

A meeting of the Federal Reserve Board was held in Washington on Thursday, February 1, 1934, at 10:45 a. m.

PRESENT: Mr. Black, Governor
Mr. Hamlin
Mr. Miller
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. Wingfield, Assistant Counsel

Mr. John Q. Tilson, attorney for the Tradesmens National Bank of New Haven, Connecticut, and Mr. H. M. Kirkman, president of the bank, were also present, in connection with the application filed by the national bank for permission to exercise trust powers. Mr. Tilson presented to the Board a letter dated January 31, 1934, reading as follows:

"Responding to your very courteous letter of January 30th, regarding the hearing so kindly granted to the Tradesmens National Bank of New Haven, I have to say that it is not the purpose of Mr. Kirkman, President of the Bank, and myself, to submit any new material, for we believe everything necessary has been submitted in connection with the application, including the second somewhat elaborated opinion of the Attorney General of Connecticut, showing what are the legal requirements in that State for transacting a trust business. We understand that the correspondence in the case, including recommendations from the Federal Reserve Agent at Boston and copies of the two opinions given by the Attorney General of Connecticut, are all on file with the Board.

"We should like to appear before the Board mainly for the purpose of having the Board ask any questions desirable, believing that our familiarity with the laws and conditions prevailing in Connecticut would be helpful to the Board in reaching a proper decision."

Governor Black referred to the eleventh paragraph of Section 11

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(k) of the Federal Reserve Act, which provides in part that no permit to exercise trust powers "shall be issued to any national banking association having a capital and surplus less than the capital and surplus required by State law of State banks, trust companies, and corporations exercising such powers", and stated that the question involved in the application of the Tradesmens National Bank is whether its capital structure meets the requirements of the law of the State of Connecticut with regard to the capital and surplus of State banks exercising trust powers in that State.

Mr. Tilson referred to the opinion rendered under date of January 2, 1934, by the Attorney General of the State of Connecticut, a copy of which was submitted to the Board with a letter dated January 5, 1934, from Mr. Curtiss, Federal Reserve Agent at the Federal Reserve Bank of Boston, and which held that the Tradesmens National Bank has complied with the total capital and surplus requirements of the Connecticut statute and the fact that the capital structure is divided differently than is required of a new State bank and trust company is immaterial, and he stated that as corporations other than banks, may be organized under the laws of the State of Connecticut to do a trust business with the approval of the Bank Commissioner, and as there are no specific requirements in the State law as to the capital and surplus required of such institutions, it is the contention of the Tradesmens National Bank that there is no requirement as to the capital required of a corporation exercising trust powers, and that this position is supported by the Attorney General's opinion. He also stated that this position is strengthened by the fact that a bank organized with the capital and

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surplus required under the present State law, immediately following its organization with the approval of the Bank Commissioner, could reduce its capital stock and surplus and continue to exercise trust powers.

He added that there are many institutions in Connecticut at the present time that do not meet the capital requirements for new State banks.

Mr. Kirkman stated that, since the bank's application was originally filed, \$20,000 of preferred stock has been converted into common stock so that the bank at the present time has a capital structure consisting of \$180,000 of preferred stock, \$170,000 of common stock and \$50,000 of surplus. Mr. Tilson pointed out that the applicant is a reorganization of the old "The National Tradesmens Bank of New Haven" which had a profitable trust department and that if the national bank is not authorized to exercise trust powers this business will go to other institutions in New Haven which have a smaller capital and surplus than the applicant, and that the loss of this business will make it difficult for the national bank to succeed.

During the ensuing discussion Mr. Miller raised the question whether the term "capital and surplus" as used in the provision of Section 11(k) above referred to should not be interpreted to mean "capital plus surplus". Mr. Wyatt replied that the Board has consistently refused to consider the aggregate amount of capital and surplus in determining the eligibility of national banks for trust powers and has consistently taken the position that, in order to obtain trust powers a national bank must have the amount of surplus required by State law of trust companies located in the same place in addition to the amount

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of its capital. Mr. Wyatt's statement was followed by a discussion with regard to the purposes sought to be accomplished by the provision of Section 11(k) of the Federal Reserve Act under consideration and with regard to the reasons for the Board's construction of the term "capital and surplus" as used in that provision.

