

A meeting of the Executive Committee of the Federal Reserve Board was held in Washington on Wednesday, February 21, 1934, at 11:30 a. m.

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

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary
Mr. Bethea, Assistant Secretary

The Committee considered and acted upon the following matters:

Telegrams dated February 21, 1934, from Mr. Curtiss, Chairman of the Federal Reserve Bank of Boston, Mr. Austin, Chairman of the Federal Reserve Bank of Philadelphia, and Mr. Wood, Chairman of the Federal Reserve Bank of St. Louis, all advising that, at meetings of the boards of directors today, no changes were made in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

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

"Your letter February 16. Board approves appointment of John F. Sullivan as examiner in Federal Reserve Agent's department your bank at salary rate \$2,400 per annum effective upon assuming duties. Please advise effective date."

Approved.

Letter to Mr. Stevens, Chairman of the Federal Reserve Bank of Chicago, reading as follows:

"Receipt is acknowledged of Mr. Young's letter of February 17, 1934, calling attention to the termination on February 28, 1934, of the leave of absence granted to Governor McDougal, and stating that if, due to lapse of time, he will not be eligible for the benefits of the pension plan which goes into effect on March 1, 1934, your directors desire to request a few days further extension of his

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"leave of absence.

"In order to remove any question as to Governor McDougal's eligibility for a pension, arising from the circumstances referred to, if your directors should desire to grant a leave of absence without pay to Governor McDougal for a brief period beyond February 28, 1934, the Board will interpose no objection."

Approved.

Letter to Mr. McKay, Deputy Governor of the Federal Reserve Bank of Chicago, reading as follows:

"Receipt is acknowledged of your letter of February 17, 1934, inclosing enrollment blanks and data relative to the Retirement System for delivery to the telegraph operators in the Washington office of the Leased Wire System. Your letter calls attention to the fact that the salaries of the operators are paid by the Chicago bank, and you request advice as to whether their enrollment in the Retirement System as employees of the Federal reserve bank, and the addition to your monthly report to the Board covering leased wire operations of your bank's contribution to the Retirement System for these employees, meet with approval of the Federal Reserve Board.

"In this connection, reference is made to the Board's letter of January 19, 1931, in which the position was taken that the telegraph operators in the Washington office should be regarded as employees of the Federal Reserve Bank of Chicago in connection with providing employees' compensation insurance. The Board feels that they also should be considered as employees of the Federal Reserve Bank of Chicago for the purposes of membership in the Retirement System, and approves their enrollment as such. The Board also approves the addition to the monthly report submitted by your bank covering leased wire operations of the contributions made by your bank to the Retirement System on behalf of these employees. Accordingly, the blanks and data inclosed with your letter are being handed to the operators with the request that they transmit the enrollment blanks directly to Mr. R. J. Hargreaves, manager of your personnel department, or, in the event that they elect not to become members, that they forward proper notice of such election to Mr. Hargreaves within sixty days from March 1, 1934."

Approved.

Letter dated February 17, 1934, from Mr. Wood, Chairman of the Federal Reserve Bank of St. Louis, advising that the board of directors of the bank, at its meeting on November 15, 1933, appointed Mr. Wm. C. Montgomery as a director of the Louisville branch of the Federal Reserve

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Bank of St. Louis for the unexpired portion of the term ending December 31, 1934, to succeed Mr. John T. Reynolds, who died on October 4, 1933.

Noted.

Letter dated February 16, 1934, from Mr. Walsh, Chairman of the Federal Reserve Bank of Dallas, inclosing the oath of office and biographical sketch of Mr. Sam R. Lawder, Vice President of the First National Bank in Houston, Texas, who was appointed by the board of directors of the Dallas bank, at its meeting on February 7, 1934, as a director of the Houston branch of the Federal Reserve Bank of Dallas for the unexpired portion of the term ending December 31, 1935, to succeed Mr. N. E. Meador, deceased.

Noted.

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

"Refer Fletcher's letter February 13, 1934, re application The Peoples Bank and Savings Company, Cincinnati, Ohio, Board grants extension of time to March 22, 1934, within which the bank may accomplish its admission to membership."

Approved.

Telegram to Mr. Stevens, Federal Reserve Agent at the Federal Reserve Bank of Chicago, referring to the application of the "American State Bank of Frankenmuth", Frankenmuth, Michigan, 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 American State Bank of Frankenmuth, the Federal Reserve Bank of Chicago is authorized to cancel such stock and make a refund thereon.

