

A meeting of the Executive Committee of the Federal Reserve Board was held in Washington on Tuesday, March 6, 1934, at 3:00 p. 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:

Letter dated March 5, 1934, approved by five members of the Board, to Mr. Curtiss, Chairman of the Federal Reserve Bank of Boston, reading as follows:

"In accordance with the advice contained in your letter of February 21, 1934, the Federal Reserve Board approves the salary at the rate of \$12,000 per annum fixed by your directors for Mr. Krickel K. Carrick as general counsel of the Federal Reserve Bank of Boston.

"Your letter also states that Mr. Phillips Ketchum, formerly counsel of your bank, is to be retained as associate counsel. It is assumed from your letter that no change was made in his annual retainer of \$2,400 per annum and, on the basis of that assumption, the Board approves a retainer in the same amount for Mr. Ketchum as associate counsel.

"It is noted that, following the return of Governor Young from a vacation, it is the intention to appoint a secretary of the board of directors of your bank to succeed Mr. Carrick in that capacity."

Approved.

Letter dated March 5, 1934, approved by five members of the Board, to the board of directors of the "Security Bank of Myrtle Point", Myrtle Point, Oregon, 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 San Francisco.

Approved.

Telegram dated March 5, 1934, approved by five members of the

3/6/34

-2-

Board, to Mr. Williams, Federal Reserve Agent at the Federal Reserve Bank of Cleveland, referring to the application of "The Union Trust Company of Newark", Newark, Ohio, 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 Union Trust Company of Newark, the Federal Reserve Bank of Cleveland is authorized to cancel such stock and make a refund thereon.

Approved.

Telegram to Mr. Wood, Federal Reserve Agent at the Federal Reserve Bank of St. Louis, reading as follows:

"Refer your telegram March 2, 1934, re application The Louisville Trust Company, Louisville, Kentucky. Board grants an extension of time to April 20, 1934, within which the bank may accomplish its admission to membership. Please advise the bank accordingly."

Approved.

Letter dated March 3, 1934, approved by five members of the Board, to the "Capital National Bank in Jackson", Jackson, Mississippi, reading as follows:

"The Federal Reserve Board approves your application 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 Mississippi, 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.

"This letter will be your authority to exercise the fiduciary powers as set forth above. A formal certificate covering such authorization will be forwarded to you in due course."

Approved.

3/6/34

-3-

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 Rockville National Bank', Rockville, Indiana, from \$50,000 to \$25,000, pursuant to a plan which provides that the bank's capital shall be increased by \$25,000 of preferred stock to be sold to the Reconstruction Finance Corporation, and that the released capital shall be used in eliminating unsatisfactory assets, all as set forth in your memorandum of February 21, 1934."

Approved.

Letter dated March 5, 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 Rossville', Rossville, Illinois, from \$50,000 to \$25,000, pursuant to a plan which provides that the bank's capital shall be increased by \$25,000 of preferred stock to be sold to the Reconstruction Finance Corporation and that the released capital, together with that provided by a contribution of \$3,000 to be made locally, shall be used in eliminating substandard assets and securities depreciation, all as set forth in your memorandum of February 19, 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 Citizens National Bank of Hillsboro', Hillsboro, Texas, from \$200,000 to \$100,000, pursuant to a plan which provides that the bank's capital shall be increased by \$100,000 of preferred stock to be sold to the Reconstruction Finance Corporation, and that the released capital shall be used in eliminating substandard assets and securities depreciation amounting to approximately \$75,000 and increasing the undivided profits account by approximately \$25,000, all as set forth in your letter of February 20, 1934."

Approved.

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

3/6/34

-4-

follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of El Monte', El Monte, California, from \$80,000 to \$50,000, pursuant to a plan which provides that the bank's capital shall be increased by \$30,000 of preferred stock to be sold to the Reconstruction Finance Corporation, and that the released capital shall be used in eliminating substandard assets and depreciation, all as set forth in your letter of February 24, 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 National Bank of Ontario', Ontario, California, from \$125,000 to \$62,500, pursuant to a plan which provides that the bank's capital shall be increased by \$62,500 of preferred stock to be sold to the Reconstruction Finance Corporation, and that the released capital shall be used to eliminate undesirable assets, all as set forth in your letter of February 20, 1934."

Approved.

Letter to Mr. Williams, Chairman of the Federal Reserve Bank of Cleveland, reading as follows:

"There is inclosed a copy of a report of a special examination of the Fiscal Agency operations of the Federal Reserve Bank of Cleveland, made in connection with the regular examination of your bank as at the close of business December 30, 1933.

"Particular attention is directed to the paragraphs under the heading 'Over-allotments to Officers, etc.' (pages 36 and 37) which relate to over-allotments made to Governor Fancher and a member of his family on certain subscriptions entered during 1932. The examiner states that the making of over-allotments has been discontinued and it is assumed that subscriptions of directors, officers and employees of your bank are now being handled in accordance with the Board's circular letter X-7407 of April 12, 1933. The Federal Reserve Board feels very strongly, as stated in that circular letter, that subscriptions for government securities filed with the reserve bank by its directors, officers or employees should be handled in strict accordance with the Treasury instructions and in no case should receive more favorable treatment than should be accorded other subscriptions of the same class.

