which the reduction in common capital stock is to be effected, it is noted that no provision was made for the elimination of approximately \$16,747 of depreciation in securities of the lower grades, and, in addition, there will remain in the bank depreciation in securities of the four highest grades amounting to \$84,494 and doubtful items aggregating \$59,887. The depreciation in securities is sufficient to eliminate entirely the remaining capital stock and slightly impair the preferred stock. It is assumed, however, that you have these conditions in mind and that, whenever it becomes feasible to do so, you will obtain such further corrections as may be practicable."

Approved.

Letter dated December 14, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with Acting Comptroller Awalt's recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The Merchants National Bank of New Bedford', New Bedford, Massachusetts, from \$1,500,000 to \$500,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$500,000 par value preferred stock to the Reconstruction Finance Corporation and that the funds released by the reduction in common capital stock, together with a portion of the bank's present undivided profits and reserves, shall be used to eliminate at least \$1,250,000 of estimated losses and depreciation in securities of the lower grades, all as set forth in Mr. Awalt's memorandum of November 25, 1933.

"In considering the proposed plan under which the reduction in common capital stock is to be effected the Board notes that no provision was made in the plan for the elimination of approximately \$462,000 of depreciation in securities which, if considered as a loss, would impair the bank's surplus to the extent of approximately \$450,000. In addition there would remain in the bank approximately

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"\$983,000 of doubtful assets and \$1,661,640 of slow assets. The Board assumes, however, that you have these undesirable features in mind and that whenever it becomes feasible to do so you will require such further corrections to be made in the condition of the bank as may be practicable."

Approved.

Letter dated December 14, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The Safe Deposit National Bank of New Bedford', New Bedford, Massachusetts, from \$500,000 to \$250,000, pursuant to a plan of rehabilitation which provides that the bank's capital shall be increased by the sale at par of \$350,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital stock, together with funds available in the surplus and undivided profits accounts, shall be used to eliminate, if the bank has not already done so, estimated losses and depreciation in securities of the lower grades aggregating \$402,282.04, all as set forth in your memorandum of November 13, 1933."

Approved.

Letter dated December 14, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of the 'Holyoke National Bank', Holyoke, Massachusetts, from \$400,000 to \$200,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$500,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital stock, together with approximately \$190,187 from the bank's surplus and undivided profits, shall be used to eliminate estimated losses and securities depreciation in the amount of approximately \$390,187, all as set forth in your memorandum of December 4, 1933."

"In considering the plan under which the reduction in common

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"capital stock is to be effected it was noted that no provision was made for the elimination of depreciation of \$73,650 in securities below the four highest grades, in addition to which there will remain in the bank depreciation in the four highest grades of securities amounting to approximately \$230,735, doubtful items aggregating \$126,250 and slow items amounting to \$373,227. The remaining depreciation in securities is sufficient to eliminate all the common capital stock and impair the preferred stock to the extent of approximately \$104,000. It is assumed, however, that you have these conditions in mind and that whenever it becomes feasible to do so you will obtain such further corrections as may be practicable."

Approved.

Letter dated December 15, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves the reduction in the common capital stock of 'The Meriden National Bank', Meriden, Connecticut, from \$200,000 to \$100,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$150,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital, together with undivided profits, shall be used to eliminate estimated losses and securities depreciation in the amount of approximately \$116,000, as set forth in your memorandum of December 4, 1933, with the exception that your memorandum gives the amount of preferred stock to be sold as \$75,000, whereas it is understood from information furnished by your office that the amount of preferred stock to be issued has been increased to \$150,000, and the Board's approval is predicated upon the sale of the increased amount of preferred stock."

Approved.

Letter dated December 15, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with the recommendation of Acting Comptroller Awalt, the Federal Reserve Board approves a reduction in the

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"common capital stock of 'The First National Bank and Trust Company of New Haven', New Haven, Connecticut, from \$1,260,000 to \$630,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale of at least \$1,550,000 of preferred stock, and that the funds released by the reduction in common capital stock, together with other funds available for that purpose, shall be used to eliminate unsatisfactory assets in the amount of at least \$1,000,000, all as set forth in Mr. Awalt's memorandum of November 25, 1933."

Approved.

Letter dated December 15, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by four members of the Board, reading as follows:

"In accordance with your recommendation the Federal Reserve Board approves the reduction in the common capital stock of 'The Souhegan National Bank of Milford', Milford, New Hampshire, from \$100,000 to \$10,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$50,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital stock shall be used to eliminate undesirable assets in the amount of approximately \$70,000 and to increase undivided profits in the amount of approximately \$20,000, all as set forth in your memorandum of December 4, 1933.

"In considering the plan under which the reduction of common capital stock is to be effected, it was noted that no provision was made for the elimination of \$99,325 of securities depreciation, of which \$59,130 represents depreciation in securities of the lower grades; total securities depreciation being sufficient to eliminate the bank's common capital and undivided profits remaining after the proposed adjustments are effected, and to impair the preferred stock to the extent of approximately \$44,000. There will also remain doubtful assets amounting to \$6,812 and slow assets in the amount of \$177,313. It is assumed, however, that you have these conditions in mind and that whenever it becomes feasible to do so you will obtain such further corrections as may be practicable."

Approved.

Letter dated December 14, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

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"In accordance with Acting Comptroller Awalt's recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of Springfield', Springfield, Vermont, from \$200,000 to \$100,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$100,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital stock, together with \$20,000 of funds from the bank's undivided profits account, shall be used to eliminate estimated losses and securities depreciation in the amount of \$120,000, all as set forth in Mr. Awalt's memorandum of November 22, 1933.

"In considering the proposed plan under which the reduction in common capital stock is to be effected, the Board noted that no provision was made in the plan for the elimination of approximately \$64,500 of depreciation in securities, which, if considered as a loss, would impair the bank's common capital stock to the extent of approximately \$55,400. In addition there will remain in the bank \$128,669 of assets classed as doubtful and \$264,872 of assets classed as slow. The Board assumes, however, that you have these undesirable features in mind and that whenever it becomes feasible to do so, you will require such further corrections to be made in the condition of the bank as may be practicable."

Approved.