Mr. Thomas also pointed out that in view of the fact that Section 11(k) requires that a national bank have capital and surplus not less than the capital and surplus required by State law of State banks, trust companies, and corporations exercising trust powers, consideration might well be given the question whether the provision contemplates the capital and surplus required by State law of an organizing State bank or trust company or the capital and surplus required of State banks and trust companies already in existence and actually exercising trust powers.

At the conclusion of the discussion Governor Black stated that the Board would give careful consideration to the opinion of the Attorney General of Connecticut and advise the national bank of the decision reached. Messrs. Tilson and Kirkman then left the meeting.

After considering the matter somewhat further, Mr. Wyatt was requested to submit to the Board a review of the cases considered by the Board in the past which presented questions similar to that involved in the application of the Tradesmens National Bank, and to advise the Board as to the reasons for the construction placed upon Section 11(k) of the Federal Reserve Act that capital and surplus should be considered separately in determining the eligibility of national banks to exercise trust powers.

Mr. Morrill referred to the action taken by the Board on July 17, 1933, in deferring action on the application of the Capital

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National Bank in Jackson, Mississippi, for permission to exercise full trust powers, pending an examination of the new institution after it had been in operation for at least six months, and said that a telegram had been received under date of January 31, 1934, from Mr. Newton, Federal Reserve Agent at the Federal Reserve Bank of Atlanta stating that the national bank has been requested by the Gulf, Mobile and Northern Railroad Company to act as trustee in an equipment trust contract in which there will be an issue of \$1,000,000 of equipment trust certificates; that the railway company desires an answer immediately; and that, on the basis of the information contained in a report of examination of the bank as of December 19, 1933, the executive committee of the Federal reserve bank and the Federal reserve agent recommend that the request of the bank for permission to act as trustee under the equipment trust contract be granted. Mr. Morrill also presented a memorandum dated January 31, 1934, from the division of examinations recommending that the request be granted and a memorandum dated February 1 from Mr. Wingfield, Assistant Counsel, stating that there seems to be no objection to granting the request.

The Secretary was authorized to send the following telegram to Mr. Newton:

"Please advise the Capital National Bank in Jackson, Jackson, Mississippi, that the Federal Reserve Board approves its application to act, when not in contravention of State or local law, as trustee in the matter of the equipment trust contract of the Gulf Mobile and Northern Railroad Company referred to in your wire of January 31, 1934, the exercise of such right to be subject to the provisions of the Federal Reserve Act and the regulations of the Federal Reserve Board."

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The minutes of the meeting of the Executive Committee of the Federal Reserve Board held on January 24, 1934, were approved and the actions recorded therein were ratified unanimously.

The minutes of the meeting of the Federal Reserve Board held on January 25, 1934, were approved.

The Board then considered and acted upon the following matters:

Memorandum dated January 29, 1934, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending the appointment of Mr. Hubert C. Barton, Jr., as a research assistant in the division, with salary at the rate of \$1,800 per annum, effective as of February 1, 1934. The recommendation was approved by five members of the Board on January 31, 1934.

Approved.

Memorandum dated February 1, 1934, from Mr. Van Fossen, Assistant Chief of the Division of Bank Operations, recommending that Miss Zelpha M. Wright be appointed temporarily as a comptometer operator in the division for the period from February 2 to 28, 1934, inclusive, with salary at the rate of \$120 a month.

Approved.

Telegram dated January 31, 1934, approved by four members of the Board, to Mr. Stevens, Federal Reserve Agent at the Federal Reserve Bank of Chicago, reading as follows:

"Your telegram January 29. Board approves temporary appointment C. P. Vanzante as examiner in Federal Reserve Agent's Department your bank at salary rate of \$4,000 per annum, effective upon assuming duties. Please advise effective date."

Approved.