Approved.

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Telegram to Mr. Stevens, Federal Reserve Agent at the Federal Reserve Bank of Chicago, referring to the application of the "Washington Savings Bank", Washington, Michigan, 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 Washington Savings Bank, the Federal Reserve Bank of Chicago is authorized to cancel such stock and make a refund thereon.

Approved.

Letter to the Kingston Bank and Trust Company, Kingston, Pennsylvania, reading as follows:

"Effective if and when the Kingston Bank and Trust Company, Kingston, Pennsylvania, is converted into a national banking association and is authorized by the Comptroller of the Currency to commence business as 'The Kingston National Bank', the Federal Reserve Board 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 Pennsylvania, 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 Kingston Bank and Trust Company 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 Kingston National Bank to exercise trust powers will be forwarded to it."

Approved.

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Letter dated February 20, 1934, approved by five members of the Board, to Mr. Wood, Federal Reserve Agent at the Federal Reserve Bank of St. Louis, reading as follows:

"Reference is made to your letter of January 22, 1934, inclosing the application of 'The Southern Illinois National Bank of East St. Louis', East St. Louis, Illinois, for full fiduciary powers.

"The Comptroller of the Currency recommends that action on this application be deferred until after the next examination of the bank, which, in view of the fact that the last examination was made as of March 2, 1933, will probably be made in the near future.

"The Board concurs in the Comptroller's recommendation, and will defer action on the pending application until an examination by a national bank examiner has been completed and the report thereof is available, at which time it will be glad to have the benefit of any further recommendation you may wish to make in the premises.

"In this connection, the Board would like to receive a copy of any contract or agreement entered into between the two institutions at the time the subject bank took over the affiliated Southern Illinois Trust Company."

Approved.

Letter to Mr. O'Connor, Comptroller of the Currency, reading as follows:

"Reference is made to the application of 'The Mechanics National Bank of Providence', Providence, Rhode Island, for permission to reduce its common capital stock, as set forth in your memorandum of February 9, 1934.

"In this connection you are advised that the applicant bank's holding company affiliate, the Industrial Trust Company of Providence, Rhode Island, has not as yet been granted the voting permit which it is necessary for the trust company to have in order to vote its stockholding in the applicant bank. The Board, therefore, will take no action on the proposed capital reduction of The Mechanics National Bank of Providence, until such time as the matter of a voting permit for the Industrial Trust Company has been acted upon."

Approved.

Letter 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 Mohawk National Bank of Schenectady', Schenectady, New York, from

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"\$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 \$300,000 par value preferred stock to the Reconstruction Finance Corporation, and provides also that the funds released by the reduction in common capital stock, together with such portion of the bank's surplus and undivided profits accounts as may be necessary, shall be used to eliminate estimated losses and securities depreciation, all as set forth in your memorandum of February 6, 1934."

Approved.

Letter 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 'New First National Bank in New Hampton', New Hampton, Iowa, 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, together with approximately \$20,000 to be made available by a voluntary cash contribution, shall be used to eliminate a corresponding amount of substandard assets and securities depreciation, all as set forth in your memorandum of February 9, 1934."

Approved.

Letter dated February 20, 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 Swedish-American National Bank of Rockford', Rockford, Illinois, from \$125,000 to \$50,000, pursuant to a plan 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 that the funds released by the reduction in common capital together with a portion of the bank's surplus and undivided profits, shall be used to eliminate substandard assets and securities depreciation in the amount of approximately \$200,000, all as set forth in your memorandum dated February 9, 1934."

Approved.

Letter to Mr. O'Connor, Comptroller of the Currency, 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 Windsor', Windsor, Colorado, from \$40,000 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 shall be used to eliminate a corresponding amount of unsatisfactory assets, all as set forth in your memorandum of February 8, 1934."

Approved.

Letter 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 National City Bank of Denver', Denver, Colorado, 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 shall be used to eliminate unsatisfactory assets in the amount of \$47,500 and to augment the undivided profits account by \$2,500, all as set forth in your memorandum of February 5, 1934."

Approved.

Letter 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 Commercial National Bank of Brady', Brady, Texas, from \$130,000 to \$97,500, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$35,000 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, all as set forth in your letter of February 10, 1934."

Approved.