Letter dated December 14, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of Cooperstown', Cooperstown, New York, from \$150,000 to \$75,000, pursuant to a plan of rehabilitation which provides that the bank's capital shall be increased by the sale at par of \$200,000 par value preferred stock to the Reconstruction Finance Corporation and the sale of \$75,000 new common stock for \$105,000, and that the funds released by the reduction in common capital stock, together with \$30,000 made available by the sale of the new common stock at a premium and approximately \$130,000 from the bank's present surplus, undivided profits and reserves, shall be used to eliminate substandard assets and depreciation in the amount of approximately \$235,000, all as set forth in your memorandum of November 10, 1933.

"In considering the plan under which the reduction of common capital stock is to be effected, it is noted that there will remain

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"in the bank depreciation in securities amounting to approximately \$256,000, which is sufficient to eliminate entirely the bank's common capital stock. It is assumed, however, that you have these conditions in mind and that whenever it becomes feasible to do so, you will obtain such further corrections as may be practicable."

Approved.

Letter dated December 14, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with the recommendation of Acting Comptroller Awalt, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of Perry', Perry, New York, from \$100,000 to \$50,000, pursuant to a plan which provides that the bank's capital shall be increased \$200,000 by the sale at par of \$100,000 par value class 'A' preferred stock to the Reconstruction Finance Corporation, and \$100,000 par value class 'B' preferred stock to the bank's holding company; and that the funds released by the reduction in common capital stock shall be used, together with surplus in the amount of \$20,000 and undivided profits in the amount of \$15,000, to eliminate estimated losses and securities depreciation in the amount of \$85,000, all as set forth in Mr. Awalt's memorandum of November 25, 1933.

"In considering the plan under which the reduction of common capital stock is to be effected it was noted that no provision was made for the elimination of \$111,756 of securities depreciation of which \$43,424 represents depreciation in securities of the lower grades, total securities depreciation being sufficient to eliminate the bank's common capital remaining after the proposed reduction is effected and to impair the class 'B' preferred stock to the extent of approximately \$62,000. There will also remain doubtful assets in amount of \$5,360, and slow assets in amount of \$30,466. It is assumed, however, that you have these conditions in mind and that whenever it becomes feasible to do so you will obtain such further corrections as may be practicable."

Approved.

Letter dated December 14, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The Hamlin

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"National Bank of Holcomb", Holcomb, New York, from \$100,000 to \$50,000, pursuant to a plan of rehabilitation which provides that the bank's capital shall be increased by the sale at par of \$100,000 par value preferred stock to the Reconstruction Finance Corporation and/or others, and that the funds released by the reduction in common capital stock, together with the bank's surplus of \$20,000 and \$7,000 from its undivided profits, shall be used to eliminate an equal amount of substandard assets and securities depreciation, all as set forth in your memorandum of November 14, 1933.

"In considering the plan under which the reduction of common capital stock is to be effected it was noted that no provision has been made for the elimination of depreciation in securities below the four highest grades aggregating \$49,283, in addition to which there will also remain in the bank depreciation in the four higher grades of securities amounting to \$16,508, doubtful items aggregating \$6,469, and slow items amounting to \$84,950. It has also been noted that total depreciation in investment securities in amount of \$65,791 remaining in the bank after completion of the proposed adjustments will exceed the bank's common capital stock and impair the preferred capital stock to the extent of approximately \$15,000.

"It is assumed, however, that you have these conditions in mind and that whenever it becomes feasible to do so you will require such further corrections as may be practicable."

Approved.

Letter dated December 14, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of Nutley', Nutley, New Jersey, from \$100,000 to \$25,000, pursuant to a plan of rehabilitation which provides for a reduction in the par value of the present common capital stock from \$100.00 to \$25.00 per share, the sale at par of \$50,000 par value Class A preferred stock to the Reconstruction Finance Corporation, and the sale at par of \$50,000 par value Class B preferred stock and \$25,000 par value new common stock to present stockholders or others; and which provides further that the funds released by the reduction in common capital stock in the amount of \$75,000, together with the bank's surplus of \$25,000 shall be used to eliminate estimated losses aggregating approximately \$34,317 and depreciation of approximately \$65,683 in securities below the first four grades as classified in the report of examination of the bank made by a national bank examiner as of July 29, 1933, all as set forth in your memorandum dated November 8, 1933.

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"In this connection your attention is called to the following statement included in your memorandum of November 8, 1933:

'* * * * provided that as the preferred stock is retired, the common stock will be increased so that the bank at all times will have not only a minimum of \$50,000 of capital stock, but also will have at least \$1 of combined capital and surplus for each \$10 of deposits; * * * *.'

It appears that Nutley, New Jersey, has a population of 20,572 and therefore the minimum required capital for a national bank at that place should be \$100,000 rather than \$50,000. In the circumstances, the Board's approval is given with the understanding that adequate provision will be made, either in the articles of association of the bank or otherwise, to prevent the retirement of the preferred stock from resulting in a reduction of the bank's capital below \$100,000.

"In considering the plan under which the reduction in common capital stock is to be effected, the Board noted that the funds made available by the reduction in common capital stock are insufficient to eliminate approximately \$25,921 of the depreciation in securities below the four highest grades, in addition to which there will remain in the bank depreciation in securities in the four highest grades amounting to \$4,331, doubtful items aggregating \$42,491, and slow items amounting to \$136,919. The Board noted also that the bank is burdened with a heavy investment in banking house and other real estate and that the plan makes no provision for the retirement of borrowed money aggregating \$176,337. Moreover, it appears that the subject bank is related directly or indirectly to the Bank of Nutley and the Franklin National Bank, both of Nutley. In view of the foregoing, it is suggested that consideration might properly be given to the feasibility of consolidating the subject institution with one or both of the other institutions in the city. However, the Board assumes that you have these matters in mind and that, when it becomes feasible to do so, you will require such further corrections to be made in the situation as may be practicable."

Approved.

Letter dated December 15, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of Upper Sandusky', Upper Sandusky, Ohio, from \$105,000 to \$52,500, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$52,500 par value preferred stock to the Reconstruction Finance Corporation,

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"or others, and that the funds released by the reduction in common capital stock, together with the bank's undivided profits account, shall be used to eliminate unsatisfactory assets in the amount of approximately \$60,000, all as set forth in your memorandum of December 5, 1933."

Approved.