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Telegram dated January 31, 1934, approved by five members of the Board, to Mr. McClure, Federal Reserve Agent at the Federal Reserve Bank of Kansas City, referring to his letter of January 24, 1934, and stating that the Board approves the use of the fifty employees of the Kansas City bank named in the letter to assist in the examination of member banks.

Approved.

Telegram to Mr. Peyton, Federal Reserve Agent at the Federal Reserve Bank of Minneapolis, replying to his letter of January 29, 1934, and stating that the Board is not aware of any reason which would interfere with his taking leave during February as suggested in his letter, and requesting that he advise the exact period during which he expects to be absent from the bank.

Approved.

Telegram to Mr. Curtiss, Federal Reserve Agent at the Federal Reserve Bank of Boston, reading as follows:

"Refer your letter January 29, 1934, re application of the Stoughton Trust Company, Stoughton, Mass. Board grants extension to February 28, 1934 within which bank may comply with conditions of membership."

Approved.

Telegram dated January 31, 1934, approved by four members of the Board, to Mr. Austin, Federal Reserve Agent at the Federal Reserve Bank of Philadelphia, referring to the applications of the Equitable Trust Company and the Guarantee Trust Company, both of Atlantic City, New Jersey, for permission to withdraw immediately from membership in the

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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 Equitable Trust Company and the Guarantee Trust Company, the Federal Reserve Bank of Philadelphia is authorized to cancel such stock and to make refunds thereon. The telegram stated also that it is understood that the agent has received from the trust companies properly executed requests for waiver of the six months' notice of intention to withdraw.

Approved.

Letter to Mr. Walsh, Federal Reserve Agent at the Federal Reserve Bank of Dallas, reading as follows:

"Receipt is acknowledged of your letter of January 10, 1934, in which you advise that the First National Bank, Mission, Texas, was continuously deficient in its reserves carried with the Federal Reserve Bank of Dallas during six consecutive months from June 1 to November 30, 1933.

"It is noted that you have addressed a letter to each member of the bank's board of directors regarding this matter and in view of the replies received from Directors Jones and Presnall, copies of which you inclosed with your letter to this office, and your statement that as soon as the transactions with the Reconstruction Finance Corporation are completed the bank's cash position should be such as to enable it easily to maintain its required reserves, the Board will take no action in the matter at this time, other than to forward copies of your letter and inclosures to the Comptroller of the Currency for his information."

Approved.

Letter dated January 31, 1934, approved by five members of the Board, to Mr. O'Connor, Comptroller of the Currency, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The Fulton County National Bank and Trust Company

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"'of Gloversville', Gloversville, New York, from \$500,000 to \$250,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$300,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital shall be used to reduce the carrying value of the investment securities account by a corresponding amount, all as set forth in your memorandum of January 24, 1934."

Approved.

Letter dated January 31, 1934, approved by five members of the Board, to Mr. O'Connor, Comptroller of the Currency, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The Farmers & Mechanics National Bank of Williamstown', Williamstown, West Virginia, from \$40,000 to \$20,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$30,000 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 surplus and undivided profits, shall be used to eliminate substandard assets and depreciation in investment securities, and that other unacceptable assets shall be sold to a mortgage company, all as set forth in your memorandum of January 26, 1934, and accompanying memorandum dated December 28, 1933, outlining the plan of reorganization."

Approved.

Letter dated January 31, 1934, approved by five members of the Board, to Mr. O'Connor, Comptroller of the Currency, 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 Ripon', Ripon, Wisconsin, from \$300,000 to \$150,000, 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 approximately \$19,000 from surplus and undivided profits, shall be used to eliminate substandard assets and securities depreciation in the amount of approximately \$169,000, all as set forth in your memorandum of January 20, 1934.

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"In considering the plan under which the proposed reduction in common capital stock is to be effected, it was noted that if all the released capital funds and approximately \$19,000 from the surplus and undivided profits are applied to securities depreciation, there will remain depreciation in the higher grades in an amount sufficient to impair the bank's common capital approximately \$46,000. It is assumed, however, that you have this condition in mind and that whenever it becomes feasible to do so you will obtain such further corrections as may be practicable."

Approved.