Letter 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

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"National Bank of Bogata', Bogata, Texas, from \$50,000 to \$40,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$10,000 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 a corresponding amount of substandard assets, all as set forth in your letter of February 10, 1934."

Approved.

Letter 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 'Security-First National Bank of Los Angeles', Los Angeles, California, from \$30,000,000 to \$24,000,000, pursuant to a plan which provides that the bank's capital shall be increased by the sale at par of \$12,000,000 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 establish a reserve for the purpose of charging down and/or charging off unsatisfactory assets as and when determined by the bank and/or as and when directed by the Comptroller of the Currency, all as set forth in your letter of February 12, 1934."

Approved.

Telegram to Mr. Newton, Federal Reserve Agent at the Federal Reserve Bank of San Francisco, stating that the Board has considered the application of the "Chandler Investment Company", Marshfield, Oregon, 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 of Coos Bay at Marshfield", Marshfield, Oregon, 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 that within such time as shall be fixed by the Federal Reserve Agent at the Federal Reserve Bank of San Francisco, it will cause The First National Bank of Coos Bay at Marshfield to rehabilitate its capital structure, if it has not

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"already done so, in accordance with a plan or plans which shall have been approved by the appropriate supervisory authorities and shall be satisfactory to the Federal Reserve Agent at the Federal Reserve Bank of San Francisco, which plan or plans shall include provisions for:

"(1) The reduction of the common capital stock of such bank from \$100,000 to \$50,000;

"(2) The issuance and sale for cash to the Reconstruction Finance Corporation of preferred stock of such bank in the amount of \$50,000;

"(3) the charging off or otherwise eliminating of (a) 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; (d) depreciation in furniture and fixtures; (e) all other items classified as doubtful and (f) all other losses, such charge-offs or eliminations to be based upon and to be made to the extent of the classifications determined by M. C. Wilde, a national bank examiner, in a revised classification of the assets of such bank, as of November 13, 1933, and

"(4) the retention as property of such bank of all assets which may be charged off or otherwise eliminated pursuant to the foregoing clause numbered (3) of this agreement so that such assets shall 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 a reduction in the common capital stock of such bank from \$100,000 to \$50,000 and an increase in the capital stock of such bank by the issuance and sale of preferred stock having a par value of \$50,000, and to amend the bank's articles of association and to do all things necessary to carry out such purposes, provided that such proposal or proposals shall be in accordance with a plan or plans which shall have been approved by the appropriate supervisory authorities 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 Chandler Investment Company, a limited voting permit in accordance with the telegram when the

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condition prescribed therein has been complied with.

Approved.

Letter addressed by Governor Black on February 14, 1934, to Mr. E. G. Bennett, Acting Chairman of the Federal Deposit Insurance Corporation, and subsequently approved by four members of the Board, reading as follows:

"Receipt is acknowledged of your letter of February 12, 1934, in which you request advice as to the acceptability of a revision of the amendment to Section 9 of the Federal Reserve Act which was suggested in the Board's letter to you of February 9, 1934. As proposed by the Board, the amendment stated that for the purposes of membership of a bank in the Federal Reserve System, the terms 'capital' and 'capital stock' shall include the amount of outstanding capital notes and debentures legally issued by the applying bank and purchased by the Reconstruction Finance Corporation. As revised in the manner you suggest, the amendment would provide that for the purposes of membership the terms 'capital' and 'capital stock' shall include the amount of outstanding capital notes and debentures legally issued and outstanding, or (upon) other obligations of the bank, payable only after provision has been made for the full satisfaction of all claims of depositors and other creditors except claims upon such capital notes, such debentures and other such obligations.

"The amendment to Section 9 of the Federal Reserve Act which was suggested in the Board's letter of February 9 was intentionally limited to capital notes and debentures purchased by the Reconstruction Finance Corporation. The Federal Reserve Board in November, 1933, stated that it would consider the proceeds of capital notes and debentures purchased by the Reconstruction Finance Corporation as capital funds of State banks and as part of the unimpaired capital required of such banks for admission to membership in the Federal Reserve System. The position taken at that time related only to capital notes and debentures purchased by the Reconstruction Finance Corporation and the proposed amendment to Section 9 of the Federal Reserve Act was suggested in order to clarify the law with respect to the question which the Board then had under consideration. The Board did not understand at that time that your corporation had in mind capital notes and debentures other than those purchased by the Reconstruction Finance Corporation and it does not feel that such other capital notes and debentures should be considered as a part of the capital of a bank for the purposes of membership in the Federal Reserve System. In this connection it is to be noted that Section 304 of the Act of March 9, 1933, as amended, provides that, in order that a State bank or trust company which is not permitted to issue preferred stock exempt from double liability may be provided with

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"capital funds, the Reconstruction Finance Corporation may purchase legally issued capital notes or debentures of such a State institution. This provision of law may be considered as a suggestion by Congress that the proceeds of such notes and debentures purchased by the Reconstruction Finance Corporation may be regarded for certain purposes as capital, but there has been no similar suggestion on the part of Congress with regard to other capital notes and debentures.