Letter dated December 15, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank and Trust Company of Hamilton', Hamilton, Ohio, from \$500,000 to \$200,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$500,000 par value Class 'A' preferred stock to the Reconstruction Finance Corporation and the sale at par of \$100,000 par value Class 'B' preferred stock to the present stockholders or others, and that the funds released by the reduction in common capital stock, together with approximately \$496,000 from the bank's present surplus and undivided profits, shall be used to eliminate substandard assets and depreciation in the amount of approximately \$796,000, all as set forth in your memorandum of December 7, 1933."

Approved.

Letter dated December 14, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with Acting Comptroller Awalt's recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The Old National Bank of Centralia', Centralia, Illinois, from \$100,000 to \$50,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$75,000 par value Class 'A' preferred stock to the Reconstruction Finance Corporation and by the sale at par locally of \$25,000 par value Class 'B' preferred stock; and that the funds released by the reduction in common capital stock shall be used to eliminate substandard assets in the amount of \$50,000, all as set forth in Mr. Awalt's memorandum of November 21, 1933.

"In considering the proposed plan under which the reduction in common capital stock is to be effected, the Board noted that no

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"provision was made in the plan for the elimination of approximately \$138,000 of depreciation in securities, which, if considered as a loss, would impair the bank's common capital stock to the extent of approximately \$11,000. In addition there will remain in the bank approximately \$24,000 of doubtful assets, as well as a heavy investment in bank building, furniture and fixtures and other real estate. The Board assumes, however, that you have these undesirable features in mind and whenever it becomes feasible to do so, you will require such further corrections to be made in the condition of the bank as may be practicable."

Approved.

Letter dated December 15, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of Bayard', Bayard, Nebraska, from \$50,000 to \$25,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$25,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital stock shall be used to eliminate substandard assets in the amount of approximately \$14,127.20, as determined by your office, and to increase the surplus account by approximately \$10,000, all as set forth in your memorandum of December 5, 1933."

Approved.

Letter dated December 16, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of Lamesa', Lamesa, Texas, from \$50,000 to \$25,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$25,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital stock, together with approximately \$28,000 from the bank's surplus, shall be used to eliminate a corresponding amount of substandard assets and depreciation, all as set forth in your letter of December 7, 1933."

Approved.

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Letter dated December 15, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves the proposed reduction in the common capital stock of 'The First National Bank of Brigham City', Brigham, Utah, from \$100,000 to \$50,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$50,000 preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital stock shall be used to eliminate undesirable assets in an equal amount, all as set forth in your letter of December 6, 1933."

Approved.

Letter dated December 15, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of Logan', Logan, Utah, from \$100,000 to \$50,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$50,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital stock shall be used to eliminate a corresponding amount of substandard assets, all as set forth in your letter of December 6, 1933."

Approved.

Letter dated December 15, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The Commercial National Bank of Lakeview', Lakeview, Oregon, from \$150,000 to \$100,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$100,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital stock,

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"together with approximately \$17,000 from the bank's surplus and undivided profits, shall be used to eliminate substandard assets and depreciation in the amount of approximately \$67,000, all as set forth in your letter of December 6, 1933."

Approved.

Letter dated December 15, 1933, to Mr. O'Connor, Comptroller of the Currency, approved by five members of the Board, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of Crockett', Crockett, California, from \$50,000 to \$25,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$25,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital stock shall be used to eliminate substandard assets and depreciation in the amount of approximately \$15,500 and to establish a special reserve for losses of approximately \$9,500, all as set forth in your letter of December 8, 1933."

Approved.

Telegram dated December 15, 1933, to Mr. Curtiss, Federal Reserve Agent at Boston, approved by five members of the Board, stating that the Board revokes its approval granted on December 6, 1933, of the application of The New Public National Bank, Rochester, New Hampshire, for Federal reserve bank stock and approves an amended application filed by the national bank under date of December 5, 1933, for 84 shares of stock of the Federal Reserve Bank of Boston.

Approved.

Telegram dated December 14, 1933, to Mr. Case, Federal Reserve Agent at New York, approved by three members of the Board, reading as follows:

"Board approves application of conservator of First National

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"Bank and Trust Company, Yonkers, New York, for cancelation of 1,200 shares of stock of the Federal Reserve Bank of New York."

Approved.

Telegram dated December 16, 1933, to Mr. Walsh, Federal Reserve Agent at Dallas, approved by four members of the Board, reading as follows:

"Board approves application of liquidating agent of Commercial National Bank, Uvalde, Texas, for cancelation of 150 shares of stock of the Federal Reserve Bank of Dallas."

Approved.

Letter dated December 14, 1933, to the Federal Reserve Bank of Chicago, approved by four members of the Board, reading as follows:

"This is in further reference to Mr. Buss' letters of September 30, and October 26, 1933, in regard to an apparent conflict between the statutes of the State of Wisconsin and the Federal Reserve Board's Regulation Q. In this connection, you inclose a copy of a letter received by you from the Marshall & Ilsley Bank of Milwaukee, Wisconsin, together with a copy of Chapter 34 of the Revised Statutes of the State of Wisconsin with respect to public deposits.

"Section 19 of the Federal Reserve Act excepts from the prohibition against the payment of interest on deposits payable on demand any deposit of public funds made by or on behalf of any State, county, school district, or other subdivision or municipality, with respect to which payment of interest is required under State law. Footnote 2 of Regulation Q provides that deposits of moneys paid into State courts by private parties pending the outcome of litigation are not deposits of 'public funds' made by or on behalf of any State, county, school district, or other subdivision or municipality, within the meaning of this provision. It appears, however, that Section 34.01 of the Wisconsin statutes defines 'public deposit' as including private funds held in trust by a public officer for private persons, corporations or associations of individuals, and defines 'public moneys' as including 'all moneys coming into the hands of the State Treasurer or the treasurer of any county, city, village, town, drainage district, power district, school district, sewer district, or of any commission, committee, board or officer of any governmental subdivision of the State, by virtue of his office without regard to the ownership thereof.' It further appears that Section 34.04 of the Wisconsin statutes requires interest to be paid on public deposits.

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"If there be any inconsistency between the State statute and the Federal statute on this subject, the latter must control; and the Federal Reserve Board is of the opinion that the phrase 'deposit of public funds made by or on behalf of any State, county, school district or other subdivision or municipality' as used in Section 19 of the Federal Reserve Act may not properly be construed as including deposits of moneys paid into State courts by private parties pending the outcome of litigation. Accordingly, notwithstanding the definitions of the terms 'public deposit' and 'public moneys' contained in the Wisconsin statutes, deposits of moneys paid into State courts by private parties pending the outcome of litigation are not exempt from the prohibition of Section 19 of the Federal Reserve Act upon the payment of interest on deposits payable on demand."