Letter dated January 31, 1934, approved by five members of the Board, to Mr. O'Connor, Comptroller of the Currency, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The Exchange National Bank of Atchison', Atchison, Kansas, 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 \$125,000 par value preferred stock to the Reconstruction Finance Corporation, and that the funds released by the reduction in common capital shall be used to eliminate unsatisfactory assets in the amount of \$100,000, all as set forth in your memorandum of January 22, 1934."

Approved.

Telegram to Mr. Case, Federal Reserve Agent at the Federal Reserve Bank of New York, stating that the Board has considered the application of the "Amalgamated Clothing Workers of America", New York, New York, for a voting permit under authority of section 5144 of the Revised Statutes of the United States, as amended, entitling such organization to vote the stock which it owns or controls in "The Amalgamated Bank of New York", New York, New York, and has authorized the issuance of a limited permit to the applicant, subject to the following condition:

"Prior to the issuance of the limited voting permit hereby authorized there shall be delivered to you in form satisfactory to counsel for the Federal Reserve Bank of New York

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"three original counterparts of the agreement on F. R. B. Form P-3 entitled Exhibit L, properly executed by Amalgamated Investors, Inc. and three original counterparts of the authorization on F. R. B. Form P-4 entitled Exhibit N, properly executed by Amalgamated Clothing Workers of America and consented to by Amalgamated Investors, Inc. and by The Amalgamated Bank of New York, or you shall receive from applicant or its counsel assurances satisfactory to counsel for the Federal Reserve Bank of New York that the foregoing will be delivered to you not later than February 15, 1934."

and for the following purposes:

"To elect directors of The Amalgamated Bank of New York at any meeting of its shareholders, or at any adjournment thereof, at any time prior to May 1, 1934, and to act thereat upon such matters of a routine nature as are ordinarily acted upon at the annual meetings of said bank."

The telegram authorized the agent to have prepared by counsel for the Federal reserve bank, and to issue to the Amalgamated Clothing Workers of America a limited voting permit in accordance with the telegram when the condition prescribed therein has been complied with. The telegram also referred to the Board's telegram of January 6, 1934, explaining the meaning of the code word ancilane, and stated that the agent is authorized, in issuing the limited voting permit referred to above, further to amend the form of the limited voting permit used by the Board by substituting for the words "entitling _____ company _____ to vote the shares of stock which it owns or controls of _____ bank _____ for the following limited purposes" the following "to Amalgamated Clothing Workers of America, New York City, New York, authorizing Sidney Hillman and Joseph Schlossberg, as trustees, to vote the shares of stock of The Amalgamated Bank of New York, New York City, New York, which they hold as trustees for the benefit of the members of Amalgamated Clothing Workers of America, for the following limited

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"purposes", and in the paragraph beginning "This is a limited voting permit" by substituting for "grantee" the words "said trustees".

Approved.

Telegram dated January 31, 1934, approved by five members of the Board, to Mr. Newton, Federal Reserve Agent at the Federal Reserve Bank of San Francisco, stating that the Board has considered the application of the "Merced Securities Corporation", Merced, California, for a voting permit under authority of section 5144 of the Revised Statutes of the United States, as amended, entitling such organization to vote the stock which it owns or controls in the "First National Bank in Merced", Merced, California, and has authorized the issuance of a limited permit to the applicant, subject to the following condition:

"Prior to the issuance of the limited voting permit hereby authorized, applicant shall agree:

"(1) That within such time as shall be fixed by the Federal Reserve Agent at the Federal Reserve Bank of San Francisco the undersigned will cause the First National Bank in Merced to rehabilitate its capital structure by voluntary contributions, issuance of common stock and/or preferred stock, or otherwise, in such amount and in accordance with such plan or plans as shall be approved by the Comptroller of the Currency and shall be satisfactory to the Federal Reserve Agent at the Federal Reserve Bank of San Francisco and to cause such bank to charge off or otherwise eliminate (a) estimated losses in loans and discounts, (b) depreciation in stocks and defaulted securities, (c) depreciation in securities not of the four highest grades as classified by an investment service organization regularly engaged in the business of rating or grading securities, and (d) all other losses, such charge-offs or eliminations to be based on current examinations or credit investigations and to be of such nature and extent, and in accordance with such plan or plans for the rehabilitation of such bank, as shall be satisfactory to the Comptroller of the Currency and to the Federal Reserve Agent at the Federal Reserve