"In the circumstances, the Federal Reserve Board is unable to concur in your suggestion that the amendment to Section 9 of the Federal Reserve Act proposed in the Board's letter of February 9 be revised in the manner indicated in your letter."

Approved.

Letters dated February 20, 1934, approved by four members of the Board, to Honorable Duncan U. Fletcher, Chairman of the Committee on Banking and Currency of the United States Senate, and to Honorable Henry B. Steagall, Chairman of the Committee on Banking and Currency of the House of Representatives, reading as follows:

"The Federal Reserve Board recommends the enactment of an amendment to the third paragraph of Section 13 of the Federal Reserve Act so as to authorize any Federal reserve bank to discount for individuals, partnerships, or corporations notes, drafts and bills of exchange which are either indorsed or secured to the satisfaction of the Federal reserve bank, in lieu of the existing requirement that paper so discounted be both indorsed and secured, and subject to the other conditions stated in that paragraph.

"It will be recalled that Section 13 of the Federal Reserve Act was amended by the Act of July 21, 1932 so as to add thereto a new paragraph under which the Federal Reserve Board, in unusual and exigent circumstances and by the affirmative vote of not less than five members, may authorize any Federal reserve bank during such periods as the Board may determine to discount for any individual, partnership, or corporation notes, drafts, and bills of exchange of the kinds and maturities made eligible for discount for member banks, when indorsed and otherwise secured to the satisfaction of the Federal reserve bank and when such individual, partnership, or corporation has been unable to secure adequate credit accommodations from other banking institutions. Pursuant to the authority of this amendment to the law, the Federal Reserve Board authorized such discounts by any Federal reserve bank for a six months' period beginning August 1, 1932 and has renewed such authorization from time to time so that it has been in effect continuously and is still in effect. Under this authority Federal reserve banks have discounted for

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"individuals, partnerships, and corporations notes, drafts, and bills of exchange in the amount of \$1,370,000, of which \$340,000 was outstanding on February 7, 1934.

"On account of the requirement that paper so discounted be both indorsed and secured it has been necessary for the Federal reserve banks to decline to make such discounts in cases where it might otherwise have been possible to do so. It sometimes happens that an individual, partnership or corporation which may be desirous of discounting paper directly with a Federal reserve bank can furnish satisfactory indorsement of the paper to be discounted, or satisfactory security, but is unable to furnish both the indorsement and security; and in such cases the discount may not lawfully be made. The Board believes that if the law should be changed so as to require, in the alternative, satisfactory indorsement or satisfactory security, the Federal reserve banks would be able to extend credit to individuals, partnerships, or corporations in cases where they now have no such authority; and such a liberalization of this method of affording credit to industry would seem to be desirable under existing conditions. Inasmuch as it would still be necessary after such an amendment to the law for the borrowers to furnish either satisfactory indorsement or satisfactory security, it is believed that the Federal reserve banks would be adequately protected in making such advances.

"It is recommended, therefore, that the requirement for both indorsement and security with respect to discounts for individuals, partnerships, or corporations under the third paragraph of Section 13 of the Federal Reserve Act be changed so that either indorsement or security of a satisfactory character will be sufficient under the law; and there is inclosed herewith a draft of a bill to accomplish this purpose. The Board hopes that your Committee may give this matter its early and favorable consideration."

Approved.

Memorandum dated February 20, 1934, approved by five members of the Board, to Mr. Broughton, Commissioner of the Public Debt, reading as follows:

"I have your memorandum of January 31, in which you state that in arranging production of the new gold certificates it will be very helpful if the Federal Reserve Board can furnish you some preliminary estimate of the probable or possible requirements by denominations. While it is difficult to state definitely at this time what the requirements may be, so far as the System is concerned, a stock of \$4,656,000,000 of the new gold certificates, in the denominations shown below, would seem adequate to meet any requirements which are likely to arise in the immediate future.