Approved.

Reply on December 15, 1933, approved by five members of the Board, to a letter dated September 22 from Mr. Walter Tynan, District Attorney, San Antonio, Texas; the reply reading as follows:

"This refers to your letter of September 22, 1933, regarding the question whether funds deposited in a member bank by the District Clerk of your county covering amounts held by such officer subject to the termination of litigation in the courts are to be considered as 'public funds'. The Board regrets that the pressure of other matters of urgent importance arising under the Banking Act of 1933 has prevented an earlier reply to your letter.

"You state that the Bexar County Auditor has recently been advised by the National Bank of Commerce of San Antonio, Texas, that such bank will be unable longer to pay interest on deposits of the kind above referred to, in view of a recent ruling of the Federal Reserve Board holding these funds to be private in character rather than public. You inclose a copy of a ruling of the Attorney General of the State of Texas, holding that the funds here in question are of a public character. You observe, in this connection, that the county is not so much concerned about the payment of interest on such funds as it is about the securing of these funds by the depository, since, if they are private funds, the pledge contract securing them by Government bonds would be of no force and effect. It is understood that you request to be advised of the Board's views with respect to the apparent conflict between the State law and the provisions of the Board's Regulation Q.

"Section 19 of the Federal Reserve Act excepts from the prohibition against the payment of interest on deposits payable on demand any deposit of public funds made by or on behalf of any State, county, school district, or other subdivision or municipality, with

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"respect to which payment of interest is required under State law. Footnote 2 of Regulation Q, a copy of which is inclosed, provides that deposits of moneys paid into State courts by private parties pending the outcome of litigation are not deposits of 'public funds' made by or on behalf of any State, county, school district, or other subdivision or municipality, within the meaning of this provision.

"If there be any inconsistency between the State statutes and the Federal statutes on this subject, the latter must control; and the Federal Reserve Board is of the opinion that the phrase 'deposits of public funds made by or on behalf of any State, county, school district or other subdivision or municipality', as used in Section 19 of the Federal Reserve Act, may not properly be construed as including deposits of moneys paid into State courts by private parties pending the outcome of litigation. Accordingly, notwithstanding the fact that such funds may have been construed to be 'public funds' within the meaning of certain Texas statutes, deposits of moneys paid into State courts by private parties pending the outcome of litigation are not exempt from the prohibition of Section 19 of the Federal Reserve Act upon the payment of interest on deposits payable on demand.

"It should be noted, however, that the provision of Regulation Q on this subject deals only with the question whether interest may be paid by member banks on deposits of the kind mentioned which are payable on demand. It does not, of course, affect the question whether funds of this character may be regarded as public funds under the provisions of State law requiring deposits of public funds to be secured."

Approved.

Reply on December 16, 1933, approved by five members of the Board, to a letter dated October 7 from Mr. C. A. Collins, Trust Officer of The First National Bank of West Bend, Wisconsin; the reply reading as follows:

"This is in reply to your letter of October 7, 1933, which was addressed to the Comptroller of the Currency and has been referred to the Federal Reserve Board for reply.

"It appears that your bank is paying agent for a number of corporate trust bond issues, several of which provide for cumulative sinking funds. As an example, you state that one of the corporate trusts provides that one-twelfth of the next succeeding interest installment be paid to your bank on the first day of each month and that the sinking fund for interest 'definitely cannot be withdrawn until the regular interest payment date comes due every six months.'

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"The sinking fund account for principal is likewise accumulated through periodic payments to your bank, but it is provided that, at the request of the corporation and the trustee, the bank may use such fund to buy and retire bonds to become due at the next maturity date. The sinking fund for principal may thus be withdrawn without thirty days' written notice. You inquire whether interest may be paid on either of such sinking fund accounts.

"Inasmuch as you have not furnished copies of the trust agreements under which the amounts above referred to are received, the Board is unable to advise you definitely in the premises. It is understood, however, from the statements contained in your letter that there is a written contract under the terms of which neither the whole nor any part of the sinking fund account for interest may be withdrawn until the expiration of the six months' period during which monthly installments thereon are received. If this understanding is correct it would appear that the deposits held in such sinking fund account for interest, except deposits received less than 30 days before the expiration of such six months' period, constitute time deposits within the meaning of the Board's Regulation Q upon which interest may be paid as therein provided.

"In view of your statement that the sinking fund account for principal may be withdrawn without giving thirty days' notice, it seems clear that deposits in such account are not time deposits within the meaning of the Board's Regulation Q and, accordingly, that no interest may be paid thereon except in accordance with the terms of a contract which was lawfully entered into in good faith before June 16, 1933, and in force on that date and which may not be terminated or modified by your bank at its option or without liability. You will note from the provisions of Section II of the Board's Regulation Q, however, a copy of which is inclosed herewith, that no such contract may be renewed or extended unless it be modified to eliminate any provision for the payment of interest on deposits payable on demand; and the bank is required to take such action as may be necessary, as soon as possible consistently with its contractual obligations, to eliminate from any such contract any provision for the payment of interest on deposits payable on demand.

"If you should desire further information as to the interpretation of the provisions of the regulation on this subject, it is suggested that you communicate with the Federal Reserve Agent at the Federal Reserve Bank of Chicago."

Approved.

Reply on December 16, 1933, approved by five members of the Board, to a letter dated September 11 from Mr. Geery, Governor of the Federal Reserve Bank of Minneapolis; the reply reading as follows:

"In your letter of September 11, 1933, you inquire whether Section

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"21 of the Banking Act of 1933 is applicable to a large corporation in your district which has been permitting its employees to leave funds with the corporation, upon which it has paid such employees interest at a higher rate than savings banks would pay, and which has permitted withdrawals of such funds on demand, the plan having been adopted for the purpose of encouraging thrift among the employees of the corporation.

"The applicable portion of Section 21 provides in substance that after June 16, 1934 it shall be unlawful for any corporation other than a financial institution or private banker subject to examination and regulation under State or Federal law to engage to any extent whatever in the business of receiving deposits subject to check or to repayment upon presentation of a passbook, certificate of deposit or other evidence of debt, or upon request of the depositor, unless such corporation shall submit to periodic examination by the Comptroller of the Currency or by the Federal Reserve Bank of the district and shall publish periodic reports of condition.