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"Bank of San Francisco;

"(2) That all assets of such bank which may be charged off or otherwise eliminated pursuant to the foregoing clause numbered (1) of this agreement will remain the property of such bank and will not be distributed to the shareholders of the undersigned or of such bank or otherwise released in any manner whatsoever."

and for the following purposes:

"1. To elect directors of such bank at any meeting of shareholders, or at any adjournment thereof, at any time prior to May 1, 1934, and to act thereat upon such matters of a routine nature as are ordinarily acted upon at the annual meetings of such bank.

"2. At any time prior to May 1, 1934, to act upon a proposal or proposals to authorize and effect an increase in the capital funds of such bank and to amend the bank's articles of association and do all other things necessary to carry out such purpose, provided that such proposal or proposals shall be in accordance with a plan or plans which shall be approved by the Comptroller of the Currency and shall be satisfactory to the Federal Reserve Agent at the Federal Reserve Bank of San Francisco."

The telegram also authorized the agent to have prepared by counsel for the Federal reserve bank, and to issue to the Merced Securities Corporation, a limited voting permit in accordance with the telegram when the condition prescribed therein has been complied with.

Approved.

Memorandum dated January 27, 1934, from Mr. Smead, Chief of the Division of Bank Operations, reading as follows:

"For some time it has seemed desirable to clarify two of the items appearing on the front page accompanying the weekly statement of condition of the Federal Reserve banks. These items are: 'Treasury currency adjusted' and 'Unexpended capital funds, nonmember deposits, etc.' It is particularly opportune to revise these items now, because possible changes in the Treasury statement arising out of the proposed change in the gold content of the dollar will make the present set-up unworkable. It is, therefore, recommended that the items be changed as indicated below:

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"CHANGE FROM

Jan. 10, 1934,
Figures for illustration
 (Millions of dollars)

TOTAL RESERVE BANK CREDIT	2,655
Monetary gold stock	4,323
Treasury currency adjusted	1,950
Money in circulation	5,684
Member bank reserve balances	2,777
Unexpended capital funds, nonmember deposits, etc.	467

CHANGE TO

TOTAL RESERVE BANK CREDIT	2,655
Monetary gold stock	4,323
Treasury and National bank currency	2,302
Money in circulation	5,684
Member bank reserve balances	2,777
Treasury cash and deposits with F. R. banks	352
Nonmember deposits and other F. R. accounts	467

"'Treasury currency adjusted', as shown at present, represents all the issued currency based on the credit of the Treasury and National bank notes outstanding, less Government deposits with the Federal Reserve banks and net cash holdings of the Treasury. When the gold content of the dollar is reduced, cash held by the Treasury, which is now a deduction from Treasury currency, may increase to an amount sufficient to make 'Treasury currency adjusted' a minus quantity. The proposed change would show separately the amount of Treasury and National bank currency outstanding, and the amount of cash held by the Treasury and on deposit with the reserve banks.

"The proposed change in the item 'Unexpended capital funds, nonmember deposits, etc.' would not change the content of the item, but would avoid the use of the puzzling and little understood term 'Unexpended capital funds'.

"If the proposed changes meet with the Board's approval, it is recommended that the following paragraph of explanation be included in the statement for the week when the change is made:

"Certain changes have been made in the items shown below in connection with the volume and composition of reserve bank