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<u>"Denomination</u>	<u>No. of Sheets</u>	<u>Amount</u>
\$100,000	3,500	\$4,200,000,000
10,000	3,000	360,000,000
1,000	7,000	84,000,000
100	10,000	12,000,000
	23,500	4,656,000,000"

Approved.

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

"In your letter of January 4, 1934, you referred to the fact that certain State banks which have applied for membership in the Federal Reserve System but which have not yet become members have been certified for the Temporary Federal Deposit Insurance Fund and you request to be advised whether it will be necessary for you to examine such banks after they may have become members of the System in view of the fact that they have already been certified as members of the Temporary Fund and would automatically become eligible for permanent insurance if they continued to be non-members.

"As you know, under the provisions of Section 12B of the Federal Reserve Act, every member bank is required to apply to the Federal Deposit Insurance Corporation for Class A stock. Upon receipt of such an application from a State member bank, the corporation is required to request the Federal Reserve Board to certify upon the basis of a thorough examination of such bank whether or not its assets are adequate to enable it to meet all of its liabilities to depositors and other creditors as shown by the books of the bank; and the Board is required to make such certification as soon as practicable. Under the law, therefore, it appears that it will be necessary for the Federal Reserve Board to make such certification with respect to every State member bank which becomes a Class A stockholder of the corporation on or before July 1, 1934, regardless of the time of its admission to membership in the Federal Reserve System; and, accordingly, as suggested in the Board's letter of December 7, 1933 (X-7702), there should be a thorough examination of all State member banks, including those which may have recently become members of the System, on the basis of which the Board may discharge the duties imposed upon it by the law. There is no requirement, however, that the certification by the Board be made upon the basis of an examination which takes place after a bank becomes a member and an examination made in connection with an application for membership may properly be used for this purpose if sufficiently current and thorough. The Board feels that, if at all possible, the certification with respect to every State member bank should be based upon a report of examination made since January 1, 1934, although if necessary a thorough ex-

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"amination made in December, 1933, may be used as the basis for such certification."

Approved.

Letter to Mr. Johns, Acting Governor of the Federal Reserve Bank of Atlanta, reading as follows:

"Receipt is acknowledged of your letter of February 12, 1934, with regard to the advances made by your bank under the provisions of Section 10 (b) of the Federal Reserve Act to the Georgia Savings Bank and Trust Company of Atlanta which has, since the time the advances were made, become a nonmember bank. You state that on January 27, 1934 you reduced the rate from 5% to $4\frac{1}{2}\%$ on the indebtedness of this Company, the present outstanding balance of which is \$550,000; but, in view of the Board's telegram of January 7, 1933, Trans. No. 1536, you request approval of the Federal Reserve Board of your action in making this reduction in the rate.

"In the light of the facts stated in your letter and of the Board's telegram of July 14, 1933 approving for your bank a rate of $4\frac{1}{2}\%$ on advances to member banks under Section 10 (b) of the Federal Reserve Act and on advances to nonmember banks under Section 404 of the Act of March 9, 1933 as amended, the Federal Reserve Board approves the action of your bank in reducing from 5% to $4\frac{1}{2}\%$ the rate on the outstanding indebtedness of the Georgia Savings Bank and Trust Company on January 27, 1934."

Approved.

The Secretary stated for the record that he had been advised informally by the State Department that the President of the United States on February 16, 1934, signed a proclamation prescribing an additional period of one year after March 3, 1934, during which advances may be made by any Federal reserve bank under the provisions of section 10(b) of the Federal Reserve Act, as amended.

Letter dated February 20, 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. W. B. Porterfield, for permission to serve at the same time as a director and officer of the National Bank of Monticello, Monticello,

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Illinois, and as a director and officer of the Porterfield's State Bank, Fairmount, Illinois.

Approved.

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

Mr. Frederick H. Tarr, for permission to serve at the same time as a director and officer of The Rockport National Bank, Rockport, Massachusetts, and as a director of the Gloucester National Bank of Gloucester, Gloucester, Massachusetts.