"It will be noted that the section does not give to the Federal Reserve Board any jurisdiction or discretion regarding the matters with which it deals. The provision excepting corporations which shall submit to periodic examination by the Comptroller or Federal Reserve Bank of the district relates to corporations which 'shall submit' to such examination, and does not give to the Comptroller, the Federal Reserve Bank, or the Federal Reserve Board any discretion or power to require a corporation to submit to examination or to determine what corporations should submit to examination.

"On the other hand, the section provides a penalty of fine or imprisonment for any violation of its provisions and the determination of the question whether a person should be prosecuted for such violation is a matter entirely within the jurisdiction of the Department of Justice.

"In view of these circumstances, an expression of opinion by the Federal Reserve Board on the question whether the section is violated would not afford protection from prosecution if the Department of Justice upon consideration of the matter should take the position that a corporation had violated the statute and should feel it necessary to prosecute for such violation.

"Accordingly, the Federal Reserve Board does not feel that it would be appropriate for it to undertake to express opinions upon questions of this kind."

Approved.

Reply on December 16, 1933, approved by five members of the Board, to a letter dated December 4 from Mr. E. R. Woodson, Vice President of The Railroad Credit Corporation, Washington, D. C.; the reply

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reading as follows:

"Receipt is acknowledged of your letter of December 4, 1933, in which you ask whether Section 8A of the Clayton Act applies to directors, officers or employees of banks 'organized or operating under the laws of the United States' who are serving at the same time as directors, officers or employees of the Railroad Credit Corporation.

"It is understood that pursuant to an understanding reached by a number of railroads and the Interstate Commerce Commission, funds were made available to the Railroad Credit Corporation by certain railroads in order that that Corporation might advance such funds to other railroads which were in need of assistance. The Corporation is prohibited from making any loans after May 31, 1933, but, in order to provide for the orderly liquidation of loans previously made, the Corporation is authorized to extend the time within which loans must be repaid. It is understood that such extensions sometimes take the form of an agreement extending the time, and sometimes take the form of a 'renewal' of the obligation. You state that the loans are being reduced from time to time and that renewals are never for an amount greater than the amount then outstanding.

"Section 8A applies to a corporation which 'shall make' loans secured by stock or bond collateral after January 1, 1934, the effective date of that section. The lender in the present case does not propose to make any 'new' loans in the sense of loans to new borrowers or further loans to existing borrowers. Therefore the question now presented is whether the fact that the lender gives to the borrower additional time to repay a loan previously made brings the lender within the provisions of Section 8A. It appears that this question should be answered in the negative.

"If the extension of time is accomplished merely by allowing the existing obligation to be past due, it would seem that there could be no question but that Section 8A would be inapplicable, and the same would apparently be true if there were merely an extension of time within which the existing debt might be paid. A question arises when the transaction by which such an extension of time is given takes the form of the delivery of a new note in place of the old note, since such a transaction is in form the making of a new loan. In substance, however, the loan is the same loan and the borrower has merely been given more time to repay it. It would seem that Section 8A, which was designed to prevent the undue use of bank credit for the speculative carrying of or trading in securities, should not be construed so as to prevent the orderly liquidation of loans previously made, particularly in view of the fact that the section has reference only to loans made after the end of the year 1933, and, therefore, obviously has reference to future loans and not loans actually made in the past. Accordingly, it appears that the statute should not be construed as applying to

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"transactions which, in substance, are merely the extension of time within which loans previously made may be repaid, even though in some instances the form of the transaction granting such an extension of time may take the form of a renewal note."

Approved.

Telegram dated December 16, 1933, to Mr. Calkins, Governor of the Federal Reserve Bank of San Francisco, approved by five members of the Board, reading as follows:

"Applications have been received from individuals who are serving at the same time as directors of branches of Federal reserve banks and as directors and officers of commercial banking institutions for permits under the Clayton Act in view of the fact that the other banking institutions which they serve make loans on stock or bond collateral and therefore come within the provisions of section 8 A of the Clayton Act as amended by the Banking Act of 1933. The Board is charged with the responsibility of determining in each case upon its particular facts whether it is compatible with the public interest for the Board to issue the permit applied for. In some of these cases the applicants are serving the branches under appointments by the Federal reserve bank, and, therefore, the Board wishes to have your views with respect to each such director of a branch who has not already received a permit covering his services to banking institutions under the provisions of section 8 A of the Clayton Act as to whether in the light of all the information called for in the Board's regulation and the forms prescribed pursuant thereto and any other information available to you there is anything in the connections involved or the past conduct of the institutions affected or the relations of the applicant that would raise a question as to his qualifications and render it incompatible with the public interest for the Board to issue the permit to serve the institutions covered by the application."

Approved.

Letter dated December 14, 1933, to Mr. Curtiss, Federal Reserve Agent at Boston, approved by four members of the Board, reading as follows:

"The Board has under consideration the Clayton Act application of Mr. Campbell Bosson, regarding his service as a director of The Broadway National Bank of Chelsea, Chelsea, Massachusetts, and as a director and officer of the Chelsea Trust Company, Chelsea, Massachusetts.

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"It appears that the institutions are natural competitors but that you recommend the granting of the application because of the fact that the applicant, who has a considerable financial interest in the national bank and who has been connected with it for a number of years, was made the president of the Trust Company in 1932 in connection with a reorganization of that institution an essential feature of which was an understanding that he would assume responsibility for the future operation of the company.

"It also appears that the present policy of the two institutions is not to compete with each other, but to exchange information regarding the credit standing of business men of the community in the interests of sound banking, and the applicant states that this policy will continue whether the application is granted or not. It is felt that there is danger of abuse of a relation of this kind which might result in the restriction of credit, and you are requested therefore to investigate the situation further as regards this point and advise the Board definitely whether, in view of this relationship, there is any likelihood of the service by the applicant of the two banks resulting in any restriction of credit.

"It is noted that Mr. Bosson is also serving the County Savings Bank of Chelsea and you are requested to advise the Board whether or not this institution is a mutual savings bank and therefore excepted from the provisions of Section 8A of the Clayton Act."

Approved.

Telegram dated December 15, 1933, to the Federal reserve agents and governors of all Federal reserve banks, approved by five members of the Board, reading as follows:

"In its letter December 10, 1928, to which reference was made in its wire of December 2, 1929, Board suggested inadvisability of complying with requests received from newspapers and other publications for articles for year-end editions. Board's position as to such requests is unchanged and the matter is brought to your attention for consideration in connection with similar requests received by you."