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"credit. The two new items: 'Treasury and National bank currency' and 'Treasury cash and deposits with F. R. banks' were previously shown in combination under the caption 'Treasury currency adjusted', which was derived by deducting the second of the items from the first. The item 'Treasury and National bank currency' represents the aggregate amount of United States notes, National bank notes, silver certificates, Treasury notes of 1890, and silver and minor coin outstanding, and those Federal Reserve bank notes for the retirement of which lawful money has been deposited with the Treasurer of the United States. The item 'Treasury cash and deposits with F. R. banks' represents the aggregate of Government funds on deposit with the Federal Reserve banks and cash (including gold bullion) held in the Treasury, not including gold and silver held against gold and silver certificates and Treasury notes of 1890; or amounts held for the Federal Reserve banks. The item 'Nonmember deposits and other F. R. accounts' represents a change in caption from the former item 'Unexpended capital funds, nonmember deposits, etc.'. This item, as heretofore, is derived by adding capital, surplus, unpaid subscription to stock of the Federal Deposit Insurance Corporation, foreign, special, and nonmember bank deposits, and 'all other liabilities', and subtracting therefrom the sum of bank premises and 'all other assets' of the Federal Reserve banks."

The recommendations contained in the memorandum were approved by five members of the Board on January 31, 1934.

Approved.

Memorandum dated January 31, 1934, from Mr. Smead, Chief of the Division of Bank Operations, referring to his memoranda to the Board dated January 27 and 30, 1934, regarding certain changes in the weekly statement of condition of Federal reserve banks, and recommending that two paragraphs in the form shown below, be included in the text of the statement to be issued on February 1, 1934, covering the condition of Federal reserve banks as at the close of business on January 31, 1934:

"In view of the transfer to the U. S. Treasury on January 30, by the Gold Reserve Act of 1934, of title to all gold

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"held by the Federal Reserve banks, in exchange for credits in accounts maintained with the Treasurer of the United States payable in gold certificates, (and in view of the President's proclamation reducing the weight of the gold dollar) certain changes have been made in the weekly condition statement of the Federal Reserve banks. (These changes include a revision of the captions showing the distribution of the Federal Reserve banks' reserves (and a revaluation of the country's stock of monetary gold on the new basis). The gold stock in this statement includes only gold coin and bullion held by the United States Treasury, such United States gold coin as may still be held outside the Treasury being no longer included in the stock of monetary gold, or in money in circulation. For comparative purposes this amount (\$290,000,000) has been deducted from the figures of monetary gold stock and money in circulation as of the preceding Wednesday and as of the corresponding Wednesday of 1933.)

"Certain changes have also been made at this time in the items shown below in connection with the volume and composition of reserve bank credit. The two new items: 'Treasury and National bank currency' and 'Treasury cash and deposits with F. R. banks' were previously shown in combination under the caption 'Treasury currency adjusted', which was derived by deducting the second of the items from the first. The item 'Treasury and National bank currency' represents the aggregate amount of United States notes, National bank notes, silver certificates, Treasury notes of 1890, and silver and minor coin outstanding, and the Federal Reserve bank notes for the retirement of which lawful money has been deposited with the Treasurer of the United States. The item 'Treasury cash and deposits with F. R. banks' represents the aggregate of Government funds on deposit with the Federal Reserve banks and cash (including gold bullion) held in the Treasury, not including gold and silver held against gold and silver certificates and Treasury notes of 1890, or amounts held for the Federal Reserve banks. The item 'Nonmember deposits and other F. R. accounts' represents a change in caption from the former item 'Unexpended capital funds, nonmember deposits, etc.'. This item, as heretofore, is derived by adding capital surplus, unpaid subscription to stock of the Federal Deposit Insurance Corporation, foreign, special, and nonmember bank deposits, and 'all other liabilities,' and subtracting therefrom the sum of bank premises and 'all other assets' of the Federal Reserve banks."

The memorandum stated also that, if the gold content of the dollar is not reduced as of January 31, 1934, the words inclosed in parentheses

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in the first paragraph, as follows, "and in view of the President's proclamation reducing the weight of the gold dollar" and "and a revaluation of the country's stock of monetary gold on the new basis", should be eliminated. The recommendation contained in the memorandum was approved by five members of the Board on January 31, 1934.

Approved.

Telegram to Mr. Young, Assistant Federal Reserve Agent at the Federal Reserve Bank of Chicago, reading as follows:

"Pursuant to your telegram the Badger State Bank, Milwaukee, Wisconsin, is granted an extension of time to February 10 within which to submit reports of its affiliates."