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. 3.</u>		
Ambler National Bank, Ambler, Pennsylvania	90	90
<u>District No. 4.</u>		
National Bank of Toledo, Toledo, Ohio	288	
First National Bank at Koppel, Koppel, Pennsylvania	36	
The National Bank of Ford City, Ford City, Pennsylvania	<u>72</u>	396
<u>District No. 7.</u>		
First National Bank of Waupaca, Waupaca, Wisconsin	36	
Nevada National Bank, Nevada, Iowa	<u>36</u>	72
<u>District No. 10.</u>		
First National Bank in Perry, Perry, Oklahoma	<u>36</u>	36
	<u>Total</u>	<u>594</u>

Applications for ADDITIONAL Stock:

<u>District No. 3.</u>	
Orrstown Bank, Orrstown, Pennsylvania	1
Schnecksville State Bank, Schnecksville, Pennsylvania	2

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Applications for ADDITIONAL Stock: (Continued)		Shares
<u>District No. 3. (Continued)</u>		
The First National Bank of Seaford, Seaford, Delaware	24	
First National Bank, Pennington, New Jersey	15	
First National Bank, Fredericksburg, Pennsylvania	12	
First National Bank, Gettysburg, Pennsylvania	1	
The First National Bank, Nanticoke, Pennsylvania	90	
Scranton National Bank, Scranton, Pennsylvania	180	
The City National Bank, Susquehanna, Pennsylvania	5	
First National Bank, Swineford, Pennsylvania	30	
Central National Bank & Trust Company, York, Pennsylvania	<u>111</u>	471
<u>District No. 5.</u>		
First & Citizens National Bank, Elizabeth City, North Carolina	1	
The First National Bank of Nelson County, Lovingston, Virginia	15	
The Charleston National Bank, Charleston, West Virginia	<u>113</u>	129
<u>District No. 6.</u>		
Georgia Railroad Bank & Trust Company, Augusta, Georgia	300	
Hamilton National Bank, Knoxville, Tennessee	30	
First National Bank, Shelbyville, Tennessee	<u>63</u>	393
<u>District No. 7.</u>		
Community National Bank of Pontiac, Pontiac, Michigan	1	1
<u>District No. 9.</u>		
First National Bank, Carlton, Minnesota	1	
First National Bank, Chippewa Falls, Wisconsin	54	
The Peoples National Bank, Hayward, Wisconsin	2	
Pioneer National Bank, Ladysmith, Wisconsin	1	58
Total		<u>1,052</u>

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<u>Applications for SURRENDER of Stock:</u>	<u>Shares</u>	
<u>District No. 3.</u>		
Valley National Bank, Green Lane, Pennsylvania	60	60
<u>District No. 4.</u>		
Painesville National Bank & Trust Company, Painesville, Ohio	225	
The Coshocton National Bank, Coshocton, Ohio	<u>180</u>	405
<u>District No. 5.</u>		
The First National Bank of West Union, West Union, West Virginia	37	37
<u>District No. 6.</u>		
First National Bank, Rockwood, Tennessee	66	
First National Bank of Tampa, Tampa, Florida	<u>120</u>	186
<u>District No. 7.</u>		
First National Bank, Hartford City, Indiana	57	
Canton National Bank, Canton, Illinois	150	
First National Bank, Canton, Illinois	81	
Galena National Bank, Galena, Illinois	120	
First National Bank, Graettinger, Iowa	19	
Old National Bank, Waupaca, Wisconsin	39	
The First National Bank of West Allis, West Allis, Wisconsin	180	
First National Bank, Prescott, Iowa	11	
The Central National Bank & Trust Co., Attica, Indiana	<u>36</u>	693
<u>District No. 8.</u>		
First National Bank of Linton, Linton, Indiana	81	81
<u>District No. 9.</u>		
First National Bank, Foley, Minnesota	21	
Crystal Falls National Bank, Crystal Falls, Michigan	38	

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<u>Applications for SURRENDER of Stock: (Continued)</u>		<u>Shares</u>	
<u>District No. 9. (Continued)</u>			
First National Bank in Manistique, Manistique, Michigan	<u>39</u>		98
<u>District No. 10.</u>			
National Bank & Trust Co., North Kansas City, Missouri		33	
First National Bank of Albuquerque, Albuquerque, New Mexico		360	
First National Bank of Perry, Perry, Oklahoma	<u>38</u>		431
<u>District No. 12.</u>			
First Inland National Bank, Pendleton, Oregon		<u>300</u>	<u>300</u>
	<u>Total</u>		<u>2,291</u>

Approved.

Thereupon the meeting adjourned.

Chester Moriel
Secretary.

Approved:

E. R. Black
Governor.