Approved.

Letter dated December 14, 1933, to the Federal reserve agents at all Federal reserve banks, approved by five members of the Board, reading as follows:

"In the Board's letter X-7499 of July 15, 1933, on the subject

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"Interpretations of Banking Act of 1933' reference was made to the arrangement under which letters and telegrams containing interpretations of the Banking Act of 1933 are mimeographed and sent to all Federal reserve agents, each such mimeographed communication being given an X number, and the statement being made that '* * * unless otherwise indicated, the communications received from the Board in this form are not for distribution outside of the Federal reserve bank'.

"It has been assumed that it was generally understood that the same rule applied to other X letters, but it has come to the attention of the Board that X letters have been made available to persons outside the Federal reserve banks without prior permission from the Board. For example, in a recent hearing before the Board a representative of a bank applying for membership referred to an X letter by number, date, and name of the Federal reserve agent to whom the letter in its original form had been addressed, and quoted from it. In addition, several service organizations have requested that they be placed on the Board's mailing lists for copies of X letters. Such requests, of course, have not been granted.

"In the circumstances, the Board will appreciate it if you will see that appropriate instructions are issued to all members of your staff and all officers and employees of the Federal reserve bank that, while the information contained in X letters may be utilized to the extent that may be appropriate according to circumstances in answering inquiries and otherwise in performing their duties, such communications, unless otherwise indicated therein or subsequently authorized by the Board, are not to be used for distribution or made available to persons outside of the Federal reserve bank."

Approved.

There was presented a memorandum dated December 14, 1933, from Mr. DuBois, Assistant Counsel, with regard to the application of the "Montclair Trust Company", Montclair, New Jersey, for a voting permit entitling it to vote the stock held or controlled by it in the "First National Bank of Cedar Grove", Cedar Grove, New Jersey, and "The Peoples National Bank of Montclair", Montclair, New Jersey; the memorandum presenting also the general question whether the Board should grant a limited voting permit to a holding company affiliate entitling it to vote the stock held by it in a subsidiary member bank at the annual

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meeting of the board of directors of the bank in January, if, at the time of granting such permit, the Board's staff has not had an opportunity, and will not have an opportunity before the January meeting of the board of directors of the bank, to complete the investigation of the application and make a recommendation with regard to the granting of an unlimited permit. It was pointed out that the alternative to such a procedure would be to take no action on the application until the Division of Examinations and the Legal Division have made a thorough investigation of the information submitted in connection with the application and the Board's staff is prepared to make a recommendation as to whether an unlimited permit should be granted, which, because of press of work in the Board's offices, cannot be done in connection with a number of applications now on file in time to permit the voting of the stock held by the applicant holding company affiliates at the January meetings of the boards of directors of the subsidiary banks.

After a discussion, upon motion by Mr. James, it was voted to be the policy of the Board, where circumstances justify and upon recommendation by the Board's staff, to grant limited voting permits in the cases where the necessary investigation of the application of a holding company affiliate cannot be made in time to enable the granting of an unlimited voting permit before the annual meeting of the board of directors of the subsidiary member bank or banks in January, 1934.

In accordance with the above policy, the following letter to the Montclair Trust Company, Montclair, New Jersey, was approved:

"The Board has considered your application for a voting permit under authority of Section 5144 of the Revised Statutes of the United States, as amended, entitling you to vote the stock which you own or control of The First National Bank of Cedar Grove, Cedar Grove, New Jersey, and The Peoples National Bank of Montclair, Montclair, New Jersey.

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"It is understood that the permit is desired in connection with the voting of your stock of The Peoples National Bank of Montclair only to enable you to vote such stock in order to consummate the liquidation of that bank. The Board authorizes the issuance to you of a permit for such limited purpose and for the further limited purpose of entitling you to vote your stock of The First National Bank of Cedar Grove, at the annual meeting of stockholders in January, 1934, for the election of directors of that bank and upon such matters of a routine nature as are ordinarily acted upon at the bank's annual meetings, upon the condition that prior to the issuance of such limited permit you shall execute and deliver to the Federal Reserve Agent at New York three original counterparts of an agreement in the form hereto attached as Exhibit A, duly executed on your behalf by Adolph J. Line, President, or John J. Blondel, Vice President, the officers designated in the resolution of authorization constituting Exhibit C of your application and with your corporate seal attested by the proper officer. A copy of this letter has been forwarded to the Federal Reserve Agent at the Federal Reserve Bank of New York with instructions to advise the Board by telegram when the foregoing condition has been complied with in a manner satisfactory to him. Upon receipt of such advice the limited voting permit referred to will be forwarded to you.

"Further consideration of the issuance of a general permit authorizing you to vote your stock of The First National Bank of Cedar Grove is deferred until after the next examination of your company, in which examination the Board has requested the participation of a representative of the examining staff of the Federal Reserve Agent at New York. It should be understood that in authorizing the issuance of a limited voting permit at this time the Board does not thereby preclude itself from requesting, as a condition of the issuance of a general permit, such additional data and agreements if any as may be necessary in order that the statute, the Board's Regulation P and the directions on the Board's printed forms of application will be fully complied with."

The following letter to Mr. Case, Federal Reserve Agent at New York, was also approved:

"Receipt is acknowledged of your letter of October 23, 1933, with reference to the assumption of the liabilities and the purchase of assets of the Peoples National Bank of Montclair, New Jersey, by the Montclair Trust Company, also of Montclair, which transaction was consummated as of the close of business August 31, 1933.

"From the information submitted, it would appear that the transaction has not resulted in any material change in the character of the assets of the Montclair Trust Company or broadening in the functions previously exercised by it, within the meaning of the

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"general condition under which the Montclair Trust Company was admitted to the Federal Reserve System, and, in accordance with your recommendation, the Board will interpose no objection to the transaction, provided that the agreement and transfer are approved by the Department of Banking and Insurance of the State of New Jersey and the Comptroller of the Currency, and that the legal phases of the matter meet with the approval of your Counsel."