3/6/34

-5-

"The Board desires that the detailed information contained in this report be brought to the attention of the board of directors of your bank and that the Board be advised of any action which may be taken in connection therewith.

"The Board will also appreciate advice as to whether the recommendations of its examiner (Pages 45-48) made to the Auditor of your bank, in regard to auditing and operating functions, have been adopted."

Approved.

Letter to Honorable Carter Glass, United States Senator, reading as follows:

"Receipt is acknowledged of your letter of February 27 addressed to the Federal Reserve Board with which you inclosed a copy of bill S. 747, introduced in the Senate of the United States March 13 (calendar day, March 22), 1933, entitled 'A Bill To amend section 13 of the Federal Reserve Act by making notes of finance and credit companies subject to discount', for such recommendation as the Board might care to make in the premises.

"The Board has requested me to advise you that it does not favor the enactment of this bill.

"For your convenient reference in this connection you will find inclosed a copy of a letter dated April 21, 1933, from the Governor of the Federal Reserve Board to Senator Fletcher, and a copy of a letter dated April 27, 1933, from the Secretary of the Treasury to Senator Fletcher in response to his requests for reports on this bill."

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. 4.</u>		
The Bridgeport National Bank, Bridgeport, Ohio	132	132
<u>District No. 7.</u>		
The Citizens National Bank of Marshfield, Marshfield, Wisconsin	74	
Wisconsin National Bank in Watertown, Watertown, Wisconsin	<u>72</u>	146
<u>District No. 8.</u>		
The Union National Bank of New Albany, New Albany, Indiana	150	150

3/6/34

-6-

<u>Applications for ORIGINAL Stock: (Continued)</u>		<u>Shares</u>	
<u>District No. 9.</u>			
First National Bank in Mott, Mott, North Dakota	36		36
<u>District No. 10.</u>			
Chandler National Bank of Lyons, Lyons, Kansas	36		36
<u>District No. 12.</u>			
First National Bank in Santa Ana, Santa Ana, California	675		675
	<u>Total</u>		<u>1,175</u>
<u>Applications for ADDITIONAL Stock:</u>			
<u>District No. 7.</u>			
Commercial State Bank, Afton, Iowa	3		
Parish Bank & Trust Co., Mokenca, Illinois	<u>1</u>		4
<u>District No. 9.</u>			
First National Bank in Deer Creek, Deer Creek, Minnesota	1		1
	<u>Total</u>		<u>5</u>
<u>Applications for SURRENDER of Stock:</u>			
<u>District No. 1.</u>			
The Medomak National Bank of Waldoboro, Waldoboro, Maine	8		8
<u>District No. 2.</u>			
The Broad Street National Bank, Red Bank, New Jersey	180		
Marine Midland Trust Co., New York, New York	3,000		
Palisades National Bank of Fort Lee, Palisades, New Jersey	33		
First National Bank, Fairview, New Jersey	<u>68</u>		3,281
<u>District No. 3.</u>			
The First National Bank, Ambler, Pennsylvania	285		
First National Bank, Clifton Heights, Pennsylvania	<u>135</u>		420
<u>District No. 4.</u>			
The Farmers National Bank, Somerset, Pennsylvania	90		

3/6/34

-7-

<u>Applications for SURRENDER of Stock: (Continued)</u>		<u>Shares</u>
<u>District No. 4. (Continued)</u>		
First National Bank, Sykesville, Pennsylvania	39	
First National Bank, Stoyestown, Pennsylvania	<u>60</u>	189
<u>District No. 6.</u>		
The Citizens National Bank, Hammond, Louisiana	75	
Interstate Trust & Banking Co., New Orleans, Louisiana	<u>1,140</u>	1,215
<u>District No. 7.</u>		
City National Bank, Ridgefarm, Illinois	24	
The First National Bank, Hart, Michigan	69	
Mercantile Trust & Savings Bank of Chicago, Chicago, Illinois	120	
First National Bank, Monroe, Michigan	<u>108</u>	321
<u>District No. 9.</u>		
The Iron County National Bank of Crystal Falls, Crystal Falls, Michigan	90	90
<u>District No. 10.</u>		
Citizens-Farmers National Bank, Chickasha, Oklahoma	30	
The Grand Valley National Bank, Grand Junction, Colorado	90	
The First National Bank, Chickasha, Oklahoma	126	
First National Bank, Utica, Nebraska	<u>30</u>	276
<u>District No. 11.</u>		
The First National Bank, Edinburg, Texas	36	
First National Bank in Temple, Temple, Texas	90	126
	<u>Total</u>	<u>5,926</u>

Approved.

3/6/34

Thereupon the meeting adjourned.

Chester Morril
Secretary.

Approved:

E. R. Blach
Governor.