Approved.

Telegram to Mr. Stevens, Federal Reserve Agent at the Federal Reserve Bank of Chicago, reading as follows:

"Your letter 27th and wire 31st regarding pension plan. Board is advised that ten Federal reserve banks have already approved plan without modification and that Atlanta board of directors will consider it at next meeting. While Board has deferred final approval until advised of approval by all Federal reserve banks it does not look with favor upon modification described in your letter 27th and feels that if plan is approved feature which provides for contributions on part of employees should be retained."

Approved.

Letter dated January 31, 1934, approved by five members of the Board, to an applicant for a permit under the Clayton Act, advising of approval of his application as follows:

Mr. George A. Beito, for permission to serve at the same time as a director and officer of The First National Bank, McIntosh, Minnesota, as a director and officer of The Northern State Bank, Gonvick, Minnesota, and as a director and officer of the American State Bank, Erskine, Minnesota.

Approved.

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Letter to an applicant for a permit under the Clayton Act, advising of approval of his application as follows:

Mr. Ned Holman, for permission to serve at the same time as a director of the Oklahoma City branch, Federal Reserve Bank of Kansas City, Oklahoma City, Oklahoma, as a director and officer of the First National Bank, Guthrie, Oklahoma, and as a director and officer of the Liberty National Bank, Oklahoma City, Oklahoma.

Approved.

There were then presented the following applications for original or additional stock, or for the surrender of stock, of Federal reserve banks:

<u>Applications for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 5.</u>		
Frostburg National Bank, Frostburg, Maryland	54	
Guilford National Bank of Greensboro, Greensboro, North Carolina	<u>150</u>	204
<u>District No. 7.</u>		
Naperville National Bank, Naperville, ville, Illinois	<u>36</u>	<u>36</u>
	Total	240
<u>Applications for ADDITIONAL Stock:</u>		
<u>District No. 2.</u>		
Hudson County National Bank, Jersey City, New Jersey	300	300
<u>District No. 6.</u>		
Citizens Bank and Trust Company, Bainbridge, Georgia	45	
Bank of Eastman, Eastman, Georgia	5	
Citizens Bank and Trust Company, Savannah, Georgia	75	
Erwin National Bank, Erwin, Tennessee	<u>12</u>	137
<u>District No. 7.</u>		
Dart National Bank, Mason, Michigan	<u>6</u>	<u>6</u>
	Total	143

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<u>Applications for SURRENDER of Stock:</u>	<u>Shares</u>	
<u>District No. 1.</u>		
National Bank of Orange County, Chelsea, Vermont	60	60
<u>District No. 2.</u>		
Kings Park National Bank, Kings Park, New York	39	39
<u>District No. 3.</u>		
Merchants National Bank, Pottsville, Pennsylvania	240	240
<u>District No. 4.</u>		
Kinsman National Bank, Kinsman, Ohio	45	45
<u>District No. 7.</u>		
First National Bank, Arthur, Illinois	36	
First National Bank, Granville, Illinois	50	
Rochelle National Bank, Rochelle, Illinois	45	
Red Oak National Bank, Red Oak, Iowa	120	
First National Bank, What Cheer, Iowa	42	
Hastings National Bank, Hastings, Michigan	75	
First National Bank, Paw Paw, Michigan	78	
Citizens National Bank, Stoughton, Wisconsin	<u>36</u>	482
<u>District No. 9.</u>		
First National Bank, White Bear Lake, Minnesota	24	
United States National Bank, Superior, Wisconsin	<u>150</u>	174
<u>District No. 10.</u>		
First National Bank, Fort Collins, Colorado	126	
Peoples National Bank, Kansas City, Kansas	180	
Wallace National Bank, Exeter, Nebraska	<u>36</u>	342

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Applications for SURRENDER of Stock: (Continued) Shares
District No. 11.
 City National Bank in Wellington,
 Wellington, Texas

	<u>72</u>	<u>72</u>
Total		1,454

Approved.

Thereupon the meeting adjourned.

C. R. Black
 Secretary.

Approved:

E. R. Black
 Governor.