Mr. Morrill referred to the memorandum submitted by Mr. Wyatt under date of December 12, 1933, in connection with a number of applications from national banks for permission to reduce their capital stock, which raised the question whether the Federal Reserve Board should approve a reduction in the capital stock of a national bank where, after the reduction is made, the capital of the bank is still impaired. During the ensuing discussion, it was pointed out that in all cases of the kind referred to in the memorandum which have been submitted to the Board recently the proposed reduction in capital stock results in an improvement in the bank's condition and in practically all cases appears to be the only satisfactory means available under the circumstances to bring about such an improvement.

At the conclusion of the discussion, upon motion by Mr. Hamlin, it was voted to be the policy of the Board that it will not refuse to approve proposed reductions in the capital stock of national banks solely because the reduced capital remains impaired.

Mr. James referred to the action taken at the meeting of the Board on September 26, 1933, in disapproving the request of a committee of directors of the Federal Reserve Bank of Richmond that the Board approve the purchase by the Richmond bank of a lot adjoining the bank's annex building, and he stated that, in view of the action taken by the Board on November 20, 1933, in response to a similar request received

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from the Federal Reserve Bank of New York, he felt that the action on the request of the Federal Reserve Bank of Richmond should be reconsidered.

Mr. James then moved that the Board reconsider the action taken at the meeting on September 26.

Carried.

Mr. Hamlin moved that the Board interpose no objection to the purchase by the Richmond bank, at a price not to exceed \$85,000 plus commissions, of the lot referred to in the memorandum submitted by the committee of directors of the bank at the meeting of the Board on September 26, 1933.

Carried.

Mr. Hamlin referred to the action taken at the meeting of the Executive Committee of the Board on December 13, 1933, with regard to the proposed appointment of Mr. John S. Sinclair as deputy governor of the Federal Reserve Bank of Philadelphia, and he stated that yesterday Messrs. Wayne and Stout, directors of the Philadelphia bank, called on him as Chairman of the Committee on District No. 3 and advised that the board of directors of the bank desire to appoint Mr. Sinclair as deputy governor, and not as deputy governor and general counsel, and to continue to retain the legal firm of Williams, Brittain & Sinclair as counsel for the bank at an annual retainer fee of \$2,500. The directors also advised, Mr. Hamlin stated, that a formal letter will be addressed to the Board requesting approval of the salary and retainer involved in the proposed action, but that inasmuch as the regular meeting of the board of directors will be held on Wednesday of this week, prompt action by the Federal Reserve Board is desired.

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Mr. Hamlin then moved that the Board approve the salary of \$15,000 proposed for Mr. Sinclair as deputy governor of the Philadelphia bank, and the retainer fee proposed for the firm of Williams, Brittain & Sinclair.

Mr. James moved as a substitute for Mr. Hamlin's motion that action on the matter be deferred until receipt of the letter referred to by Mr. Hamlin, which, it is understood, will reach the Board not later than tomorrow morning.

Carried.

At this point Mr. DuBois left the meeting.

Mr. Szymczak stated that Mr. Simpson, Deputy Chairman of the Federal Reserve Bank of Chicago, called him on the telephone just prior to this meeting and advised that the board of directors of the bank will meet tomorrow to consider the appointment of a governor of the bank and would like to be advised prior to the meeting as to what the attitude of the Board would be with regard to the retention of Mr. McDougal on the pay roll of the bank until March 1, 1934, (1) to enable him to obtain the benefits of the pension plan now under consideration, in the event the plan is adopted by the Chicago bank, and (2) to assist the new governor in becoming acquainted with his duties.

After discussion, Mr. Szymczak was requested to advise Mr. Simpson over the telephone that the Board, upon request by the board of directors of the Federal Reserve Bank of Chicago, would be willing to approve the salary involved in the retention of Mr. McDougal on the pay roll of the bank for the purposes stated, with the distinct understanding that his employment will not be continued after March 1.

The Governor presented a memorandum dated December 13, 1933, from Mr. Goldenweiser, Director of the Division of Research and Statistics, referring to the record of Mr. Winfield Riefler as an employee in the Division of Research and Statistics, and suggesting that the Board

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consider the advisability of increasing his salary, even though he is engaged at the present time, with the approval of the Board, in work for the President's Executive Council. During the ensuing discussion, reference was made to the recent resignations from the staff of the Division of Research and Statistics and the question was raised whether Mr. Riefler will return to his work in the division.

At the conclusion of the discussion, upon motion by Mr. James, the matter was referred to the Governor for discussion with Mr. Goldenweiser and Mr. Riefler, with the view to determining whether Mr. Riefler will return to the Division of Research and Statistics, or whether, in view of the fact that he is now giving all of his time to the work of the President's Executive Council and it is entirely uncertain as to when his work with the Council will permit his return to the Division of Research and Statistics, the Federal Reserve Board should continue to pay his salary.

Upon inquiry by Governor Black, Mr. Paulger stated that, with the exception of certain cases on which the necessary information had not been received from the Federal reserve banks, and a few cases just received from the Federal reserve banks, all of the applications for membership now in the Board's Division of Examinations will be passed upon by that division before the end of the year. He also stated that he had discussed the matter with the Federal Deposit Insurance Corporation and has been advised that all of the banks whose applications for membership are now on file with the Board have also applied for membership in the Temporary Insurance Fund, and that their applications will be acted upon before the first of the year so that, in the event their membership in the Federal Reserve System is not completed by January 1, their applications for membership in the Insurance Fund will have been

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considered by the Federal Deposit Insurance Corporation. Governor Black referred to the importance of the Board acting on as many of the applications for membership now on file in its offices as possible before the end of the year, and he suggested that the Division of Examinations arrange to obtain the additional information necessary in the cases referred to by Mr. Paulger from the Federal reserve agents by telephone in order that there may be no delay in the Board's action on the applications. Mr. Paulger stated that a close follow up is already being maintained as to all requests for information.

After a brief discussion, upon motion by Mr. Miller, the matter as to what further action can be taken to expedite consideration of the membership applications, applications of national banks for permission to reduce their capital stock, and applications of national banks for trust powers, now on file with the Board was referred to the Governor with power.

Governor Black referred to the hearing before the Board on December 12, 1933, with regard to the plans for the reorganization of the Guarantee Trust Company and the Equitable Trust Company, both member banks of Atlantic City, New Jersey, and he stated that, following the meeting, he discussed the matter with the presidents of the two institutions and suggested to them that, in the circumstances, the practical solution of their problem would be to organize a new bank with common capital of \$200,000 and preferred capital of \$200,000 to be subscribed by the Reconstruction Finance Corporation, and to place the old institutions in liquidation, pledging their assets with the Reconstruction Finance Corporation for a loan with which a dividend could be paid promptly to the depositors. He also stated that the representatives of the two trust

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companies had at first advised that it would be impossible for them to raise additional funds; that they had later stated that they would attempt to raise the necessary funds; that he had received advice yesterday that they had raised the funds for the common capital stock and arrangements had been made for a conference with the Reconstruction Finance Corporation in connection with its purchase of preferred stock in the proposed new institution; and that, accordingly, it will not be necessary for the Board to take any further action with regard to the plans for the reorganization of the old trust companies.

Reference was made to a Clayton Act application filed by Mr. James T. McMillan for permission to serve at the same time as director of the National Bank of Detroit and as director of the Detroit Savings Bank, both of Detroit, Michigan; the Federal Reserve Agent at Chicago having recommended approval of the application for the reason that, notwithstanding the fact that the banks are in substantial competition, it is felt that the service of Mr. McMillan on the boards of directors of the institutions should be continued, as he is one of the most outstanding men in Detroit and is serving on the board of the new National Bank of Detroit at the request of the Reconstruction Finance Corporation, and it is felt that, because of existing banking conditions in Detroit, his retirement from either directorate at this time would occasion questions concerning the two institutions.

Mr. Miller suggested that the Board issue the permit applied for by Mr. McMillan with the understanding that his service of both banks will continue only for the period of the duration of the special circum-

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stances referred to in the application, and that as soon as the situation in Detroit is such that he can resign from the board of directors of one of the institutions without injury to the interests of the banks, their depositors, or the community, his resignation will be tendered.

The Secretary was requested to prepare a letter to Mr. McMillan in accordance with Mr. Miller's suggestion.

Letter dated December 14, 1933, approved by four members of the Board, to an applicant for a permit under the Clayton Act, advising of approval of his application as follows:

Mr. C. W. Bailey, for permission to serve at the same time as director and officer of the First National Bank, Clarksville, Tennessee, and as director of the Nashville branch, Federal Reserve Bank of Atlanta, Nashville, Tennessee.

Approved.

Letters dated December 14, 1933, approved by five members of the Board, to applicants for permits under the Clayton Act, advising of approval of their applications as follows:

Mr. Oliver H. Rogers, for permission to serve at the same time as director and officer of the Babylon National Bank & Trust Company, Babylon, New York, and as director of the First National Bank & Trust Company of Bay Shore, Bay Shore, New York.

Mr. W. W. Crawford, for permission to serve at the same time as director and officer of The First National Bank of Birmingham, Birmingham, Alabama, and as director of the Birmingham branch, Federal Reserve Bank of Atlanta, Birmingham, Alabama.

Mr. Kemp R. Catlett, for permission to serve at the same time as director and officer of the First National Bank, Fairmount, Illinois, and as director and officer of the First National Bank in Homer, Homer, Illinois.

Mr. Frank C. Rathje, for permission to serve at the same time as director and officer of the Chicago City Bank and Trust Company, Chicago, Illinois, and as director and officer of The Mutual National Bank of Chicago, Chicago, Illinois.

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Mr. T. S. Harkison, for permission to serve at the same time as director and officer of The First National Bank, Cando, North Dakota, and as director of the First National Bank, Rolla, North Dakota.

Mr. C. M. Berg, for permission to serve at the same time as director and officer of The First National Bank, McIntosh, Minnesota, as director and officer of The Northern State Bank, Convik, Minnesota, and as director and officer of the American State Bank, Erskine, Minnesota.

Approved.

Letter dated December 15, 1933, approved by four members of the Board, to an applicant for a permit under the Clayton Act, advising of approval of his application as follows:

Mr. T. L. Davis, for permission to serve at the same time as director and officer of the First National Bank of Omaha, Omaha, Nebraska, and as director of the Omaha branch, Federal Reserve Bank of Kansas City, Omaha, Nebraska.

Approved.

Letters dated December 16, 1933, approved by five members of the Board, to applicants for permits under the Clayton Act, advising of approval of their applications as follows:

Mr. Edward S. Kennard, for permission to serve at the same time as director of the Federal Reserve Bank of Boston, Boston, Massachusetts, and as director and officer of The Rumford National Bank, Rumford, Maine.

Mr. Gordon Kristensen, for permission to serve at the same time as director of the First National Bank, Graceville, Minnesota, and as director and officer of the First National Bank, Wheaton, Minnesota.

Mr. S. J. Rasmussen, for permission to serve at the same time as director of the First National Bank & Trust Company, Minot, North Dakota, and as director and officer of the First National Bank, Carpio, North Dakota.

Approved.

There were then presented the following applications for original

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stock, or for the surrender of stock, of Federal reserve banks:

Applications for ORIGINAL Stock:

Shares

District No. 1.

The Windham National Bank of Bellows Falls,
Bellows Falls, Vermont

36 36

District No. 2.

First National Bank in Yonkers, Yonkers,
New York

360 360

District No. 4.

First National Bank at Carrollton, Carrollton,
Ohio

36

Coshocton National Bank, Coshocton, Ohio

90

The Peoples National Bank of Somerset, Somerset,
Pennsylvania

72 198

District No. 5.

Merchants and Miners National Bank of Oak
Hill, West Virginia

75 75

District No. 7.

Cumberland County National Bank in Neoga, Neoga,
Illinois

36

First National Bank in Peru, Peru, Illinois

72

Farmers-Merchants National Bank in Princeton,
Princeton, Wisconsin

36 144

District No. 9.

The Miners National Bank of Ishpeming,
Ishpeming, Michigan

72

Lake Crystal National Bank, Lake Crystal,
Minnesota

36 108

District No. 10.

The First National Bank at Ponca City, Ponca
City, Oklahoma

66 66

Total 987

Applications for SURRENDER of Stock:

District No. 5.

First National Bank, Onancock, Virginia
(Being liquidated through conservator)

159 159

District No. 7.

Farmers State Bank, Armada, Michigan
(Insolvent)

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Applications for SURRENDER of Stock: (Continued)District No. 7. (Continued)Bank of Kalamazoo, Kalamazoo, Michigan
(Insolvent)Shares

501	524
<u>Total</u>	<u>683</u>

Approved.

Thereupon the meeting adjourned.

Chester Merrill
Secretary.

Approved:

E. R. Black
Governor.